

Corporate Governance Report

In this statement Westwing Group AG (the “**Company**”) reports in accordance with Sec. 289 f HGB (“Handelsgesetzbuch”: German Commercial Code) on the principles of corporate governance and in accordance with Sec. 161 AktG (“Aktiengesetz”: German Stock Corporation Act) and No. 3.10 of the German Corporate Governance Code (as amended on February 7, 2017 (published on April 24, 2017 and in the corrected version published on May 19, 2017)) on the Company’s corporate governance. In addition to the Declaration of Conformity with the German Corporate Governance Code, this statement contains information on corporate governance and the composition and working practices of the Management Board, the Supervisory Board and the Supervisory Board’s committees. The statement on corporate governance in accordance with Sec. 289 f HGB is also part of the management report.

Compliance with the Corporate Governance Code

Corporate governance means the responsible leadership and management of entities with a view to long-term value creation. The corporate governance and culture of Westwing Group AG conform to the legal requirements and – with a few exceptions – the additional recommendations of the German Corporate Governance Code. The Management Board and Supervisory Board are committed to good corporate governance and all business units follow this guiding principle. Competence, transparency and sustainability are core values for the Company.

The declaration is published on the Company’s website (ir.westwing.com).

Corporate Governance Statement in accordance with Sec. 289 f and 315 d HGB (“Handelsgesetzbuch”: German Commercial Code)

A. Declaration by the Management Board and the Supervisory Board in accordance with Sec. 161 AktG (“Aktiengesetz”: German Stock Corporation Act)

Declaration of Conformity 2019 (“Entsprechenserklärung”)

Declaration by the Management Board and the Supervisory Board of Westwing Group AG regarding the recommendations of the „Government Commission on the German Corporate Governance Code” pursuant to Section 161 AktG (*Aktiengesetz*)

“The Management Board and Supervisory Board of Westwing Group AG declare that Westwing Group AG (the “**Company**”) complies with the recommendations of the German Corporate Governance Code, as amended on February 7, 2017 (published on April 24, 2017 and in the corrected version published on May 19, 2017) (the “**Code**”) since November 2018, namely the day of the previous declaration of conformity of the Management Board and the Supervisory Board, and intends to comply in future with the recommendations of the Code except for the following:

- **No. 3.8 sentences 4 and 5 of the Code:** The Code provides that, if a company provides a D&O insurance for the Management Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual remuneration of the Management Board member must be agreed. A similar deductible shall be agreed in any D&O insurance policy for the Supervisory Board. The Company's current D&O insurance policy does not include a deductible for the members of the Supervisory Board. The Company is of the opinion that a deductible for the members of the Supervisory Board does not have any influence on the awareness of responsibility and loyalty of the members of the Supervisory Board with regard to their tasks and functions. Moreover, it would reduce the Company's possibilities to compete for competent and qualified members of the Supervisory Board.
- **No. 4.2.3 sentence 4 of the Code:** The Code provides that variable remuneration components generally have a multiple year assessment basis that shall have essentially forward-looking characteristics. The members of the Management Board are entitled to variable remuneration in cash based on the achievement of certain performance targets for the relevant fiscal year. The Company deems an annual assessment basis to be reasonable, since the Company is still a young company whose business performance is therefore difficult to predict.
- **No. 4.2.3 sentence 7 of the Code:** The Code provides that the amount of remuneration of the members of the Management Board shall be capped with maximum levels, both as regards variable components and in the aggregate. The members of the Management Board have been granted in the past and may from time to time in the future be granted call options for the acquisition of shares in the Company in addition to their remuneration under their relevant service agreement. Such call options are not granted under a standardized call option program and are not capped with maximum level.
- **No. 4.2.5 sentences 5 and 6 of the Code:** The Code provides that the remuneration report, which is part of the management report and describes the principal features of the Management Board remuneration system, shall include information on the nature of fringe benefits provided by the Company. The total compensation of every member of the Management Board shall be disclosed on an individual basis, divided into fixed and variable compensation granted and received. The model tables provided by the Code shall be used to disclose such information. On September 21, 2018, the Company's shareholders' meeting resolved that the compensation of the members of the Management Board will not be disclosed individually in the Company's individual or consolidated financial statements to be prepared for all fiscal years until 2022 (inclusive) in accordance with Sections 286 para. 5 sentence 1, 285 no. 9, 315e paras. 1 and 2 and 314 para. 3 sentence 1 HGB (*Handelsgesetzbuch*). Therefore, at least with respect to all fiscal years until 2022 (inclusive), the Company will abstain from an individual disclosure of the aggregate compensation for each member of the Management Board and, to the extent legally permissible, from a disclosure of their individual compensation. The Company believes that the information it will provide in accordance with mandatory laws is sufficient for current and future shareholders and the public. With respect to the model tables, the Company will refrain from using these tables in its compensation report as it believes that it can display the relevant information in another suitable form in the notes or the management report.
- **No. 5.3.3 of the Code:** The Code provides that the Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which proposes suitable candidates to the Supervisory Board for its recommendations to the shareholders' meeting. The Supervisory Board has not formed a Nomination Committee, since the Supervisory Board is of the opinion, that a Nomination Committee is not required with respect to the shareholder structure of the Company.

