Annex to Agenda Item 7

Compensation System for the Members of the Management Board of Westwing Group AG

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The Supervisory Board of Westwing Group AG (hereinafter referred to as "**Westwing**" or the "**Company**") adopted the compensation system for the members of the Management Board of the Company as set out below in its meeting on June 18, 2021.

A description of the main features of the compensation system is followed by a description of the procedures for determining, reviewing and implementing the compensation system. This is followed by a detailed description of the compensation system. The individual compensation components and the defined maximum compensation are explained. In addition, options for reducing or reclaiming variable compensation components as well as regulations on the term and termination of Management Board service contracts are presented.

I. Basic features of the compensation system

The Supervisory Board's objective is to offer the members of the Management Board competitive compensation in line with the market, so that the Company can attract and retain the best national and international candidates for a position on Westwing's Management Board. In designing the compensation system for the members of the Management Board, the Supervisory Board was guided in particular by the following principles:

Strategy orientation
The compensation system for the members of the Management Board in its entirety makes a significant contribution to the promotion and implementation of Westwing's business strategy by defining performance criteria related to the long-term and sustainable success of the Company and providing these with challenging annual or multi-year targets. The compensation system thus provides important incentives for result-driven corporate management, sustainable growth, and increasing the long-term value of the Company.

Performance orientation and appropriateness
The individual compensation of the members of the Management Board should be commensurate with their tasks and performance. To ensure this, adequate and ambitiously set performance criteria are appropriately anchored within the variable compensation components (pay for performance).

Long-term nature and sustainability
The compensation system is designed to promote the sustainable and long-term development of the Company. In order to link compensation to the long-term development of the Company, long-term variable compensation makes up a significant proportion of total compensation and significantly exceeds short-term variable compensation. Furthermore, the compensation system includes performance criteria that take social and ecological aspects into account and promote sustainable action by the Company. The integration of non-financial performance criteria from the areas of environment, social responsibility and governance (environmental social governance, "**ESG**") as components of the compensation structure incentivizes sustainable and future-oriented action and at the same time aims to create value for Westwing's customers, employees and shareholders as well as the environment as a whole.

Capital market orientation
In order to align the actions of the members of the Management Board with the long-term positive development of the Company and the interests of the shareholders of Westwing, the variable performance-based compensation components are to be granted predominantly on the basis of shares. The structure of the long-term variable compensation component as a performance share plan ("**LTI Component 1**") and as a stock option plan ("**LTI Component 2**") take this principle into account. In addition, share ownership guidelines, according to which the members of the Management Board are obliged to hold Westwing shares amounting to 200% (Chairman) or 100% (ordinary member) of their fixed gross annual salary for the duration of their appointment, link the interests of the members of the Management Board with those of the shareholders of Westwing.

Clarity and comprehensibility
The compensation system for the members of the Management Board of Westwing is designed in a clear and comprehensible manner. It complies with the requirements of the applicable German Stock Corporation Act as amended by the German Act Implementing the Second Shareholders' Rights Directive of December 12, 2019 (ARUG II) and complies with the recommendations of the German Corporate Governance Code (GCGC) as amended on December 16, 2019, unless a deviation from these recommendations is declared.

II. Procedures for determining, implementing and reviewing the compensation system

Pursuant to Section 87a(1) sentence 1 German Stock Corporation Act, the Supervisory Board must adopt a clear and comprehensible compensation system for the members of the Management Board. The compensation system adopted by the Supervisory Board is to be submitted to the General Meeting for approval in accordance with Section 120a(1) German Stock Corporation Act. In the event of significant changes, but at least every four years, the compensation system is again to be submitted to the General Meeting for approval.

In accordance with the compensation system presented to the General Meeting, the Supervisory Board determines the specific target total compensation and the performance criteria of the variable compensation components for each member of the Management Board.

If the General Meeting does not approve the compensation system submitted to it for voting, a revised compensation system is to be submitted to it for approval at the latest at the following General Meeting. The Supervisory Board must explain all significant changes and provide an overview of the extent to which the vote and comments of the shareholders with regard to the compensation system and, if applicable, the compensation reports have been taken into account.

The Supervisory Board regularly reviews the appropriateness of the compensation system and the amounts of the individual compensation of the individual members of the Management Board. When assessing the appropriateness of compensation levels, the comparative environment of Westwing (horizontal comparison) and the Company's internal compensation structure (vertical comparison) are to be taken into account:

- **Horizontal comparison:** On the one hand, the Supervisory Board assesses the customary nature of the specific total compensation of the members of the Management Board in comparison with other listed companies (peer group comparison). The Supervisory Board primarily selected German companies from the e-commerce, technology and IT sectors. Primarily, companies were selected whose number of employees, sales and growth ambitions are readily comparable with Westwing.

- **Vertical comparison:** Secondly, the Supervisory Board assesses the development of the specific total compensation of the members of the Management Board within the Company. To this end, it looks at the ratio of Management Board compensation to the compensation of both senior management and the workforce as a whole. In this context, the upper management circle is composed of Westwing's Executive Team excluding the members of the Management Board. The total workforce includes employees employed in Germany of the Westwing Group. The ratio between Management Board compensation and the aforementioned vertical comparison groups is also taken into account in the development over time. In the event of significant shifts in the ratio of Management Board compensation to the compensation of the vertical comparison groups, the Supervisory Board will examine the reasons for the shift.

For the development of the compensation system and the assessment of the appropriateness of the compensation, the Supervisory Board consults an external compensation expert as required, whereby the Supervisory Board ensures that the expert is independent of the Management Board and the Company. The Supervisory Board was assisted by an independent external compensation expert in the development of the present compensation system.

The general rules of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code on the handling and avoidance of conflicts of interest on the Supervisory Board are also applied in the process of determining, implementing and reviewing the compensation system for the members of the Management Board. The handling of conflicts of interest is also defined in the Rules of Procedure for the Supervisory Board. Accordingly, each member of the Supervisory Board must disclose to the Supervisory Board any conflicts of interest, in particular those that may arise as a result of a consultancy or board function with customers, suppliers, lenders, borrowers or other third parties. In this case, the relevant members of the Supervisory Board may not participate in the resolutions on the relevant agenda items in the Supervisory Board and its committees. In the event of material and not merely temporary conflicts of interest in the person of a member of the Supervisory Board, the Supervisory Board member concerned must resign from office. In its report to the General Meeting, the Supervisory Board will provide information on any conflicts of interest that have arisen and how they have been dealt with.

