

**– CONVENIENCE TRANSLATION ONLY –**

## **CONVERSION REPORT**

**by the Management Board of Westwing Group AG**

**regarding the change in legal form of**

**Westwing Group AG**

**to the legal form of a European company (*Societas Europaea, SE*) with the  
company name**

**Westwing Group SE**

**of June 18, 2021**

## IMPORTANT INFORMATION

This Conversion Report is neither an offer to sell shares in Westwing Group AG nor a solicitation of an offer to buy shares in Westwing Group AG. Such an offer is not being made and may require separate publication and, if required by national law, a separate prospectus. This Conversion Report is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017. The Company assumes no liability for any forward-looking statements in connection with this Conversion Report.

Furthermore, this Conversion Report is not an offer of securities for sale in the United States of America (“**USA**”). Securities may only be sold or offered for sale in the USA after prior registration or, without prior registration, only on the basis of an exemption.

This Conversion Report also does not constitute an offer document or an offer to sell or issue or a solicitation or offer to buy or subscribe for transferable securities to the general public to which Section 85 of the Financial Services and Markets Act 2000 of the United Kingdom (“**FSMA**”) applies, and should not be relied upon as a recommendation to any person to purchase or subscribe for securities in connection with the change in legal form. This Conversion Report is directed only at the following “**Relevant Persons**”: (i) persons outside the United Kingdom; (ii) persons who are shareholders of Westwing Group AG and who are covered by Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) (the “**Order**”); (iii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Order; and (iv) “high net worth companies”, “unincorporated associations” and other entities falling within Article 49(2)(a) to (d) of the Order. Persons who are not Relevant Persons may not act or rely on this Conversion Report or its contents. Investments or investment activities to which this Conversion Report relates are available only to Relevant Persons and will be engaged in only with Relevant Persons.

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## 1. INTRODUCTION

Westwing Group AG is a stock corporation (*Aktiengesellschaft*) incorporated under German law with registered seat in Berlin, entered in the Commercial Register of the Charlottenburg Local Court under HRB 199007 B (hereinafter “**Westwing Group AG**” or the “**Company**”). The head office of Westwing Group AG is located in Munich and the registered business address of Westwing Group AG is Moosacher Straße 88, 80809 Munich.

The legal form of Westwing Group AG is to be converted from that of a German stock corporation (*Aktiengesellschaft*) to a European company (*Societas Europaea*, “**SE**”) with the name Westwing Group SE (hereinafter “**Westwing Group SE**”). The SE is a legal form based on European law and the change in legal form will be effected pursuant to Article 2(4) in conjunction with Article 37 of the latest version of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (the “**SE Regulation**”). In addition, the German Act on the Implementation of the SE Regulation (*Gesetz zur Ausführung der SE-Verordnung* – SEAG) of December 22, 2004 (“**SEAG**”) and the German Act on the Involvement of Employees in a European Company (*Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft* – SEBG) of December 22, 2004 (“**SEBG**”) apply in particular to this change in legal form. In addition, the provisions of the Stock Corporation Act (*Aktiengesetz*, AktG) (“**Stock Corporation Act**”) and the German Transformation Act (*Umwandlungsgesetz*, UmwG) (“**Transformation Act**”) apply to this change in legal form.

The Company’s Management Board prepared Draft Terms of Conversion for the change in legal form of Westwing Group AG into the legal form of an SE, to which the articles of association of Westwing Group SE (“**SE Articles**”) are attached. The Draft Terms of Conversion, including the future articles of association of Westwing Group SE, were recorded in notarized form on June 16, 2021 (Deed Roll No. 2950/2021 of Notary Dr. Bernhard Schaub in Munich) (“**Draft Terms of Conversion**”). Under Article 37(7) SE Regulation, the Draft Terms of Conversion and the articles of association of Westwing Group SE require the approval of the Company’s general meeting. The Company’s Management Board and Supervisory Board therefore propose under agenda item 11 that the ordinary General Meeting on August 5, 2021 approves the Draft Terms of Conversion together with the Articles of Association of Westwing Group SE attached as an annex to the Draft Terms of Conversion. By resolution dated June 18, 2021, the Supervisory Board of Westwing Group AG approved the change in legal form as described in the Draft Terms of Conversion and adopted a resolution to propose the respective resolution proposal to the ordinary General Meeting.

Before the decision by the ordinary annual general meeting, one or more independent experts appointed by a judicial authority are required to certify in accordance with Article 37(6) SE Regulation (“**Conversion Auditors**”) that the company has net assets at least equivalent to its capital plus those reserves

which must not be distributed under the law or the statutes. The competent court, Munich Regional Court I (*Landgericht Munich I*), has appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Arnulfstraße 59, 80656 Munich as the Conversion Auditors. The Conversion Auditors conducted their audit and submitted a certificate pursuant to Article 37(6) SE Regulation on June 18, 2021.

The legal entity's identity will be retained when the change in legal form takes place. This means that the change in legal form pursuant to Article 37(2) SE Regulation will not result in the winding-up of Westwing Group AG or in the formation of a new legal entity. The shareholders' participation will continue unchanged. In addition, the Company is to keep its registered seat in Berlin, Germany, as well as its head office in Munich, Germany.

The Management Board of Westwing Group AG is submitting the following Conversion Report pursuant to Article 37(4) SE Regulation as information for the shareholders in order to explain and justify the legal and economic aspects of the change in legal form and to explain the effects that the change from the German legal form of a stock corporation into the legal form of an SE will have for the shareholders and employees.

All information in this Conversion Report relates to the time it is submitted by way of signing, unless otherwise indicated.

## **2. THE WESTWING GROUP AG**

### **2.1 Registered seat, head office, company object and fiscal year**

The registered seat of Westwing Group AG is located in Berlin, Germany and the Company is registered in the Commercial Register at the Charlottenburg Local Court (*Amtsgericht Charlottenburg*) under no. HRB 199007 B. The Company's head office is located in Munich, Germany and the Company's registered business address is Moosacher Straße 88, 80809 Munich, Germany.

Pursuant to Article 2(1) of the Articles of Association of Westwing Group AG ("**AG Articles**"), the company object of Westwing Group AG is the development, marketing and provision of internet services (e-commerce covering goods of different kinds, in particular fitments, furniture, decoration accessories, antiques, home textiles and similar products), the provision of logistic services, digital services and all other businesses and services relating to the aforementioned object of the Company inside and outside of Germany through subsidiaries or otherwise.

In this context, Westwing Group AG assumes the function of a managing holding company, which itself does not generate any turnover with third parties, but generates income with services rendered within the group.

The fiscal year of Westwing Group AG is the calendar year as set out in Article 20 of the AG Articles.

## **2.2 Group structure**

As the ultimate Group parent, Westwing Group AG holds direct and indirect participations in a total of 25 subsidiaries of Westwing Group AG (Westwing Group AG together with its direct and indirect subsidiaries the “**Westwing Group**”). These involve 18 direct subsidiaries in Germany and 7 (seven) indirect subsidiaries outside Germany. A total of 9 (nine) of these subsidiaries have operating activities. An overview of the structure of the Westwing Group is attached to this Conversion Report as an **Annex**.

## **2.3 Business activities and business development**

This report merely provides a summary of the business activities of the Westwing Group, which will remain unaffected by the change in legal form of Westwing Group AG into an SE since the legal entity will be identical.

Westwing Group AG has been internationally active in the European home and living e-commerce market for many years and is currently active in a total of 11 (eleven) different countries across Europe.

With its unique concept of a “shoppable magazine”, the Westwing Group combines e-commerce with an interior design magazine. The Westwing Group offers its customers a selected range of products from all major home & living categories, e.g., textiles, furniture, lighting and kitchen and decor. The product range, which can be purchased directly from the website, is presented together with daily changing, visually appealing content, including interior themes, home stories and home styling tips. It offers the inspiring range of a daily interior design magazine with the possibility to discover favorite items for home and living and to shop for them immediately. The range covers own-label and private-label products and articles from more than 4,000 regional and global third-party supplies from the Home & Living market.

The contents are created by a large team of art directors, interior designers, videographers and photographers working with style and merchandising teams. In total, the Westwing Group employs more than 1,900 people from more than 60 different nations to implement its business strategy and it achieved gross sales of EUR 520 million in 2020.

Westwing Group’s business development is driven by the overall economic development, with a rapid change in consumer behavior due to the COVID-19 pandemic and a shift from brick-and-mortar retail to e-commerce. The Westwing Group’s revenues increased significantly in 2020 as customers spent more time at home and became more engaged in home & living and e-commerce. The



Westwing Group's key performance indicators developed as follows in recent years:

<b>Performance indicators and revenue</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Gross merchandise volume (in EUR m)	502.0	310.0	291.0
Orders, total (in '000)	4,074	2,428	2,399
Active customers (in '000)	1,529	949	934
Revenue (in EUR m)	432.9	267.3	253.9
Adjusted EBITDA (in EUR m)	50.0	-10.3	3.1
Result for the year (in EUR m)	29.8	-38.0	-2.0
Cash flow from operating activities (in EUR m)	47.8	-13.5	-9.5
Full-time equivalent employees (as of reporting date)	1,671	1,290	1,143
Total assets as at December 31 (in EUR m)	229.0	165.4	197.5

Further details of the course of business and the results, assets, liabilities and financial position of Westwing Group AG and the Westwing Group can be found in the annual reports for the Westwing Group AG for the fiscal years 2020 and 2019. The documents can be accessed on the company's website at:

<https://ir.westwing.com/websites/westwing/English/3100/berichte.html>.

