

Invitation to the Annual General Meeting of Zalando SE on May 24, 2023



zalando

Zalando SE

Berlin

ISIN DE000ZAL1111 (WKN ZAL111)

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Invitation to the annual general meeting

We hereby invite the shareholders of our company to the **annual general meeting** to be held on **Wednesday, May 24, 2023, at 10:00 hours (CEST)**.

The general meeting will be held as a virtual general meeting without the physical presence of the shareholders or their authorized representatives (with the exception of the proxies appointed by the company). Shareholders who have duly registered for the general meeting and their authorized representatives can connect to the entire general meeting by electronic means using the company's password-protected internet service (**AGM Portal**) accessible online at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

The voting rights of the duly registered shareholders shall be exercised – also where third parties are authorized – exclusively by way of absentee voting or by granting authorization and issuing instructions to the proxies appointed by the company. The shareholders are requested to also note the more detailed information following the presentation of the agenda with the proposed resolutions.

The venue of the general meeting within the meaning of the German Stock Corporation Act is the corporate headquarters of Zalando SE, Valeska-Gert-Strasse 5, 10243 Berlin. The physical presence of the shareholders and their authorized representatives (with the exception of the proxies appointed by the company) at the venue of the general meeting is not permitted.



I. Agenda

1. Presentation of the adopted annual financial statements and the approved consolidated financial statements for fiscal year 2022 together with the combined management report for Zalando SE and the Zalando group, the combined non-financial declaration 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 Sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch – HGB)*

The Supervisory Board has approved the annual financial statements and consolidated financial statements for fiscal year 2022 prepared by the Management Board on March 6, 2023. The annual financial statements are therefore adopted. No resolution of the general meeting is required for this agenda item 1. The documents on agenda item 1 are available on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> and will also be accessible there during the general meeting.

* The relevant provisions for stock corporations domiciled in Germany, in particular the provisions of the HGB and the German Stock Corporation Act (Aktengesetz – **AktG**), apply to the company due to the conflict-of-law rules set out in Art. 5, Art. 9(1) lit. c) ii), Art. 53 as well as Art. 61 of Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European company (SE) (**SER**) unless otherwise provided for by any more specific rules of the SER.

2. Appropriation of distributable profit

The Management Board and the Supervisory Board propose that the distributable profit of Zalando SE for the past fiscal year 2022 in the amount of EUR 413,374,327.15 be carried forward in full to new account.



3. Discharge of the Management Board of Zalando SE for fiscal year 2022

The Management Board and the Supervisory Board propose that discharge be granted for fiscal year 2022 to the company's Management Board members holding office during this period.


4. Discharge of the Supervisory Board of Zalando SE for fiscal year 2022

The Management Board and the Supervisory Board propose that discharge be granted for fiscal year 2022 to the company's Supervisory Board members holding office during this period.

5. Election of the auditor for the financial statements and the auditor for the consolidated financial statements as well as the auditor for the audit review

- a) Based on the recommendation of its audit committee, the Supervisory Board proposes that Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin Office, be appointed as auditor for the audit of the financial statements and of the consolidated financial statements for fiscal year 2023 and for a review of the condensed accounts and of the interim management report for the first six months of fiscal year 2023 and for a review, if applicable, of additional interim financial information within the meaning of Section 115 (7) of the German Securities Trading Act (Wertpapierhandelsgesetz – **WpHG**) in fiscal year 2023.
- b) Furthermore, based on the recommendation of its audit committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as auditor for a review, if applicable, of additional interim financial information within the meaning of Section 115 (7) WpHG in fiscal year 2024 until the next general meeting.

Under Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory



audit of public-interest entities and repealing Commission Decision 2005/909/EC (**EU Audit Regulation**), Zalando SE is required to change its auditor at certain time intervals. The recommendation of the audit committee on the proposed resolution under lit. b) was preceded by a selection procedure carried out in accordance with Art. 16 of the EU Audit Regulation. Following the selection procedure, the audit committee made a recommendation for the tendered audit mandate, stating its reasons, to the Supervisory Board, in which it recommended KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, and PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin, and communicated a reasoned preference for KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin.


The audit committee has declared that it has issued its recommendation free of any undue third-party influence and that it was not subject to any clauses restricting its choice as defined in Art. 16 (6) of the EU Audit Regulation.

It is intended that separate votes be taken on agenda items 5 lit. a) and 5 lit. b).

6. Approval of the remuneration report for fiscal year 2022

Pursuant to Section 162 AktG, the Management Board and the Supervisory Board are required to prepare, on an annual basis, a clear and understandable report on the remuneration granted or owed to the members of the management board and of the supervisory board in the past fiscal year and to submit it to the general meeting for approval in accordance with Section 120a (4) AktG.

The remuneration report prepared by the Management Board and the Supervisory Board for fiscal year 2022 was audited, in accordance with Section 162 (3) AktG, by the auditor of Zalando SE, i.e., Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin Office, as to whether the disclosures required pursuant to Section 162 (1) and (2) AktG have been made. In addition to the statutory requirements, the auditor also performed an audit of the content of the remuneration report with regard to the information required under Section 162 (1) and (2) AktG. The audit opinion on the remuneration report is attached to said report.



The Management Board and the Supervisory Board propose that the remuneration report of Zalando SE for fiscal year 2022 be approved.

The remuneration report for fiscal year 2022 and the auditor's audit opinion are reproduced in section II. "Remuneration report 2022".

It is also available on the company's website at

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> and will also be

accessible there during the general meeting.

7. Election of Supervisory Board members

The term of office of all shareholder representatives on the Supervisory Board will end upon the conclusion of the general meeting held on May 24, 2023. Therefore, an election is required.

Pursuant to (i) Art. 40 (2) and (3) SER, (ii) § 17 of the German SE Implementation Act (SE-Ausführungsgesetz – **SEAG**), (iii) § 21 (3) of the German SE Participation Act (SE-Beteiligungsgesetz – **SEBG**), (iv) the second section of the Agreement on the Participation of Employees in Zalando SE of March 17, 2014 (hereinafter referred to as **Participation Agreement**) 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.

The six shareholder representatives are elected by the general meeting in accordance with § 10 (2) sentence 1 of the company's Articles of Association.

In accordance with the recommendation of the nomination committee, the Supervisory Board proposes to elect the following persons, each for a period commencing from the conclusion of the general meeting held on May 24, 2023 until the conclusion of the general meeting that will resolve on the discharge for fiscal year 2024, as shareholder representatives to the Supervisory Board of Zalando SE:

- a) Kelly Bennett, Supervisory Board Member and Executive Advisor, resident in Amsterdam (the Netherlands);


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- b) Jennifer Hyman, CEO, Chairperson of the Board of Directors and Co-Founder at Rent the Runway, Inc., resident in New York City (USA);
 - c) Niklas Östberg, Chief Executive Officer and Co-Founder of Delivery Hero SE, resident in Zurich (Switzerland);
 - d) Anders Holch Povlsen, Chief Executive Officer of Bestseller A/S, resident in Viby (Denmark);
 - e) Mariella Röhm-Kottmann, Senior Vice President Finance at ZF Friedrichshafen AG, resident in Friedrichshafen (Germany);
 - f) Susanne Schröter-Crossan, Independent Advisor, resident in Krefeld (Germany).

It is intended that separate votes be taken on agenda items 7 lit. a) to 7 lit. f).

The nominations take into account the objectives adopted by the Supervisory Board regarding its composition in accordance with section C.1 of the German Corporate Governance Code (as amended on April 28, 2022, hereinafter referred to as the **German Corporate Governance Code**) and aim to comply with the competence profile defined by the Supervisory Board for the board as a whole. The objectives adopted by the Supervisory Board regarding its composition, the competence profile and the implementation status in the form of a qualification matrix are set out in the corporate governance statement for fiscal year 2022. This is available on the internet at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

It is intended that Kelly Bennett, in the event of his election at the general meeting, will be proposed as a candidate for the role of the chairperson of the Supervisory Board in connection with the constituent meeting of the new Supervisory Board.

Ms. Mariella Röhm-Kottmann, Ms. Susanne Schröter-Crossan and Mr. Matti Ahtiainen particularly have expertise in the field of accounting for the purposes of Section 100 (5) AktG. Ms. Mariella Röhm-Kottmann and Ms. Susanne Schröter-Crossan particularly have expertise in the field of auditing for the purposes of Section 100 (5) AktG.




Ms. Mariella Röhm-Kottmann holds a degree in Economic Engineering (*Diplom-Wirtschaftsingenieurin*), has passed the certified German chartered accountant (*Wirtschaftsprüfer*) as well as the tax advisor (*Steuerberater*) exam and has many years of professional experience as an audit partner of a Big4 Audit Company. In her current position as Senior Vice President Finance at ZF Friedrichshafen AG, she is responsible in particular for external and internal accounting, ESG reporting, the risk management and internal control system as well as global shared services for the entire group and is therefore regularly involved in a high variety of accounting and auditing topics.

Ms. Susanne Schröter-Crossan holds a degree in Business Administration (*Diplom-Kauffrau*). Between July 2020 and March 2023, Ms. Susanne Schröter-Crossan has been Chief Financial Officer of LEG Immobilien SE, where she has been responsible for Investor Relations, Finance & Controlling, Portfolio Management and Accounting & Taxes. Ms. Susanne Schröter-Crossan is a member of the Supervisory Board of HelloFresh SE since May 2021, where she is a member of the Audit Committee. In these positions, she is regularly involved in a high variety of accounting and auditing topics.

Mr. Matti Ahtiainen started his professional career as an accountant after graduating from the Helsinki School of Economics. In recent years, Matti Ahtiainen has held positions of responsibility in the finance department at various companies, where he has gained specialist knowledge and experience in the application of accounting principles and in internal controlling and risk management systems. Mr. Matti Ahtiainen is an employee representative on the Supervisory Board.

Supplementary information on agenda item 7 pursuant to section C.13 of the German Corporate Governance Code

Mr. Anders Holch Povlsen is the Chief Executive Officer of Bestseller A/S. He holds, indirectly through the Bestseller group, more than 10% of the voting shares in Zalando SE and is therefore a shareholder holding a material interest in the company for the purposes of section C.13 of the German Corporate Governance Code. The Bestseller group also has trade and supply relationships with Zalando SE.




Further information on the candidates, including details of their membership on other statutory supervisory boards and comparable domestic and foreign supervisory bodies, follows the agenda under section III. “Supplementary information on agenda item 7” and will – as well as a qualification matrix with information on the proposed candidates – be available on the internet at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> from the date the general meeting is convened.

8. Resolution on the amendment of § 15 (1) of Zalando SE's Articles of Association (Compensation) to adjust the remuneration of Supervisory Board members and resolution on the remuneration system for Supervisory Board members

The remuneration currently applicable to the Supervisory Board members stipulated in § 15 of the company's Articles of Association was adopted at the annual general meeting of May 19, 2021. The system on which this remuneration is based was approved at the annual general meeting of May 19, 2021 in accordance with Section 113 (3) AktG.

Since then, with increasing levels of professionalization on supervisory boards and increasing time commitments for work on such boards, the demands of this role have also increased. Fair and reasonable remuneration is an important factor when competing for outstanding individuals for the Supervisory Board.

After a thorough review, the Management Board and Supervisory Board have come to the conclusion that the existing remuneration arrangements for the chairperson of the Supervisory Board, the chairperson of the audit committee and the members of the audit committee are no longer in line with the market and are no longer commensurate with the work of the chairperson of the Supervisory Board, the chairperson of the audit committee and the members of the audit committee and with Zalando SE's current situation. Against this background and taking account of the Supervisory Board remuneration paid at similar companies, the remuneration for the chairperson of the Supervisory Board, the chairperson of the audit committee and the members of the audit committee shall be increased in order to



maintain competitiveness. This is also intended to take into account the recommendation contained in the German Corporate Governance Code, according to which the additional time required for special functions on the Supervisory Board should be appropriately taken into account in the remuneration.

Based on the system for the remuneration of the members of the Supervisory Board pursuant to lit. a) below, the current provision in § 15 (1) of the company's Articles of Association shall be reworded. The following amendment to § 15 (1) of the company's Articles of Association shall apply after its entry into force for the first time – for fiscal year 2023 on a pro rata basis – from the beginning of May 24, 2023. The proposed system for the remuneration of Supervisory Board members is also available at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.


The Management Board and Supervisory Board propose the following resolution:

a) System for the remuneration of Supervisory Board members

The system for the remuneration of Supervisory Board members is based on the legal requirements and takes into account the recommendations and suggestions of the German Corporate Governance Code.

The remuneration of the members of the Supervisory Board should be balanced overall and commensurate with the responsibilities and tasks of the members of the Supervisory Board and the situation of the company, taking into account the remuneration arrangements of other large-listed companies. At the same time, fair and reasonable remuneration plays an important role in competing for outstanding individuals to be appointed to the Supervisory Board and thus in obtaining the best possible supervision of and advice for the Management Board. These factors in turn are a prerequisite for the long-term success of the company.

The members of the Supervisory Board shall continue to receive a purely function-related fixed remuneration in accordance with section G.18 of the German Corporate Governance Code. No performance-related remuneration or financial or non-financial performance criteria are




provided for. This best reflects the independent supervisory and advisory function of the Supervisory Board, which is not geared to short-term corporate success but to the long-term development of the company. Generally, the extent of the workload and liability risk of the members of the Supervisory Board does not develop in parallel with the business success of the company or the earnings situation of the company. Rather, it is precisely in economically difficult times, when variable remuneration components generally decline, that the members of the Supervisory Board need to perform their advisory and supervisory function particularly intensively.

The fixed annual remuneration shall be EUR 200,000.00 (previously EUR 180,000.00) for the chairperson of the Supervisory Board, and shall continue to be EUR 135,000.00 for the deputy chairperson of the Supervisory Board and EUR 90,000.00 for every other member of the Supervisory Board. For their work on the audit committee, members of the Supervisory Board shall receive an additional fixed annual remuneration of EUR 20,000.00 (previously EUR 10,000.00). The chairperson of the audit committee shall receive an additional fixed annual remuneration of EUR 65,000.00 (previously EUR 50,000.00).

The relevant amount of the fixed remuneration takes into account the specific function and responsibility of the members of the Supervisory Board. In particular, in accordance with section G.17 of the German Corporate Governance Code, the higher time and work commitment of the chairperson and the deputy chairperson of the Supervisory Board as well as of the chairperson and the members of the audit committee is also appropriately taken into account through a corresponding additional remuneration. Attendance fees will continue not to be paid.

Supervisory Board members who are members of the Supervisory Board or the audit committee or hold the office of the chairperson or deputy chairperson of the Supervisory Board or of the chairperson of the audit committee for part of a fiscal year only, receive a corresponding proportionate remuneration. The remuneration falls due at the end of the fiscal year for which the remuneration is payable.

In addition to the function-related fixed remuneration, the members of the Supervisory Board shall continue to be reimbursed for their reasonable out-of-pocket expenses incurred in the performance of




the Supervisory Board mandate as well as any value added tax payable on their remuneration and expenses. Furthermore, the members of the Supervisory Board shall be included in a D&O liability insurance policy for board members maintained by the company in the company's interests that will provide reasonable coverage against financial losses. The premiums for this insurance policy shall be paid by the company. The general meeting determines the remuneration of the members of the Supervisory Board upon proposal of the Management Board and the Supervisory Board in the Articles of Association or by resolution. Currently, the remuneration is determined in the Articles of Association.

The general meeting resolves on the remuneration of the members of the Supervisory Board at least every four years. A resolution confirming the existing remuneration is also permissible in this respect. Should the general meeting not confirm the remuneration system submitted to a vote, a revised remuneration system will be submitted at the next annual general meeting at the latest. In preparation for the resolution of the general meeting, the Management Board and the Supervisory Board each review whether the remuneration, in particular with regard to its amount and structure, continues to be in the interest of Zalando SE and is in an appropriate relationship to the tasks of the members of the Supervisory Board and the situation of the company. The Supervisory Board may also carry out a horizontal market comparison for this purpose. In doing so, the Supervisory Board may seek advice from an external remuneration expert. If necessary, the Management Board and the Supervisory Board will propose an appropriate adjustment of the remuneration to the general meeting.

Such resolution proposals to the general meeting are submitted by both the Management Board and the Supervisory Board in accordance with the statutory division of competences in order to enable a mutual control between the two boards.

- b) § 15 (1) of the company's Articles of Association is amended to read as follows:

“The members of the Supervisory Board shall receive a fixed annual remuneration of EUR 90,000.00 (in words: ninety thousand euros). Notwithstanding sentence 1, the chairperson of the Supervisory Board shall receive a fixed annual remuneration of EUR 200,000.00 (in words:




two hundred thousand euros) and the deputy chairperson of the Supervisory Board shall receive a fixed annual remuneration of EUR 135,000.00 (in words: one hundred thirty-five thousand euros). Supervisory Board members acting as members of the audit committee shall receive an additional annual remuneration of EUR 20,000.00 (in words: twenty thousand euros). Notwithstanding sentence 3, the chairperson of the audit committee shall receive an additional annual remuneration of EUR 65,000.00 (in words: sixty-five thousand euros).”

- c) The remainder of § 15 of the company’s Articles of Association shall remain unaffected.
- d) The foregoing amendment to § 15 (1) of the company’s Articles of Association shall apply after its entry into force for the first time – for fiscal year 2023 on a pro rata basis – from the beginning of May 24, 2023.