Westwing publishes the compensation of the members of the Management Board annually in the compensation report required by law.

The present compensation system applies to all Management Board employment contracts to be newly concluded or renewed from September 1, 2021 (inclusive). For existing Management Board employment contracts, the previous compensation structure will continue to apply in accordance with Section 26j(1) sentence 3 of the Introductory Act to the German Stock Corporation Act (EGAktG) and the explanatory memorandum to the German Corporate Governance Code.

III. Description of the compensation system

A. Components of the compensation

1. Overview and components of target total compensation

The compensation of the members of the Management Board consists of non-performance-related (fixed) and performance-related (variable) components. The fixed annual salary and fringe benefits form the fixed components. The variable components are the short-term variable remuneration (Short Term Incentive – STI) and the long-term variable remuneration (Long Term Incentive – LTI), each of which is linked to the achievement of various performance criteria. The LTI is made up of two components, a performance share plan (LTI Component 1) and a stock option plan (LTI Component 2). There are no pension or early retirement arrangements.

The following diagram shows the fixed and variable components of the compensation system for the members of the Company's Management Board.

Fixed compensation		**Fixed annual salary**	▪ Fixed contractually agreed compensation paid in twelve monthly installments
Fixed compensation		**Fringe benefits**	▪ Subsidy for health insurance and old-age pension ▪ Financial loss liability insurance for members of governing bodies (D&O insurance) ▪ Possibility of granting a sign-on bonus ▪ Other subsidies (including relocation, further training, company car)
Short-term variable Compensation (STI)		**Plan type**	▪ Target bonus
Short-term variable Compensation (STI)		**Limitation of the amount paid out**	▪ 200% of the target amount
Short-term variable Compensation (STI)		**Performance criteria**	▪ 25% revenue ▪ 25% adjusted EBITDA ▪ 25% free cash flow ▪ 25% ESG performance target
Short-term variable Compensation (STI)		**Payment**	▪ In the month following the approval of the consolidated financial statements in cash
Long-term variable Remuneration (LTI)		**Structure**	▪ Share-based compensation component consisting of a performance share plan and stock options ▪ Ratio of performance shares and stock options selectable by member of the Management Board (however, at least 50% stock options)
Long-term variable Remuneration (LTI)		**Allocation**	▪ One-time allocation of long-term variable compensation at the beginning of the employment contract
Long-term variable Remuneration (LTI)	LTI Component 1	**Plan type**	▪ Performance share plan
Long-term variable Remuneration (LTI)	LTI Component 1	**Performance criteria**	▪ 40% revenue growth ▪ 40% adjusted EBITDA growth ▪ 20% ESG performance target
Long-term variable Remuneration (LTI)	LTI Component 1	**Term**	▪ Four years
Long-term variable Remuneration (LTI)	LTI Component 2	**Plan type**	▪ Stock option plan
Long-term variable Remuneration (LTI)	LTI Component 2	**Performance criteria**	▪ 40% revenue growth ▪ 40% adjusted EBITDA growth ▪ 20% ESG performance target
Long-term variable Remuneration (LTI)	LTI Component 2	**Term**	▪ Four years
Long-term variable Remuneration (LTI)	LTI Component 2	**Exercise period**	▪ Three years after expiry of the term
Long-term variable Remuneration (LTI)		**Payment**	▪ Generally in shares ▪ The Supervisory Board reserves the right to make the payment in cash
Othe r		**Share Ownership Guidelines (SOG)**	▪ Members of the Management Board are required to hold XX shares equivalent to 200% (Chairman) or 100% (ordinary member) of their fixed gross annual salary for the duration of their appointment to the Management Board.

	Maximum remuneration	▪ Limit on the total compensation to be granted for a fiscal year pursuant to Section 87a (1) sentence 2 no. 1 German Stock Corporation Act to EUR 10 million per member of the Management Board
	Penalty / Clawback	▪ Possibility of withholding or reclaiming variable compensation in whole or in part in the event of gross negligence, intentional breaches of duty, or variable compensation paid out on the basis of incorrect data

On the basis of the compensation system, the Supervisory Board determines a specific target total compensation for each member of the Management Board that is commensurate with the tasks and performance of the respective member of the Management Board and the situation of the Company. In determining the amount of the target total compensation of the individual members of the Management Board, the Supervisory Board may, at its due discretion, differentiate with regard to different requirements of the respective Management Board function, market conditions or qualification and experience of the members of the Management Board. When determining the target total compensation, it may therefore, in particular, make differences depending on the function of the members of the Management Board (Chairman or ordinary member), the responsibility within the overall Management Board or the experience or length of membership of the Management Board.

In determining the compensation structure, the Supervisory Board also ensures that the variable compensation components account for a significant share of total compensation in order to ensure a strong incentive structure and performance-based compensation for the members of the Management Board. Furthermore, in accordance with the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code, the Supervisory Board takes into account that the share of long-term variable compensation exceeds the share of short-term variable compensation in order to focus on the long-term and sustainable development of Westwing.

The total target compensation comprises the sum of fixed and variable compensation components. For the variable compensation components (STI and LTI), the target amount is based in each case on 100% target achievement. Due to the one-time allocation of the LTI at the beginning of the employment contract, the total allocation amount under the LTI is divided equally over the term of the employment contract.