## **2.4 Constitution of the company**

### **2.4.1 Governing bodies**

The Company's governing bodies are the Management Board, the Supervisory Board and the General Meeting. The responsibilities of each body are governed by the Stock Corporation Act, the AG Articles and the Rules of Procedure for the Management Board and for the Supervisory Board.

#### **2.4.1.1 Management Board**

According to Article 7(1) of the AG Articles, the Company's Management Board consists of one or more persons and the Supervisory Board determines the number of Management Board members. The Management Board is responsible for managing the business of Westwing Group AG and represents it in and out of court. Pursuant to Article 8(2) of the AG Articles, the Company is represented by two Management Board members or by one Management Board member together with an authorized signatory (*Prokurist*). If only one Management Board member has been appointed, he or she represents the company alone. Pursuant to Article 8(3) of the AG Articles, the Supervisory Board may grant individual

Management Board members the power to represent the company alone and exempt all Management Board members or individual members in general or for individual cases from the prohibition of multiple representation under Section 181 2nd alternative of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) (“**German Civil Code**”).

At the time of submission of this Conversion Report, the Company’s Management Board consists of two members, namely Mr. Stefan Smalla and Mr. Sebastian Säuberlich. Mr. Stefan Smalla is authorized to represent the Company alone and is exempt from the prohibition of multiple representation under Section 181 2nd alternative German Civil Code.

The Management Board members can be reached at the Company’s business address Moosacher Straße 88, 80809 Munich, Germany.

#### 2.4.1.2 Supervisory Board

At the time of submission of this Conversion Report, according to Article 9(1) of the AG Articles the Supervisory Board of Westwing Group AG consists of four members who are elected by the General Meeting. The Supervisory Board appoints the members of the Management Board and oversees the Management Board’s management of the Company.

At the time of submission of this Conversion Report Mr. Christoph Barchewitz (Chairman of the Supervisory Board), Dr. Antonella Mei-Pochtler (Deputy Chairwoman of the Supervisory Board), Mr. Michael Hoffmann and Mr. Thomas Harding are the members of Westwing Group AG’s Supervisory Board.

The Supervisory Board members can be contacted at the Company’s business address Moosacher Straße 88, 80809 Munich, Germany.

#### 2.4.2 Corporate Governance

As a listed German stock corporation, Westwing Group AG is required to submit a statement pursuant to Section 161 Stock Corporation Act on the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – German Corporate Governance Code*) (“**GCGC**”). The Management Board and the Supervisory Board of Westwing Group AG last issued a statement of compliance in December 2020. In the statement of compliance, they declared that the recommendations of the GCGC have been and are being complied with, subject to individual exceptions described in more detail and justified in the statement of compliance. The statements of compliance by Westwing Group AG can be accessed on the company’s website at all times under:

<https://ir.westwing.com/websites/westwing/English/5100/declaration-of-conformity.html>.

### 2.4.3 Employees and co-determination

At the end of December 2020, the Westwing Group employed a total of 1,671 employees.

The Company does not have any provisions on employee co-determination in supervisory or administrative bodies.

No works council has been established at Westwing Group AG and no domestic or foreign works councils have been formed at the Westwing Group. There is neither a group works council nor a general works council. Neither a European works council nor any other representative body has been formed at a European level.

## 2.5 Capital structure and shareholders

### 2.5.1 Registered share capital and listing

The Company's registered share capital amounts to EUR 20,903,968.00 and is divided into 20,903,968 no-par value bearer shares (shares without a nominal value) each proportionally representing EUR 1.00 of the registered share capital. The shareholders' entitlement to have their shares in the registered share capital issued in certified form is excluded pursuant to Article 5(2) sentence 1 of the AG Articles. There are no shares of different classes. As at the date of this Conversion Report, Westwing Group AG holds 343,275 treasury shares which do not entitle the Company to any rights pursuant to Section 71b Stock Corporation Act. In addition, each share entitles the bearer to one vote at the General Meeting in accordance with Article 15(1) of the AG Articles. Thus, at the time of submission of this Conversion Report, 20,560,693 votes exist.

The shares of Westwing Group AG (ISIN DE000A2N4H07) have been admitted to trading on the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations in the Prime Standard sub-segment since October 9, 2018. The shares are also included in over-the-counter trading on the Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart stock exchanges and are tradable via the XETRA electronic trading platform of Deutsche Börse AG. Westwing Group AG has been listed in the SDAX share index of Deutsche Börse AG since December 21, 2020.

The shares in Westwing Group AG are represented by global share certificates. The existing global share certificates will become incorrect upon the change in legal form of Westwing Group AG into Westwing Group SE (see [Section 7.1.2](#)). The shares in the Company represented by global share certificates are to be represented by one or more new global share certificates issued by Westwing Group SE.

## 2.5.2 Authorized and conditional capital and authorizations issued to the Management Board

### 2.5.2.1 Authorized capital

The Management Board of Westwing Group AG is authorized pursuant to Article 4(3) of the AG Articles to increase the registered share capital of the Company until August 6, 2023, with the consent of the Supervisory Board, once or repeatedly, by up to a total of EUR 30,383.00 (in words: thirty thousand three hundred eighty-three euros) by issuing up to 30,383 new no-par value bearer shares against contributions in cash ("**Authorized Capital 2018/I**").

In addition, the Management Board of Westwing Group AG is authorized pursuant to Article 4(4) of the AG Articles to increase the registered share capital of the Company until August 6, 2023, with the consent of the Supervisory Board, once or repeatedly, by up to a total of EUR 3,088.00 (in words: three thousand eighty-eight euros) by issuing up to 3,088 new no-par value bearer shares against contributions in cash ("**Authorized Capital 2018/II**").

Furthermore, the Management Board of Westwing Group AG is authorized pursuant to Article 4(5) of the AG Articles to increase the registered share capital of the Company until August 6, 2023, with the consent of the Supervisory Board, once or repeatedly, by up to a total of EUR 57,708.00 (in words: fifty-seven thousand seven hundred and eight euros) by issuing up to 57,708 new no-par value bearer shares against contributions in cash ("**Authorized Capital 2018/III**").

The Management Board of Westwing Group AG is also authorized pursuant to Article 4(6) of the AG Articles to increase the registered share capital of the Company until August 6, 2023, with the consent of the Supervisory Board, once or repeatedly, by up to a total of EUR 7,500.00 (in words: seven thousand five hundred euros) by issuing up to 7,500 new no-par value bearer shares against contributions in cash ("**Authorized Capital 2018/IV**").

The Authorized Capital 2018/I, Authorized Capital 2018/II, Authorized Capital 2018/III and Authorized Capital 2018/IV have each already fulfilled their purpose in full, meaning that they should not continue to exist and will not be transferred to the SE Articles.

Moreover, according to Article 4(7) of the AG Articles, the Management Board is authorized to increase the Company's registered share capital once or several times during the period up to August 6, 2023 with the approval of the Supervisory Board by up a total of up to EUR 4,350,000.00 by issuing up to 4,350,000 new no-par value bearer shares against capital contributions ("**Authorized Capital 2018/V**"). The Authorized Capital 2018/V is to continue to exist and the provision in the AG Articles regarding Authorized Capital 2018/V will therefore be transferred to the SE Articles without changes as Article 4(3).

In addition, according to Article 4(8) of the AG Articles, the Management Board is authorized to increase the company's registered share capital once or several times during the period up to August 6, 2023 with the consent of the Supervisory Board by up to a total of EUR 2,847,853.00 by issuing up to 2,847,853 new no-par value bearer shares against capital contributions ("**Authorized Capital 2018/VI**"). The Authorized Capital 2018/VI is to continue to exist, and the provision in the AG Articles regarding the Authorized Capital 2018/VI will therefore be transferred unchanged to the SE Articles as Article 4(4).

#### 2.5.2.2 Conditional capital

In addition, according to Article 4(9) of the AG Articles, conditional capital to the value of EUR 5,000,000.00 exists ("**Conditional Capital 2018**"). The Conditional Capital 2018 is to continue to exist, and the provision in the AG Articles regarding the Conditional Capital 2018 will therefore be transferred unchanged to the SE Articles as Article 4(5).

#### 2.5.2.3 Authorizations granted to the Management Board

The Management Board was by resolution of the extraordinary General Meeting of Westwing Group AG on September 21, 2018 (Deed Roll No. 5693/2018 of the notary Dr. Bernhard Schaub, Munich) under agenda item 4 a) granted the authorization to issue bearer convertible bonds, options, profit rights and/or profit bonds (or combinations of these instruments) (together "**Bonds**") in a total nominal amount of up to EUR 100,000,000.00 with the possibility to exclude subscription rights ("**Bond Authorization**") until September 20, 2023. Provided that the conversion of Westwing Group AG into the legal form of an SE has taken place by this date, the Bond Authorization will thus continue to apply to the Management Board of Westwing Group SE to the extent that it exists on the Conversion Date and has not been utilized. In order to service claims arising from the Bonds issued under the Bond Authorization, the extraordinary General Meeting of Westwing Group AG of September 21, 2018 created Conditional Capital 2018 under agenda item 4 b), which will continue to exist in the amount existing on the Conversion Date by transferring the provisions of the AG Articles on the Conditional Capital 2018 to the SE Articles without any changes.