9. Resolution on the amendment of Zalando SE’s Articles of Association to add a new § 16a (virtual general meeting) and on the amendment of § 17 (6) of the Articles of Association

Under Article 2 of the Act on the Introduction of Virtual General Meetings of Stock Corporations and on the Amendment of Co-operative and Insolvency and Restructuring Law Provisions (BGBl. I 2022, p. 1166 et seq.) a new Section 118a was inserted into the German Stock Corporation Act (AktG). This is intended to enable virtual general meetings to be held on a permanent basis, even after the expiry of the special legislation as a result of the COVID-19 pandemic.

This requires an amendment to the relevant company’s articles of association, which provides for the option of holding a virtual general meeting for a maximum of five years. Pursuant to Section 118a (1) sentence 1 AktG, the relevant company’s articles of association may either make provision (alternative 1) or authorize the management board to make provision (alternative 2) that a general meeting be held without the physical presence of the shareholders or their authorized representatives at the venue of the general meeting.



The Management Board and the Supervisory Board are of the opinion that the virtual format for the general meeting as such has proven to be beneficial in recent years and that it makes sense to at least create the option of holding general meetings virtually in the future. It is therefore proposed that a resolution be passed authorizing the Management Board for the purposes of Section 118a (1) sentence 1 alternative 2 AktG, without availing of the maximum possible term of five years provided for by law. Instead, the resolution will only provide for the authorization to hold virtual general meetings for a period of two years. It shall be decided separately in each case, taking into account the circumstances of the individual case, whether to avail of the authorization and to hold a general meeting as a virtual general meeting. The Management Board will make its decisions with due regard for the interests of the company and its shareholders, and in doing so will pay particular attention to safeguarding shareholder rights and ESG concerns, any health and safety considerations for attendees, and the time, resources and costs involved.

In addition, an editorial amendment is intended to clarify that the previous provision in § 17 (6) of the company's Articles of Association, which states that the Management Board may also allow for shareholders' rights to be exercised by means of electronic communication in the context of a general meeting in person, shall remain unchanged.

The Management Board and the Supervisory Board propose the following resolution:

- a) The following § 16a of the company's Articles of Association shall be inserted after § 16 of the Articles of Association:

“§ 16a Virtual general meeting

The Management Board is authorized to make provision for a general meeting to be held without the physical presence of the shareholders or their authorized representative at the venue of the general meeting (virtual general meeting). The above authorization shall be for a limited period only and shall apply to general meetings held within two years of the registration of this provision of the Articles of Association in the commercial register (Handelsregister). The authorization may be extended

or renewed (on more than one occasion) by a corresponding resolution at the general meeting.”



- b) § 17 (6) of the company’s Articles of Association is amended to read as follows:

“The Management Board is authorized to provide that shareholders may participate in the general meeting, that is not being held as a virtual general meeting in accordance with § 16a of these Articles of Association, without being present in person at the venue of the general meeting or being represented and may exercise all or specific shareholders’ rights in total or in part by electronic communication (online participation). The Management Board is also authorized to determine the scope and the procedure of the participation and exercising of rights according to sentence 1.”

10. Resolution on the addition of a new § 19 (3) to Zalando SE’s Articles of Association

In principle, the members of the Supervisory Board attend the general meeting in person. However, pursuant to Section 118 (3) sentence 2 AktG, the Articles of Association may provide for certain cases in which members of the Supervisory Board may participate in a general meeting by means of audiovisual transmission. Under § 19 (2) of the company’s current Articles of Association, members of the Supervisory Board may exceptionally be allowed to participate in the general meeting by means of audiovisual transmission where such members cannot attend due to other business commitments or would be required to make a time-consuming and costly trip to the venue of the general meeting. If a virtual general meeting is held, the participation of Supervisory Board members shall generally be permitted by means of audiovisual transmission, even if a case as stated above does not exist. The experience already gained by the Management Board and Supervisory Board in holding virtual general meetings in the years 2020 to 2022 has shown that the digital participation of Supervisory Board members does not result in any disadvantages for the company or its shareholders.

The Management Board and the Supervisory Board propose the following resolution:

The following paragraph 3 is to be added to § 19 of the company's Articles of Association:

“The members of the Supervisory Board, with the exception of the chairperson of the general meeting and where a deputy has also been appointed or elected, then also excluding this deputy, shall be permitted to participate in the virtual general meeting in accordance with § 16a of the Articles of Association by means of audiovisual transmission even where a case under § 19 (2) above does not apply.”

II. Remuneration report 2022


The remuneration report describes the features of the remuneration system and remuneration for individual current and former members of the Management Board and the Supervisory Board of Zalando for the fiscal year 2022 in accordance with Section 162 AktG (German Stock Corporation Act) and the recommendations of the German Corporate Governance Code.

1. Introduction

Zalando is always evolving and thrives on entrepreneurial spirit. Our ambition has led to remarkable growth and value creation that have taken the company from a startup to the stock exchange in near record time. DAX-listed and founder-led, Zalando's story is still at the beginning, and we are continuing to pursue our vision to be the starting point for fashion.

Our progress continues to be driven by the distinctive qualities that have differentiated our approach from the beginning: customer focus, entrepreneurship, speed and empowerment. Established as our Founding Mindset, these qualities have been and will continue to be the critical ingredient in our long-term success and achievement of our goal to reimagine fashion for the good of all.

Our Founding Mindset defines who we are and sets us apart from the competition. Our entrepreneurial spirit means we remain dissatisfied with



the status quo but we know that, ultimately, sustainable progress at scale depends on all Zalandos acting like owners – from our founders to new joiners. Whether at Zalando for ten years or ten days, we want all Zalandos to feel like entrepreneurs – to be proud of the company’s progress and to feel they share in its success. Entrepreneurship is at the core of how we think about working together, how we innovate for our customers and partners, and how we compensate employees for the time and energy they dedicate to the company.

These qualities helped us in 2022, when we and the wider industry were confronted with new and fast-moving challenges. The war in Ukraine has caused immense suffering and added to geopolitical tensions the world over. A rapid rise in inflation with significant increases in energy and logistics costs have meant consumers had less disposable income. Supply-chain bottle-necks and a shift in global trade led to a volatile trading environment. Faster-than-expected tightening of monetary policy roiled stock markets.

While this also impacted our share price and financial results Zalando successfully adapted to the new environment. We made great efforts to protect profitability from a volatile trading environment and macro-economic headwinds. This approach will be supported by a refined remuneration for management board members that are appointed from 2023 onwards and will include adjusted EBIT margin as an extra financial key performance indicator (KPI).

2. Background

Our success story is deeply rooted in our culture and drive for innovation which we attribute in no small part to Zalando continuing to be founder-led by Robert Gentz and David Schneider as Co-CEOs.

Our Co-CEOs have a relevant stake in Zalando of 5.14%, underlining their strong continuous commitment to Zalando’s long-term health and success. And across all levels of the organization, we want employees to share Our Founding Mindset and commitment by owning a stake in Zalando’s future. This is enabled either through stock options as part of compensation packages or through our employee participation program, which is widely adopted among Zalando employees.



The Supervisory Board considers the remuneration framework a crucial element that supports and nurtures Our Founding Mindset in senior management and connects it closely to our corporate strategy and growth ambitions. The remuneration framework ties the long-term financial success of the members of the Management Board closely to the long-term success of Zalando.

Over the years, Zalando has grown at a rapid pace, and the remuneration frameworks have always reflected the stage of development of the company at each moment in time. As a result, some remuneration components of our former Management Board member Rubin Ritter settled in 2022 date back to share-based compensation plans from 2013. In 2013 Zalando had about EUR 1.7bn in revenue and option strike prices in our compensation plans were considerably higher than in the two prior years when we were still loss making.

It is also important to note that the entrepreneurial risk and return profile remains reflected in all remuneration systems. For example, the challenging macroeconomic developments in 2022 had an impact on share based compensation. But we still believe that share-based compensation was and remains an important incentive to support the future success of the company and over the years, we refined our remuneration frameworks further.

In 2021, the annual general meeting approved the current remuneration system reflecting the next step in the evolution of our compensation framework commensurate with the stage of our development. The current remuneration system is closely linked to the progress of our platform strategy, profitable growth ambitions and ESG targets – with a strong focus on shareholder value creation.

And from 2023 onwards, adjusted EBIT margin will be added as an extra financial KPI in line with the current remuneration system. This way, the performance of the Management Board is also measured by whether it contributes to increasing our profitability in the long-term in line with our overall strategy.



3. Changes in the composition of the Management Board and Supervisory Board during 2022

In the fiscal year 2022, Robert Gentz and David Schneider continued to lead our company as Co-CEOs. Dr. Astrid Arndt (CPO), Jim Freeman (CBPO) and David Schröder also continued to be members of the Management Board during the reporting period. When Dr. Sandra Dembeck newly joined our Management Board as of March 1, 2022, she took over the position as CFO from David Schröder who became the company's COO.

The composition of our Supervisory Board remained unchanged during the fiscal year 2022.

4. Management Board remuneration

Procedure for determining the remuneration system for the Management Board

The remuneration system for the Management Board of Zalando is resolved by the Supervisory Board in accordance with Section 87a (1) AktG. The Supervisory Board is supported in this by its remuneration committee. The remuneration committee develops recommendations for the remuneration system for the members of the Management Board, taking into account our long-term strategy, design principles, the legal requirements, the requirements of the German Corporate Governance Code as well as feedback and recommendations from investors and proxy advisors and submits them to the entire Supervisory Board for discussion and resolution.

In order to assess whether the remuneration of the individual members of the Management Board is in line with market practice, the Supervisory Board benchmarks it with the remuneration paid to the management boards of a group of comparable companies to be determined by the Supervisory Board, taking into account the market position (including market capitalization, revenue, industry, size and country) and the overall financial position of the respective company. In addition, the Supervisory Board considers the level of remuneration of the members of the

Management Board in relation to the remuneration structure within the company.



As a matter of principle, the Supervisory Board and its remuneration committee consult external experts to develop the remuneration system and to assess the appropriateness of the remuneration – which has also been applied for the development and assessment of the appropriateness of the remuneration system 2021. The remuneration expert is rotated from time to time and when consulting an external remuneration expert, the Supervisory Board ensures that the remuneration expert is independent of the Management Board and the company.

The remuneration system is submitted to the general meeting for approval in the case of any material change, but at least every four years. If the general meeting does not approve the remuneration system, a reviewed remuneration system will be submitted for approval at the latest at the following annual general meeting. The remuneration system is regularly reviewed by the Supervisory Board, supported by its remuneration committee.

Throughout the process of determining, implementing and reviewing the remuneration system, the requirements of the AktG and the Supervisory Board's rules of procedure as well as the recommendations of the German Corporate Governance Code on the avoidance and handling of conflicts of interest are carefully respected.

Current remuneration system for the Management Board (“remuneration system 2021”)

The current remuneration system for the Management Board has been approved by the company's annual general meeting on May 19, 2021, and came into effect as of June 1, 2021 (the “remuneration system 2021”).

The remuneration system 2021 follows our remuneration philosophy of tying entrepreneurial culture, strategy progression and growth ambitions together in a competitive remuneration framework. It applies for members of the Management Board who are newly appointed or whose existing appointments were renewed after June 1, 2021. The Supervisory Board fully applied the remuneration system 2021 to the service agreements of



Dr. Astrid Arndt, who was newly appointed to the Management Board on April 1, 2021, and to Dr. Sandra Dembeck, who joined the Management Board on March 1, 2022, as Chief Financial Officer. It has also been applied at the reappointment of the Management Board member David Schröder to his service agreement for the new tenure starting as of April 1, 2023 and expiring on March 30, 2027.

Guiding principles

For the design and development of the remuneration system 2021 the Supervisory Board applied guiding principles to create an incentive for results-oriented and sustainable corporate management that fully aligns with the strategy and the long-term success of Zalando. The Supervisory Board's objective is to offer the members of the Management Board a competitive remuneration package that allows us to attract the best global candidates for a position on our Management Board and retain the existing members of the Management Board, including the Co-Founders and Co-CEOs. At the same time, the Supervisory Board seeks to maintain sufficient flexibility to react to structural changes and different market conditions.

Despite the changed macroeconomic circumstances since the creation of the remuneration system 2021 we still believe that it contributes significantly to the execution and promotion of the business strategy, as well as the long-term and sustainable development of the Zalando group. In our view it ensures remuneration that is appropriate and at market standard for the members of the Management Board, in order to attract and retain the talent required to achieve our strategic ambitions. Remuneration is based on performance targets and considers in our opinion appropriately the performance of each member of the Management Board. In this context, we believe that actions of the members of the Management Board are oriented towards the interests of shareholders, resulting e.g. in no or considerably lower payouts of variable compensation in the case of a declining share price or moderate payouts in the case of moderate share price increases. The fixed integration of Environmental, Social and Governance (ESG) targets into the remuneration structure encourages sustainable and future-oriented action. Such targets are deeply rooted in our sustainability (do.MORE) as well as diversity and inclusion (do.BETTER) strategies and can lower the number of LTI shares or options by up to 20 percentage points if targets are not achieved. The overall structure is further designed to promote an



entrepreneurial culture of ownership and risk-taking in the Management Board and across the company. The system, however, allows for flexibility to tap into a wide talent market.


Business strategy	Promotion of the business strategy as well as the long-term and sustainable development of ZALANDO SE and the Zalando group
Appropriate and market standard remuneration	Ensuring an appropriate and market standard remuneration for the members of the Management Board to allow the Company to attract, incentivize and retain the specific type of talent and leadership required for its strategic ambitions
Ambitious performance targets	Definition of ambitious performance targets and appropriate consideration of the performance of the members of the Management Board (pay for performance)
Focus on shareholder value creation	Orientation of the actions of the members of the Management Board towards the interest of the shareholders
Linked to ESG criteria	Consideration of sustainability and environmental social governance (ESG) aspects to ensure social and future-oriented action
Entrepreneurial culture	Promotion of entrepreneurial culture

Investor and proxy advisor feedback

The remuneration system 2021 was set up with the support of market-leading compensation experts and takes into account the feedback of investors and proxy advisors.

Its design ensures strong alignment between remuneration and communicated strategy targets, appropriate remuneration levels reflecting market standards for all Management Board members, performance targets that do not reward failure, malus and clawback rules and incentives to over-achieve targets.

We do not believe in short-term oriented compensation but we follow the philosophy that compensation should be tied to the long-term success of the company. Against this backdrop, the Supervisory Board decided against the introduction of a traditional Short-Term Incentive (STI) as a variable remuneration component and instead adhered to the Zalando Ownership Plan (ZOP) as one variable remuneration component, despite the absence of performance criteria. We remain convinced that the ZOP is a better fit than any other short-term oriented compensation element and strengthens the philosophy of all senior leadership levels across Zalando acting as one team, given the ZOP already applies to all leadership levels. We continue to believe the ZOP provides, inter alia, an equity incentive comparable to what many international talents are accustomed to – enabling Zalando to recruit the best talent for the



company. While both ZOP options and ZOP shares vest immediately with grant, the options have a waiting period of two years.

The remuneration system 2021 was passed by the annual general meeting 2021 with 72.27% of the votes. Following the annual general meeting 2021, the Supervisory Board considered the criticism of the remuneration system 2021, mainly due to the lack of a traditional Short-Term Incentive linked to a performance criterion. It nevertheless decided not to amend the remuneration system 2021 and to keep the ZOP as part of the variable remuneration.

As outlined above we do not believe in short-term oriented compensation and support the alignment of Management Board and wider leadership levels through the uniform application of the ZOP.

The remuneration report for the fiscal year 2021 was approved by the annual general meeting 2022 with 60.28% of the votes cast. As it follows from the investor feedback we received, the shareholder approval rate does primarily relate to the content and not the formal quality including clarity and comprehensibility of the remuneration report.

The Supervisory Board will keep taking the shareholder feedback into account when further developing the remuneration system going forward.


Current remuneration system 2021

At a glance

The current remuneration system 2021 consists of a fixed base salary, customary fringe benefits, and two variable remuneration components: the Zalando Ownership Plan (ZOP) and a Long-Term Incentive program (LTI).

The ZOP is based on a variable incentive plan which has been in place since 2019 for all of our leaders and has been introduced to the remuneration system for the members of the Management Board to promote the alignment of the remuneration of the members of the Management Board with the Zalando's overall remuneration philosophy.

The LTI is a performance-related remuneration component which is linked to our strategic financial performance targets and, through the



introduction of an ESG modifier, its sustainable development. For each performance period, the Supervisory Board defines measurable, and transparent ESG targets on the basis of our ESG strategy. In selecting the specific ESG targets, the Supervisory Board pays particular attention to relevance and measurability of the targets based on the underlying ESG strategy which is subject to continuous evolution.