The compensation structure is shown in the figure below:

			Compensation component	Relative share of total target compensation	
Fixed compensation	**Fixed annual salary**			**15 % - 35 %**	
	Fringe benefits			**1 % - 5 %**	
Variable compensation	**Short-term variable Compensation (STI)**			**0 % - 20 %**	
	LTI	**Component 1**		**0 % - 42 %**	**55 % - 84 %**
		Component 2		**27.5 % - 84 %**	

The share of non-performance-related compensation (fixed annual salary and fringe benefits) is currently around 15% to 35% of target total compensation. The share of short-term variable compensation (STI) is up to 20% of target total compensation, while the share of long-term variable compensation (LTI) accounts for the majority of target total compensation at 55% to 84%. The LTI consists of LTI Component 1 (performance share plan) and LTI Component 2 (stock option plan). Depending on the risk affinity of the respective Management Board member, LTI Component 1 accounts for 0% to 50% of the LTI and thus corresponds to 0% to 42% of the target total compensation. LTI Component 2 has a share of 50% to 100% of the LTI and thus corresponds to a share of 27.5% to 84% of the target total compensation. These differentiation options also mean that the shares of the individual compensation components in the target total compensation are specified in the compensation system in percentage ranges.

2. Fixed compensation components

a. Fixed annual salary

The members of the Management Board of Westwing receive a fixed annual salary, which is paid in cash in twelve equal monthly installments. If the employment contract begins or ends in the current fiscal year, the fixed annual salary for this fiscal year is granted *pro rata temporis*.

b. Fringe benefits

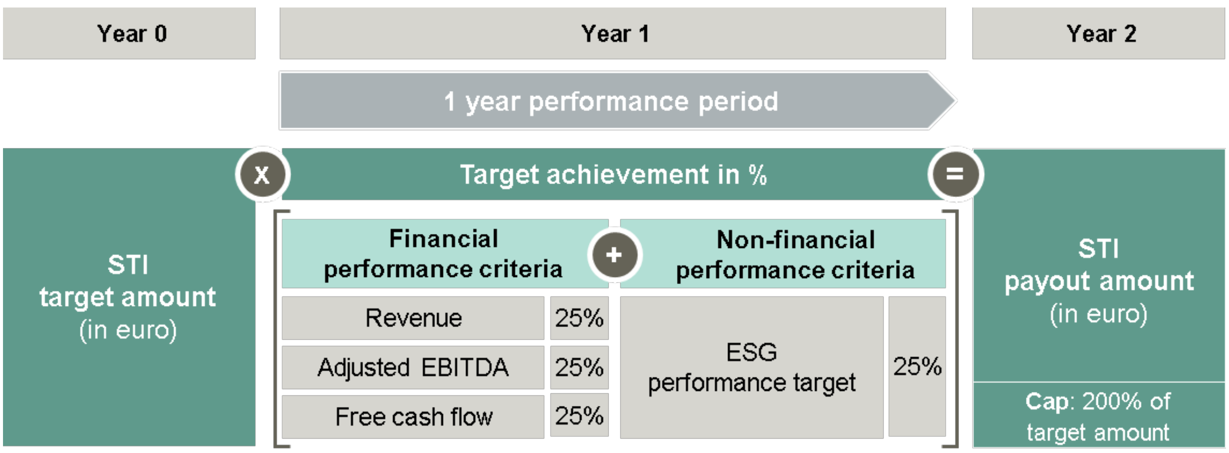
Each member of the Management Board also receives benefits in kind and other compensation (fringe benefits). For example, the members of the Management Board are entitled to an allowance for health insurance and retirement benefits. A directors' and officers' liability insurance policy (D&O insurance) with standard market coverage and a deductible is taken out for all members of the Management Board in accordance with the relevant provisions of the German Stock Corporation Act. In addition to the above-mentioned fringe benefits, members of the Management Board may be granted further allowances (including for relocation expenses, further training, company car). In addition, the Supervisory Board has the right, in individual cases, to grant new members of the Management Board a sign-on bonus in cash or shares on taking up office, in line with market conditions and in an appropriate manner, in order to attract suitable candidates. Such a special payment can, for example, compensate for salary losses from previous employment contracts resulting from the move to Westwing.

3. Variable compensation components

The variable compensation components are described below. The relationship between the achievement of the performance criteria and the amount of variable compensation paid out is explained. It also explains in what form and when the members of the Management Board can dispose of the variable compensation amounts granted. In addition, it is explained how the variable compensation components contribute to the promotion of the business strategy and the long-term development of the Company.

a. Short-term variable compensation (STI)

The STI is a performance-based variable compensation component with a one-year assessment period that incentivizes the contribution made in the fiscal year to the operational implementation of the corporate strategy and to sustainable corporate development. In addition to three financial performance criteria, the short-term variable compensation also includes a non-financial ESG performance criterion. The weighting of the performance criteria is 25% each. The Supervisory Board may, at its due discretion, waive the granting of short-term variable compensation in the form of the STI in individual cases.



Financial performance criteria – revenue, adjusted EBITDA and free cash flow

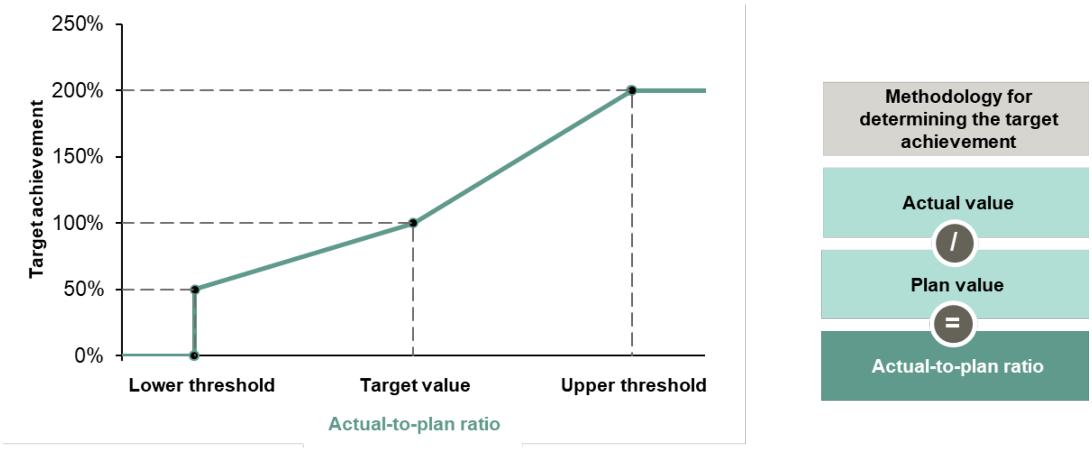
This part of the STI is measured by the achievement of the three financial performance criteria of revenue, adjusted EBITDA and free cash flow. Revenue and adjusted EBITDA, together with the adjusted EBITDA margin, are the key financial performance indicators for Westwing's operative business.