The Company was on September 21, 2018 (Deed Roll No. 5693/2018 of the notary Dr. Bernhard Schaub, Munich) under agenda item 5 granted the authorization to acquire and use treasury shares in accordance with Section 71(1) no. 8 of the Stock Corporation Act until September 20, 2023 ("**Authorization Resolution I**"). This authorization was utilized and in the period from August 14, 2019 to October 30, 2019, the Company repurchased a total of 800,000 shares under a share buyback program. Of these, 498,425 treasury shares were used to service options issued to current and former Management Board members and employees of the Westwing Group and supporters of the Company up to the date of this Conversion Report.

Authorization Resolution I is not intended to generally continue to apply; instead it is proposed to the Annual General Meeting of Westwing Group AG on August 5, 2021 under agenda item 9, which under agenda item 11 is to adopt a resolution on the approval of the change in legal form from Westwing Group AG into Westwing Group SE, subject to cancellation of Authorization Resolution I, that the Management Board is granted a new authorization in accordance with Section 71(1) no. 8 of the Stock Corporation Act to acquire treasury shares and to use them, including the authorization to cancel acquired treasury shares and to reduce capital and to exclude subscription rights until August 4, 2026. Should the General Meeting of Westwing Group AG on August 5, 2021 validly grant this new authorization, it will continue to apply to the Management Board of Westwing Group SE after the change of the legal form of Westwing Group AG into Westwing Group SE becomes effective, to the extent that it exists on the Conversion Date and has not been utilized. If the General Meeting of Westwing Group AG on August 5, 2021, on the other hand, does not validly grant the Management Board the corresponding authorization proposed under agenda item 9, the existing Authorization Resolution I will continue to apply until September 20, 2023 and thus, provided that the conversion of Westwing Group AG into Westwing Group SE has taken place by this date, also be valid for the Management Board of Westwing Group SE, to the extent that it exists on the Conversion Date and has not yet been utilized.

By resolution of the extraordinary General Meeting of Westwing Group AG on September 21, 2018 (Deed Roll No. 5693/2018 of the notary Dr. Bernhard Schaub, Munich) under agenda item 6, the Company was in addition to Authorization Resolution I granted the authorization to utilize equity derivatives for the acquisition of treasury shares until September 20, 2023 (“**Authorization Resolution II**”).

Authorization Resolution II is not intended to generally continue to apply; instead it is proposed to the General Meeting of Westwing Group AG am August 5, 2021 under agenda item 10, which under agenda item 11 is to adopt a resolution on the approval of the change in legal form from Westwing AG into Westwing Group SE, subject to cancellation of Authorization Resolution II, that the Management Board is granted a new authorization to utilize equity derivatives for the acquisition of treasury shares until September 20, 2026. Should the General Meeting of Westwing Group AG on August 5, 2021 validly grant this new authorization, it will continue to apply to the Management Board of Westwing Group SE after the change of the legal form of Westwing Group AG into Westwing Group SE becomes effective, to the extent that it exists on the Conversion Date and has not been utilized. If the General Meeting of Westwing Group AG on August 5, 2021, on the other hand, does not validly grant the Management Board the corresponding authorization proposed under agenda item 10, the existing Authorization Resolution II will continue to apply until September 20, 2023 and thus, provided that the conversion of Westwing Group AG into Westwing Group SE has taken place by this date, also be valid for the

Management Board of Westwing Group SE, to the extent that it exists on the Conversion Date and has not yet been utilized.

By resolution of the extraordinary General Meeting of Westwing Group AG on September 21, 2018 (Deed Roll No. 5693/2018 of the notary Dr. Bernhard Schaub, Munich) under agenda item 7, the Company was in addition to Authorization Resolution II granted the authorization to exercise acquisition rights to acquire treasury shares under existing agreements, in particular angel agreements, until September 20, 2023 (“**Authorization Resolution III**”).

Authorization Resolution III is to continue to apply until September 20, 2023 and therefore is to continue to apply, provided that the conversion of Westwing Group AG into the legal form of an SE has taken place by this date, to the Management Board of Westwing Group SE to the extent that it exists on the Conversion Date and has not been utilized.

### 2.5.3 Shareholder structure

The Company is generally only aware of shareholdings in Westwing Group AG if they have been reported by voting rights notifications under the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) (“**Securities Trading Act**”). On this basis, the shareholder structure can be summarized as follows with regard to the shareholdings subject to a reporting requirement under the Securities Trading Act as at June 10, 2021:

Shareholder	Number of shares	Proportion of the registered share capital in % (rounded)
Rocket Internet SE	6,041,918	29.0
The Capital Group Companies, Inc.	1,659,000	8.0
Summit Partners RKT S.à r.l.	1,428,827	6.9
Amiral Gestion	1,031,818	5.0
Tengelmann Ventures	1,023,450	4.9
Janus Henderson Group plc	643,033	3.1
Inflection Point Investments Limited	633,538	3.0

As far as Westwing Group AG is aware, the remaining registered share capital of approximately 40.2% is in free float. Westwing Group AG also holds 343,275 treasury shares as at the date of submission of this Conversion Report. At the

date of this Conversion Report, the Management Board member Stefan Smalla has a shareholding in the Company of in total 321,550 shares und therefore about 1.54 % of the issued shares of the Company. No further members of the Company's Management Board or Supervisory Board hold shares in the Company that in each case directly or indirectly exceed 1 % of the shares issued by the Company as at the date of this Conversion Report. Also, the aggregate shareholdings in Westwing Group AG of all members of the Management Board and Supervisory Board – except for the Management Board member Stefan Smalla – do not exceed 1 % of the shares issued by the Company as at the date of the submission of this Conversion Report.

### **3. KEY ASPECTS FOR THE CHANGE IN LEGAL FORM TO AN SE**

#### **3.1 Main reasons for the change in legal form**

Westwing Group AG is an undertaking focusing on the European market. Alongside its direct subsidiaries in Germany, at the time of submission of this Conversion Report it also has 5 (five) indirect subsidiaries in the contracting states of the European Union (the Member States of the European as well as the other contracting states of the European Economic Area together the (“**Member States**”). The change in legal form into an SE is intended to express the importance of the Europe-wide business activities of Westwing Group AG and to strengthen the positioning of Westwing Group AG as an international and European company. The supranational legal form of the SE makes the Company's presence in the Member States easier. Through the change of the legal form, Westwing Group AG can continue the growth and the established structure under company law with a two-tier management system in the modern and European legal form of the SE.

#### **3.2 Alternatives to the change in legal form**

The Management Board of Westwing Group AG looked in detail at any possible alternatives prior to the change in legal form.

The legal form of the SE is the only legal form under European law available to a listed company with its registered seat in Germany. It underlines the importance of the European business activities of the Westwing Group and offers an image on the market reflecting this focus. Furthermore, it allows the two-tier management structure to be retained and is also comparable to a German stock corporation in many respects (with regard to the structure of the capital and shareholder rights, for instance).

In view of this, the Management Board of Westwing Group AG came to the conclusion, with the approval of the Supervisory Board, that there are no alternatives in order to implement the objectives being pursued with the change in legal form, and that alone the change in legal form to an SE meets the interests of the shareholders and the Company.



The SE could also have been formed by way of a cross-border merger under Article 2(1) SE Regulation instead of a change in legal form; however, this process would in fact be more complicated from a factual and legal point of view.

### **3.3 Costs of the change in legal form**

The costs associated with the change in legal form of Westwing Group AG into Westwing Group SE are mainly expected to consist of the costs for preparatory measures, the necessary audit by the Conversion Auditors, notarization of the Draft Terms of Conversion, the registrations, external advisors and translators, the necessary publications, converting the stock exchange listing of shares in Westwing Group AG into shares in Westwing Group SE and the implementation of the employee involvement procedure. The costs for holding the ordinary General Meeting of Westwing Group AG have not been included in the estimate, because this meeting has to be held anyway. The Management Board of Westwing Group AG assumes that the costs of the change in legal form will not exceed EUR 400,000.00.

## **4. COMPARISON OF THE STRUCTURAL FEATURES AND SHAREHOLDER RIGHTS OF WESTWING GROUP AG AND WESTWING GROUP SE**

### **4.1 Introduction**

According to Article 1(1) SE Regulation, the SE is a company in the form of a European stock corporation. The SE is a supranational legal form based on EU law.

The legal relationships of Westwing Group SE and the rights of its shareholders are determined on the one hand by the SE Regulation, which applies directly in all Member States and as a EU regulation takes precedence over the provisions of national law. Article 10 SE Regulation states that, subject to the provisions of the SE Regulation itself, an SE is treated in every Member State as if it were a stock corporation formed in accordance with the laws of the Member State in which it has its registered seat. Thus, the SEAG, as the German act implementing the SE Regulation, and the SEBG as well as the provisions applicable to German stock corporations, in particular the Stock Corporation Act, also apply to Westwing Group SE. Besides this, the legal relationships of Westwing Group AG are determined by the SE Articles and the Involvement Agreement, if such an agreement is agreed.

An SE with its registered seat in Germany is in many respects equivalent to a German stock corporation or (*Aktiengesellschaft* or "AG"), meaning that the provisions of commercial, tax and capital markets law and other provisions that are currently applicable to Westwing Group AG will apply to Westwing Group SE.

## **4.2 General provisions and effects of the change in legal form**

### **4.2.1 Legal personality**

Just like Westwing Group AG as a stock corporation under German law, Westwing Group SE will have legal personality pursuant to Article 1(3) SE Regulation. It is a legal entity and as such a holder of its own rights and obligations. Since pursuant to Article 37(2) SE Regulation the change in legal form of Westwing Group AG into an SE does not result in the Company being wound up or a new legal entity being created, the rights and obligations existing for Westwing Group AG at the time of the change in legal form will continue to exist and will not be affected by the change in legal form. In this respect, the legal and economic identity of the Company will be preserved. There will be no transfer of assets.