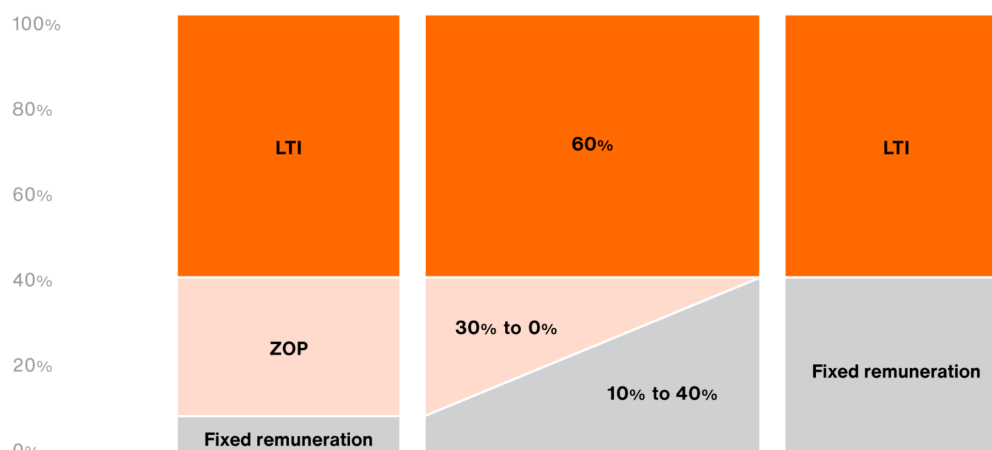
At the re-appointment of David Schröder as Management Board member for a four years' term starting after the end of his tenure, on April 1, 2023, the Supervisory Board has decided to add profitability (adjusted EBIT margin) as second financial performance target next to growth (GMV) in the respective service agreement. This decision in line with the remuneration system 2021 and our long-term strategy was taken to even further incentivize the Management Board to achieve profitable growth of Zalando's business.

The amount of the variable remuneration of the members of the Management Board under both variable remuneration components is directly tied to the development of our share price, thereby linking the interests of the members of the Management Board with those of the shareholders. The fixed integration of ESG targets into the remuneration structure encourages sustainable and future-oriented action for Zalando.

The LTI is 60% of the total target remuneration for members of the Management Board. The remaining 40% can be designed flexibly, depending on personal circumstances and preferences: A minimum of 10% and a maximum of 40% of the target total compensation is represented by the fixed base salary. Consequently, the ZOP makes up between 0% and 30% of target total compensation, traded-off with the fixed base salary.



Composition as % of target total remuneration




We believe the remuneration system 2021 for the members of the Management Board is clear and comprehensible. It complies with the requirements of Section 87a AktG and with the recommendations of the German Corporate Governance Code with the exception of the disclosed deviation from the recommendation in G.7 of the German Corporate Governance Code.

Maximum remuneration

In the remuneration system 2021, the Supervisory Board has determined a maximum remuneration in accordance with Section 87a (1) Sentence 2 No. 1 AktG. The total maximum remuneration for one fiscal year considers all remuneration components received for such fiscal year (in particular the fixed annual salary, the fringe benefits, the inflow value under the ZOP as well as the pro rata inflow value under the LTI), regardless of whether the payout occurs in this fiscal year or at a later date.

The maximum remuneration for one fiscal year is based on the pro rata inflow value for the LTI after the expiry of the four-year waiting period for each fiscal year and the respective maximum limits for variable remuneration – amounting to EUR 15.75m for a CEO and to EUR 10.5m for ordinary members of the Management Board.

In addition to the total maximum remuneration in accordance with Section 87a (1) Sentence 2 No. 1 AktG, the settlement values of the variable remuneration components provided for under the remuneration



system 2021 (LTI 2021, LTI 2021/2022, ZOP 2021) are capped at a maximum amount per option (see for details 5. Long-Term Incentive 2021/2022 (LTI 2021/2022), applicable to Dr. Astrid Arndt and Dr. Sandra Dembeck). The total maximum remuneration is also applicable for David Schröder for his tenure starting April 1, 2023. Besides that, the service agreements of the members of the Management Board provide for a cap on fringe benefits in the amount of EUR 25,000 to EUR 30,000 gross per year.

Malus and clawback regulations

In the case of a willful or grossly negligent serious breach of the obligations pursuant to Section 93 AktG or internal compliance policies and behavioral guidelines or severe compliance infringements by a member of the Management Board, the Supervisory Board may, at its sole discretion, retain in whole or in part variable remuneration that has not been paid out (malus).

In such a case, the Supervisory Board may further, at its sole discretion, reclaim in whole or in part variable remuneration that has already been paid out (clawback). Further, the Supervisory Board has the possibility to reclaim variable remuneration in the case of an undue payout based on incorrect information.

Overview of Management Board remuneration in 2022

Expenses in 2022

The following table shows the total expenses recognized in 2022 for the fixed remuneration of the Management Board within the consolidated income statement of the group. For multi-year variable share-based payment plans the table also shows the expenses in accordance with IFRS 2 as this best represents the allocation of the multi-year remuneration components over the period these are earned. Within other expenses the table includes the sign-on bonus for Dr. Sandra Dembeck and also includes expenses recognized to indemnify Jim Freeman for negative tax consequences under Section 409A of the U.S. Internal Revenue Code.

Expenses recognized for the members of the Management Board



	Robert Gentz, Co-CEO		David Schneider, Co-CEO	
IN EUR	2022	2021	2022	2021
Fixed remuneration	78,385	78,045	78,389	78,305
Equity-settled share-based payment transactions (IFRS 2 expenses)	1,755,712	2,886,568	1,755,712	2,886,568
Other expenses	–	–	–	–
Total expenses	1,834,097	2,964,613	1,834,100	2,964,873

	Rubin Ritter, Co-CEO (until June 1, 2021)		Dr. Sandra Dembeck, CFO (since March 1, 2022)	
IN EUR	2022	2021	2022	2021
Fixed remuneration	–	37,983	497,117	–
Equity-settled share-based payment transactions (IFRS 2 expenses)	–	1,327,365	1,334,741	–
Other expenses	–	–	500,000	–
Total expenses	–	1,365,348	2,331,857	–

	David Schröder, COO		Dr. Astrid Arndt, CPO (since April 1, 2021)	
IN EUR	2022	2021	2022	2021
Fixed remuneration	519,012	520,739	503,339	381,250
Equity-settled share-based payment transactions (IFRS 2 expenses)	465,952	996,936	1,543,819	1,509,603
Other expenses	–	–	–	–
Total expenses	984,963	1,517,675	2,047,158	1,890,853

	Jim Freeman, CBPO	
IN EUR	2022	2021
Fixed remuneration	820,266	821,674
Equity-settled share-based payment transactions (IFRS 2 expenses)	977,702	2,175,860
Other expenses	288,035	–
Total expenses	2,086,004	2,997,534



Remuneration awarded and due in 2022 (Section 162 (1)

Sentence 1 AktG)

The table below shows the remuneration awarded and due (gewährte und geschuldete Vergütung) to the current and former members of the Management Board during their term of appointment in the corresponding fiscal year, including their relative share in accordance with Section 162 (1) Sentence 2 No. 1 AktG. The remuneration includes all amounts actually received (gewährte Vergütung) as well as all amounts legally due but not yet received (geschuldete Vergütung). This includes the annual fixed compensation and fringe benefits paid out in the fiscal year 2022 (and 2021 respectively), remuneration received for variable remuneration components, particularly for virtual options exercised in the fiscal year 2022 (and 2021 respectively) as well as payments received in the fiscal year 2022 (and 2021 respectively) with respect to tax indemnifications and one time payments (sign-on bonus).

In addition to the remuneration awarded and due – and in accordance with practice in prior years – the table also includes remuneration resulting from the exercise of stock options in the fiscal year 2022 (and 2021 respectively).



Remuneration of the members of the Management Board

	Robert Gentz, Co-CEO		David Schneider, Co-CEO	
IN EUR	2022	2021	2022	2021
Fixed remuneration				
Base salary	65,000	65,000	65,000	65,000
Fringe benefits	13,385	13,045	13,389	13,305
Total fixed	78,385	78,045	78,389	78,305
Variable remuneration				
One-year variable***	–	–	–	–
Multi-year variable				
VSOP 2018	–	–	–	–
LTI 2018**	–	–	–	–
LTI 2019	–	–	–	–
409A tax indemnification	–	–	–	–
Total variable	–	–	–	–
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	78,385	78,045	78,389	78,305
Proportion of fixed remuneration*	100,0%	100,0%	100,0%	100,0%
Proportion of variable remuneration*	–	–	–	–
Remuneration from exercise of stock options				
SOP 2011	–	–	–	–
SOP 2013	–	45,380,914	–	45,380,914
Total remuneration	78,385	45,458,959	78,389	45,459,219



	Rubin Ritter, Co-CEO (until June 1, 2021)		Dr. Sandra Dembeck, CFO (since March 1, 2022)	
IN EUR	2022	2021	2022	2021
Fixed remuneration				
Base salary	—	27,264	479,167	—
Fringe benefits	—	10,719	17,950	—
Total fixed	—	37,983	497,117	—
Variable remuneration				
One-year variable***	—	—	500,000	—
Multi-year variable				
VSOP 2018	—	—	—	—
LTI 2018**	—	—	—	—
LTI 2019	—	—	—	—
409A tax indemnification	—	—	—	—
Total variable	—	—	500,000	—
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	—	37,983	997,117	—
Proportion of fixed remuneration*	—	100,0%	49,9%	—
Proportion of variable remuneration*	—	—	50,1%	—
Remuneration from exercise of stock options				
SOP 2011	—	6,029,628	—	—
SOP 2013	—	36,442,552	—	—
Total remuneration	—	42,510,163	997,117	—



	David Schröder, CFO		Dr. Astrid Arndt, CPO (since April 1, 2021)	
IN EUR	2022	2021	2022	2021
Fixed remuneration				
Base salary	500,000	500,000	480,847	360,693
Fringe benefits	19,012	20,739	22,492	20,557
Total fixed	519,012	520,739	503,339	381,250
Variable remuneration				
One-year variable***	–	–	–	–
Multi-year variable				
VSOP 2018	–	–	–	–
LTI 2018**	–	–	–	–
LTI 2019	–	13,892,943	–	–
409A tax indemnification	–	–	–	–
Total variable	–	13,892,943	–	–
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	519,012	14,413,682	503,339	381,250
Proportion of fixed remuneration*	100,0%	3,6%	100,0%	100,0%
Proportion of variable remuneration*	–	96,4%	–	–
Remuneration from exercise of stock options				
SOP 2011	–	–	–	–
SOP 2013	–	–	–	–
Total remuneration	519,012	14,413,682	503,339	381,250

Jim Freeman, CBPO

IN EUR	2022	2021
Fixed remuneration		
Base salary	800,000	800,000
Fringe benefits	20,266	21,674
Total fixed	820,266	821,674
Variable remuneration		
One-year variable***	–	–
Multi-year variable		
VSOP 2018	227,306	6,060,444
LTI 2018**	–	–
LTI 2019	2,197,470	5 477,604
409A tax indemnification	2,398,232	503,000
Total variable	4,823,008	12,041,048
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	5,643,274	12,862,722
Proportion of fixed remuneration*	14,5%	6,4%
Proportion of variable remuneration*	85,5%	93,6%
Remuneration from exercise of stock options		
SOP 2011	–	–
SOP 2013	–	–
Total remuneration	5,643,274	12,862,722


- *) The proportion of fixed and variable remuneration in relation to the total remuneration does not reflect the relative proportions indicated in the remuneration system 2021 as the latter are based on the total target remuneration for a fiscal year, whereas the fixed and variable remuneration entitlements (awarded and due) as reflected in this table result from different remuneration periods and partially also from remuneration components as agreed and applicable prior to the remuneration system 2021.
- **) For a total of 2,796,949 options granted under LTI 2018, of which each 973,983 options were granted to Robert Gentz and David Schneider and 848,983 options were granted to Rubin Ritter, the applicable performance criteria has been fulfilled in 2022. The target achievement has been 100% so that all of the 2,796,949 options have become exercisable in 2022. Because the exercise price of 47.44 EUR was above the closing price of 20.23 EUR at the end of the performance period, the corresponding remuneration awarded and due is nil.
- ***) Includes a sign-on bonus for Dr. Sandra Dembeck awarded and due in 2022.

In addition, the following table shows the remuneration awarded and due as well as remuneration according to option exercises in the fiscal year 2022 (and 2021 respectively) for a former member of the Management Board received after the end of its service agreement. The option exercises of the former member of the Management Board in the years 2021 and 2022 date back to pre-IPO stock option programs (SOP 2013) granted in 2013 which were awarded and due in 2013 according to Section 162 (1) Sentence 1 AktG. The exercises of the SOP 2013 program were settled in conditional capital so as not to draw cash from Zalando, which was instead invested into further growing the business. Thus, these options represent and were granted for (performance) periods between 2013 and 2017, hence well before the reporting year 2022 when the company was at an early stage of its development.

Remuneration of the former member of the Management Board

	Rubin Ritter, Co-CEO (after June 1, 2021)	
IN EUR	2022	2021
Fixed remuneration		
Base salary	–	–
Fringe benefits	12,800	6,530
Total fixed	12,800	6,530
Variable remuneration		
One-year variable	–	–
Multi-year variable	–	–
Total variable	–	–
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	12,800	6,530
Proportion of fixed remuneration	100.0%	100.0%
Proportion of variable remuneration	–	–
Remuneration received from exercise of stock options		
SOP 2013	14,220,059	46,555,000
Total remuneration	14,232,859	46,561,530

The current and former members of the Management Board did not receive any compensation from other group companies in fiscal year 2022 (and 2021 respectively).



The compensation components of each member of the Management Board as well as the explanation of how the compensation complies with the relevant remuneration system, how it promotes the long-term development of the company and how the performance criteria have been applied is described in detail in the following sections.

5. Overview of other remuneration systems applicable during the reporting period

As stated above, the remuneration system 2021 is applicable to all service agreements for members of the Management Board who are newly appointed or whose appointments are renewed after the effective date June 1, 2021. It has been hence applied to the appointment of Dr. Sandra Dembeck, who joined the Management Board on March 1, 2022 and to the reappointment of David Schröder for a new tenure that will start as of April 1, 2023 and end on March 30, 2027. The remuneration system 2021 had also already been applied to Dr. Astrid Arndt's appointment to the Management Board as of April 1, 2021.

For existing service agreements concluded before June 2021, the existing remuneration arrangements as agreed in the existing service agreements continued to apply during the reporting year in accordance with Section 26j (1) EGAktG (Introductory Act to the Stock Corporation Act) and the rationale of the German Corporate Governance Code, in particular in order to avoid modifications to the already granted Long-Term Incentive plans with a multi-year assessment basis.

The remuneration system for the Co-CEOs, Robert Gentz and David Schneider, and the former Co-CEO, Rubin Ritter, who resigned from the Management Board with effect as of June 1, 2021, was approved by the Supervisory Board and the annual general meeting in May 2018. In due consideration of the feedback received from investors, the service agreements with the Co-CEOs that implemented the remuneration system were concluded in August 2018 for a five-year term commencing on December 1, 2018. The remuneration system for the Co-CEOs also served as the basis for assessing the remuneration of Jim Freeman and David Schröder, when they were appointed to the Management Board in 2019.



Although there are certain differences between the compensation packages issued in 2018 and 2019 that reflect the various roles, they share in principle the same or similar elements (e.g. compensation components, type of options) and underlying mechanics (e.g. performance hurdle). The Supervisory Board continues to believe that the entrepreneurial risk and return profile reflected in those former (still applicable) remuneration systems for the Co-CEOs as well as the CFO and CBPO still fit our needs as a company that has shown high growth over the past years.

The following detailed tables for each variable remuneration program include inter alia, the information on the number of options granted and exercised during the reporting period as well as the performance measurement of the performance criteria applicable to the stock options exercised during the reporting period.



Remuneration components applicable in 2022 (Section 162 (1) Sentence 2 No. 1, 3 AktG)


Fixed remuneration components

During the reporting year, the current members of the Management Board received a fixed base salary which was paid in monthly installments. In addition, the current and former members of the Management Board were entitled to non-cash payments (such as the use of company cars) and other fringe benefits, including reimbursement of standard expenses, contributions towards health insurance, and monthly gross amounts that correspond to the employer's contributions to the statutory pension and unemployment insurance.

Variable remuneration components

During the reporting period, the variable remuneration of each current member of the Management Board was based on Long-Term Incentive programs (LTI) granting virtual option rights, which are linked to the performance of the company under its long-term growth strategy and to the development of the share price, creating a strong link to the shareholders' interests. In addition, the most recent Long-Term Incentive program LTI 2021/2022 includes strategic ESG targets which incentivize and reward sustainable corporate management and social responsibility. Under the remuneration system 2021, a second variable incentive component was introduced, the Zalando Ownership Plan (ZOP). The ZOP is based on a variable incentive plan for the senior management of the company that has been in place since 2019 and that has also been introduced to the remuneration system 2021 for the members of the Management Board to promote the alignment of the remuneration of the members of the Management Board with the company's overall remuneration philosophy.

According to their respective appointment, the CPO, Dr. Astrid Arndt and the CFO, Dr. Sandra Dembeck, both participate in the LTI 2021/2022 as well as the ZOP 2021, while CBPO, Jim Freeman, and COO, David Schröder, participate in the LTI 2019 and Co-CEOs, Robert Gentz, David Schneider and Rubin Ritter (who resigned from the Management Board with effect as of June 1, 2021) participate in the LTI 2018.




In addition to the variable remuneration components based on the current contractual arrangements there are still options outstanding from previous stock option plans or virtual option plans which have been granted to some members of the Management Board prior to their current appointment.

Applicable variable remuneration components in the reporting period

Long-Term Incentive 2021/2022 (LTI 2021/2022), applicable to Dr. Astrid Arndt and Dr. Sandra Dembeck

The LTI 2021/2022 is a share-based virtual option program which is linked to the development of the company's Gross Merchandise Volume (GMV) as a key performance indicator and takes into account ESG targets by means of a modifier. As such, the Long-Term Incentive structure creates a strong alignment with shareholders' interests, includes a clear pay-for-performance link and encourages and rewards a long-term and future-oriented management of the company. The inclusion of ESG targets incentivizes the sustainable development of Zalando.