- **Revenue**: Revenue is the approved and audited revenue reported in the consolidated financial statements. It is the key indicator of demand for Westwing's products and thus an important factor in the implementation of Westwing's ambitious growth strategy. Aligning compensation with the Company's revenue thus helps to promote the Company's business strategy and long-term development.
- **Adjusted EBITDA**: Westwing defines EBITDA as the sum of earnings before interest and taxes (EBIT) and depreciation, amortization and impairment losses. Adjusted EBITDA is calculated by adjusting EBITDA for share-based payment income/expense. Adjusted EBITDA reflects Westwing's operative earnings power and thus helps to drive the Company's business strategy.
- **Free cash flow**: Free cash flow is defined as the sum of cash flow from operating activities and cash flow from investing activities. It ensures the short-term liquidity of the operative business, taking into account investment activities, and thus provides the basis for the sustainable and long-term development of the Company.

At the beginning of each fiscal year, the Supervisory Board sets a target value and an upper and lower threshold value for each of the three aforementioned STI performance criteria. In doing so, it may be guided by the budget planning for the respective fiscal year. To ensure that these targets do not fail to fulfill their incentive function, the Supervisory Board will use its due discretion to ensure that the targets are ambitious on the one hand, but remain achievable for the member of the Management Board on the other.

The degrees of target achievement for the three performance criteria – revenue, adjusted EBITDA and free cash flow – are determined by comparing the actual value achieved in the fiscal year with the target value (planned value) defined by the Supervisory Board. The range of possible target achievement for the performance criteria in the STI is between 0% and 200%. If the actual value corresponds to the plan value defined by the Supervisory Board, the degree of target achievement for the performance criterion is 100%. If the actual value falls below the lower threshold defined by the Supervisory Board, the target achievement level for the performance criterion is 0%. If this is the case for all four performance criteria, the STI can therefore also be waived completely. If the actual value reaches or exceeds the upper threshold defined by the Supervisory Board, the degree of target achievement for the performance criterion is 200%.

The bonus curves are structured according to the following scheme:



Non-financial performance criterion – ESG performance target
In addition to financial development, the sustainable non-financial development of the Company is also of crucial importance for its long-term success. This part of the STI is measured by the achievement of a non-financial ESG performance target derived from Westwing's valid sustainability strategy, as amended. Westwing has to date defined five key areas of activity that enable sustainable action and growth and are to be incentivized via the STI:

CUSTOMER RELATIONS & DATA PROTECTION	ANTI-CORRUPTION INITIATIVES	EMPLOYEES & DIVERSITY	ENVIRONMENT & CLIMATE PROTECTION	COMPLIANCE THROUGHOUT THE SUPPLY CHAIN

When defining the ESG performance target, the Supervisory Board determines not only the specific ESG performance target but also the method for measuring performance as well as the target value, a lower threshold value and an upper threshold value. The specific target achievement can range from 0% to 200% and is explained ex-post in the compensation report. When setting the specific ESG performance target, the Supervisory Board ensures that it is measurable and transparent and is guided by the objectives of Westwing's sustainability strategy. If the selected ESG performance target cannot be measured or determined due to unforeseeable developments, the Supervisory Board may use an alternative key performance indicator that comes as close as possible to the original purpose. In principle, however, subsequent changes are also excluded for the ESG performance target in accordance with the recommendation of the German Corporate Governance Code.

Overall target achievement and payment modalities
The overall STI target achievement is determined by the Supervisory Board after the end of the fiscal year based on the target achievement regarding the individual financial and non-financial performance criteria and the respective weighting.

The overall target achievement is calculated by multiplying the target achievement levels of the performance criteria in each case by their weighting and then adding them up.

The total STI target achievement is then multiplied by the STI target value to determine the annual payout amount. The annual STI payout amount is capped at 200% of the target amount for all members of the Management Board. Subsequent modification of the performance criteria is excluded.

In accordance with the recommendation in G.11 of the German Corporate Governance Code, the Supervisory Board also has the option, in justified rare special cases, to take appropriate account of extraordinary developments in the STI. This can lead to an increase as well as a decrease in the otherwise resulting variable compensation. Such adjustments may therefore take into account both positive and negative extraordinary developments that were not yet known or foreseeable when the target values were set and that have a significant impact on the total compensation of the members of the Management Board, for example M&A activities not included in the budget, unforeseeable changes in accounting standards or tax regulations, natural disasters or pandemics. Generally unfavorable market developments or risks to the normal course of business are expressly not covered by such exceptional cases. In making its decision, the Supervisory Board takes into account, among other things, the extent to which Westwing, the shareholders and the employees are or will be affected by the exceptional developments. Any adjustments and their impact on target achievement and the payment of the STI are reported ex-post in the compensation report.

Payment of the STI will be made in cash and will be due for payment with the next ordinary salary run following approval of the consolidated financial statements for the relevant fiscal year of Westwing.

If the Management Board employment contract begins or ends in the current fiscal year, the target amount is reduced *pro rata temporis to* the date of the beginning or end, respectively.