The change in legal form of Westwing Group AG into an SE will not result in any changes with regard to its legal personality.

### **4.2.2 Registered share capital, structure of the shares**

While the minimum nominal amount of the registered share capital of a stock corporation under German law is EUR 50,000.00 (see Section 7 Stock Corporation Act), Article 4(2) SE Regulation states that the subscribed registered share capital of the SE must be at least EUR 120,000.00. Otherwise, Article 5 SE Regulation states that the national provisions for stock corporations generally apply to the capital of an SE, its maintenance and changes thereto, together with its shares.

At Westwing Group SE, the raising and maintenance of capital will therefore be governed by the provisions of the Stock Corporation Act, as was previously the case at Westwing Group AG. In particular, this means that pursuant to Section 66(1) Stock Corporation Act the shareholders of Westwing Group SE may also not be released from their duties to make capital contributions under Sections 54 and 65 Stock Corporation Act, the prohibition on returning capital contributions under Section 57(1) Stock Corporation Act applies unchanged, under Section 57(3) Stock Corporation Act only net income may be distributed to the shareholders and under Section 71 et seqq. Stock Corporation Act acquisitions of treasury shares are only permitted under special conditions.

The division of the shares of Westwing Group AG will not change as a result of the change in legal form into an SE. The registered share capital of Westwing Group SE will continue to amount to EUR 20,903,968.00 and will be divided into 20,903,968 no-par value bearer shares (shares without a nominal value) each proportionally representing EUR 1.00 of the registered share capital. Thus, the statutory minimum capital of an SE in the amount of EUR 120,000.00 will be significantly exceeded.

As a result, the change in legal form of Westwing Group AG into an SE will not lead to any changes with regard to the registered share capital and the structure of the shares.

#### 4.2.3 Authorized capitals and conditional capitals

The Authorized Capital 2018/I, Authorized Capital 2018/II, Authorized Capital 2018/III and the Authorized Capital 2018/IV Westwing Group AG have each already fulfilled their purpose in full, meaning that they should not continue to exist. These authorized capitals will not be transferred to the SE Articles and therefore will not exist at Westwing Group SE.

The Authorized Capital 2018/V existing at Westwing Group AG is to continue to exist and the provision in the AG Articles regarding Authorized Capital 2018/V will therefore be transferred unchanged to the SE Articles. The current Authorized Capital 2018/V will therefore continue to exist to the same value and with the same purpose at Westwing Group SE.

The Authorized Capital 2018/VI existing at Westwing Group AG is to continue to exist and the provision in the AG Articles regarding Authorized Capital 2018/VI will therefore be transferred unchanged to the SE Articles. The current Authorized Capital 2018/VI will therefore continue to exist to the same value and with the same purpose at Westwing Group SE.

The Conditional Capital 2018 existing at Westwing Group AG is to continue to exist and the provision in the AG Articles regarding Conditional Capital 2018 will therefore be transferred unchanged to the SE Articles. The current Conditional Capital 2018 will therefore continue to exist to the same value and with the same purpose at Westwing Group SE.

More details of the authorized and conditional capitals can additionally be found below under [Section 6.1.3](#) and in the explanation of the SE Articles under [Section 6.2.2.1](#) below.

#### 4.2.4 Registered seat and possibility of cross-border transfer of the registered seat

As is the case with a stock corporation under German law, the location of the registered seat of the SE is determined by its articles of association, although the registered seat must be located in the same Member State of the European Community as its head office in accordance with Article 7 sentence 2 SE Regulation.

Section 1(2) of the SE Articles states that the statutory registered seat of Westwing Group SE will be in Berlin, Germany, as is currently the case. The head office of Westwing Group SE will continue to be in Munich, Germany, meaning that the requirements of Article 7 sentence 1 SE Regulation are met.

Where German stock corporations are concerned, cross-border transfers of the registered seat that preserve the company's identity and legal form are not possible under Section 5 Stock Corporation Act. In contrast, Article 7 sentence and Article 8(1) SE Regulation state that an SE may transfer its registered seat to another Member State on a cross-border basis by amending its articles of association in a legally regulated procedure without winding up. The transfer of the registered seat requires a resolution of the general meeting, which needs to be passed by a majority sufficient to amend the articles of association. Under Section 12(1) sentence 1 SEAG, the SE has to make an offer to buy the shares of shareholders who object to the resolution regarding the transfer in writing in return for a reasonable cash settlement. However, there are currently no plans for Westwing Group SE to relocate its registered seat abroad.

Consequently, the change in legal form of Westwing Group AG into an SE will not lead to any changes in relation to the company's registered seat and head office.

#### 4.2.5 German Corporate Governance Code

Under Section 161 of the Stock Corporation Act, the management board and supervisory board of listed stock corporations must declare each year that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being complied with, or which recommendations have not been or are not being applied and why not ("**GCGC Compliance Statement**"). The GCGC Compliance Statement is to be made permanently available to the public on the stock corporation's website. The GCGC contains regulations on management and supervision (corporate governance); it partly reflects essential standards of applicable law, and partly contains recommendations and suggestions. The GCGC Compliance Statement only relates to the recommendations contained in the GCGC.

The SE Regulation does not contain any express provisions on the applicability of the GCGC. However, Article 9(1)(c)(ii) of the SE Regulation provides for the application of Section 161 of the Stock Corporation Act, meaning that Westwing Group SE (like Westwing Group AG) will declare annually whether and to what extent it is following the recommendations of the GCGC.

Consequently, the change in legal form of Westwing Group AG into an SE will not lead to any changes in relation to the application of the GCGC.

#### 4.2.6 Notification requirements under capital markets law

The provisions of the Securities Trading Act and the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) ("**MAR**") will also apply to the future Westwing Group SE due to its stock exchange listing. This applies in particular to monitoring of insider activities (Article 7 et seqq. MAR in conjunction with

Article 12 et seqq. MAR), the publication requirements (Article 17 et seqq. MAR) and the notification requirements regarding voting rights (Section 33 et seqq. Securities Trading Act). Therefore, as is the case at Westwing Group AG, shareholder rights under Section 44 Securities Trading Act will be lost at Westwing Group SE if notification requirements pursuant to Sections 33 et seqq. Securities Trading Act are breached.

Thus the change in legal form will not lead to any changes with regard to notification requirements under capital markets law. Likewise, the change in legal form of Westwing Group AG into Westwing Group SE will not lead to a change in the applicable takeover rules.

#### 4.2.7 Entries in the commercial register

Pursuant to Section 3 SEAG, the SE will be registered in the commercial register in accordance with the provisions applicable to stock corporations. Since the location of the company's registered seat will remain unchanged, the Charlottenburg Local Court will continue to be the competent registry court for Westwing Group SE. However, when the change in legal form becomes effective, Westwing Group SE will receive a new registration number. After the change in legal form becomes effective, entries and filings will be made exclusively to the commercial register responsible for Westwing Group SE and thus under the new registration number.

### 4.3 Formation

Subject to the provisions of the SE Regulation, the formation of an SE is governed by the law applicable to stock corporations in the country in which the SE establishes its registered seat (Article 15(1) SE Regulation). Since Westwing Group AG will have its registered seat in Germany, German stock corporation law, i.e., the Stock Corporation Act, will generally apply to its formation. This also applies where the SE is formed by way of a change in legal form pursuant to Article 37 SE Regulation, unless otherwise provided there. The details of the procedure for the formation of Westwing Group SE are explained in [Section 5](#) below.

### 4.4 Legal relationship to the shareholders

Since the provisions of the Stock Corporation Act regarding the raising and maintenance of capital pursuant to Section 56 et seqq. Stock Corporation Act also apply to the SE as a result of the reference in Article 5 of the SE Regulation, under Section 56(1) Stock Corporation Act the SE is in particular not allowed to subscribe for its own shares and under Section 57(1) Stock Corporation Act is not allowed to return the contributions to the shareholders (see [Section 4.2.2](#)). In addition, the provisions of stock corporation law in Section 58(1) to (3) Stock Corporation Act regarding the appropriation of the net income for the year and the creation of reserves and under Section 58(4) Stock Corporation Act regarding

the distribution of the unappropriated surplus apply. The shareholders' shares in the profits of the SE are determined (exactly as in the case of a German stock corporation) in accordance with Section 60(1) Stock Corporation Act on the basis of their shares in the registered share capital, unless the articles of association provide for a different distribution. The principle of equal treatment of all shareholders under stock corporation law as provided in Section 53a of the Stock Corporation Act is also applicable to the SE and its shareholders through the reference in Article 9(1)(c)(ii) of the SE Regulation.

Therefore, also in this respect, the change in legal form of Westwing Group AG into an SE will not result in any changes with regard to the relationship of the Company with its shareholders.

## **4.5 Constitution and governing bodies**

### **4.5.1 Choice of one-tier or two-tier system**

A stock corporation under German law requires a two-tier structure, consisting of a management board according to Section 76 et seqq. Stock Corporation Act and a supervisory board according to Section 95 et seqq. Stock Corporation Act. No one can be a member of the management board and the supervisory board of a stock corporation at the same time. Section 76(1) of the Stock Corporation Act states that the management board is responsible for managing the stock corporation's business, while the supervisory board is responsible for overseeing the management board and is to be informed by the management board in particular on a regular basis as specified in Section 90 of the Stock Corporation Act and in important cases. The Supervisory Board oversees the management in accordance with Section 111(1) Stock Corporation Act. It is not authorized to take over tasks of the management board or to give it instructions on how to act. Certain types of transactions may only be performed with its consent. The list of such transactions requiring approval has to be set out in the articles of association and/or determined by the supervisory board.