Under the LTI 2021/2022, the members of the Management Board are granted two types of options, namely virtual LTI Shares and virtual LTI Options, by way of a one-off grant for the entire term of their service agreement (sequential plan). The LTI provides the members of the Management Board with the flexibility to individually determine the proportion of LTI Shares (LTI Shares Ratio) and LTI Options (LTI Options Ratio). The choice of a mixture of LTI Shares and LTI Options takes into account the different personal circumstances and risk-affinity of members of the Management Board and provides the Supervisory Board with the flexibility to accommodate all talent profiles. For this purpose, the Supervisory Board sets a target value in Euro as grant value. The number of LTI Shares to be granted is calculated by dividing this grant value by the product of the share price as per the grant date and a fixed conversion factor for LTI Shares of 1, and multiplying this quotient with the LTI Shares Ratio. The number of LTI Options to be granted to the individual Management Board member is calculated by dividing the grant value by the product of the share price as per the grant date and a fixed conversion factor for LTI Options of 0.4, and multiplying this quotient with the LTI Options Ratio.



The number of LTI Shares and LTI Options which can be exercised is subject, inter alia, to their prior vesting, the expiry of the relevant waiting period and depends on the extent to which the performance criteria are met during the respective performance period.

Vesting scheme

The options vest in quarterly tranches over a performance period equal to the relevant term of the service agreement.

As a rule, in all cases of premature termination of the office as a member of the Management Board, options which have not yet vested on the date of such termination will cease to vest and be forfeited without compensation. In certain situations of termination qualifying as 'bad leaver' events, even vested and unexercised options of the member of the Management Board concerned will be forfeited without compensation. However, by way of an exception from the above, if the member of the Management Board is revoked from office as member of the Management Board by the company without good cause for termination within the meaning of Section 626 BGB (German Civil Code) and without qualifying as a 'bad leaver', such member of the Management Board retains, in addition to the options which have vested until such termination, also those options which would have vested during a period of two years thereafter.

Waiting period and exercise period

LTI Shares and LTI Options can only be exercised after the expiry of a four-year waiting period commencing on the grant date. Furthermore, LTI Shares and LTI Options can only be exercised within a fixed exercise period of three years after the expiry of the waiting period. LTI Shares and LTI Options which are still unexercised upon the expiry of the exercise period are forfeited without compensation.

Performance period and performance criterion

The overall target achievement under the LTI 2021/2022 is measured in two steps, (i) on the basis of the development of the GMV of the Zalando group during the performance period commencing on the grant date until the end of the term of the service agreement as the most relevant performance parameter under our long-term strategy and (ii) by taking into account the achievement of certain ESG targets by means of a modifier of between -20 percentage points and 0 percentage points.



In the first step, the percentage of vested options which can be exercised depends on the extent to which the targeted GMV compound annual growth rate (“CAGR”) in alignment with the company’s strategy has been achieved during the performance period. If the targeted GMV CAGR during the performance period has been met, the target achievement is 100%. Subsequent increases or decreases of the GMV CAGR compared to the targeted GMV CAGR result in a corresponding increase or decrease of the target achievement.

The target achievement for the LTI Shares and LTI Options granted to Dr. Sandra Dembeck as of March 1, 2022, is determined as follows:

GMV CAGR	Target achievement*
< 11.5%	0%
≥ 11.5% and < 13.5%	50%
≥ 13.5% and < 15.5%	60%
≥ 15.5% and < 17.5%	70%
≥ 17.5% and < 19.5%	80%
≥ 19.5% and < 21.5%	90%
≥ 21.5% and < 23.5%	100%
≥ 23.5% and < 25.5%	110%
≥ 25.5%	125%

*) For information on the target achievement for the LTI Shares and LTI Options granted to Dr. Astrid Arndt as of April 1, 2021, please refer to the remuneration report 2021.

The maximum target achievement is 125%. In the event that the GMV target achievement falls below 50%, the number of exercisable LTI Shares and LTI Options is 0.

In the second step, the target achievement is adjusted under application of an ESG modifier which can result in the deduction of a percentage of between -20 percentage points and 0 percentage points from the target achievement, depending on the degree of target achievement of the agreed ESG targets during the performance period. The ESG targets for the LTI Shares and LTI Options granted to Dr. Sandra Dembeck as of March 1, 2022, comprise a sustainability target aligned with our do.MORE strategy and a diversity and inclusion target aligned with our do.BETTER strategy, both clearly defined and measurable.

The sustainability target which is weighted with 60% consists of four environmental sub-targets concerning the reduction of Scope 1 and 2



greenhouse gas (GHG) emissions by 80% by the end of the performance period against a 2017 base year, the increase of the annual sourcing of renewable electricity to 100% by the end of the performance period, the reduction of Scope 3 GHG emissions from private label products by 40% per million Euros gross profit by the end of the performance period from a 2018 base year as well as ensuring that 90% of suppliers of the company (by emissions covering purchased goods and services sold on its platform, packaging and last-mile-delivery) will have science-based targets by the end of the performance period.

The sustainability target achievement for the LTI Shares and LTI Options granted to Dr. Sandra Dembeck as of March 1, 2022, is determined as follows. Each sustainability sub-target is weighted with 25% within the sustainability target achievement:

Sub-targets				Sub-target achievement
(i) Scope 1 and 2 GHG emissions	(ii) Renewable electricity	(iii) Scope 3 GHG emissions	(iv) Science-based targets at suppliers	
80% and above	100%	40% and above	90% and above	0%
75% and above		33% and above	74% and above	-5%
69% and above		26% and above	58% and above	-10%
64% and above		19% and above	42% and above	-15%
below 64%	below 100%	below 19%	below 42%	-20%

The diversity and inclusion target which is weighted 40% focuses on the increase of the share of women in leadership positions and is also divided into four different sub-targets representing different leadership levels as follows:

- (i) 40%–60% share of women in a Senior Contributor (SC)1 role until the end of the performance period;
- (ii) 40%–60% share of women in a Senior Contributor (SC)2 role until the end of the performance period;
- (iii) 40%–60% share of women in an Executive Contributor (EC)1 role until the end of the performance period;

- (iv) 40%–60% share of women in an Executive Contributor (EC)2 role until the end of the performance period.

The diversity and inclusion target achievement for the LTI Shares and LTI Options granted to Dr. Sandra Dembeck as of March 1, 2022, is determined as follows. Each diversity and inclusion sub-target is weighted with 25% within the diversity and inclusion target achievement:

Sub-targets				Sub-target achievement
(i) SC1	(ii) SC2	(iii) EC1	(iv) EC2	
40%-60%	40%-60%	40%-60%	40%-60%	0%
38% and above	38% and above	38% and above	38% and above	-5%
36% and above	36% and above	36% and above	36% and above	-10%
34% and above	34% and above	34% and above	34% and above	-15%
less than 34%	less than 34%	less than 34%	less than 34%	-20%

The performance measurement and evaluation based on the parameters set out above for the virtual LTI Shares and virtual LTI Options granted to Dr. Sandra Dembeck in the fiscal year 2022 can only be completed following the end of the performance period upon the end of her current contractual term, i.e. in 2025.

Settlement value, cap

The LTI Shares entitle the member of the Management Board to a cash payment in the amount of the difference between our share price as per the exercise date and an exercise price of EUR 1.00 per LTI Share. The LTI Options entitle the member of the Management Board to a cash payment in the amount of the difference between our share price as per the exercise date and the share price as per the grant date. The payout (the settlement value) under the LTI 2021/2022 is capped at 200% of the share price as per the grant date for LTI Shares and at 250% of the share price as per the grant date for LTI Options. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.



Development of options outstanding

The number of options outstanding of LTI 2021/2022 developed as follows in the reporting period:



LTI 2021

	Dr. Astrid Arndt			
	Number of LTI Shares	Exercise price (in EUR)	Number of LTI Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	0	-	0	-
Granted during the year	29,240	1.00	73,099	85.50
Vested during the year	5,483	1.00	13,705	85.50
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2021	29,240	1.00	73,099	85.50
Exercisable as of Dec 31, 2021	0	-	0	-
Outstanding as of Jan 1, 2022	29,240	1.00	73,099	85.50
Granted during the year	0	-	0	-
Vested during the year	7,310	1.00	18,275	85.50
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	29,240	1.00	73,099	85.50
Exercisable as of Dec 31, 2022	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2021		6.3		6.3
As of Dec 31, 2022		5.3		5.3
Weighted average share price (in EUR) for options exercised in				
2021		-		-
2022		-		-




LTI 2021/2022

	Dr. Sandra Dembeck			
	Number of LTI Shares	Exercise price (in EUR)	Number of LTI Options	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	0	-	0	-
Granted during the year	0	-	0	-
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2021	0	-	0	-
Exercisable as of Dec 31, 2021	0	-	0	-
Outstanding as of Jan 1, 2022	0	-	0	-
Granted during the year	38,308	1.00	95,770	53.84
Vested during the year	9,578	1.00	23,942	53.84
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	38,308	1.00	95,770	53.84
Exercisable as of Dec 31, 2022	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2021		-		-
As of Dec 31, 2022		6.2		6.2
Weighted average share price (in EUR) for options exercised in				
2021		-		-
2022		-		-

Zalando Ownership Plan 2021 (ZOP 2021), applicable to Dr. Astrid Arndt and Dr. Sandra Dembeck

Under the ZOP 2021, virtual ZOP Shares and/or virtual ZOP Options are granted in an annual target amount, divided into quarterly tranches.

The ZOP 2021 provides the members of the Management Board with the flexibility to individually determine the proportion of ZOP Shares and of ZOP Options (ZOP Shares Ratio or ZOP Options Ratio, respectively, each from 0% to 100% but in steps of 5%) during a fixed annual selection window. The number of ZOP Shares to be granted for the respective annual period is calculated by dividing the annual target amount by the product of the share price as per the grant date and a fixed conversion



factor of 1.05 and multiplying this quotient with the ZOP Shares Ratio. The number of ZOP Options to be granted for the respective annual period is calculated by dividing the annual target amount by the product of the share price as per the grant date and a fixed conversion factor of 0.3 and multiplying this quotient with the ZOP Options Ratio. For the ZOP 2021 tranches granted in the fiscal year 2022, 100% was granted in ZOP Shares to both Dr. Astrid Arndt and Dr. Sandra Dembeck.

Waiting period and exercise period

The ZOP Shares are not subject to a waiting period, whereas the ZOP Options are only exercisable after a waiting period of two years commencing on the grant date. Furthermore, ZOP Shares and ZOP Options are only exercisable during an exercise period of three years (i) following the grant date in the case of the ZOP Shares and (ii) following the expiry of the waiting period in case of the ZOP Options.

Performance criterion

The ZOP 2021 does not provide for specific performance targets to be achieved (other than the LTI 2021 and the LTI 2021/2022 as described above) but is a share-based remuneration component and as such linked to the share price development. The share-based structure of the ZOP contributes to the alignment of the interests of the members of the Management Board with those of our shareholders in promoting the long-term development and growth of the company.

Settlement value and cap

The ZOP Shares entitle the members of the Management Board to a cash payment in the amount of the difference between the share price at the time ZOP Shares are exercised and the exercise price of EUR 1.00 per exercised ZOP Share. The ZOP Options entitle the members of the Management Board to a cash payment in the amount of the difference between the share price as per the exercise date and the share price as per the grant date. The payment claim (the Settlement Value) under the ZOP is limited to 200% of the share price as per the grant date per ZOP Share and to 250% of the share price as per the grant date per ZOP Option. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.



Development of options outstanding

The number of options outstanding of ZOP 2021 developed as follows in the reporting period:

ZOP 2021

	Dr. Astrid Arndt	
	Number of ZOP Shares	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	0	-
Granted during the year	1,903	1.00
Vested during the year	1,903	1.00
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2021	1,903	1.00
Exercisable as of Dec 31, 2021	1,903	1.00
Outstanding as of Jan 1, 2022	1,903	1.00
Granted during the year	10,204	1.00
Vested during the period	10,204	1.00
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2022	12,107	1.00
Exercisable as of Dec 31, 2022	12,107	1.00
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2021		2.6
As of Dec 31, 2022		2.4
Weighted average share price (in EUR) for options exercised in		
2021		-
2022		-




ZOP 2021

Dr. Sandra Dembeck		
	Number of ZOP Shares	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	0	-
Granted during the year	0	-
Vested during the year	0	-
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2021	0	-
Exercisable as of Dec 31, 2021	0	-
Outstanding as of Jan 1, 2022	0	-
Granted during the year	7,317	1.00
Vested during the period	7,317	1.00
Forfeited during the year	0	-
Exercised during the year	0	-
Outstanding as of Dec 31, 2022	7,317	1.00
Exercisable as of Dec 31, 2022	7,317	1.00
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2021		-
As of Dec 31, 2022		2.6
Weighted average share price (in EUR) for options exercised in		
2021		-
2022		-

Long-Term Incentive 2019 (LTI 2019), applicable to Jim Freeman and David Schröder

The LTI 2019 is a share-based virtual option program that is linked to the development of our share price during the four-year term of office of Jim Freeman and David Schröder and the growth of our business during the performance period (as defined below). As such, we believe



the Long-Term Incentive structure creates strong alignment with shareholders' interests, includes a clear pay-for-performance link and encourages and rewards the long-term and future-oriented management of the company.


Under the LTI 2019, the members of the Management Board are granted three types of options, namely Type A, Type B and/or Type C Options by way of a one-off grant for the entire term of their service agreement (sequential plan). Each option relates to one share in the company. Type A options have an exercise price of EUR 29.84 and Type B and Type C options have an exercise price of EUR 1.00.

The number of LTI 2019 options which can be exercised is subject to, inter alia, their prior vesting, the expiry of the relevant waiting period and depends on the extent to which the targeted growth of our group's business under the performance criterion is met during the respective performance period. With respect to negative tax consequences resulting for the CBPO Jim Freeman as a citizen of the United States of America from the application of certain provisions of Sec. 409A of the U.S. Internal Revenue Code, specific rules of the LTI 2019 have been amended (the "Restated LTI 2019") and 68,500 options vested by March 31, 2020 have been canceled and settled by the company as cash and share consideration. The company has indemnified Jim Freeman from the tax penalty under US law imposed on the settlement value and the remaining options under the restated LTI 2019, whereby the indemnity in relation to remaining options is capped and will not exceed the amount which would have been payable if the relevant per-share value of the respective remaining options for purposes of calculating the respective penalties had been EUR 55.00.

Vesting, waiting period and exercise period

The LTI 2019 options vest in quarterly tranches over a four-year period. Whereas the Type B and Type C Options vest linearly, Type A Options vest in increasing tranches. Vested performance-based options can only be exercised after the expiry of a waiting period of one to four years (depending on their time of vesting) commencing on April 1, 2019.

Under the Restated LTI 2019 (see above), the non-performance based Type C Options (for details see below) granted to Jim Freeman vest at the end of each quarter or, if the vesting date falls on December 31,



November 1 of each calendar year. For these non-performance based options, the respective waiting period expires at the end of the applicable vesting date.

Besides, under the Restated LTI 2019 the exercise period for all Type C Options is shortened and expires at the end of the calendar year within which the respective applicable waiting period expires. The exercise period for the remaining options ends as of March 31, 2023.

As a rule, in all cases of premature termination of the office as a member of the Management Board, options which have not yet vested on the date of such termination will cease to vest and be forfeited without compensation. In certain situations of termination qualifying as 'bad leaver' events, even vested and unexercised options of the member of the Management Board will be forfeited without compensation. However, by way of an exception from the above, if the member of the Management Board is revoked from office as member of the Management Board by the company without good cause for termination within the meaning of Section 626 BGB and without qualifying as a 'bad leaver', such member of the Management Board retains, in addition to the options which have vested until such termination, also those options which would have vested during a period of two years thereafter.

Performance period and performance criterion

The performance period commences on the grant date (April 1, 2019) and corresponds to the applicable waiting period for the respective options resulting in a one-year performance period for options with a one-year waiting period, a two-year performance period for options with a two-year waiting period, etc.

The performance criterion measures the CAGR of Zalando group's business during the relevant performance period. The measure for growth of the company's business is the company's consolidated revenue. However, should the share from the company's Partner Program increase to at least a 14% share in consolidated revenue, adjusted for the grossed-up Partner Program merchandise volume (i.e. not including Partner Program commission only as in revenue, but treating the Partner Program as wholesale, thus grossed up to show 100% of the Partner Program merchandise volume), then this adjusted consolidated revenue is to be used as the relevant parameter for the growth of the company's



business for the full relevant performance period as this number then more adequately reflects the growth of the company's overall business.

The percentage of vested options which can be exercised depends on the extent to which a targeted CAGR of at least 15% has been achieved during the performance period. This requires an outperformance of the expected continued strong growth of the European online fashion retail market during the term of appointment as member of the Management Board by a factor of roughly 2. At the time of establishing the LTI 2019 for Jim Freeman and David Schröder, the European online fashion retail industry was projected to grow at a CAGR of 7%¹ by 2023.

100% of the vested options can be exercised if the CAGR equals or exceeds 15%. Otherwise, depending on the extent of the shortfall of the actual CAGR from such target CAGR, the percentage of the relevant vested options which can be exercised decreases.