B. Corporate governance practices of Westwing Group AG and the group of Westwing companies

Westwing Group AG and the group of Westwing companies pursue the following key corporate governance practices:

Code of Conduct

The success of Westwing Group AG and the group of Westwing companies is based on the trust placed in us by customers, investors and employees. That is why high standards are set when it comes to responsibility – both for the company and for each individual. Westwing's Codes of Conduct lays down these standards in a binding set of guidelines that are to be used worldwide. The objectives are to help employees implement the key principles and values of our company in their everyday working life and to show them how to handle potential issues or difficult situations that affect our business practices or our dealings with each other.

The Westwing Group Code of Conduct is available on the Company's website (ir.westwing.com).

Anti-bribery and Anti-corruption Initiatives at Westwing

In 2014, Westwing implemented its anti-corruption policy. This policy outlines acceptable and non-acceptable behavior to avoid violations of anti-corruption laws. This behavior includes compliance with all laws, domestic and foreign, and the prohibition of improper payments, gifts or inducements of any kind to or as received from any person. Westwing follows a zero-tolerance policy for bribery. The policy applies to all Westwing employees and third parties Westwing engages. Furthermore, all subsidiaries were required to implement an equivalent policy as well.

The policy provides guidance on what can be accepted by an employee and when a gift or, for example, an invitation to an event constitutes bribery.

In all cases, the employee who is offered a gift or, for example, an invitation to an event must inform the Compliance Department in writing about the gift or invitation to an event. Depending on certain value limits, the Compliance Department, in consultation with the employee and the supervisor, grants permission to accept the gift or invitation to an event after appropriate factual analysis.

Furthermore, Westwing has implemented a whistleblower email address where employees can anonymously make a report if they detect something is not working correctly. In the past years, no suspicious events were reported. In addition, it is part of our overall risk management system to detect any violations.

To give our employees an overview of compliance at Westwing, as well as our Code of Conduct, our anti-corruption policy and other selected guidelines, including guidelines on data protection, Westwing introduced mandatory compliance training (face-to-face events) for all

employees in the second half of 2019. By conducting the training on a regular basis, Westwing ensures that all employees (including new employees) fulfill their training obligations.

Appropriate opportunity and risk management

A responsible approach to opportunities and risks is a priority for Westwing Group AG. This is ensured by having an extensive opportunity and risk management to identify and monitor major opportunities and risks. The system is continuously enhanced and adapted to changing conditions. The management report contains detailed information on the Company's risk management system.

Committed to transparency

As part of ongoing investor relation activities, all important dates for shareholders, investors and analysts during the upcoming fiscal year are published in our financial calendar at the beginning of the year. The financial calendar, which is regularly updated, is available on the Company's website (ir.westwing.com).

The Company informs shareholders, analysts and journalists according to uniform criteria. The information is transparent and consistent for all capital market participants. Ad hoc reports and press releases as well as presentations of press and analyst conferences are published immediately on the Company's website.

Insider information (ad hoc publicity), voting rights notifications and securities transactions by members of the Management Board and Supervisory Board and related persons ("directors' dealings") are announced by Westwing Group AG in accordance with the legal requirements.

This information is also available on the Company's website (ir.westwing.com).

Financial reporting

In 2019, the Annual General Meeting elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Munich office, as auditor of the separate and consolidated financial statements. In preparation, the auditor presented a declaration that there are no business, financial, personal or other relationships between the auditor, its governing bodies and audit managers on the one hand and the Company and its directors on the other hand which could give cause to doubt the auditor's independence.