Apart from the two-tier system of governance, the SE also provides the "one-tier" system of governance (Article 38(b) SE Regulation). The choice between the two systems is made in the statutes (articles of association). While in the two-tier system two governing bodies are provided for the administration, one of which conducts the business and the other oversees the management, in a one-tier system only one administrative body exists, which manages the SE (administrative board). The administrative board manages the SE, determines the basic guidelines for its activities and monitors their implementation pursuant to Section 22(1) SEAG. Article 6 of the Articles of the Westwing Group SE provides (as is currently the case) for the two-tier system with a management body (management board) and a supervisory body (supervisory board) pursuant to Article 39 et seqq. SE Regulation in conjunction with Section 15 et seqq. SEAG, meaning that the change in legal form does not lead to a change in the system of

governance. The change in legal form merely leads to a few changes in the details, which will be described below.

#### 4.5.2 Management Board

##### 4.5.2.1 Management of the SE

The change in legal form to an SE will not lead to any changes in the management of the future Westwing Group SE. Under Article 39(1) sentence 1 SE Regulation, the management body (i.e., the management board) is responsible for managing the SE. This provision corresponds to the contents of Section 76(1) Stock Corporation Act.

##### 4.5.2.2 Size and composition of the management board

According to Section 76(2) sentence 1 Stock Corporation Act, the management board of a stock corporation essentially consists of one or more people, whereas under Section 76(2) sentence 2 Stock Corporation Act is has to consist of at least two people at a company with registered share capital of more than EUR 3 million (subject to alternative provisions in the articles). The provision in Section 16 SEAG corresponds to the contents of this provision, meaning that the management board of an SE with registered share capital of more than EUR 3 million consists of at least two people, unless the articles provide otherwise.

Article 7(1) of the Articles of Association of the Westwing Group SE provides that the Management Board consists of one or more people and the Supervisory Board determines the number of Management Board members. After the change in legal form, the Management Board members of Westwing Group SE will presumably be Stefan Smalla (Management Board Chairman) and Sebastian Säuberlich, subject to their appointment by the initial Supervisory Board of Westwing Group SE (see Section 5.8.1 below).

The obligation of the Supervisory Board pursuant to Section 111(5) Stock Corporation Act to set a target for the proportion of women on the management board also applies in two-tier SEs pursuant to Article 9(1)(c)(ii) SE Regulation. In fiscal year 2019, the Supervisory Board set a target of at least 25% for the proportion of women on the Management Board of Westwing Group AG. In this respect, there will be no changes as a result of the change in legal form to an SE.

With regard to the size and composition of the Management Board, there will essentially be no changes as a result of the change in legal form.

##### 4.5.2.3 Management

Like for German stock corporations, the basic principle of joint management by all management board members also applies to the SE, unless otherwise

provided for in the statutes (articles of association) or rules of procedure. Similarly, under Article 9(1)(c)(ii) SE Regulation in conjunction with Section 77(1) second half of sentence 2 Stock Corporation Act, the principle under stock corporation law that differences of opinion in the management board cannot be decided by one or more management board members against the majority of the management board members applies.

In the case of the SE, unless otherwise provided for in the SE Regulation or the statutes (articles of association), resolutions of the management board are adopted by a simple majority of the votes of the members present or represented in accordance with Article 50(1)(b) and (2) sentence 1 SE Regulation, with the chairman of the management board having the casting vote in the event of a tie.

The SE Articles do not provide for any alternative provision. Therefore, at Westwing Group SE, both the above principle of majority voting and the statutory right of the Chairman of the Management Board to make a casting vote will in principle apply.

#### 4.5.2.4 Representation

As the SE Regulation does not contain any SE-specific rules on representation, the provisions of the Stock Corporation Act and the SE's articles of association will apply as a result of the reference in Article 9(1)(c)(ii) and (iii) SE Regulation. Like the AG Articles, the SE Articles also provide that the company is represented by two Management Board members or by one Management Board member together with an authorized signatory (*Prokurist*) (Article 8(2) of the SE Articles).

Consequently, the change in legal form will not result in any changes in relation to representation of the company.

#### 4.5.2.5 Appointment and removal of the Management Board and term of office

Like in stock corporations, in SEs the members of the Management Board are generally appointed and removed by the supervisory board or supervisory body in accordance with Section 84 Stock Corporation Act and Article 39(2) subparagraph 1 SE Regulation.

The management board members of a stock corporation are appointed for a maximum term of five years. Appointments may be repeated or terms of office extended for a maximum of five years in each case. The supervisory board may revoke the appointment of a member of the management board and the appointment of the chairman of the management board for good cause as set out in Section 84 of the Stock Corporation Act.

In contrast, the management board members of an SE are appointed pursuant to Article 46(1) SE Regulation for a period set forth in the statutes (articles of



association) not exceeding six years. Subject to restrictions set forth in the statutes, members may be reappointed pursuant to Article 46(2) SE Regulation. Article 7(4) of the SE Articles provides for a maximum term of office of five (5) years and allows members to be reappointed. This means that the provision does not deviate from the statutory provision for stock corporations and the previous situation at Westwing Group AG. The possibility of revoking the appointment (only) for good cause pursuant to Section 84(3) Stock Corporation Act also exists for SEs with their registered seat in Germany due to the reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form will not lead to any changes in relation to the appointment and removal of the Management Board and its terms of office.

#### 4.5.2.6 Basic features of the compensation of Management Board members, compensation system, non-competition covenant and granting of loans to Management Board members

Due to the reference in Article 9(1)(c)(ii) of the SE Regulation, the provisions of the Stock Corporation Act also apply to SEs with their registered seat in Germany with regard to the basic features of the compensation of management board members, the compensation systems of listed companies for the compensation of management board members, the non-competition covenant for management board members and the granting of loans to management board members in accordance with the legal requirements under Sections 87 to 89 of the Stock Corporation Act. This means that there are no differences between the two legal forms in this respect.

Consequently, the change in legal form will not lead to any changes in relation to the basic features of the compensation of the Management Board members, compensation system, non-competition covenant and granting of loans to Management Board members.

#### 4.5.2.7 Reports to the Supervisory Board

The reporting duties of the management board of an SE toward the supervisory board of an SE are equivalent to the reporting duties of the management board of a stock corporation toward the supervisory board of a stock corporation.

Under Section 90 of the Stock Corporation Act, the management board of a stock corporation is required to report to the supervisory board on (i) the intended business policy and other fundamental business planning issues (in particular financial, investment and personnel planning), giving reasons for any deviations in the actual development from previously reported targets, (ii) the profitability of the company, in particular the return on equity, (iii) the course of business, in particular sales, and the situation of the company, (iv) transactions which may be of material significance for the profitability or liquidity of the company. If the company is a parent company, the report must also cover subsidiaries and joint

ventures pursuant to Section 90(1) sentence 2 of the Stock Corporation Act. The Stock Corporation Act provides for a regular cycle for the various reports. In addition, the chairman of the supervisory board must receive reports on any other important matters. According to Section 90(1) sentence 3 of the Stock Corporation Act, important matters also include business transactions at an affiliated company of which the management board has become aware and which may significantly influence the company's situation.

In addition to the reporting obligations described above, Section 90(3) sentence 1 of the Stock Corporation Act states that the supervisory board may request a report on the affairs of the company, its business relations with affiliated companies and business transactions at these companies that may significantly influence the situation of the company at any time. An individual supervisory board member may also request a report, but only from the entire supervisory board.

The reports have to correspond to the principles of conscientious and faithful accounting. According to Section 90(4) Stock Corporation Act, they have to be submitted in as timely a manner as possible and as a rule in text form. Under Section 90(5) sentence 1 Stock Corporation Act, each supervisory board member has the right to examine the reports.

The management body of an SE is subject to equivalent reporting obligations that it must comply with on a regular basis. For example, Article 41(1) SE Regulation stipulates that it must report to the SE's supervisory body at least once every three months on the progress and foreseeable development of the SE's business. In addition to the regular information, under Article 41(2) SE Regulation the management body is required to promptly pass on to the supervisory body any information on events likely to have an appreciable effect on the SE. According to Article 41(3) SE Regulation, the supervisory body of an SE may require the management board to provide information of any kind which it needs to exercise supervision. Like for a stock corporation, according to Article 41(3) SE Regulation in conjunction with Article 18 SEAG, every supervisory board member of an SE with its registered seat in Germany may request such information, but only from the entire supervisory board. Under Article 41(4) SE Regulation the supervisory body may undertake or arrange for any investigations necessary for the performance of its duties. According to Article 41(5) SE Regulation, each member of the supervisory body is entitled to examine all information submitted to it.

Even though Section 90 Stock Corporation Act appears to be more precise in comparison to Article 41 SE Regulation, the change in legal form of Westwing Group AG to an SE in fact does not result in any substantive changes with regard to the obligation of the Management Board to report to the Supervisory Board because, despite their different wording, the contents of the provisions in Section 90 Stock Corporation Act and Article 41 SE Regulation are essentially

consistent. As a result, the future Management Board of Westwing Group SE will have the same reporting obligations towards the Supervisory Board as the Management Board of Westwing Group AG.