For Type A and Type B Options the following step function applies; at a CAGR below 10%, the payout is zero:

CAGR	Exercisable options (as % of the total number of vested options)
CAGR ≥ 15.0%	100%
< 15.0% and ≥ 14.5%	90%
< 14.5% and ≥ 14.0%	80%
etc.	
< 11.5% and ≥ 11.0%	20%
< 11.0% and ≥ 10.0%	10%
< 10.0%	0%

¹ CAGR (2018–2023); Source: Euromonitor, fixed exchange rates. Data for Europe (excluding Russia) includes apparel and footwear, bags/luggage, jewelry and watches. All figures incl. sales tax.



For Type C Options the following step function applies. At a CAGR below 11%, the payout is 50%, i.e. 50% of the relevant vested options can be exercised irrespective of the achievement of a performance criterion after expiry of the waiting period:

CAGR	Exercisable options (as % of the total number of vested options)
CAGR \geq 15.0%	100%
< 15.0% and \geq 14.5%	90%
< 14.0% and \geq 13.0%	80%
< 13.0% and \geq 12.0%	70%
< 12.0% and \geq 11.0%	60%
< 11.0%	50%

Non-performing options (i.e. options that could not be exercised due to a shortfall in CAGR) with a four-year waiting period are forfeited without compensation. Non-performing options with a waiting period of less than four years may become exercisable at a later stage, provided that the relevant CAGR increases.

Settlement value and cap

The member of the Management Board is entitled to the amount by which the share price as per the exercise date exceeds the exercise price of EUR 29.84 for Type A Options and EUR 1.00 for Type B and Type C Options. This amount (the Settlement Value) is limited to a maximum of EUR 70.16 per Type A and EUR 99.00 per Type B and Type C Option. In order to achieve this maximum amount, the company's share price upon exercise needs to reach EUR 100.00. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

Development of options outstanding

The number of options outstanding under the LTI 2019 and restated LTI 2019 developed as follows in the reporting period:



LTI 2019

	David Schröder		David Schröder	
	Number of Type A options	Exercise price (in EUR)	Number of Type B options	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	395,302	29.84	108,640	1.00
Granted during the year	0	–	0	–
Vested during the year	117,500	29.84	27,500	1.00
Forfeited during the year	0	–	0	–
Exercised during the year*	155,000	29.84	52,500	1.00
Outstanding as of Dec 31, 2021	240,302	29.84	56,140	1.00
Exercisable as of Dec 31, 2021	302	29.84	1,140	1.00
Outstanding as of Jan 1, 2022	240,302	29.84	56,140	1.00
Granted during the year	0	–	0	–
Vested during the year	120,000	29.84	27,500	1.00
Forfeited during the year	0	–	0	–
Exercised during the year**	0	–	0	–
Outstanding as of Dec 31, 2022	240,302	29.84	56,140	1.00
Exercisable as of Dec 31, 2022	120,302	29.84	28,650	1.00
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2021		4.3		4.3
As of Dec 31, 2022		3.3		3.3
Weighted average share price (in EUR) for options exercised in				
2021		89.61		90.73
2022		–		–
Share price cap***		100.00		100.00
Measured CAGR for exercised options in 2022 based on adjusted consolidated revenue		–		–
Target achievement		–		–



Jim Freeman		
	Number of Type C options	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	178,591	1.00
Granted during the year	0	–
Vested during the year	68,500	1.00
Forfeited during the year	0	–
Exercised during the year*	67,277	1.00
Outstanding as of Dec 31, 2021	111,314	1.00
Exercisable as of Dec 31, 2021	0	–
Outstanding as of Jan 1, 2022	111,314	1.00
Granted during the year	0	–
Vested during the year	68,500	1.00
Forfeited during the year	0	–
Exercised during the year**	68,500	1.00
Outstanding as of Dec 31, 2022	42,814	1.00
Exercisable as of Dec 31, 2022	0	–
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2021		1.4
As of Dec 31, 2022		1.0
Weighted average share price (in EUR) for options exercised in		
2021		85.67
2022		34.76
Share price cap***		100.00
Measured CAGR for exercised options in 2022 based on adjusted consolidated revenue		26.7%
Target achievement		100.0%

*) Of 155,000 options exercised in 2021 100,000 options were exercised on May 21, 2021 and 55,000 options were exercised on August 25, 2021 at EUR 29.84. Of 52,500 options exercised in 2021 27,500 options were exercised on May 21, 2021 and 25,000 options were exercised on August 25, 2021 at EUR 1.00. Of 67,277 options exercised in 2021 41,591 options were exercised on May 20, 2021. 8,562 options were exercised on June 8, 2021 and 17,124 options were exercised on November 4, 2021 at EUR 1.00.

**) Of 68,500 options exercised in 2022 42,814 options were exercised on May 19, 2022, 8,562 options were exercised on August 5, 2022 and 17,124 options were exercised on November 15, 2022 at EUR 1.00.

**) All options were exercised at a share price below the share price cap.



Long-Term Incentive 2018 (LTI 2018), applicable to Robert Gentz, David Schneider and Rubin Ritter

The LTI 2018 is a share-based option program which grants both real (equity) stock options as well as virtual stock options. The program is linked to the development of the share price of the company and the growth of the company's business during the five-year service agreement term of the Co-CEOs. As such, the Long-Term Incentive structure includes a strong retention element as well as a clear pay-for-performance link. In addition, we believe it creates strong alignment with shareholders' interests and promotes the long-term development of the company. Each option relates to one share in the company and has an exercise price of EUR 47.44. The exercise price was determined on the basis of the current share price as per the date of the execution of the service agreements in August 2018 and then increased by 5%.

Vesting scheme

The LTI 2018 options vest in quarterly tranches over a five-year period.

As a rule, in all cases of premature termination of the office as a member of the Management Board, options which have not yet vested on the date of such termination will cease to vest and be forfeited without compensation. In certain situations of termination qualifying as 'bad leaver' events, even vested and unexercised options of the member of the Management Board concerned will be forfeited without compensation. However, by way of an exception from the above, if a member of the Management Board is revoked from office as member of the Management Board by the company without good cause for termination within the meaning of Section 626 BGB and without qualifying as a 'bad leaver', such member of the Management Board retains, in addition to the options which have vested until such termination, also those options which would have vested during a period of two years thereafter.

Performance criterion

The performance criterion for the LTI 2018 options measures the CAGR of Zalando group's business during the relevant performance period as



depicted by the relevant growth parameter described below as the most relevant performance parameter under the company's long-term strategy in 2018. The percentage of vested options of the beneficiaries which can be exercised depends on the extent to which a targeted CAGR of at least 15% has been achieved during the performance period. This requires the company to outperform the expected continued strong growth of the European online fashion retail market between 2018 until 2023 by a factor of roughly 2. At the time when the remuneration system for the Co-CEOs was established, the European online fashion retail industry was projected to grow at a CAGR of 7%² over a five-year period.

The company's consolidated revenue is used as the relevant parameter for the growth of the company's business. However, should the share from the company's Partner Program increase to a 14% share in adjusted consolidated revenue, then the adjusted consolidated revenue is to be used as the relevant parameter for the growth of the company's business for the full relevant performance period. The adjusted consolidated revenue includes full Partner Program merchandise volume, i.e. not including Partner Program commission only as in revenue, but treating the Partner Program as wholesale, thus grossed up to show 100% of the Partner Program merchandise volume. This number more adequately reflects the growth of the company's overall business and ensures the Management Board is agnostic in its steering between the company's wholesale and its marketplace business.

100% of the vested options can be exercised if the CAGR equals or exceeds 15%. Otherwise, depending on the extent of the shortfall of the actual CAGR from such target CAGR, the percentage of the relevant vested options which can be exercised decreases in steps, with each 0.5ppt of CAGR below 15% resulting in a 10% payout reduction, the last step being < 11.0% and ≥ 10.0%; below 10% CAGR the payout is zero:

² CAGR (2018–2023); Source: Euromonitor, fixed exchange rates. Data for Europe (excluding Russia) includes apparel and footwear, bags/luggage, jewelry and watches. All figures incl. sales tax.



Performance criterion

CAGR	Exercisable options (as % of the total number of vested options)
CAGR \geq 15.0%	100%
< 15.0% and \geq 14.5%	90%
< 14.5% and \geq 14.0%	80%
etc.	
< 11.5% and \geq 11.0%	20%
< 11.0% and \geq 10.0%	10%
< 10.0%	0%

Waiting period and performance period

The options can only be exercised after the expiry of a waiting period of four years commencing on the effective date December 1, 2018 for 57% of the options and 4.75 years for the remaining 43% of the options. The performance period relevant for the achievement of the performance criterion equals the waiting period (i.e. 4 and 4.75 years) for the respective options. LTI 2018 options have become exercisable and their performance criterion has been measured for the first time in this reporting period.

Settlement value and cap

Upon the exercise of virtual stock options, the beneficiaries are entitled to the amount by which the share price as per the exercise date exceeds the exercise price of EUR 47.44.

This amount (the settlement value) is limited to a maximum of EUR 97.14 per option. In order to achieve this maximum amount the company's share price will need to reach EUR 144.58. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

Upon the exercise of equity stock options, the beneficiaries are entitled to the respective number of new shares of the company equivalent to the amount by which the share price as per the exercise date exceeds the exercise price of EUR 47.44. This amount (the settlement value) is limited to a maximum of EUR 97.14 per option. In order to achieve

this maximum amount the company's share price will need to reach EUR 144.58. The company is entitled to settle its obligation in cash or by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

Development of options outstanding

The number of options outstanding of LTI 2018 developed as follows in the reporting period:



LTI 2018

	Robert Gentz**		David Schneider**	
	Number of options	Exercise price (in EUR)	Number of options	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	1,723,983	47.44	1,723,983	47.44
Granted during the year	0	-	0	-
Vested during the year	350,000	47.44	350,000	47.44
Forfeited during the year*	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2021	1,723,983	47.44	1,723,983	47.44
Exercisable as of Dec 31, 2021	0	-	0	-
Outstanding as of Jan 1, 2022	1,723,983	47.44	1,723,983	47.44
Granted during the year	0	-	0	-
Vested during the year	350,000	47.44	350,000	47.44
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	1,723,983	47.44	1,723,983	47.44
Exercisable as of Dec 31, 2022	973,983	47.44	973,983	47.44
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2021		4.9		4.9
As of Dec 31, 2022		3.9		3.9
Weighted average share price (in EUR) for options exercised in				
2021		-		-
2022		-		-

**Rubin Ritter*****

	Number of options	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	1,723,983	47.44
Granted during the year	0	–
Vested during the year	175,000	47.44
Forfeited during the year*	875,000	47.44
Exercised during the year	0	–
Outstanding as of Dec 31, 2021	848,983	47.44
Exercisable as of Dec 31, 2021	0	–
Outstanding as of Jan 1, 2022	848,983	47.44
Granted during the year	0	–
Vested during the year	0	–
Forfeited during the year	0	–
Exercised during the year	0	–
Outstanding as of Dec 31, 2022	848,983	47.44
Exercisable as of Dec 31, 2022	848,983	47.44
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2021		4.9
As of Dec 31, 2022		3.9
Weighted average share price (in EUR) for options exercised in		
2021		–
2022		–

*) With the termination of the service agreement of Rubin Ritter with effect as of June 1, 2021, options granted to him under the LTI 2018 ceased to vest after June 1, 2021, with 875,000 options not vested until then forfeited without compensation.

**) In fiscal year 2022, a number of each 750,000 options were transferred to a company wholly owned by the Management Board member Robert Gentz and a company wholly owned by the Management Board member David Schneider. Those options are still allocated to both members of the Management Board and therefore included in the table.

***) In fiscal year 2022, a number of 100,000 options were transferred by the former Management Board member Rubin Ritter to a charitable limited liability company. Those options are still allocated to the former member of the Management Board and therefore included in the table.



**Virtual Stock Option Program 2018 (VSOP 2018), applicable to
Jim Freeman**

The CBPO Jim Freeman served the company as SVP Engineering prior to his appointment as member of the Management Board on April 1, 2019 and participated in the VSOP 2018 at that time. Under the VSOP 2018 375,000 options with an exercise price of EUR 29.84 continued to vest in quarterly tranches after the appointment as member of the Management Board and were therefore considered part of the Management Board remuneration. The exercise of the virtual options requires the achievement of the performance criterion which is determined in a CAGR of the Zalando group net merchandise value of at least 6% during a lock-up period of two to five years. The exercise of the virtual options requires the expiry of a lock-up period of two to five years.

The beneficiaries are entitled to the amount by which the share price as per the exercise date exceeds the exercise price of EUR 29.84. This amount (the settlement value) is limited to a maximum of EUR 70.16 per option. In order to achieve this maximum amount the company's share price will need to reach EUR 100.00. The company is entitled to settle its obligation by way of delivery of the respective number of treasury shares as settlement shares equivalent to the settlement value.

With respect to negative tax consequences resulting for Jim Freeman as a citizen of the United States of America from the application of certain provisions of Sec. 409A of the U.S. Internal Revenue Code, specific rules of the VSOP 2018 have been amended (the "Restated VSOP 2018") and 250,000 options vested until April 1, 2020 were canceled and settled by the company as cash and share consideration in 2020. The company will indemnify Jim Freeman from the penalty imposed under Sec. 409c of the U.S. Internal Revenue Code on the settlement value and the remaining options under the Restated VSOP 2018, whereby the indemnity in relation to remaining options is capped and will not exceed the amount which would have been payable if the relevant per-share value of the respective remaining options for purposes of calculating the respective penalties had been EUR 55.00.

Under the Restated VSOP 2018, the remaining options' expiry date is the last day of the calendar year in which the respective lock-up period for such options expires.




Development of options outstanding

The number of options outstanding under VSOP 2018 of Jim Freeman developed as follows in the reporting period:



VSOP 2018

	Jim Freeman	
	Number of options	Exercise price (in EUR)
Outstanding as of Jan 1, 2021	245,938	29.84
Granted during the year	0	–
Vested during the year	95,000	29.84
Forfeited during the year	0	–
Exercised during the year*	105,938	29.84
Outstanding as of Dec 31, 2021	140,000	29.84
Exercisable as of Dec 31, 2021	0	–
Outstanding as of Jan 1, 2022	140,000	29.84
Granted during the year	0	–
Vested during the year	70,000	29.84
Forfeited during the year	0	–
Exercised during the year**	80,000	29.84
Outstanding as of Dec 31, 2022	60,000	29.84
Exercisable as of Dec 31, 2022	0	–
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2021		1.4
As of Dec 31, 2022		1.0
Share price cap***		100.00
Weighted average share price (in EUR) for options exercised in		
2021		87.05
2022		32.87
Measured CAGR for exercised options in 2022 on net merchandise volume		23.2%
Target achievement		100.0%

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- *) 105,938 options were exercised on May 21, 2021 at EUR 29.84.
**) 80,000 options were exercised on November 15, 2022 at EUR 29.84.
***) All options were exercised at a share price below the share price cap.

Stock Option Program 2013 (SOP 2013), applicable to Robert Gentz, David Schneider and Rubin Ritter

Before the introduction of the LTI 2018, the Co-CEOs participated among others in the Long-Term Incentive plan SOP 2013, which granted real stock options rather than virtual entitlements. All options granted under the SOP 2013 became exercisable prior to the reporting period but were still partially outstanding during the reporting period.

The SOP 2013 options were granted to the Co-CEOs in the fiscal year 2013. Each SOP 2013 option entitles the beneficiaries to acquire one share. The exercise price is EUR 15.63 per option. The beneficiaries can alternatively request a reduction of the exercise price from EUR 15.63 to EUR 1.00 for all or some of the options already vested. In this case, the number of options is reduced so that it leaves the beneficiaries at the time of the request neither better nor worse off economically. The options granted to the beneficiaries vested in monthly tranches over a five-year period. The last tranche of SOP 2013 vested in November 2018.

The exercise of the options required the expiry of a four-year waiting period and the achievement of the performance criterion which was determined in a transactional net sales CAGR of at least 5% during the four-year waiting period. The waiting period ended in December 2017 and the performance criterion was fully achieved at the end of this period.