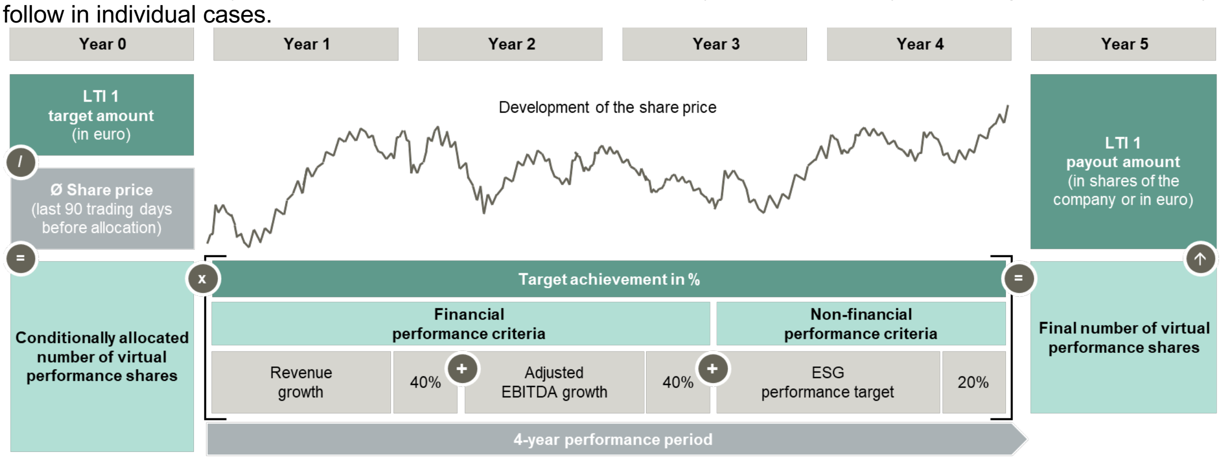
b. Long-term variable compensation (LTI)

The long-term variable compensation (LTI) is intended to promote the actions of the members of the Management Board in the interests of the sustainable and long-term development of the Company. The LTI is granted at the beginning of the employment contract of a member of the Management Board by way of a one-time allocation for the entire term of the employment contract and is completely share-based. The link to the development of the Company's share price contributes to a stronger link between the interests of the shareholders and a promotion of the long-term growth of Westwing. The variable compensation under the LTI also depends on the success of the Company in the context of its long-term strategy and is therefore geared to the long-term development of the Company. In addition, the LTI provides for ambitious ESG targets that incentivize and reward sustainable corporate governance and take into account the Company's social responsibility.

The compensation granted under the LTI is granted in equal parts for the entire term of the employment contract. The LTI consists of a performance share plan (LTI Component 1) and a stock option plan (LTI Component 2). The exact weighting of the two LTI components can be chosen by the respective member of the Management Board in consultation with the Supervisory Board. The possibility to freely choose the ratio of LTI Component 1 and LTI Component 2 allows for different risk affinities of the individual members of the Management Board – a higher share of LTI Component 2 allows for a more risk-oriented compensation profile – and gives the Supervisory Board the flexibility to meet all talent profiles. At least 50% of the LTI must be allocated to LTI Component 2 in order to incentivize sustainable share price growth in line with investor interests.

LTI Component 1 – Performance share plan

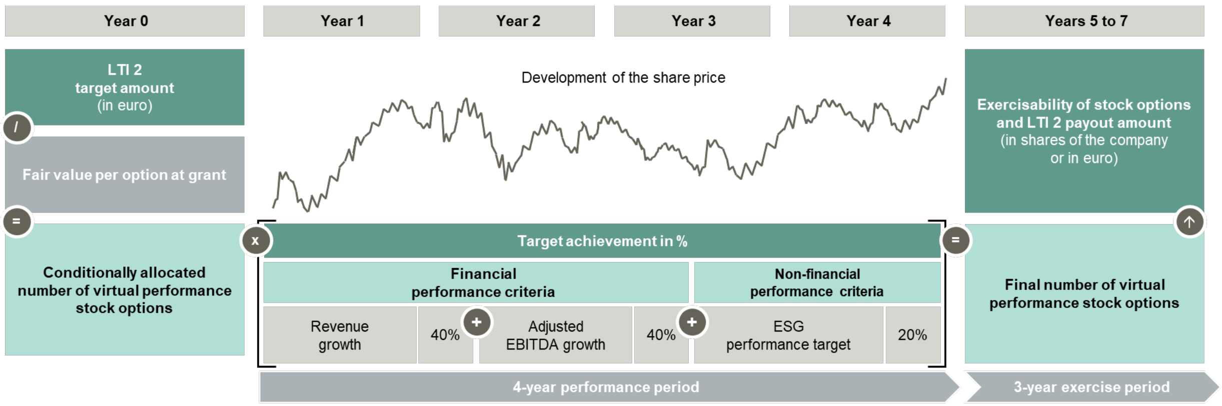
LTI Component 1 is structured as a performance share plan under which virtual shares (performance shares) are conditionally allocated by Westwing ("**Conditionally Allocated Number of Virtual Performance Shares**"). The term of an LTI tranche is at least four years and consists of a performance period which generally corresponds to the term of the employment contract, but comprises at least three years, and a one-year vesting period which may follow in individual cases.



To determine the Conditionally Allocated Number of Virtual Performance Shares ("**VPS**"), the target amount of LTI Component 1 is divided by the average XETRA closing price of Westwing's shares over the last 90 trading days prior to allocation. After the end of the performance period, the final number of VPS is determined on the basis of target achievement of the performance criteria defined by the Supervisory Board. If the performance criteria are not met, the number of VPS is reduced. If the performance criteria are exceeded, the number of VPS increases. At the end of the performance period, the final number of VPS is limited to 200% of the Conditionally Allocated Number of

Virtual Performance Shares at the beginning of the performance period. After the end of the term, Westwing shares are granted for the final number of VPS, which are then available to the member of the Management Board without restriction. If the performance share plan is instead settled and paid out in cash at the discretion of the Supervisory Board, the amount paid out after the end of the performance period and any subsequent vesting period is determined by multiplying the final number of VPS by the average XETRA closing price of Westwing shares over the last 90 trading days of the term.

LTI Component 2 – Stock options
LTI Component 2 is structured as a stock option plan under which virtual performance stock options ("**VPSO**") are conditionally allocated by Westwing ("**Conditionally Allocated Number of Virtual Performance Stock Options**"). As with LTI Component 1, the term of an LTI tranche is at least four years. Subsequently, the VPSO can be exercised within three years (three-year exercise period).



Prior to the allocation of the VPSO, the strike price is determined by the Supervisory Board. To determine the number of VPSO allocated, the target amount of LTI Component 2 is divided by the fair value per VPSO at grant. The fair value is determined using a recognized valuation method (e.g. Black Scholes model, Monte Carlo simulation).