As a result, the change in legal form will not lead to any actual changes in relation to the obligations of the Management Board to report to the Supervisory Board.

#### 4.5.2.8 Duties of the Management Board in the event of loss, over-indebtedness and inability to pay debts when they fall due

The duties of the management board in the event of loss, over-indebtedness (*Überschuldung*) and inability to pay debts when they fall due (*Zahlungsunfähigkeit*) governed by Section 92 Stock Corporation Act are also to be observed by the management body (i.e., the management board) of a two-tier SE via Article 9(1)(c)(ii) SE Regulation. The duties in connection with this will not change for the Management Board of Westwing Group SE as opposed to the Management Board of Westwing Group AG as a result of the change in legal form.

As a result, the change in legal form will not lead to any changes in relation to the Management Board's duties in the event of loss, over-indebtedness and inability to pay debts when they fall due.

#### 4.5.2.9 Duties to exercise skill and care, liability and responsibilities

Under Article 51 SE Regulation, the members of the management body of an SE are liable in accordance with the provisions applicable to stock corporations in the Member State in which the SE's registered seat is located. Through this reference to German law, the requirements of Section 93 Stock Corporation Act regarding the standard of care of a prudent and conscientious manager also apply to the Management Board of Westwing Group SE. This also covers the so-called business judgement rule for business decisions under Section 93(1) sentence 2 Stock Corporation Act and the rules on the exclusion of the obligation to provide compensation according to Section 93(4) Stock Corporation Act.

Under Article 49 SE Regulation members are under a strict duty, even after they have ceased to hold office, not to divulge any information they have concerning the SE the disclosure of which might be prejudicial to the SE's interests. The contents of this rule correspond to the situation under German stock corporation law, where continuation of the duty of confidentiality beyond the end of the term of office, although not expressly regulated, is generally acknowledged.

Consequently, the change in legal form does not lead to any changes in relation to the duties to exercise skill and care and liability and responsibilities of the Management Board members.

#### 4.5.2.10 Use of influence on the company

Under Section 117(1) Stock Corporation Act, anyone who intentionally uses their influence on the company and compels a member of the management board to act to the detriment of the company or its shareholders is liable for damages. Although a corresponding provision is absent in the SE Regulation, equivalent liability also certainly exists at an SE (even if one does not regard the reference provision in Article 51 SE Regulation as relevant here) due to the reference to Article 9(1)(c)(ii) SE Regulation. To this extent, liability of the Management Board members who act in breach of this duty likewise exists in both legal forms (see Section 117(2) Stock Corporation Act and Article 51 SE Regulation).

In relation to liability for using influence on the company and Management Board members who act in breach of such duties, the change in legal form will not lead to any changes.

#### 4.5.3 Supervisory board

In an SE with a two-tier structure, the supervisory body (supervisory board) supervises the work of the management body (management board). Its tasks and powers essentially correspond to those of the supervisory board of a stock corporation. Nevertheless, there are some differences in the details, which are summarized below.

##### 4.5.3.1 Size and composition of the supervisory board

Like in a stock corporation, the supervisory board of an SE consists of at least three members, although the statutes (articles of association) may stipulate a certain higher number (Article 40(3) sentence 2 SE Regulation in conjunction with Section 17(1) SEAG). The Supervisory Board of Westwing Group AG is to be enlarged to 5 (five) members and the provision in Article 9(1) of the AG Articles is to be adjusted to reflect this by resolution of the general meeting on August 5, 2021 also resolving on approval of the change in legal form. Subject to this enlargement of the Supervisory Board becoming effective, the Supervisory Board of Westwing Group AG will already consist of 5 (five) members before the change in legal form. The Supervisory Board of Westwing Group SE should then also consist of 5 (five) members according to Article 10(1) of the SE Articles. If no resolution on the planned enlargement of the Supervisory Board at Westwing Group AG is effectively passed, the Supervisory Board will be enlarged through the provision in Article 10(1) of the SE Articles. As is presently the case at Westwing Group AG, all the Supervisory Board members will also be elected by the General Meeting at Westwing Group SE.

As the Westwing Group AG is not subject to co-determination by the employees under the German One-Third Participation Act (*Drittelbeteiligungsgesetz*, DrittelbG) or the German Co-determination Act (*Mitbestimmungsgesetz*,

MitbestG), the Supervisory Board of Westwing Group SE will still exclusively consist of representatives of the shareholders in the future.

#### 4.5.3.2 Status procedure on the composition of the supervisory board

If the composition of the supervisory board does not comply with the statutory provisions applicable to it, or if it is disputed or uncertain what statutory provisions have to be observed for the composition of the supervisory board, the status procedure described in Sections 97 bis 99 Stock Corporation Act has to be carried out at a stock corporation. Through the reference in Article 9(1)(c)(ii) SE Regulation, this also applies to two-tier SEs with their registered seat in Germany. The applicability of the status procedure also arises indirectly from Section 17(4) SEAG. To this extent, this provision performs an SE-specific modification of the provision in the Stock Corporation Act since the works council at an SE is also entitled to make a request.

#### 4.5.3.3 Personal prerequisites for Supervisory Board members

Section 100(1) sentence 1 Stock Corporation Act states that supervisory board members of a stock corporation may only be individuals with unlimited legal capacity. According to Article 47(1) subparagraph 1 SE Regulation, while a company or other legal entity may in principle be a member of the supervisory board, this is only permitted if the law applicable to stock corporations in the Member State in which the SE's registered seat is located does not provide otherwise. Consequently, it is not possible for legal entities to be members of the Supervisory Board of the Westwing Group SE, in the same way as this is not possible for a German stock corporation.

The other personal prerequisites for members of the supervisory board of a stock corporation under Section 100(2) Stock Corporation Act apply to SEs with their registered seat in Germany through the reference in Article 47(2)(a) SE Regulation. Thus the personal grounds preventing membership of the supervisory board of Westwing Group AG and Westwing Group SE are identical.

Since Section 100(5) Stock Corporation Act was revised, at publicly traded companies within the meaning of Section 264d German Commercial Code (*Handelsgesetzbuch*, HGB) (this covers Westwing Group AG and likewise the future Westwing Group SE) at least one supervisory board member must have expertise in the field of accounting and another supervisory board member in the field of auditing. The revision was introduced by the German Act to Strengthen the Financial Market Integrity of June 3, 2021 (*Gesetz zur Stärkung der Finanzmarktintegrität*, FISG) (Federal Gazette I, page 1534-1567 of June 10, 2021, "**Financial Market Integrity Act**") which according to Article 27(1) Financial Market Integrity Act applies from July 1, 2021, meaning that the revision is already to be applied to the general meeting on August 5, 2021. Moreover, the Supervisory Board members as a whole must be familiar with the

sector in which the company pursues its activities; this already applied before the revision as a result of the Financial Market Integrity Act. These rules under stock corporation law will also apply to Westwing Group SE through the reference in Article 9(1)(c)(ii) SE Regulation.

The intention is that the current four Supervisory Board members – and a fifth Supervisory Board member to be newly elected to the Supervisory Board enlarged to include five members in the Company's General Meeting on August 5, 2021 – of Westwing Group AG will also become Supervisory Board members of Westwing Group SE. The prerequisite under Section 100(5) Stock Corporation Act will be met by the Supervisory Board members Christoph Barchewitz, Michael Hoffmann and Mareike Wächter as each of them has expertise in the fields of accounting and the fields of auditing.

The change in legal form will not lead to any changes in relation to the personal prerequisites for the Supervisory Board members.

#### 4.5.3.4 Appointment of the Supervisory Board members

In a non-co-determined stock corporation, the supervisory board members are elected by the general meeting. According to Article 40(2) SE Regulation, this also applies to non-co-determined SEs. Therefore, the Supervisory Board members at Westwing Group AG as well as at the future Westwing Group SE will be appointed exclusively by the General Meeting.

Since the continuity of the offices of the appointed Supervisory Board members of Westwing Group AG is not beyond doubt from a legal point of view, Section 7.2 of the Draft Terms of Conversion stipulates that the offices will end when the change in legal form takes effect. The current members of the Supervisory Board Mr. Christoph Barchewitz, Dr. Antonella Mei-Pochtler, Michael Hoffmann and Thomas Harding as well as additional member Ms. Mareike Wächter are to be elected as members of the first Supervisory Board of Westwing Group SE by the General Meeting of Westwing Group AG, which will vote on whether to approve the change in legal form of Westwing Group AG to Westwing Group SE on August 5, 2021. Ms. Mareike Wächter will already be nominated to the General Meeting for election as the fifth member of the enlarged Supervisory Board of Westwing Group AG on August 5, 2021, and is then to be elected as a further member of the first Supervisory Board of Westwing Group SE.

#### 4.5.3.5 Term of office of Supervisory Board members

Section 102(1) Stock Corporation Act states that the members of a supervisory board of a stock corporation may not be appointed for a term of office extending beyond the time at which the general meeting is closed that is to adopt a resolution to formally discharge the supervisory board members with regard to the fourth fiscal year following the commencement of their term of office. The

fiscal year in which the term of office begins is not to be counted. At an SE, according to Article 46(1) SE Regulation the members of the supervisory board can be appointed for a longer period set forth in the articles of association not exceeding six years, meaning that longer terms of office are in principle possible for supervisory board members at SEs than for stock corporations. Reappointments of the supervisory board members are permitted at both SEs, subject to any restrictions set forth in the articles of association, and at stock corporations.