Development of options outstanding

The number of options outstanding of SOP 2013 developed as follows in the reporting period:

SOP 2013

	Robert Gentz**,****		David Schneider**,****	
	Number of options	Weighted average exercise price (in EUR)	Number of options	Weighted average exercise price (in EUR)
Outstanding as of Jan 1, 2021*	532,265	1.00	532,265	1.00
Granted during the year	-	-	-	-
Vested during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	532,265	1.00	532,265	1.00
Outstanding as of Dec 31, 2021	0	-	0	-
Exercisable as of Dec 31, 2021	0	-	0	-
Outstanding as of Jan 1, 2022	0	-	0	-
Granted during the year	0	-	0	-
Vested during the year	0	-	0	-
Forfeited during the year	0	-	0	-
Exercised during the year	0	-	0	-
Outstanding as of Dec 31, 2022	0	-	0	-
Exercisable as of Dec 31, 2022	0	-	0	-
Weighted average remaining contractual life of options outstanding (in years)				
As of Dec 31, 2021		-		-
As of Dec 31, 2022		-		-
Weighted average share price (in EUR) for options exercised in				
2021		86.26		86.26
2022		-		-
Measured CAGR for exercised options in 2022 on transactional net sales (TNS)		-		-
Target achievement		-		-



Rubin Ritter***		
	Number of options	Weighted average exercise price (in EUR)
Outstanding as of Jan 1, 2021*	1,332,675	1.00
Granted during the year	–	–
Vested during the year	–	–
Forfeited during the year	–	–
Exercised during the year	925,200	1.00
Outstanding as of Dec 31, 2021	407,475	1.00
Exercisable as of Dec 31, 2021	407,475	1.00
Outstanding as of Jan 1, 2022	407,475	1.00
Granted during the year	–	–
Vested during the year	–	–
Forfeited during the year	–	–
Exercised during the year	407,475	1.00
Outstanding as of Dec 31, 2022	0	–
Exercisable as of Dec 31, 2022	0	–
Weighted average remaining contractual life of options outstanding (in years)		
As of Dec 31, 2021		1.0
As of Dec 31, 2022		–
Weighted average share price (in EUR) for options exercised in		
2021		90.71
2022		35.90
Measured CAGR for exercised options in 2022 on transactional net sales (TNS)		26.9%
Target achievement		100.0%

*) For 3,253,800 options, Rubin Ritter used the contractually agreed provision to reduce the exercise price to EUR 1.00 in 2018 and 2020. This reduced the number of these options to 2,503,246, of which 200,000 were exercised in 2018, 170,571 in 2019, 800,000 in 2020, 925,200 in 2021 and 407,475 in 2022 at EUR 1.00. For 639,540 options, Robert Gentz and David Schneider each used the contractually agreed provision to reduce the exercise price to EUR 1.00 in 2020. This reduced the number of these options to 532,265 which were exercised in 2021 at EUR 1.00.

**) All 532,265 options were exercised on March 22, 2021 at EUR 1.00.

****) Of 925,200 options exercised in 2021 175,200 options were exercised on March 19, 2021 and 250,000 options were exercised on May 31, 2021, on June 7, 2021 and on August 23, 2021 respectively. Of 407,475 options exercised in 2022 100,000 options were exercised on March 7, 2022 and 307,475 options were exercised on May 19, 2022. All options were exercised at EUR 1.00.

*****) In addition, a company wholly owned by the Management Board member Robert Gentz and a company wholly owned by the Management Board member David Schneider each exercised 2,191,315 options on March 22, 2021 at a share price of EUR 86.26 and an exercise price of EUR 1.00. These options were transferred by the Management Board members to the companies in 2017 and 2018.



Further information pursuant to Section 162 AktG

Compliance with the maximum remuneration (Section 162 (1) Sentence 2 No. 7 AktG)

During the reporting period the remuneration system 2021 was only applicable to the remuneration of Dr. Astrid Arndt and Dr. Sandra Dembeck. The new service agreement with David Schröder for his tenure commencing as of April 1, 2023 includes a cap of the remuneration in line with the remuneration system 2021 that was, however, not yet valid in the reporting period. Accordingly, the total maximum compensation amount stipulated under the remuneration system 2021 as of the end of the reporting period only applied to Dr. Astrid Arndt and Dr. Sandra Dembeck.

For Dr. Astrid Arndt, the total maximum compensation for a fiscal year is capped at EUR 5.25m. Since the pro rata inflow from the LTI options and LTI shares granted to Dr. Astrid Arndt under the LTI 2021 for the fiscal year 2022 can only be determined after the expiry of the waiting period of four years, compliance with the maximum remuneration for the fiscal year 2022 can only be conclusively reported in the context of the remuneration report for the fiscal year 2025.

With respect to Dr. Sandra Dembeck, her total maximum compensation for a fiscal year is capped at EUR 6.84m. As in the case of Dr. Astrid Arndt the pro rata inflow from the LTI options and LTI shares granted to Dr. Sandra Dembeck under the LTI 2021/2022 for the fiscal year 2022 can only be determined after the expiry of the waiting period of four years. Compliance with the maximum remuneration for the fiscal year 2022 can thus only be conclusively reported in the context of the remuneration report for the fiscal year 2026.



Application of malus and clawback during reporting year (Section 162 (1) Sentence 2 No. 4 AktG)

The remuneration system 2021 and in its implementation the service agreements of Dr. Astrid Arndt, Dr. Sandra Dembeck and the new service agreement with David Schröder with a four years' term commencing as of April 1, 2023 provide for malus and clawback clauses. In the case of a willful or grossly negligent serious breach of the obligations pursuant to Section 93 AktG or internal compliance policies and behavioral guidelines or severe compliance infringements by the member of the Management Board, the Supervisory Board may, at its sole discretion, retain in whole or in part variable remuneration (under ZOP 2021, LTI 2021 and/or LTI 2021/2022) that has not been paid out (malus). In such a case, the Supervisory Board may, at its sole discretion, reclaim in whole or in part variable remuneration that has already been paid out (clawback). Furthermore, the Supervisory Board has the possibility to reclaim variable remuneration in the case of an undue payout based on incorrect information.

In the fiscal year 2022, the Supervisory Board did not make use of the option to retain (malus) or reclaim (clawback) variable remuneration components as none of the above conditions were ascertained by the Supervisory Board.

The service agreements of the members of the Management Board which were concluded before the implementation of the remuneration system 2021 do not include malus or clawback provisions. This does not affect the applicable legal situation regarding any claims for damages on the part of the company against the Management Board members in the event of culpable breaches of duty (such as according to Section 93 (2) AktG).

Benefits promised or granted to a member of the Management Board by a third party with regard to their activity as a member of the Board of Management (Section 162 (2) No.1 AktG)

During the fiscal year 2022, no benefits were granted to the members of the Management Board by third parties. Also, there are no outstanding benefits that were promised by third parties to the members of the Management Board.



Benefits promised to the members of the Management Board in the event of regular or early termination (Section 162 (2) No. 2 and 3 AktG)

Severance entitlements upon premature termination

The service agreements of all current Management Board members provide that in the event of a removal from office for good cause pursuant to Section 84 (4) AktG, the company may terminate the service agreement prematurely within the statutory termination period pursuant to Section 622 BGB. In such an event and if there is no good cause for the termination within the meaning of Section 626 BGB, the member of the Management Board is entitled to a cash severance payment which amounts to two times the annual fixed salary, however, not more than the fixed salary that would have been payable for the remaining term of the service agreement.


Entitlement upon death and permanent incapacity

In the event of death, the service agreements of all current members of the Management Board provide for continued payment of the fixed remuneration for the month of death and the following three months to the spouse, registered partner or partner and/or any children under the age of 25 living with the member of the Management Board and being entitled to child support.

In the event of permanent incapacity to work, the service agreement will end without notice of termination being required at the end of the calendar quarter in which such permanent incapacity to work is determined. If a Management Board member is temporarily unable to work as a result of illness, accident or any other reason beyond the Director's control, the Director's Service Agreement provides for a continued payment of their fixed remuneration for up to six weeks, but not beyond the effective termination date of the service agreement.

Treatment of outstanding variable remuneration

In the event of a permanent incapacity of a Management Board member unvested Options under the LTI 2018, the LTI 2019, the LTI 2021 and the LTI 2021/2022 continue to vest (until termination of the office of the member of the Management Board) also during periods of inability to work.



Also unvested options under the LTI 2018, the LTI 2019, the LTI 2021 and the LTI 2021/2022 which would have vested during the following two years can be kept by the member of the Management Board and continue to vest in accordance with the terms and conditions of the applicable LTI scheme.


Otherwise, as a general rule, if a leaver event occurs (as defined in each of the programs) all unvested options of the members of the Management Board under the LTI 2018, the LTI 2019, the LTI 2021 and the LTI 2021/2022 are forfeited without compensation. However, in the case of a revocation of a member of the Management Board from office by the company for good cause pursuant to Section 84 (4) AktG without the Management Board member qualifying as bad leaver (as defined in each of the programs), the Management Board member retains all unexercised stock options under the LTI 2018, the LTI 2019, the LTI 2021, the LTI 2021/2022 and the ZOP 2021 and all unvested options under the LTI 2018, the LTI 2019, the LTI 2021 and the LTI 2021/2022 which would have vested during the following two years can be kept by the Management Board member and continue to vest in accordance with the terms and conditions of the applicable LTI scheme.

If the Management Board member qualifies as bad leaver (as defined in each of the programs), all unsettled options of the Management Board member under the LTI 2018, the LTI 2019, the LTI 2021 or the LTI 2021/2022 (irrespective of vested or not), and all yet unexercised options under the SOP 2013 and all yet unexercised virtual stock options under the ZOP 2021 are forfeited without compensation.

Under the VSOP 2018, in a leaver event (as further defined) the virtual stock options granted will irrevocably cease to vest, and all of the unvested virtual stock options will be forfeited without entitlement to compensation. In the case of a bad leaver event all vested and unexercised virtual stock options will be forfeited without entitlement to compensation. In the case of a leaver event that does not qualify as a bad leaver event (good leaver event) all of the vested and unexercised virtual stock options are retained.

Entitlements upon a change of control

If the office or service agreement of a member of the Management Board ends due to a change of control, there are no contractually agreed



change-of-control severance entitlements. There are also no specific contractually agreed termination rights for the members of the Management Board in the event of a change of control.

However, the LTI 2018, the LTI 2019, the LTI 2021 and the LTI 2021/2022 provide for a cancellation right of the Management Board members in the event of a change of control (as defined in each of the program rules) pertaining to unexercised vested options, and the SOP 2013 in relation to a certain portion of the options (equal to the portion of shares or assets of the company acquired by the acquirer(s) of control), in return for which the Management Board member is then entitled to a cash compensation per unexercised vested option.

The cash compensation per unexercised vested option (under the LTI 2018, the LTI 2019, the LTI 2021 and the LTI 2021/2022) generally corresponds to the compensation per share under the takeover offer minus the exercise price or (in the case of the SOP 2013) the compensation per share under the takeover offer if such offer is made or the volume-weighted average share price of one share in the company during the last 30 trading days prior to the change-of-control-event, in each case minus the exercise price.

Also, under the LTI 2018, the LTI 2019, the LTI 2021 and the LTI 2021/2022, the company itself can request a cancellation of unexercised vested options in exchange for a payment of the above cash compensation and replacement of unvested options by an economically equivalent new incentive program, and under the SOP 2013 the company can request a replacement of some or all of the unvested options by an economically equivalent new incentive program.

Under the VSOP 2018, in the event of a change of control (as defined in the program) the company may request that a portion of the then outstanding vested virtual stock options which is equal to the portion of the shares or assets (as the case may be) acquired of the company in the relevant change of control event shall be canceled in exchange for a payment by the company of an amount equal to the excess, if any, of (i) the product of the relevant share price and the number of virtual stock options canceled over (ii) the aggregate exercise price for all such canceled virtual stock options, subject to certain deductions.

The remaining vested virtual stock options not subject to the cancellation request remain unaffected.

The existing variable remuneration programs do not provide for any accelerated vesting in the case of a change of control.

Post-contractual non-compete clause

A post-contractual non-competition clause and accordingly also a promise of a non-compete compensation payment have not been agreed in the service contracts of the Management Board members who were active as Management Board members in the reporting year.

Benefits promised or granted to a former member of the Management Board whose position ended in the course of the reporting year (Section 162 (2) No. 4 AktG)

As no member left the Management Board in the reporting period, no such benefits were promised or granted.


Deviations from the remuneration system during the reporting period (Section 162 (1) Sentence 2 No. 5 AktG)

In exceptional cases, the Supervisory Board may temporarily deviate from the components of the remuneration system for the Management Board of Zalando in accordance with Section 87a (1) Sentence 2 AktG if this is necessary in the interest of the long-term welfare of the company. During the fiscal year 2022, there was no deviation from the remuneration system 2021.

6. Remuneration of Supervisory Board members

The remuneration system for the members of the Supervisory Board is based on the legal requirements and takes into account the recommendations and suggestions of the German Corporate Governance Code. The partially adjusted remuneration system for the Supervisory Board was submitted to the annual general meeting 2021 for resolution in accordance with Section 113 (3) AktG and resolved with effect for the fiscal year beginning on January 1, 2021.

The remuneration of Supervisory Board members is governed by Article 15 of the Articles of Association. The remuneration of the members of the Supervisory Board is balanced overall and commensurate with the




responsibilities and tasks of the members of the Supervisory Board and the situation of the company, taking into account the remuneration arrangements of other large listed companies. The members of the Supervisory Board receive a purely function-related fixed remuneration in accordance with Clause G.18 of the German Corporate Governance Code. No performance-related remuneration or financial or non-financial performance criteria are provided for. This best reflects the independent supervisory and advisory function of the Supervisory Board, which is not geared to short-term corporate success but to the long-term development of the company.

The fixed annual remuneration is EUR 180,000 for the chairperson of the Supervisory Board, EUR 135,000 for the deputy chairperson of the Supervisory Board and EUR 90,000 for every other member of the Supervisory Board. For their work on the audit committee, members of the Supervisory Board receive an additional fixed annual remuneration of EUR 10,000. The chairperson of the audit committee receives an additional fixed annual remuneration of EUR 50,000.

The respective amount of the fixed remuneration takes into account the specific function and responsibility of the members of the Supervisory Board. In particular, in accordance with Clause G.17 of the German Corporate Governance Code, the higher time commitment of the chairperson and the deputy chairperson of the Supervisory Board as well as of the chairperson and the members of the audit committee is also appropriately taken into account through a corresponding additional remuneration. Attendance fees are not paid.

Supervisory Board members who are members of the Supervisory Board or the audit committee or hold the office of the chairperson or deputy chairperson of the Supervisory Board or of the chairperson of the audit committee for part of a fiscal year only, receive a corresponding proportionate remuneration. The remuneration falls due at the end of the fiscal year for which the remuneration is paid.

In addition to the function-related fixed remuneration, the members of the Supervisory Board are reimbursed for their reasonable out-of-pocket expenses incurred in the performance of the Supervisory Board mandate as well as any value added tax payable on their remuneration and expenses. Furthermore, the members of the Supervisory Board are



included in a D&O liability insurance policy for board members maintained by the company in the company's interests that will provide reasonable coverage against financial damages. The premiums for this insurance policy are paid by the company.

The annual general meeting determines the remuneration of the members of the Supervisory Board upon proposal of the Management Board and the Supervisory Board in the Articles of Association or by resolution.

The general meeting resolves on the remuneration of the members of the Supervisory Board at least every four years. A resolution confirming the existing remuneration is also permissible in this respect. Should the general meeting not confirm the remuneration system submitted to a vote, a revised remuneration system must be submitted to the following annual general meeting at the latest. In preparation for the resolution of the general meeting, the Management Board and the Supervisory Board each review whether the remuneration, in particular with regard to its amount and structure, continues to be in our interest and is in an appropriate relationship to the tasks of the members of the Supervisory Board and the situation of the company. The Supervisory Board may also carry out a horizontal market comparison for this purpose. In doing so, the Supervisory Board may seek advice from an external remuneration expert. If necessary, the Management Board and the Supervisory Board will propose an appropriate adjustment of the remuneration to the annual general meeting.

In accordance with Section 162 (1) Sentence 1 AktG, the following table shows the remuneration awarded and due ("gewährte und geschuldete Vergütung") to the members of the Supervisory Board in the fiscal years 2022 and 2021. According to the remuneration system for the members of the Supervisory Board, the remuneration only consists of a fixed component for each member of the Supervisory Board:



Remuneration of the members of the Supervisory Board

IN EUR	2022	2021
Anders Holch Povlsen (since December 9, 2013)	90,000	90,000
Anika Mangelmann (since June 23, 2020)	90,000	90,000
Cristina Stenbeck (since May 22, 2019)	180,000	180,000
Jade Buddenberg (since June 23, 2020)	90,000	90,000
Jennifer Hyman (since June 23, 2020)	90,000	90,000
Jørgen Madsen Lindemann (until May 19, 2021)	–	38,082
Kelly Bennett (since May 22, 2019)	145,000	145,000
Mariella Röhm-Kottmann (since May 22, 2019)	140,000	140,000
Matti Ahtiainen (since June 23, 2020)	100,000	100,000
Niklas Östberg (since May 19, 2021)	100,000	61,918
Remuneration awarded and due according to Section 162 (1) Sentence 1 AktG	1,025,000	1,025,000

The current and former members of the Supervisory Board did not receive any compensation from other group companies in the fiscal year 2022.



7. Comparative presentation of the development of the remuneration

In accordance with Section 162 (1) Sentence 2 No. 2 AktG, the following tables show the annual change in remuneration to the current and former members of the Management Board and of the Supervisory Board as well as the annual change in average employee remuneration on a full-time equivalent basis over the last five fiscal years and the company's performance. The remuneration of the Management Board members for the years 2018 and 2019 is based on the amount of "benefits received" as reported in the annual reports 2018 and 2019.

The presentation of the average employee remuneration is based on the total workforce employed by Zalando. While the yearly target and fixed average remuneration on a full-time equivalent basis of employees increased year-on-year, the figures below show the remuneration including option exercises in the relevant year. In 2021, a higher amount of equity remuneration was exercised compared to 2022. Taking into account the holding periods over several years for the employee share programs, the figures shown are distorted. The development of the company's net income is shown alongside the development of the revenue of the Zalando group.