At the end of the performance period, the final number of VPSO is determined based on the achievement of the performance criteria defined by the Supervisory Board. If the performance criteria are not met, the number of VPSO is reduced. If the performance criteria are exceeded, the number of VPSO increases. The final number of VPSO at the end of the performance period is limited to 200% of the Conditionally Allocated Number of Virtual Performance Stock Options at the beginning of the performance period. After the end of the term, the VPSO can be exercised within a period of three years. If the VPSO are exercised in part or in full and settled in shares, the Management Board is entitled to subscribe for shares of the Company at the strike price. If the VPSO are exercised in part or in full and settled in cash, the payout amount of LTI Component 2 is determined by multiplying the number of VPSO by the difference between the XETRA closing price of Westwing shares on the exercise date and the strike price.

Financial performance criteria – Revenue growth & adjusted EBITDA growth
The relevant financial performance criteria for LTI Component 1 and LTI component 2 are revenue growth and adjusted EBITDA growth. Both financial performance criteria are weighted at 40% each. Both performance criteria promote the implementation of Westwing's business strategy and the focus of the LTI on the long-term development of the Company.

- **Revenue growth:** Revenue growth refers to the increase in consolidated revenue within the performance period and is measured as the compound annual growth rate ("**CAGR**"). Revenue is the key indicator for the implementation of Westwing's ambitious growth strategy. Aligning compensation with the Company's revenue growth thus makes a significant contribution to promoting the business strategy and the long-term development of the Company.
- **Adjusted EBITDA growth**: Adjusted EBITDA growth refers to the increase in adjusted EBITDA within the performance period and is measured as CAGR. Adjusted EBITDA reflects the operative earnings power of Westwing. In line with Westwing's business strategy, adjusted EBITDA growth promotes an increase in operative earnings power and thus contributes to the Company's long-term development.

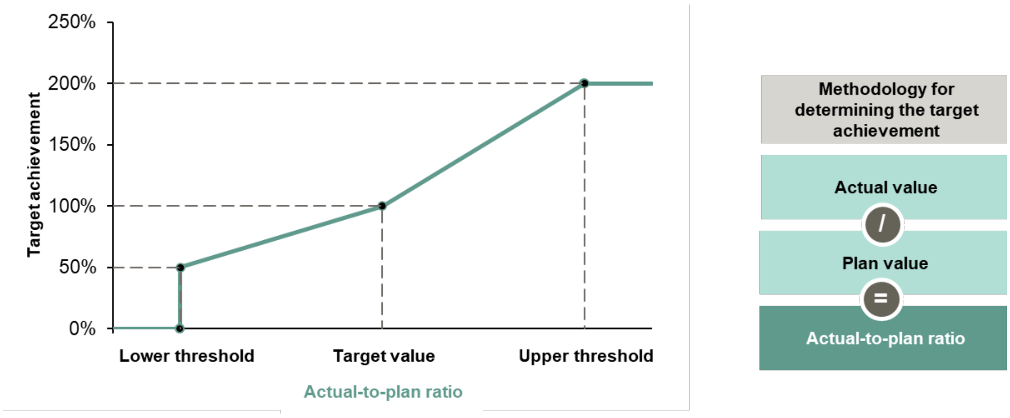
At the beginning of each LTI tranche, the Supervisory Board sets a target value and an upper and lower threshold value for the two aforementioned LTI performance criteria on the basis of the strategic plan. To ensure that these targets do not fail to fulfill their incentive function, the Supervisory Board will use its due discretion to ensure that the targets are ambitious on the one hand but remain achievable for the member of the Management Board on the other.

The degree to which the two individual targets – revenue growth and adjusted EBITDA growth – have been achieved is determined at the end of the performance period by comparing the actual value achieved with the target value (plan value). The actual value for revenue growth and adjusted EBITDA growth is determined using the following formula:

$$CAGR = \left(\frac{Revenue\ or\ EBITDA_{ficscal\ year\ 4}}{Revenue\ or\ EBITDA_{fiscal\ year\ 0}}\right)^{1/4} - 1$$

The range of possible degrees of target achievement for the performance criteria in the LTI is between 0% and 200%. If the actual value corresponds to the plan value defined by the Supervisory Board, the degree of target achievement for the performance criterion is 100%. If the actual value falls below the lower threshold defined by the Supervisory Board, the target achievement level for the performance criterion is 0%. If this is the case for all three performance criteria, the LTI can therefore also be waived completely. If the actual value reaches or exceeds the upper threshold defined by the Supervisory Board, the target achievement level for the performance criterion is 200%.

The bonus curves are structured according to the following scheme:



Non-financial performance criterion – ESG performance target
In addition to the financial development, the sustainable non-financial development of the Company is also of decisive importance for the long-term success of the Company. This part of the LTI is measured by the achievement of a non-financial ESG performance target derived from Westwing's valid sustainability strategy, as amended. The weighting of the non-financial performance criterion is 20%. Westwing has to date defined five key areas of activity that enable sustainable action and growth and are to be incentivized in the LTI:

CUSTOMER RELATIONS & DATA PROTECTION	ANTI-CORRUPTION INITIATIVES	EMPLOYEES & DIVERSITY	ENVIRONMENT & CLIMATE PROTECTION	COMPLIANCE THROUGHOUT THE SUPPLY CHAIN

In addition to the specific ESG performance target, the Supervisory Board also defines the method for measuring performance as well as the target value, a lower threshold value and an upper threshold value. The specific target achievement can range from 0% to 200% and is explained ex-post in the compensation report. When setting the specific ESG performance target, the Supervisory Board ensures that it is measurable and transparent and is guided by the objectives of Westwing's sustainability strategy. If the selected ESG performance target cannot be measured or determined due to unforeseeable developments, the Supervisory Board may use an alternative key performance indicator that comes as close as possible to the original purpose. In principle, however, subsequent changes are also excluded for the ESG performance target in accordance with the recommendation of the German Corporate Governance Code.