The provision in Article 10(2) of the Articles of Westwing Group SE regarding the term of office of the Supervisory Board members provides for a shorter term of office compared to the current provision at Westwing Group AG. This is intended to meet the expectations of institutional investors in particular and the requirements of modern corporate governance. At Westwing Group AG, the Supervisory Board members have up to now, subject to a different term of office determined at the time of election, been elected for the period until the end of the General Meeting which resolves on formal discharge of the supervisory board members with regard to the fourth fiscal year after the beginning of their term of office, with the fiscal year in which the term of office begins not being counted. Under Section 10(2) of the SE Articles, the Supervisory Board members of Westwing Group SE will, subject to a different term of office determined at the time of election, be elected until the end of the General Meeting resolving on the formal discharge of the supervisory board members with regard to the second fiscal year after the beginning of their term of office, whereby the fiscal year in which the term of office begins is not to be counted in this case as well. Only the term of office of the first Supervisory Board of Westwing Group SE will definitely only run until the end of the General Meeting resolving on the formal discharge of the supervisory board members with regard to the first fiscal year of Westwing Group SE. The Articles of Westwing Group SE do not contain any restrictions regarding the reappointment of Supervisory Board members. Instead, they explicitly provide that reappointments are allowed.

#### 4.5.3.6 Removal of the Supervisory Board members

Section 103(1) Stock Corporation Act states that in a stock corporation the general meeting may remove supervisory board members who were appointed by it without the meeting having been bound by nominations prior to expiry of their term. The resolution requires a majority comprising at least three quarters of the votes cast. The articles of association may stipulate a higher majority and may impose further requirements. Moreover, Section 103(3) Stock Corporation Act states that that the competent court has to remove a supervisory board member upon receiving a petition from the supervisory board if good cause related to the person of the member exists, with the supervisory board resolving by simple majority whether to file such a petition.

As neither the SE Regulation nor the SEAG regulate the removal of supervisory board members, the provisions in the Stock Corporation Act also apply here through the references in Article 9(1)(c)(ii) SE Regulation, meaning that the change in legal form does not lead to any changes in this respect. Like the AG Articles, the SE Articles do not contain any majority-related requirements or other requirements for voting by the General Meeting on removing the shareholder representatives from the Supervisory Board.

This means that the change in legal form does not lead to any changes regarding the possibility to remove Supervisory Board members.

#### 4.5.3.7 Appointment of Supervisory Board members by the court

In principle, the change in legal form will not result in any changes with regard to the appointment of Supervisory Board members by the court. If the supervisory board of a stock corporation does not include the number of members required for a quorum or if the supervisory board is otherwise understaffed, the court has to supplement it in accordance with Section 104 Stock Corporation Act upon application by the management board, a supervisory board member or a shareholder. These provisions from stock corporation law are also applicable to SEs through the reference in Article 9(1)(c)(ii) SE Regulation.

The change in legal form will not lead to any changes regarding the possibility for Supervisory Board members to be appointed by the court.

#### 4.5.3.8 Incompatibility of simultaneous membership of the Management Board and the Supervisory Board

In both a stock corporation and SE, a person cannot be a member of the management board and supervisory board at the same time. Since the supervisory board is supposed to oversee the management by the management board, parallel membership of both committees is not possible according to Section 105(1) Stock Corporation Act and Article 39(3) SE Regulation. However, the Stock Corporation Act provides an exception in the event that a member of the management board is absent or prevented from attending. In this case, the supervisory board may appoint individual members of the supervisory board as deputies for these management board members. The members appointed in this way may then not perform their duties as members of the supervisory board during this period. The appointment must be for a term limited in advance and not exceeding one year; a repeated appointment or extension of the term is permitted under Section 105(2) of the Stock Corporation Act provided that this does not cause the total term to exceed one year.

Article 39(3) SE Regulation also provides for the possibility that a member of the supervisory board is nominated to act as a member of the management body in the event of a vacancy, with the functions of the person concerned as a member of the supervisory body also being suspended during this period. The German



legislator has made use of the possibility granted in the Regulation to provide for a time limit and in this respect has taken over the requirements from the Stock Corporation Act in Section 15 SEAG. Therefore, there is no difference between Westwing Group AG and Westwing Group SE with regard to the incompatibility of the simultaneous membership of the Management Board and Supervisory Board.

The change in legal form will not lead to any changes regarding the incompatibility of the simultaneous membership of the Management Board and Supervisory Board.

#### 4.5.3.9 Internal organization and voting by the supervisory board

Section 107(1) first sentence Stock Corporation Act states that the supervisory board of a stock corporation has to elect one chairman and at least one deputy chairman. Subject to an alternative provision in the law or the articles of association, under Section 108(2) sentences 2 and 3 Stock Corporation Act the supervisory board has a quorum if at least one half of the members of which it must be comprised, but at least three supervisory board members, take part in the vote on the resolution. As a rule, resolutions must be passed by a simple majority of the votes cast.

Although the supervisory board of an SE is only required to elect a chairman under Article 42 first sentence SE Regulation, due to the reference in Article 9(1)(c)(ii) SE Regulation, the supervisory board of an SE with its registered seat in Germany also has to elect at least one deputy chairman, in line with Section 107(1) first sentence Stock Corporation Act. Article 11(1) of the SE Articles provides for the election of one chairman and one deputy chairman.

Under Article 50(1)(a) SE Regulation, unless otherwise provided by the articles of association, the supervisory board of an SE has a quorum if at least half its members are present or represented. Article 50(1)(b) SE Regulation states that, unless otherwise provided by the statutes, a majority of the votes of the members present or represented is required for decision-taking. Based on the principle in Article 50(2) first sentence SE Regulation, the chairman has the casting vote in the event of a tie, this without a second vote being required. Article 14(6) of the SE Articles provides that the Supervisory Board has a quorum if at least half of the members of which it has to consist in total take part in the voting, but at least three supervisory board members. This provision regarding a quorum corresponds to the provision for Westwing Group AG in Article 13(6) of the AG Articles, meaning that no changes will arise in this respect as a result of the change in legal form. Similarly, resolutions by the Supervisory Board of Westwing Group SE will also be adopted by simple majority in the future, as has been the case at Westwing Group AG up to now.

Like at a stock corporation, the supervisory board of an SE can form committees and also assign decision-making powers to them. If the supervisory board of a publicly traded company within the meaning of Section 264d German Commercial Code (Westwing Group AG and in future Westwing Group SE fall under this) sets up an audit committee, the members of the committee must satisfy the requirements of Section 100(5) Stock Corporation Act in conjunction with Section 107(4) Stock Corporation Act (see also [Section 4.5.3.3](#) above). These provisions from stock corporation law will also apply to Westwing Group SE through the reference in Article 9(1)(c)(ii) SE Regulation.

Consequently, the change in legal form will not lead to any changes regarding the internal organization of and adoption of resolutions by the Supervisory Board.

#### 4.5.3.10 Convening of the Supervisory Board

There are no differences between Westwing Group AG and Westwing Group SE with regard to the convening of the Supervisory Board. Since neither the SE Regulation nor the SEAG contain provisions on the convening of this board, the provision in Section 110 Stock Corporation Act applicable to stock corporations is to be applied through the reference in Article 9(1)(c)(ii) SE Regulation. Under Section 110(1) of the Stock Corporation Act, any member of the supervisory board or management board may request that the chairman of the supervisory board convenes the supervisory board without undue delay, stating the purpose and reasons. If this meeting does not take place within two weeks, the supervisory board member or the management board may convene the board itself. In listed companies, the supervisory board must hold two meetings per calendar half-year in accordance with Section 110(3) first sentence Stock Corporation Act. This also applies to SEs.

This means that the change in legal form will not lead to any changes in relation to the convening of the Supervisory Board.

#### 4.5.3.11 Tasks and rights of the Supervisory Board

According to Section 111(1) Stock Corporation Act, the primary task of the supervisory board of a stock corporation is to supervise the management board. This corresponds to the description of tasks of the supervisory board of an SE contained in Article 40(1) SE Regulation. Like the supervisory board of a stock corporation, to which pursuant to Section 111(4) first sentence Stock Corporation Act measures to be taken by the management may not be transferred, under Article 40(1) sentence 2 SE Regulation the supervisory body of an SE may not itself exercise the power to manage the SE. In this respect, there is no difference between the two legal forms.

However, in both stock corporations and SEs, certain business transactions may only be conducted with the consent of the supervisory board. In stock

corporations, these transactions can be listed in the articles of association pursuant to Section 111(4) sentence 2 Stock Corporation Act, which is, however, not mandatory, as it is also sufficient for the supervisory board to determine such transactions in another place such as the rules of procedure. In this respect, the requirements for the SE are stricter, since according to Article 48(1) first sentence SE Regulation, a list of transactions which require authorization must be included in the statutes (articles of association). However, pursuant to Article 48(1) sentence 2 SE Regulation, Member States may provide that in the two-tier system the supervisory body itself may also make certain categories of transactions subject to authorization. The German legislator has made use of this possibility in Section 19 SEAG.

Due to the statutory requirements referred to above, Article 9(1) of the SE Articles contains a list of business transactions by the Management Board that require approval. In addition, Article 9(2) SE Articles provides that the Supervisory Board of Westwing Group SE may determine further kinds of transactions or measures that require its approval. If the Supervisory Board refuses to give its approval to a measure, the approval may in the judgment of the Management Board be substituted by the General Meeting as specified in more detail in Section 111(4) sentences 3 to 5 Stock Corporation Act. It is true that neither the SE Regulation nor the SEAG contain a provision corresponding to Section 111(4) sentences 3 to 5 of the Stock Corporation Act. However, this follows from the reference in Article 9(1)(c)(ii) SE Regulation.

