

**Declaration by the Management Board and the Supervisory Board of Zalando SE regarding  
the recommendations of the**

**“Government Commission German Corporate Governance Code”**

**pursuant to section 161 AktG (German Stock Corporation Act)**

The Management Board and the Supervisory Board of Zalando SE declare that Zalando SE has, since the publication of the last annual declaration of conformity in December 2014, acted in conformity with the recommendations of the “Government Commission German Corporate Governance Code” (hereinafter the “Code”) with the exceptions stated and explained therein and hereafter and will in the future act in conformity with the recommendations of the Code in its version of 5 May 2015 (published by the Federal Ministry of Justice on 12 June 2015 in the official section of the Federal Gazette (*Bundesanzeiger*)) with the following exceptions:

- No. 3.8 para. 3: According to the Code’s recommendations, a deductible shall be agreed upon for the members of the Supervisory Board when taking out D & O policy. The Company takes the view that such a deductible is not in itself suitable to increase the performance and sense of responsibility of the Supervisory Board members. Furthermore, it reduces the attractiveness of Supervisory Board positions and thus the Company’s opportunities in its competition for qualified Supervisory Board candidates.
- No. 4.2.1 sentence 1: According to the Code’s recommendations, the Management Board shall have a chairman or spokesman. So far the three members of the Management Board of Zalando SE have worked together on an equal footing without any member performing the function of the chairman or spokesman. The Supervisory Board cannot see any reason why it should change this established and successful cooperation.
- No. 4.2.3 para. 2 sentences 4, 6 and 7: According to the Code’s recommendations, both positive and negative developments shall be taken into account when determining variable components of the compensation paid to members of the Management Board. The amount of compensation shall be capped, both overall and for the variable compensation components, and the variable compensation components shall be related to demanding, relevant comparison parameters. The current compensation system for the Management Board provides for a share option scheme as the variable component of the Management Board compensation, which was assessed to be appropriate by an independent compensation consultant.

This share option scheme contains no explicit rule requiring the consideration of negative developments. It includes performance targets linked to the average annual growth rate of the aggregated retail value of all sales transactions with persons or enterprises not belonging to the Zalando group. Negative developments are only taken into account by the fact that the

execution of option rights, due to the strike price for the execution of the option rights, can become unattractive; therefore, we declare, for reasons of precaution, a deviation from No. 4.2.3 para. 2 sentence 4. Furthermore, the share option scheme contains no cap for the amount of compensation within the meaning of No. 4.2.3 para. 2 sentence 6, in particular since the current compensation system for the Management Board had been fixed by the Supervisory Board before the initial public offering and thus before the application of the Code's recommendations. In addition, when determining the compensation of the Management Board members, the specific situation of the Company as an international ecommerce player should be sufficiently taken into consideration. Lastly, it cannot be excluded that the agreed performance targets do not comply with the requirements laid down by the Code regarding demanding parameters. Therefore, we also declare, for reasons of precaution, a deviation from No. 4.2.3 para. 2 sentence 7.

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

- Nos. 4.2.4 and 4.2.5: According to the Code's recommendations, the compensation of the members of the Management Board shall be disclosed by name, divided into fixed and variable components as well as fringe benefits. These recommendations are not complied with because the General Meeting of Zalando SE resolved on 11 July 2014 in accordance with sections 286 (5), 314 (2) sentence 2, 315a (1) HGB (German Commercial Code) in connection with article 61 of the SE Regulation that the compensation of the members of the Management Board shall not be disclosed by name in the annual and consolidated financial statements of Zalando SE to be prepared for fiscal years 2014 up to (and including) 2018. For the duration of a corresponding "opt-out" resolution passed by the General Meeting, the Company will abstain from including in the compensation report the disclosures recommended under No. 4.2.5 para. 3 of the Code.
- No. 5.4.5 sentence 2: According to the Code's recommendations, members of the management board of a listed company shall not accept more than a total of three supervisory board mandates in non-group listed companies or in supervisory bodies of non-group companies which make similar requirements. One of the members of the Supervisory Board of Zalando SE is the CEO of a foreign listed company and currently at the same time has accepted more than three mandates in Supervisory Boards of non-group listed companies or in supervisory bodies of non-group companies which make similar requirements. However, Zalando SE does not consider this to be a limitation of the proper fulfilment of the Supervisory Board member's responsibilities as the Supervisory Board member has sufficient time to perform his mandate at Zalando SE. Since it is not sufficiently clear whether No. 5.4.5 sentence 2 of the Code also

applies to Management Boards of foreign listed companies, we declare, for reasons of precaution, a deviation.

Berlin, in November 2015

Zalando SE

The Management Board

On behalf of the Supervisory Board



Robert Gentz



David Schneider



Rubin Ritter



Cristina Stenbeck