C. Information on Management Board and Supervisory Board working practices at Westwing Group AG, as well as on the composition and working practices of their committees

As a stock company under the German Stock Corporation Act (*Aktiengesetz*), having its registered seat in Berlin, Westwing Group AG has a two-tier management system, comprising of a Management Board and a Supervisory Board. The two boards cooperate closely for the benefit of the Company. The Management Board manages the entity, the Supervisory Board advises and oversees the Management Board. The shareholders of Westwing Group AG exercise their rights in the Annual General Meeting.

Working practices of the Management Board

The Management Board manages the Company on its own responsibility in accordance with legal provisions, the Articles of Association of Westwing Group AG (the “Articles of Association”) and the rules of procedure for the Management Board dated August 7, 2018 (“**Management Board Rules of Procedure**”). It is obligated to protect the Company’s interest, in particular to increase its long-term business value. The Management Board develops the Company’s strategy, discusses and agrees on it with the Supervisory Board and ensures that it is implemented. It is also responsible for appropriate risk management and control as well as regular, timely and comprehensive reporting to the Supervisory Board.

The Management Board performs its management function as a collective body. Notwithstanding their overall responsibility for management, the individual members of the Management Board manage the areas assigned to them on their own responsibility within the framework of the Management Board’s resolutions. The allocation of responsibilities among the members of the Management Board is defined in the Management Board Rules of Procedure according to which the members of the Executive Board are responsible for the following departments:

CEO: Stefan Smalla

- Strategy (development and implementation)
- Organization
- Operating business
- Marketing
- Technology & product management
- Product development

CCO (Chief Creative Officer): Delia Fischer

- Creative
- Offering
- Public relations

CFO: Dr. Dr. Florian Drabeck

- Finances
 - Accounting, taxes, treasury
 - Controlling
 - Financial reporting to the capital market

- Investor relations
- Holding tasks: human resources, legal, risks & compliance.

The Management Board's work is precisely stated in the Management Board Rules of Procedure. Sec. 4 stipulates that the Management Board as a whole must decide on the Company's strategic alignment and the strategic planning of the use of funds. In addition, measures and transactions of strategic and/or extraordinary importance for the Company and/or group companies or associated with an extraordinary economic risk require the prior approval of the entire Management Board. Furthermore, the Management Board Rules of Procedure and the Articles of Association stipulate that certain transactions of fundamental importance require the prior approval of the Supervisory Board or one of its committees.

The Management Board principally meets once a month and, in addition, if required (see Sec. 5 (1) of the Management Board Rules of Procedure).

The Management Board informs the Supervisory Board pursuant to Sec. 6 of the Management Board Rules of Procedure regularly, timely and comprehensively on all relevant issues relating to strategy, planning, business development and risk management for the Company.

Composition of the Management Board

In accordance with the Articles of Association (Sec. 7 (1)), the Management Board is composed of one or more persons. The number of members is determined by the Supervisory Board. In the 2019 fiscal year, the Management Board had three (3) members, each of whom is responsible for the tasks assigned to their area of responsibility. Further details on the members of the Management Board are provided in the notes to the annual financial statements of Westwing Group AG in accordance with Sec. 285 no. 10 of the German Commercial Code (HGB). The Management Board takes an age limit of 75 years into account for its composition. In justified individual cases, exceptions may be made.

Diversity concept and proportion of women on the Management Board

Diversity must be taken into account on the Westwing Group AG Management Board. This means that there should be different skills and experience from different areas, which help to ensure that decisions can be made from different perspectives. In addition, care should be taken to ensure that different genders are represented.

The Supervisory Board has set the target figure for the proportion of women on the Management Board at 1/4. The Supervisory Board will review the target figure again in the 2023 fiscal year at the latest.

Supervisory Board

The Supervisory Board advises and oversees the Management Board. It works closely with the Management Board for the benefit of the Company and is involved in all decisions of fundamental importance (see also above).

Its rights and duties are governed by legal requirements, the Articles of Association, the rules of procedure for the Supervisory Board dated August 8, 2018 (the "**Supervisory Board Rules**

of Procedure”), and the Management Board Rules of Procedure. It appoints and removes the members of the Management Board and, together with the Management Board, ensures long-term succession planning.

The work of the Supervisory Board takes place in plenary meetings and in an Audit Committee (see below). The work of the committee is aimed at improving the efficiency of the Supervisory Board’s work. The Chairman of the Audit Committee reports regularly to the Supervisory Board on the work of the committee. According to its rules of procedure (Sec. 6 (1) sentence 1), the Supervisory Board must meet at least once every calendar quarter. In addition, it convenes whenever it is in the Company’s interest to do so. Seven Supervisory Board meetings are currently scheduled for 2020.