Overall target achievement and payment modalities
The overall target achievement of LTI Component 1 and LTI Component 2 is calculated by multiplying the target achievement levels of the performance criteria by their respective weightings and then adding them together. The overall target achievement for all members of the Management Board is capped at 200%, i.e., the Conditionally Allocated Number of VPS or the Conditionally Allocated Number of VPSO can at most be doubled by the target achievement of the performance criteria.

In accordance with the recommendation in G.11 of the German Corporate Governance Code, the Supervisory Board also has the option in justified rare special cases to take appropriate account of extraordinary developments. This can lead to an increase as well as a decrease in the otherwise resulting variable compensation. Such adjustments may therefore take into account both positive and negative exceptional developments that were not yet known or foreseeable when the targets were set and were not adequately reflected therein, for example M&A activities not included in the budget or unforeseeable changes in accounting rules. Generally unfavorable market developments or risks in the normal course of business are explicitly not included in such exceptional cases. In making its decision, the Supervisory Board takes into account, among other things, the extent to which Westwing, the shareholders and the employees are or will be affected by the extraordinary developments. Any adjustments and their impact on target achievement and payment of the LTI are reported ex-post in the compensation report.

Due to the sequential nature of this variable compensation, the fulfillment or payment (in shares of the Company or in cash) made under the LTI is granted *pro rata temporis* in equal parts for all fiscal years of a performance period. The prorated total of the payment amounts (in shares of the Company or in cash) of LTI Component 1 and LTI Component 2 is also limited in each case by the maximum compensation (see III. C.). For LTI Component 1, the XETRA closing price of Westwing shares or the payout amount in euros on the grant date after the end of the term is decisive. For LTI Component 2, the XETRA closing price of Westwing shares or the payout amount in euros in each case less the strike price on the exercise date of the VPSO applies.

In the case of LTI Component 1, payment is generally due at the end of the month following the approval of the Westwing consolidated financial statements for the final year of the term, and in the case of LTI component 2, payment is generally due one month after the Management Board member exercises the VPSO. LTI Component 1 and LTI Component 2 are generally paid out in shares. The Supervisory Board reserves the right to pay out LTI Component 1 and LTI Component 2 in cash instead at its own discretion.

If the employment contract of a member of the Management Board ends during a current LTI tranche, the target amount for calculating the Conditionally Allocated Number of VPS or the Conditionally Allocated Number of VPSO is reduced *pro rata temporis.*

All entitlements from current tranches of LTI Component 1 and LTI Component 2 lapse without replacement or compensation if the employment contract is terminated by Westwing for cause before the end of the defined performance period or if the member of the Management Board resigns without cause (bad leaver).

B. Share Ownership Guidelines (SOG)

In order to align the interests of the members of the Management Board of the Company even more closely with those of the shareholders beyond the variable compensation, there is an obligation for the members of the Management Board to hold shares in the Company (Share Ownership Guidelines). The Chairman of the Management Board is obliged to hold Westwing shares amounting to 200% of his/her fixed gross annual salary for the duration of his/her membership of the Management Board, ordinary members of the Management Board are obliged to hold Westwing shares amounting to 100% of their fixed gross annual salary for the duration of their membership of the Management Board. The shares to be held are accrued within four years of the initial appointment as a member of the Management Board. Westwing shares already held by the member of the Management Board are taken into account. The decisive factor for the value of the Westwing shares held is the purchase price at the time of acquisition or, in the case of any (gratuitous) transfer, the XETRA closing price of the Westwing share on the date of (gratuitous) transfer.

C. Maximum compensation

The total compensation to be granted for a fiscal year (sum of all compensation amounts expended for the fiscal year in question, including fixed annual salary, fringe benefits and variable compensation components) of the members of the Management Board – irrespective of whether it is paid out in this fiscal year or at a later date – is limited to a maximum amount for the individual members of the Management Board (“**Maximum Compensation**"). In the event that the Maximum Compensation is exceeded, the payments from the long-term variable compensation (in shares of the Company or in cash) as the last compensation component due are reduced accordingly.

From fiscal year 2021, the Maximum Compensation for newly concluded or extended employment contracts is EUR 10 million per member of the Management Board. These amounts are not the target total compensation sought or deemed appropriate by the Supervisory Board, but merely an absolute maximum limit that can only be achieved in the event of maximum target achievement of all ambitious performance criteria for variable compensation, the selection of a risk-oriented compensation profile by the member of the Management Board with a high LTI Component 2 and any significant increase in the share price of the Company. In addition, it should be taken into account that the vast majority of the compensation of the members of the Management Board is granted in the form of long-term variable compensation, the payout amount of which can conversely also fall to zero. The aim of the compensation system for members of the Management Board is thus also to further support and promote a “founding mindset” among members of the Management Board.

As the Maximum Compensation is calculated on an annual basis, but the allocation of LTI Component 1 and LTI Component 2 is made once at the beginning of the employment contract and is completely share-based and the members of the Management Board therefore receive the entire payout under the LTI at the earliest after the expiry of a four-year term (sequential plan), the prorated value of the amount received at the time of payment (in shares of the Company or in cash) is determined for each fiscal year of the performance period during the contract term. The actual amount received under the LTI is then allocated equally over the Maximum Compensation of the fiscal years during the performance period because the LTI is granted as compensation for the entire performance period.

Based on the prorated amounts, the Supervisory Board can calculate the compensation in a comprehensible and transparent manner for a fiscal year and ensure that the defined Maximum Compensation for a fiscal year is not exceeded.

The Supervisory Board regularly reviews the appropriateness of the individual Maximum Compensation commitment. This review of appropriateness is carried out as part of the horizontal and vertical comparison and includes the fringe benefits in their respective maximum, lump-sum amount.

D. Malus and clawback rules

The employment contracts of the members of the Management Board contain provisions granting the Supervisory Board the right, at its reasonable discretion, to withhold ("**Malus**") or claw back ("**Clawback**") part or all of the variable compensation components in certain cases. These cases include grossly negligent or intentional violations of the duties of the members of the Management Board pursuant to Section 93(1) German Stock Corporation Act and the Management Board employment contract, as well as serious violations of internal compliance or conduct guidelines, whereby the respective violation must be so serious that the Supervisory Board is entitled to revoke the appointment of the member of the Management Board.