Comparative table on the change of remuneration awarded and due according to Section 162 (1) Sentence 1 AktG and company performance

	Annual change 2022 to 2021	Annual change 2021 to 2020	Annual change 2020 to 2019	Annual change 2019 to 2018
Remuneration of the members of the Management Board				
Robert Gentz, Co-CEO	0.4%	0.7%	2.2%	-99.5%
David Schneider, Co-CEO	0.1%	-6.1%	8.1%	-99.5%
Rubin Ritter, Co-CEO (until June 1, 2021)	-	-54.8%	-98.8%	-66.5%
Dr. Sandra Dembeck, CFO (since March 1, 2022)	-	-	-	-
David Schröder, CFO	-96.4%	39.3%	457.8%	-
Dr. Astrid Arndt, CPO (since April 1, 2021)	32.0%	-	-	-
Jim Freeman, CBPO	-56.1%	13.2%	947.5%	-
Company performance				
Net Income of ZALANDO SE	-168.4%	-20.1%	373.5%	7.8%
Revenue of the group	-0.1%	29.7%	23.1%	20.3%
Average remuneration on a full-time equivalent basis of employees				
ZALANDO SE	-3.4%	-3.2%	16.1%	0.8%



Comparative table on the change of remuneration awarded and due according to Section 162 (1) Sentence 1 AktG and company performance

	Annual change 2022 to 2021	Annual change 2021 to 2020	Annual change 2020 to 2019	Annual change 2019 to 2018
Remuneration of the members of the Supervisory Board				
Anders Holch Povlsen (since December 9, 2013)	0.0%	17.0%	-14.5%	0.0%
Anika Mangelmann (since June 23, 2020)	0.0%	164.6 %	-	-
Cristina Stenbeck (since May 22, 2019)	0.0%	20.0%	63.2%	-
Jade Buddenberg (since June 23, 2020)	0.0%	164.6 %	-	-
Jennifer Hyman (since June 23, 2020)	0.0%	164.6 %	-	-
Jørgen Madsen Lindemann (until May 19, 2021)	-	-52.4%	0.0%	0.0%
Kelly Bennett (since May 22, 2019)	0.0%	55.8%	89.9%	-
Mariella Röhm-Kottmann (since May 22, 2019)	0.0%	40.0%	63.2%	-
Matti Ahtiainen (since June 23, 2020)	0.0%	138.9 %	-	-
Niklas Östberg (since May 19, 2021)	61.5%	-	-	-
Company performance				
Net Income of ZALANDO SE	-168.4 %	-20.1%	374.5%	7.8%
Revenue of the group	-0.1%	29.7%	30.4%	23.6%
Average remuneration on a full-time equivalent basis of employees				
ZALANDO SE	-3.4%	-3.2%	16.1%	0.8%

Berlin, March 6, 2023



Robert Gentz

David Schneider

James M. Freeman, II

David Schröder

Dr. Astrid Arndt

Dr. Sandra Dembeck

Cristina Stenbeck

Mariella Röhm-Kottmann



Report of the independent auditor on the audit of the content of the remuneration report issued in accordance with Section 162 AktG

To Zalando SE

We have audited the attached remuneration report of Zalando SE, Berlin, prepared to comply with Section 162 AktG [“Aktiengesetz”: German Stock Corporation Act] for the fiscal year from January 1 to December 31, 2022 and the related disclosures. We have not audited the content of the disclosures of the remuneration report in sections “1.3.1 Introduction” and “1.3.2 Background” where they go beyond the scope of Section 162 AktG.


Responsibilities of the executive directors and the supervisory board

The executive directors and Supervisory Board of Zalando SE are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Section 162 AktG. In addition, the executive directors and Supervisory Board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures.



The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from January 1 to December 31, 2022 and the related disclosures comply, in all material respects, with the financial reporting provisions of Section 162 AktG. We do not express an opinion on the content of the abovementioned disclosures of the remuneration report that go beyond the scope of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Section 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Section 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on January 1, 2017, which are attached to this report, are applicable to this engagement and also govern our

responsibility and liability to third parties in the context of this engagement.



Stuttgart, March 6, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ludwig
Wirtschaftsprüfer
[German Public Auditor]

Werling
Wirtschaftsprüfer
[German Public Auditor]



III. Supplementary information on agenda item 7

Kelly Bennett, Amsterdam (The Netherlands)
Supervisory Board Member and Executive Advisor

Personal information

Date of birth: April 7, 1972
Place of birth: Nanaimo, BC (Canada)
Nationality: Canadian

Academic background

1992–1995 Simon Fraser University – BA Business Administration

Professional experience

since 2022 One Football GmbH – General Advisor
since 2021 Strava, Inc – General Advisor
since 2020 TCV – Venture Advisor
since 2019 Microsoft Xbox/Nubank – Executive Advisor
2012–2019 Netflix – Chief Marketing Officer
2010–2012 Warner Bros. Entertainment – Vice President Interactive,
World Wide Marketing
2008–2010 Warner Bros. Entertainment – Director New Media & Interactive Marketing
EMEA
2004–2008 Warner Bros. Entertainment – Director, Promotions EMEA
2003–2004 Warner Bros. Entertainment – Business Development Manager, EMEA
2001–2003 Dow Jones International – Business Development Manager, International
1998–2001 Cimex Media – Partner
1997–1998 Ignition Marketing – Business Development Director

Member of the supervisory board of Zalando SE

since May 2019 (current term until the end of Annual General Meeting 2023)

Memberships in statutory supervisory boards

none

Memberships in comparable controlling bodies in Germany or abroad

none

Other activities

none

The Supervisory Board considers Kelly Bennett independent in the meaning of C.6 and C.7 of the German Corporate Governance Code.

Jennifer Hyman, New York (USA)

CEO, Chairperson of the Board of Directors and Co-Founder at Rent the Runway, Inc.

Personal information

Date of birth: August 24, 1980

Place of birth: New York (USA)

Nationality: US-American

Academic background

2007–2009 Harvard Business School – Master of Business Administration

1998–2002 Harvard University – Bachelor of Arts, Social Studies

Professional experience

since 2008 Rent the Runway, Inc. – CEO, Chairperson of the Board of Directors & Co-Founder

2006–2007 IMG – Director Business Development

2005–2006 WeddingChannel – Senior Manager Sales

2002–2005 Starwood Hotels & Resorts Worldwide, Inc. – Senior Manager Leisure Program Dev.

Member of the supervisory board of Zalando SE

since June 2020 (current term until the end of Annual General Meeting 2023)

Memberships in statutory supervisory boards

none

Memberships in comparable controlling bodies in Germany or abroad

Member of the Board of Directors of The Estée Lauder Companies Inc. (USA)

Other activities

none

The Supervisory Board considers Jennifer Hyman independent in the meaning of C.6 and C.7 of the German Corporate Governance Code.

Niklas Östberg, Zurich (Switzerland)

Chief Executive Officer and Co-Founder of Delivery Hero SE



Personal information

Date of birth: March 12, 1980

Place of birth: Skinnskatteberg (Sweden)

Nationality: Swedish

Academic background

2000–2005 Royal Institute of Technology Stockholm & ETH Zurich – Master of Industrial Engineering & Management

Professional experience

Since 2011 Delivery Hero SE – Co-Founder and CEO

2007–2011 OnlinePizza.se/pizza.nu – Co-Founder and Chairman

2005–2010 Oliver Wyman, Zurich – Project Manager

Member of the supervisory board of Zalando SE

since May 2021 (current term until the end of Annual General Meeting 2023)

Memberships in statutory supervisory boards

none

Memberships in comparable controlling bodies in Germany or abroad

Member of the Supervisory Board of trivago N.V. (Germany)

Other activities

none

The Supervisory Board considers Niklas Östberg independent in the meaning of C.6 and C.7 of the German Corporate Governance Code.

Anders Holch Povlsen, Viby (Denmark)
Chief Executive Officer of Bestseller A/S



Personal information

Date of birth: November 4, 1972
Place of birth: Ringkjøbing/Skjern (Denmark)
Nationality: Danish

Academic background

1991–1996 Anglia Ruskin University, Cambridge, United Kingdom, and Berlin School of Economics and Law, Berlin, Germany – joint Bachelor in European Business Administration
1987–1990 Business College in Herning, Denmark

Professional experience

since 2001 Bestseller A/S – Chief Executive Officer
1996–2001 Vila A/S (subsidiary of Bestseller A/S) – Chief Executive Officer

Member of the supervisory board of Zalando SE

since December 2013 (current term until the end of Annual General Meeting 2023)

Memberships in statutory supervisory boards

none

Memberships in comparable controlling bodies in Germany or abroad

Member of the Board of Directors of

- Heartland A/S and various entities of the Heartland group (including entities in the Bestseller group and Intervare A/S and subsidiaries) as well as entities with a family connection,
- J.Lindeberg Holding (Singapore) Pte. Ltd. (and its subsidiaries),
- Donau Agro Invest P/S.

Other activities

Member of the Board of Directors of

- Bestseller Foundation, Denmark,
- Foundation Conservation Carpathia (FCC), Braşov, Romania.

The Supervisory Board considers Anders Holch Povlsen non-independent in the meaning of C.6 and C.7 of the German Corporate Governance Code.

Mariella Röhm-Kottmann, Friedrichshafen (Germany)

Senior Vice President Finance

at ZF Friedrichshafen AG

Personal information

Date of birth: February 25, 1967

Place of birth: Karlsruhe (Germany)

Nationality: German

Academic background

1997 Chartered Accountant, Germany

1995 Tax Advisor, Germany

1992 Diplom Industrial Engineer, Technical University of Karlsruhe, Germany

Professional experience

since 2016 ZF Friedrichshafen AG – Senior Vice President Finance

2014–2016 Head of KPMG Board Services, Co-Chair of KPMG Audit Committee
Institute

2002–2016 KPMG Munich – Audit Engagement Partner and Lead Partner
for international accounts

2001–2002 KPMG Montvale, US – Senior Manager

1997–2001 KPMG Munich – Manager / Senior Manager

1992–1997 KPMG Stuttgart – Auditor in various positions

Member of the supervisory board of Zalando SE

since May 2019 (current term until the end of Annual General Meeting 2023)

Memberships in statutory supervisory boards

none

Memberships in comparable controlling bodies in Germany or abroad

- Member of the Board of Directors of ZF Services España, S.L., Spain
- Chairperson of the Board of Directors of ZF India Pvt. Ltd, India
- Chairperson of the Supervisory Board of Compagnie Financière de ZF SAS, France

Other activities

- Regional head of Financial Expert Association Bodenseekreis
- Member of the Advisory Board of BeyondGenderAgenda
- Member of the Advisory Board of ZF hilft e.V.

The Supervisory Board considers Mariella Röhm-Kottmann independent in the meaning of C.6 and C.7 of the German Corporate Governance Code.

Susanne Schröter-Crossan, Krefeld (Germany)

Independent Advisor



Personal information

Date of birth: October, 14 1979

Place of birth: Kassel (Germany)

Nationality: German

Academic background

2005 University of Mannheim – Master in Business Administration

2002 University of Lüneburg – Business Administration

2001 University of Bamberg – Pre-Diploma in Business Administration

Professional experience

Since March 2023 Independent Advisor

2020–2023

LEG Immobilien SE – Chief Financial Officer

2011–2020 Deutsche Bank AG – Managing Director

2010–2011 Standard Chartered Bank – Director

2005–2010 Morgan Stanley International – Associate

Memberships in statutory supervisory boards

Member of the Supervisory Board of HelloFresh SE

Memberships in comparable controlling bodies in Germany or abroad

none

Other activities

none

The Supervisory Board considers Susanne Schröter-Crossan independent in the meaning of C.6 and C.7 of the German Corporate Governance Code.



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/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> from the time at which the general meeting is convened.

Any countermotions, nominations and requests to add items on the agenda by shareholders that are received by the company and that must be published will also be made accessible via the aforementioned website. The voting results will also be published at this internet address after the general meeting.

The company's AGM Portal which, among other things, enables duly registered shareholders to exercise their voting rights before and during the general meeting, can also be accessed via the website. Duly registered shareholders and their authorized representatives can follow the general meeting on May 24, 2023, in full length, live, in audio and video from 10:00 hours (CEST) via the AGM Portal. The speech by the Management Board can also be followed by the interested public live and in audio and video on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>. After the general meeting, the speech by the Management Board will also be available there as a recording.

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 263,558,926.00 and is divided into 263,558,926 no-par value bearer shares. Each no-par value share grants one vote at the general meeting. Therefore, the total number of shares and of voting rights at the time of convening the general meeting each amount to 263,558,926. This total number also includes 4,270,052 treasury shares held at that point in time from which the company does not derive any rights.




Conducting the general meeting as a virtual general meeting without physical presence of the shareholders or their authorized representatives, audio and video broadcast

The Management Board of Zalando SE has decided, with the consent of the Supervisory Board, on the basis of Section 26n (1) of the Introductory Act to the German Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz*), to hold the general meeting as a virtual general meeting pursuant to Section 118a AktG without the physical presence of the shareholders or their authorized representatives. Shareholders or their authorized representatives (with the exception of the proxies appointed by the company) are not permitted to attend the general meeting physically at the venue of the general meeting.

Holding the general meeting as a virtual general meeting in accordance with the new statutory provision in Section 118a AktG results in a number of adjustments in how the general meeting is conducted and in how shareholders' rights are exercised both compared to a physical general meeting and compared to the last virtual general meeting held in accordance with the special legislation to deal with the COVID-19 pandemic. For this reason, please read the following information carefully, in particular with respect to the exercise of voting rights and other shareholder rights.

Duly registered shareholders or their authorized representatives may follow the entire general meeting via the company's online AGM Portal at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> live, in audio and video, and can connect to the meeting in order to exercise their shareholder rights, in particular in order to exercise their voting rights (**Connection**).

Duly registered shareholders will be sent an AGM ticket with further information on exercising their rights. Among other things, the AGM ticket contains the individual access data (access code and password) with which the shareholders can use the company's AGM Portal accessible online at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.



Voting rights may only be exercised by duly registered shareholders or their authorized representatives by absentee voting or by granting authorization and issuing instructions to the proxies appointed by the company. Duly registered shareholders or their authorized representatives can use the AGM Portal to exercise their voting rights, issue authorizations, submit statements on agenda items, and exercise their right to information and to speak, among other things. Finally, duly registered shareholders or their authorized representatives who have exercised their voting rights may declare their objection to one or more resolutions of the general meeting to the minutes of the notary public by means of the company's AGM Portal.

To help shareholders or their authorized representatives prepare for the general meeting, the main points of the Co-CEO's speech will be made available online on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> a few days before the general meeting as a courtesy. The right to make amendments to the speech for the day of the general meeting is reserved.

Password-protected AGM Portal

The company will maintain a password-protected AGM Portal at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> from May 3, 2023. To be able to use the AGM Portal, you must log in with the individual access data (access code and password) that you receive with your AGM ticket.

Shareholders will receive further details regarding the AGM Portal with their AGM ticket or on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>. Please also note the technical information at the end of this invitation notice.

Requirements for connecting to the general meeting and exercising shareholder rights, in particular voting rights

Shareholders who register with the company in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch* – **BGB**)) at the following address and send the company a special proof of their shareholding issued by their custodian institution (last intermediary) in text form (Section 126b BGB) to this address are entitled to connect to

the general meeting (via the company's AGM Portal) and to exercise their shareholder rights, in particular their voting rights (**Duly Registered Shareholders**):

Zalando SE

c/o Better Orange IR & HV AG

Haidelweg 48

81241 Munich, Germany


Email: meldedaten@zalando.de

The proof of shareholding must refer to the beginning of May 3, 2023, 00:00 hours (CEST) (**Record Date**). Both registration and proof of shareholding must have been received by the company at the above-mentioned address by the end of May 17, 2023, 24:00 hours (CEST) (time of receipt) at the latest. Proof of shareholding in accordance with Section 67c (3) AktG shall be sufficient in any case.

It is noted that in the notifications pursuant to Section 125 AktG, which are to be prepared in form and content in accordance with the requirements of the Implementing Regulation (EU) 2018/1212, a record date (*Aufzeichnungsdatum*) is to be indicated in field C.5. of Table 3 of the Implementing Regulation (EU) 2018/1212. This record date (*Aufzeichnungsdatum*) (in the present case: May 2, 2023) is not identical to the Record Date (*Nachweisstichtag*) to be designated pursuant to Section 123 (4) AktG (in the present case: May 3, 2023, 00:00 hours (CEST)). Here, the company follows a recommendation from the Association of German Banks' Implementation Guide for the German Market on the Shareholder Rights Directive II/ARUG II.

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

The right to connect, to exercise shareholder rights and the extent of the voting right are based exclusively on the respective shareholders' 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 respective shareholders as of the Record Date is relevant to exercising shareholder rights, connecting to the general meeting and the extent of the voting right, meaning that sales of shares after the Record Date have no effect on the respective shareholders' right 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 only have entitlement (particularly voting entitlement) 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 by the company of the registration and the special proof of shareholding, the shareholders will be sent AGM tickets for exercising their rights in relation to the general meeting, including the individual access data (access code and password) for the company's AGM Portal for the purpose of connecting to the general meeting and exercising shareholder rights.

Exercising voting rights by absentee voting

Duly Registered Shareholders may cast their votes in writing or by means of electronic communication (absentee voting).

Before the general meeting, the absentee voting form sent with the AGM ticket can be used for this purpose. The relevant form can be requested by regular mail to the address Zalando SE, c/o Better Orange IR & HV AG, Haidelweg 48, 81241 Munich, Germany, or by email to briefwahl@zalando.de and is also available for download on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

For organizational reasons, votes cast by means of the absentee voting form (text form pursuant to Section 126b BGB shall suffice) must have arrived at the company by regular mail at the following address by no later than 24:00 hours (CEST) on May 23, 2023 (time of receipt):



Zalando SE

c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich, Germany

Votes cast by absentee voting that cannot be unequivocally attributed to a proper registration will not be considered.