Requirements regarding the composition of the Supervisory Board

Taking into account the recommendations of the German Corporate Governance Code as amended on February 7, 2017 (published on April 24, 2017 and in the corrected version published on May 19, 2017) (the “Code”) and certain published recommendations of the new German Corporate Governance Code that will come into effect in the course of 2020, the Supervisory Board has set itself targets with regard to its composition.

The Supervisory Board is to be composed in such a way as to ensure qualified supervision and consultation of Westwing's Management Board by the Supervisory Board.

The Supervisory Board shall comprise an appropriate number of independent members and the Chairman of the Supervisory Board and the Chairman of the Audit Committee shall be independent. A member of the supervisory board shall be deemed to be independent if he or she has no personal or business relationship with the company, its executive bodies or a controlling shareholder that could give rise to a material and not merely temporary conflict of interest.

In order to ensure that the Management Board is always monitored and advised independently and efficiently, Supervisory Board members should not normally hold their mandate for more than twelve years. The Supervisory Board takes an age limit of 75 years into account for its composition. In justified individual cases, exceptions may be made.

A Supervisory Board member should not be exposed to any potential conflicts of interest. This means, for example, that no more than two former members of the Management Board may be members of the Supervisory Board and that Supervisory Board members should not exercise directorships or similar positions or advisory tasks for major competitors of the company. Furthermore, Supervisory Board members should not have any personal relationship with a major competitor.

In addition, Supervisory Board members should ensure that they have sufficient time to perform their duties. With regard to the exercise of their mandate, it should be noted that at least four ordinary Supervisory Board meetings are held annually, each of which requires appropriate preparation. In addition, extraordinary meetings of the Supervisory Board may be necessary to deal with special issues.

In order to have sufficient time available, a member of the Supervisory Board who is not a member of a company's management body should not hold more than five supervisory board

mandates at listed companies or comparable functions, whereby a supervisory board chairmanship counts twice.

In addition, a supervisory board member who is a member of an executive body of a company shall not hold more than two supervisory board mandates in a total of listed companies outside the group or comparable functions and shall not chair any other supervisory board.

Competence profile for the Supervisory Board

With regard to knowledge and experience, the Supervisory Board has drawn up a competence profile for the entire Supervisory Board. The members of the Supervisory Board should have industry knowledge (especially in the home & living sector, in technology and in e-commerce) and financial knowledge and should have competences in the areas of strategy and supervision gained by holding a management position or being a member of the supervisory board of listed companies or venture capital companies.

According to the Articles of Association (Sec. 9 (1)), the Supervisory Board has four (4) members. It is not subject to employee co-determination. All members of the Supervisory Board are elected by the Annual General Meeting as shareholder representatives.

Details on the members of the Supervisory Board are provided in the notes to the financial statements of Westwing Group AG in accordance with Sec. 285 no. 10 HGB).

The Supervisory Board of Westwing Group AG is composed in accordance with the aforementioned objectives. The body has the necessary independence and meets the conditions of the competence profile drawn up.

Diversity concept and proportion of women on the Supervisory Board

The Supervisory Board strives to ensure sufficient diversity in its composition. When selecting the candidates for the Supervisory Board, it should be examined in the interest of complementary cooperation which desirable professional backgrounds, expertise and experience are required in the Supervisory Board.

Candidates with appropriate skills shall be identified and, if the candidates are equally suitable, diversity shall be taken into account. Diversity means that there are different professional skills and experience in the desired areas that complement each other. Care should also be taken to ensure that different genders are represented.

The aim is to ensure that decisions made by Westwing Group AG are assessed from different perspectives on the basis of existing diversity and can be made with the help of a wide range of knowledge.

The Supervisory Board has set the target figure for the proportion of women on the Supervisory Board at 1/4, which is currently already being met.. The Supervisory Board will review the target figure again in the 2023 financial year at the latest.

Cooperation between the Management Board and Supervisory Board

The Management Board and the Supervisory Board cooperate closely for the benefit of the Company. Ongoing and intensive dialog between the boards is the basis for efficient and effective corporate management. The Management Board develops Westwing Group AG's strategy, discusses and agrees on it with the Supervisory Board and ensures that it is implemented.