In addition, variable compensation already paid out must be repaid if the payment of variable compensation components to the member of the Management Board was based on incorrect data that must be subsequently corrected in accordance with the applicable auditing standards, in particular in the annual report or the sustainability report. The repayment is to be made in the amount of the overpayment made to the member of the Management Board compared to the amount paid on the basis of the correct calculation.

For payments made in Westwing shares, the value of the transferred Westwing shares at the grant date is decisive. The value of a transferred Westwing share at the grant date corresponds, in the case of LTI Component 1, to the average XETRA closing price of Westwing shares over the 90 trading days prior to the end of the term and, in the case of LTI Component 2, to the XETRA closing price of Westwing shares on the exercise date less the strike price.

Claims of the Company for damages, in particular under Section 93(2) sentence 1 German Stock Corporation Act, the right of the Company to revoke the appointment pursuant to Section 84(3) German Stock Corporation Actand the right of the Company to terminate the service agreement without notice (Section 626(1) German Civil Code) remain unaffected.

E. Compensation-related legal transactions

1. Terms and conditions of termination of compensation-related legal transactions, including the respective notice periods

The Supervisory Board complies with the requirements of Section 84 of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code when appointing members of the Management Board and when determining the term of their employment contracts. Accordingly, the term of the employment contracts is a maximum of five years or a maximum of three years for the first appointment. The employment contract may only be terminated for cause within the meaning of Section 626 of the German Civil Code. There is no possibility to terminate the employment contract subject to due statutory or contractual notice.

In the event of termination of a Management Board employment contract, the variable remuneration components attributable to the period up to the termination of the contract are paid to the member of the Management Board concerned in accordance with the originally agreed performance criteria and the payment modalities and deadlines set out in the employment contract.

2. Dismissal compensation

In the event of premature termination for good cause attributable to the member of the Management Board (bad leaver), severance pay is excluded.

In the event of premature termination of the employment contract by mutual consent without good cause, any severance payment to be made is limited to a maximum of two years' total compensation, but no more than the compensation for the remaining term ("**Severance Payment Cap**"). The Severance Payment Cap is calculated on the basis of the total compensation for the past fiscal year and, if applicable, the expected total compensation for the current fiscal year. The severance payment is offset against any compensation for non-competition due to any post-contractual non-compete clause.

3. Pension and early retirement schemes

There are no pension or early retirement arrangements at Westwing.

4. Change of control

The Supervisory Board may provide for a special right of termination in the event of a change of control and a promise of payments as a result of a change of control in the employment contracts with the members of the Management Board.

If such a special right of termination is agreed, the members of the Management Board have the right to terminate their employment agreement with a notice period of three months with effect at the end of a month and to resign from office as a member of the Management Board on the termination date. are entitled to payment of a severance package. A change of control exists in this context in the following cases: A third party acquires at least 30% of the voting rights and thus reaches the mandatory offer threshold under the German Securities Acquisition and Takeover Act; the Company concludes an intercompany agreement as a dependent company; or the Company is merged with another non-affiliated company.

The special right of termination may only be exercised within two months of the change of control being executed. If the special right of termination is exercised, the amount of the severage payment is limited to the value of the Severance Payment Cap.

5. Assumption of supervisory board positions or comparable positions

The compensation covers all activities of the member of the Management Board, including any activities for affiliated companies in accordance with the Management Board employment contract.

The acceptance of paid or unpaid secondary employment, honorary offices or supervisory board positions, advisory board positions or similar positions in the professional sphere requires the prior written consent of the Supervisory Board, which may be refused by the Supervisory Board if the secondary employment hinders the performance of official duties in terms of time or in another way and/or other legitimate interests of the Company may be impaired.

In the event of the assumption of Supervisory Board positions from outside the Group, the Supervisory Board will decide on a case-by-case basis whether and to what extent compensation paid for such positions is to be offset.

6. Post-contractual non-compete clause

The Supervisory Board may provide for a post-contractual non-compete clause under which the members of the Management Board are prohibited from competing with the Company for a certain period of time after termination of their employment contract. In such a case, the Company will pay the members of the Management Board compensation for non-competition for the duration of the post-contractual non-compete clause in the amount of half of the fixed compensation last received by the Management Board for one month. Any severance payment will be offset against the compensation for non-competition. The Company may waive the post-contractual non-compete clause at any time by written declaration with the effect that it will be released from payment of the compensation for non-competition upon expiry of six months from the declaration.

F. Temporary deviation from the compensation system

In accordance with the statutory provision of Section 87a(2) sentence 2 German Stock Corporation, the Supervisory Board may exceptionally and temporarily deviate from individual components of the compensation system if exceptional circumstances make a deviation necessary in the interests of the long-term well-being of the Company. This includes, for example, the alignment of the compensation system in the event of a significant change in corporate strategy to ensure adequate incentives or in the event of a severe economic crisis. Deviations are permissible in particular in economic crises in which the compensation of the (potential) members of the Management Board deemed suitable by the Supervisory Board on the basis of the compensation system and the resulting incentive structure do not appear to be optimal in the interests of the Company. Generally unfavorable market developments are expressly not regarded as exceptional cases.

Even in the event of a deviation, the compensation must continue to be aligned with the long-term and sustainable development of the Company and be consistent with the success of the Company and the performance of the member of the Management Board.

Such a deviation from the compensation system requires a Supervisory Board resolution that establishes the exceptional circumstances and the necessity of a deviation in a transparent and justified manner.

The components of the compensation system from which deviations may be made are the procedure, the regulations on the compensation structure and amount including the relationship of the compensation components to each other, the maximum compensation as well as the individual compensation components, namely the fixed compensation (in particular amount and time of payment) and other fringe benefits (amount, type and grant date) as well as the variable compensation components (in particular performance criteria of the STI and LTI Component

1 and LTI Component 2 as well as the ranges of the individual elements of the variable compensation, the rules for determining the payment amounts and the payment dates). In addition, further compensation components may also be granted if the incentive effect of the compensation cannot be adequately restored by adjusting the existing compensation components. The necessity of the deviation and the components of the compensation system specifically affected by the deviation are explained to the shareholders in the respective compensation report.