Before and during the general meeting, the company's AGM Portal, which can be accessed online at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>, is also available for exercising voting rights by means of (electronic) absentee voting. Electronic absentee voting via the AGM Portal will be possible from May 3, 2023 until a point in time determined by the chairperson of the general meeting as part of the voting at the general meeting.

Absentee votes already cast may be changed or revoked by regular mail until May 23, 2023, 24:00 hours (CEST) (time of receipt). A revocation form can be requested by regular mail to the address Zalando SE, c/o Better Orange IR & HV AG, Haidelweg 48, 81241 Munich, Germany, or by email to briefwahl@zalando.de and is also available for download on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>. Via the AGM Portal, you can also change or revoke any votes previously cast by means of absentee voting before and during the general meeting until a point in time determined by the chairperson of the general meeting as part of the voting at the general meeting. This also applies to votes cast using the absentee voting form.

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.

Further instructions on absentee voting are included on the AGM ticket sent to Duly Registered Shareholders.



Exercising voting rights by granting authorization and issuing instructions to the proxies appointed by the company

We offer our shareholders as a service the possibility of granting authorization to proxies appointed by the company bound by the shareholder's instructions to exercise their voting right in the general meeting. In this case, too, timely registration for the general meeting and proof of shareholding in accordance with the above provisions are required in each case. Insofar as proxies appointed by the company are authorized, they must in any case be given instructions on the individual agenda items or any counter motions and nominations for the exercise of voting rights. The proxies appointed by the company are obliged to vote according to these instructions and will not exercise the voting right without having received such explicit instructions.

The authorization of such proxies, the issuing of instructions and any amendments of such as well as the revocation of the authorization given to the proxies appointed by the company must be effected in text form (Section 126b BGB); they may be made by the following methods only:

Prior to the general meeting, an authorization with instructions to the proxies appointed by the company can be granted by means of the authorization and instruction form received by the shareholders together with their AGM ticket for the general meeting. The relevant form can be requested by regular mail to the address Zalando SE, c/o Better Orange IR & HV AG, Haidelweg 48, 81241 Munich, Germany, or by email to vollmacht@zalando.de and is also available for download on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

For organizational reasons, authorizations granted and instructions issued to the proxies appointed by the company by means of the authorization and instruction form prior to the general meeting must be received by the company by May 23, 2023, 24:00 hours (CEST) (date of receipt). The authorization and instructions issued to the proxies appointed by the company by means of the authorization and instruction form shall be sent exclusively to the following address:



Zalando SE

c/o Better Orange IR & HV AG

Haidelweg 48

81241 Munich, Germany

Email: vollmacht@zalando.de

Authorizations and instructions already granted/issued to the proxies appointed by the company may be changed or revoked in the above manner until May 23, 2023, 24:00 hours (CEST) (time of receipt). A revocation form can be requested by regular mail to the address Zalando SE, c/o Better Orange IR & HV AG, Haidelweg 48, 81241 Munich, Germany, or by email to vollmacht@zalando.de and is also available for download on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.


Prior to and during the general meeting, authorizations and instructions to the proxies appointed by the company can also be granted, issued, changed or revoked electronically via the company's AGM Portal until a point in time determined by the chairperson of the general meeting as part of the voting at the general meeting. Shareholders can obtain further details regarding the AGM Portal on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

The company's proxies do not accept instructions to speak, to exercise the right to information, to make statements, to propose motions and nominations, to request the inclusion of questions in the minutes or to lodge objections to resolutions at the general meeting.

Further information on the granting of authorization and issuance of instructions to the proxies appointed by the company is contained on the AGM ticket sent to the Duly Registered Shareholders.

Authorization of third parties to exercise voting and other rights

Shareholders can have their voting rights and other rights exercised by authorized representatives, for example by intermediaries, a shareholders' association, a proxy advisor or any other authorized third party, after granting the appropriate authorization. In these cases, too, timely registration for the general meeting and proof of



shareholding in accordance with the above provisions are required in each case. Authorized third parties may in turn exercise the voting right by absentee voting or by granting authorization and issuing instructions to the proxies appointed by the company (see above). Should the shareholder grant an authorization to more than one person, the company may refuse to accept one or more of these pursuant to Section 134 (3) Sentence 2 AktG.

According to Section 134 (3) Sentence 3 AktG and § 17 (4) of the company's Articles of Association, the granting of the authorization, its revocation and the proof of the authorization to be provided to the company must be in text form (Section 126b BGB) if no authorization is granted in accordance with Section 135 AktG. We would like to point out that when authorizing the exercise of voting rights in accordance with Section 135 AktG (authorizing proxy advisors, shareholders' associations, or other intermediaries covered by Section 135 AktG or equivalent persons as defined by Section 135 AktG), distinctions must generally be observed. Shareholders intending to authorize an authorized representative for the exercise of voting rights in accordance with Section 135 AktG are asked to obtain information on any distinctions in conferment of authority from the party to be authorized in the respective case and to coordinate with such party.

The authorization may be granted to the authorized representative or to the company. Proof of an authorization granted may be provided by the authorized representative sending such proof (for example, the original authorization or a copy thereof) to the following address:



Zalando SE

c/o Better Orange IR & HV AG

Haidelweg 48

81241 Munich, Germany

Email: vollmacht@zalando.de

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

If the granting or proof of an authorization or its revocation by means of a declaration to the company is made by regular mail or by email, for organizational reasons, it must be received by the company by May 23, 2023, 24:00 hours (CEST) (date of receipt).

Shareholders wishing to authorize a representative are requested to use the form of authorization provided by the company for granting such authorization. Such form of authorization will be sent to the Duly Registered Shareholders as part of the AGM ticket and can be requested by regular mail to the address Zalando SE, c/o Better Orange IR & HV AG, Haidelweg 48, 81241 Munich, Germany, or by email to vollmacht@zalando.de. In addition to this, an authorization form can also be downloaded from the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

For the revocation of the authorization, a revocation form can be requested by regular mail to the address Zalando SE, c/o Better Orange IR & HV AG, Haidelweg 48, 81241 Munich, Germany, or by email to vollmacht@zalando.de. In addition to this, such form can also be downloaded from the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

Prior to and during the general meeting, authorizations can also be granted or revoked, also via the company's AGM Portal, until a point in time determined by the chairperson of the general meeting as part of the



voting at the general meeting. Shareholders can obtain further details regarding the AGM Portal on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

The use of the AGM Portal by the authorized representative requires that the relevant individual access data to the AGM Portal are provided to the authorized representative. If an authorization is granted by declaration to the company and by making use of the form provided by the company, a postal address of the authorized representative may be provided for this purpose. If a representative is authorized by means of declaration to the company via the AGM Portal, either a postal address of the authorized representative or an email address of the authorized representative may be provided. Apart from that, the AGM Portal also allows the direct download of the individual access data by the grantor of the authorization in order to forward the access data to the authorized representative. If the grantor of the authorization does not indicate a postal address or email address of the authorized representative, the individual access data for the authorized representative will be sent by regular mail to the address of the relevant grantor of the authorization in order to forward the access data to the authorized representative. If only the proof of authorization is sent to the company, the individual access data for the authorized representative will be sent to the postal address indicated in the proof. If you provide a postal address, please take into account the usual processing and post delivery times for the transmission of access data. Shareholders who wish to make use of the option to authorize a representative are therefore requested to do so in good time in order to enable timely access to the individual access data by the respective authorized representatives.

Proxy advisors, shareholders' associations and other intermediaries covered by Section 135 AktG or equivalent persons as defined by Section 135 AktG who represent a majority of shareholders are recommended contacting the following address in advance of the general meeting with regard to the exercise of the voting rights:



Zalando SE

c/o Better Orange IR & HV AG

Haidelweg 48

81241 Munich, Germany

Email: meldedaten@zalando.de

Further instructions on granting authorizations to third parties are included on the AGM ticket sent to Duly Registered Shareholders.

Information on the shareholder rights pursuant to Art. 56 Sentence 2 and 3 SER in conjunction with Section 50 (2) SEAG, Section 122 (2), Section 126 (1) and (4), Section 127, Section 130a and Section 131 (1) AktG and Section 118a (1) Sentence 2 no. 8 AktG in conjunction with Section 245 AktG

Requests to add items to the agenda pursuant to Art. 56 Sentences 2 and 3 SER, Section 50 (2) SEAG, Section 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 500,000.00 (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.

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 – not including the day of receipt and the day of the meeting – i.e., by the end of April 23, 2023, 24:00 hours (CEST) (time of receipt) 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

Valeska-Gert-Straße 5

10243 Berlin, Germany

The requests to add items to the agenda shall be published and submitted in the same way as applicable for convening the meeting.



Countermotions and nominations by shareholders pursuant to Section 126 (1) and (4) and Section 127 AktG

Shareholders may send countermotions against proposals by the Management Board and/or Supervisory Board on specific items on the agenda and nominations for the election of the auditor and the election of the members of the Supervisory Board. Countermotions must include a statement of reasons for same; nominations do not have to include a statement of reasons. Countermotions to the agenda and nominations, which are to be made accessible prior to the general meeting, are to be sent exclusively to the following address:

Zalando SE

c/o Better Orange IR & HV AG

Haidelweg 48

81241 Munich, Germany

Email: gegenantraege@zalando.de

Countermotions and nominations received by the company at the aforementioned address by the end of May 9, 2023, 24:00 hours (CEST) (time of receipt) at the latest will be made accessible, subject to the further prerequisites of Sections 126 and 127 AktG and including the name of the respective shareholders and – in the case of motions – the statement of reasons, on the company's website at <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> immediately following receipt. Any statements of position by the management will also be published at the same internet address.

Pursuant to Section 126 (4) AktG, motions and nominations of shareholders, which are to be made accessible pursuant to Section 126 (1) to (3) AktG or Section 127 AktG, shall be deemed to have been made at the time they are made accessible. Duly Registered Shareholders or their authorized representatives may exercise their voting rights in respect of these motions. If the shareholder submitting the motion or nomination is not duly authorized or has not duly registered to participate

in the general meeting, the countermotion or nomination does not have to be dealt with at the general meeting.

Submission of statements pursuant to section 130a (1) to (4) AktG


Prior to the general meeting, Duly Registered Shareholders or their authorized representatives may submit statements on the items on the agenda by means of electronic communication. Such statements may be submitted to the company in text form or as a video message exclusively via the AGM portal accessible at the internet address

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> and must be received by the company no later than May 18, 2023, 24:00 hours (CEST).

The length of a statement in text form should not exceed 10,000 characters (including spaces) or – in the case of video messages – five minutes. Only statements in which the shareholder or authorized representative express their opinion themselves or appear in person are permitted. Statements in text form must be submitted as a file in PDF format in accordance with the procedure put in place for this purpose. Statements in video format shall be submitted in MPEG-4 or MOV file formats in accordance with the procedure put in place for this purpose; they shall not exceed a file size of 1 GB. Further information on the technical requirements for submitting statements can be found on the AGM Portal that is accessible online at

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

Statements to be made accessible will be published for Duly Registered Shareholders or their authorized representatives on the AGM portal accessible at the internet address <https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> by May 19, 2023, 24:00 hours (CEST), at the latest. Statements by shareholders or their authorized representatives will be published on the AGM portal with their names. Any statements by the Management will also be published on the aforementioned AGM Portal. Statements will not be made available if the Management Board would expose itself to criminal prosecution by making them available, if the statement contains manifestly false or



misleading information or insults, or if the submitting shareholder indicates that he/she will not attend the general meeting and will have no representation at the general meeting.

The opportunity to submit statements does not constitute an opportunity to submit questions in advance for the purposes of Section 131 (1a) AktG. Any questions contained in statements will therefore not be answered at the virtual general meeting unless they are asked at the general meeting itself (see below). Any motions, nominations and objections to resolutions at the general meeting contained in statements shall also be disregarded. These must be submitted, made or declared exclusively by the means specified separately for doing so in this convocation notice.

Right to information, put forward motions and speak pursuant to Section 130a (5) and (6) and Section 131 (1) AktG

Duly Registered Shareholders, or their authorized representatives, who are connected to the general meeting by electronic means may request information from the Management Board by electronic means on matters relating to the company, the company's legal and business relations with affiliates, and on the group's current position and the entities included in the consolidated financial statements, insofar as the information is required to make a proper assessment of an item on the agenda. It is intended that the chairperson of the general meeting will stipulate at the general meeting that the aforementioned right to information under Section 131 (1) AktG may be exercised at the general meeting exclusively by way of video communication, i.e., in the context of speeches. The chairperson of the general meeting will provide further information on this during the general meeting. No other submission of questions by electronic or other means of communication is provided for either before or during the general meeting.

In addition, Duly Registered Shareholders or their authorized representatives who are connected to the general meeting by electronic means have the right to speak at the general meeting via video communication. Speeches can be registered from the beginning of the general meeting via the AGM Portal accessible at the internet address

<https://corporate.zalando.com/en/investor-relations/events/annual->



[general-meeting/annual-general-meeting-2023](https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023). The chairperson of the general meeting will explain the procedure for requesting to speak and speaking at the general meeting. Motions and nominations pursuant to Section 118a (1) sentence 2 no. 3 AktG and a request for information in accordance with Section 131 (1) AktG may form part of the speech.

Exercising the right to speak by means of video communication requires an internet-ready device with a camera, speaker or headphones and a microphone, along with a stable internet connection. The company reserves the right to check the functionality of the video communication between shareholders or their authorized representatives, on the one side, and the company, on the other, during the general meeting and before a speech and to decline the speech if this functionality cannot be ensured. Further information on the technical requirements and the technical process for speeches can be found on the AGM Portal accessible at the internet address

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

Declaring objections to the minutes of the notary public

Duly Registered Shareholders or their authorized representatives who are electronically connected to the general meeting may, from the beginning of the general meeting until its closure by the chairperson of the meeting, declare objections to any resolutions of the general meeting to the notary's minutes by way of electronic communication via the company's AGM Portal accessible at the internet address

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.

Further explanations on shareholder rights

Further explanations on the shareholder rights pursuant to Art. 56 Sentence 2 and 3 SER in conjunction with Section 50 (2) SEAG, Section 122 (2), Section 126 (1) and (4), Section 127, Section 130a, Section 131 (1) and Section 118a (1) Sentence 2 no. 8 AktG in conjunction with Section 245 AktG can be found on the company's website at

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.



UTC times

All times indicated in this convocation notice are in Central European Summer Time (CEST) as the time zone applying to Germany. With regard to coordinated universal time (UTC), this corresponds to the ratio of UTC = CEST minus two hours.

Information on data protection for shareholders and their authorized representatives

In connection with the preparation, implementation and follow-up of the virtual general meeting, in particular when you register for the general meeting, use our AGM Portal, grant an authorization, connect to the virtual general meeting, submit a statement, or exercise other shareholder rights, we process personal data (e.g. name, address, email address, number of shares, class of shares, type of ownership of the shares and number of the AGM ticket, your individual access data for the AGM Portal, the IP address from which you use the AGM Portal, the content of the statements you have submitted as well as any objections declared) about you and/or your authorized representative. This is done to enable shareholders or their authorized representatives to connect to and exercise their rights in connection with the virtual general meeting. Furthermore, we process your personal data to comply with our legal obligations in connection with the conduct of the virtual general meeting.

The entity responsible for processing your personal data is:

Zalando SE

Valeska-Gert-Straße 5

10243 Berlin, Germany

Telephone: + 49 (0)30 2000 88 400

Email: info@zalando.de

If we use service providers to conduct the virtual general meeting, they process your personal data only on our behalf and are otherwise obliged to maintain confidentiality.

If the legal requirements are met, every data subject has the right to information, correction, restriction, deletion and, if applicable, objection regarding the processing of their personal data at any time, as well as the

right to data transmission and the right to complain to a competent data protection supervisory authority.

Further information about the handling of your personal data in connection with the virtual general meeting and about your rights under the EU General Data Protection Regulation can be accessed at any time on the company's website at

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023> or be requested from the following address: Zalando SE, Valeska-Gert-Straße 5, 10243 Berlin, Germany, email: datenschutz@zalando.de.

Technical instructions for the virtual general meeting

To follow the virtual general meeting and to use the AGM Portal and to exercise shareholder rights, you need an internet-ready device and an internet connection. In order to be able to render the video and audio broadcast of the general meeting optimally, a stable internet connection with a sufficient transmission speed is recommended.

If you use a computer to receive the video and audio broadcast of the virtual general meeting, you will need a browser and speakers or headphones. If you wish to exercise your right to speak in accordance with section 130a (5) and (6) AktG or your right to information in accordance with section 131 (1) AktG, you will also need a camera and a microphone.

To access the company's AGM Portal, you need your individual access data (access code and password), which you receive with the AGM ticket or as an authorized representative. Using this access data, you can log in to the AGM Portal on the login page.

In order to avoid the risk of restrictions in the exercise of shareholder rights due to technical problems during the virtual general meeting, it is recommended that shareholder rights (in particular voting rights) be exercised before the start of the general meeting wherever possible. The company's AGM Portal will be accessible from May 3, 2023.

Shareholders will receive further details regarding the AGM Portal with the AGM ticket, or on the company's website at

<https://corporate.zalando.com/en/investor-relations/events/annual-general-meeting/annual-general-meeting-2023>.



Berlin, April 2023

Zalando SE
The Management Board