The Management Board discusses the progress made in implementing the strategy with the Supervisory Board at regular intervals. The Chairman of the Supervisory Board has regular contact with the Management Board and advises it on strategy, planning, business development and risk management issues. The Management Board informs the Chairman of the Supervisory Board without delay about important events which are of significance for the assessment of the position and development as well as for the management of the Company and its group companies. The Chairman of the Supervisory Board subsequently informs the rest of the Supervisory Board and, if necessary, convenes an extraordinary Supervisory Board meeting.

The Articles of Association and the Management Board Rules of Procedure contain provisions stipulating that the Supervisory Board is required to give its approval for transactions of fundamental significance.

The members of the Management Board must disclose any conflicts of interest to the Supervisory Board and the other members of the Management Board without delay. Significant transactions by members of the Management Board and related parties with the Company require the approval of the Supervisory Board, as does the acceptance of sideline work outside the entity.

A D&O group policy was concluded for the members of the Management Board and the Supervisory Board.

Supervisory Board committees

In fiscal year 2019, the Supervisory Board had one committee: the Audit Committee. Additional committees may be established as required.

Audit Committee

The Audit Committee deals in particular with the monitoring of the financial reporting process, the effectiveness of the internal control and internal audit systems, auditing – in particular the independence of the auditor, additional services by the auditor, engaging the auditor, determining the areas of audit focus and fee arrangement – and compliance.

The Audit Committee prepares the Supervisory Board's resolutions on the separate and, if necessary, the consolidated financial statements, i.e., it bears responsibility for the preliminary audit of the documents relating to the separate and consolidated financial statements and for preparing the approval and ratification of these financial statements and of the Management Board's proposal for profit appropriation. Furthermore, the Audit Committee prepares the agreements with the auditor, in particular the engagement of the

auditor, the determination of the areas of audit focus and the appointment of the auditor by the Annual General Meeting. This also includes evaluating the required independence; the Audit Committee takes suitable action to determine and monitor the auditor's independence. The Audit Committee rather than the Supervisory Board decides on whether or not to approve agreements with auditors on additional advisory services, if such agreements require approval. The Audit Committee discusses with the Management Board the principles for compliance, risk identification, risk management and the design and operating effectiveness of the internal control system. Three meetings of the Audit Committee are currently scheduled for 2020.

Since August 8, 2018, the members of the Audit Committee are Michael Hoffmann (Chairman), Christoph Barchewitz and Thomas Harding. The Chairman of the Audit Committee is independent, has specific knowledge and experience in the application of accounting principles and internal control procedures and thus satisfies the requirements of Sec. 100 (5) AktG. The members of the Audit Committee have expert knowledge in financial reporting and auditing and the composition meets all requirements relating to independence for the purposes of the Commission Recommendation of February 15, 2005, on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC) and the recommendations of the German Corporate Governance Code.

Management Board committees

The Management Board has not established any committees. It performs its management function as a collective body, with responsibility for specific areas being assigned to the individual members of the Management Board.

D. Stipulations to promote the participation of women in leadership roles

Westwing Group AG is committed to building a diverse employee structure and is aware of the particular importance of female participation at all management levels of Westwing Group AG. We are proud of the high proportion of female employees and leaders at Westwing Group AG.

According to Sec. 111 (5) AktG, the Supervisory Board is required to set targets for the percentage of women on the Supervisory Board and Management Board. The Supervisory Board has set the target figure for the proportion of women on the Supervisory Board at 1/4 and for the proportion of women on the Management Board at 1/4. The Supervisory Board will review the target figure again in the 2023 financial year at the latest.

According to Sec. 76 (4) AktG of the Code 2017, the Management Board is required to set targets for the percentage of women in the two management levels below Management Board. We are proud that currently 57% of the leaders in the first and second management levels of Westwing Group AG are female.¹ At its meeting on March 25, 2019, the Management Board defined a minimum target percentage of 40 % at the second management level of Westwing Group AG which shall in any reporting period be exceeded until March 25, 2023. For the first management level of Westwing Group AG, the minimum target rate should be

¹ The two members of the first management level (CTO and CMO) are both male.

zero (according to the underlying definition, this is only two employees, the CTO and CMO, who are employed by Westwing Group AG). In 2019, the minimum target rate of 40 % women for the second management level of Westwing Group AG was exceeded with 60%. Note that the regulation extends only to Westwing Group AG; yet, we would like expressly state that we feel committed to increasing female participation at all management levels also in our other operating entities and countries.