Due to its comprehensive supervisory function, the supervisory boards in both stock corporations and SEs have far-reaching rights to inspect and audit, so that it is able to comply with its duties to inspect and audit. In the Stock Corporation Act, Section 111(2) first sentence Stock Corporation Act expressly provides that the supervisory board may inspect and audit the books and records of the company as well as its assets. Article 41(4) SE Regulation also determines for the SE that the supervisory body may undertake or arrange for any investigations necessary for the performance of its duties. The power of the supervisory board existing under Section 111(3) Stock Corporation Act to convene a general meeting by simple majority where this is required by the company's best interests exists under Article 54(2) SE Regulation, which refers to the corresponding powers at stock corporations, including for SEs with their registered seats in Germany.

Apart from the fact that the inclusion of a list of business transactions requiring approval in the articles of association of Westwing Group SE is now mandatory, no differences exist between Westwing Group AG and Westwing Group SE regarding the tasks and rights of the Supervisory Board.

#### 4.5.3.12 Duties of care and confidentiality

Under Section 116 first sentence in conjunction with Section 93(1) first sentence Stock Corporation Act, supervisory board members have to exercise the care of a prudent and conscientious member of such a board when carrying out their duties. Under Section 116 sentence 2 Stock Corporation Act, the Supervisory Board members are in particular under an obligation of secrecy regarding any confidential reports they may have received as well as their confidential deliberations. Section 116 sentence 3 Stock Corporation Act specifically states that they are under an obligation to provide compensation if they have established the payment of management board compensation that is inappropriate. Due to the reference in Article 51 SE Regulation, this liability standard also applies to supervisory board members of SEs with their registered seats in Germany. The obligation of secrecy of the supervisory board members of an SE is explicitly regulated in Article 49 SE Regulation. This states that supervisory board members are under a duty, even after they have ceased to hold office, not to divulge any information which they have concerning the SE the disclosure of which might be prejudicial to the company's interests, except where such disclosure is required or permitted under national law provisions applicable to stock corporations or is in the public interest. Even though the SE Regulation, unlike the Stock Corporation Act, specifically mentions the continuation of the duty of confidentiality beyond the term of office, this does not result in any changes. In German stock corporation law, the continuation of the duty of confidentiality beyond the term of office is generally recognized. Consequently, the duties of care and confidentiality of the Supervisory Board members of Westwing Group SE correspond to those of the Supervisory Board members of Westwing Group AG.

As a result, the change in legal form will not lead to any changes regarding duties of care and confidentiality of the Supervisory Board members.

#### 4.5.3.13 Representation of the company in dealings with Management Board members

Like in a German stock corporation, the supervisory board of an SE with its registered seat in Germany also represents the company in and out of court in dealings with management board members under Section 112 Stock Corporation Act, which applies through the reference in Article 9(1)(c)(ii) SE Regulation. No differences exist between Westwing Group AG and Westwing Group SE in this respect.

As a result, the change in legal form will not lead to any changes in relation to the representation of the company in dealings with Management Board members.

#### 4.5.3.14 Compensation system and compensation of the Supervisory Board members, contracts with Supervisory Board members, loans granted to Supervisory Board members

The provisions of the Stock Corporation Act on the compensation system and the compensation of the supervisory board members, on the contracts with supervisory Board members and on loans granted to supervisory board members pursuant to Sections 113 to 115 Stock Corporation Act also apply to SEs with their registered seats in Germany through the reference in Article 9(1)(c)(ii) SE Regulation. Thus the provision on compensation for the Supervisory Board of Westwing Group SE is set forth in the Articles of Association in the same way as up to now for Westwing Group AG.

The compensation of the Supervisory Board members of Westwing Group SE is to be retained as in the current provision in Article 14 of the Articles of Westwing Group AG. Therefore, the current provision in Article 14 of the AG Articles is to be taken over for the future Westwing Group SE and was transferred into Article 15 of the SE Articles without any changes.

As a result, no differences to the compensation of the Supervisory Board members will arise between Westwing Group AG and the future Westwing Group SE and the change in legal form will consequently not lead to any changes.

#### 4.5.4 General meeting

The provisions in the Stock Corporation Act for the general meetings of German stock corporations essentially apply in the same way to the general meetings of SEs due to the reference in Article 9(1)(c)(ii) SE Regulation. Any differences in the details are outlined below.

##### 4.5.4.1 Rights of the general meeting

Due to the reference in Article 52 first subparagraph SE Regulation, the general meeting of an SE with its registered seat in Germany has the rights and responsibilities assigned to it by the SE Regulation or the SEBG. The SE Regulation results among other things in responsibilities of the general meeting for cross-border transfers of the registered seat under Article 8(4) and (6) SE Regulation, formation by merger under Article 23(1) SE Regulation, formation of a holding SE under Article 32(6) first sentence SE Regulation, winding-up under Article 63 SE Regulation and conversion of an SE back into a stock corporation as set out in Article 66(6) SE Regulation. In addition, the general meeting of an SE decides on matters that have been transferred to the general meeting of a German stock corporation by or due to stock corporation rules pursuant to Article 52 subparagraph 2 SE Regulation. These are in particular the responsibilities listed in Section 119(1) Stock Corporation Act, which partly overlap with the responsibilities of the general meeting governed by the SE Regulation. Alongside this, due to the reference in Article 52 subparagraph 2 SE Regulation,

Section 119(2) Stock Corporation Act also applies and the management board of an SE can (like that of a German stock corporation) request a decision by the general meeting regarding management measures. Furthermore, Sections 120a and 71(1) no. 8 and Section 221 Stock Corporation Act result in powers of the general meeting that apply to the SE in the same way as to every German stock corporation.

As a result, the General Meeting of Westwing Group SE has additional powers that are specifically regulated for SEs in the SE Regulation. But apart from this, the rights of the General Meeting of Westwing Group SE correspond to those of the General Meeting of Westwing Group AG.

#### 4.5.4.2 Convening of the general meeting

The same rules under stock corporation law apply in relation to convening of the general meeting at a stock corporation and at an SE due to the reference in Article 54(2) SE Regulation, i.e., the general meeting is obligated under Section 121(1) Stock Corporation Act to convene a general meeting by simple majority in the cases defined by law or in the statutes and where this is required by the company's best interests. In the latter case, Section 111(3) first sentence Stock Corporation Act provides that the supervisory board also has to call a general meeting.

The only difference is that the General Meeting of Westwing Group SE must be convened in such a way that it can be held in the first six months of the fiscal year pursuant to Article 54(1) SE Regulation, whereas in the case of Westwing Group AG, it must be held in the first eight months pursuant to Section 175(1) sentence 2 Stock Corporation Act and Article 15(1) of the AG Articles.

#### 4.5.4.3 Rights of minority shareholders

According to Section 122(1) Stock Corporation Act, the general meeting has to be convened at a German stock corporation whenever shareholders whose shares in the aggregate are at least equivalent to one twentieth of the registered share capital request this, doing so in writing and citing the purpose and reasons. In the same way, according to Section 122(2) Stock Corporation Act shareholders whose shares in the aggregate are at least equivalent to one twentieth of the share capital or to a stake of EUR 500,000.00 may request that items of business be set out in the agenda for resolution and be published by notice. If the request is not complied with, Section 122(3) first sentence Stock Corporation Act states that the court may grant authority to the shareholders who have made the request to convene the general meeting or to publish by notice the item of business.

Article 55 SE Regulation and Section 50 SEAG contain a rule for SEs with similar contents. There are differences in the details, e.g., with regard to the period of two months to comply with the request pursuant to Article 55(3) SE Regulation;

furthermore, in contrast to the stock corporation provisions in Section 122(1) sentences 3 and 4 and (2) sentence 1 Stock Corporation Act, a holding period prior to the filing of the request for the convening of a general meeting or the amendment of the agenda is not a prerequisite for a request in the case of an SE; the provisions applicable to the SE are thus more shareholder-friendly.

However, overall the change in legal form will not lead to any material changes regarding the rights of minority shareholders.

#### 4.5.4.4 Organization and conduct of the general meeting

Regarding the organization and conduct of the general meeting of an SE, Article 53 SE Regulation refers to the law applicable to stock corporations in the Member State in which the SE's registered seat is situated.

Consequently, the rules currently applicable to the Westwing Group AG will apply, and the change in legal form to Westwing Group SE will essentially not lead to any changes to the organization or conduct of the General Meeting.

#### 4.5.4.5 Rights of shareholders to request information, speak and ask questions

In general meetings of a German stock corporation, the management board is required to inform each shareholder at the general meeting upon request about matters pertaining to the company where this is required in order to properly assess the item set out in the agenda pursuant to Section 131(1) first sentence Stock Corporation Act. The same also applies to the general meeting of an SE due to the general reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form of Westwing Group AG to Westwing Group SE will not lead to any changes in relation to the rights of shareholders to request information, speak and ask questions in the General Meeting.

#### 4.5.4.6 Ordinary resolutions (i.e. those not amending the articles of association) of the general meeting

According to Section 133(1) Stock Corporation Act, a majority of the votes cast is required for resolutions by the general meeting of a stock corporation established under German law (simple majority of votes), unless the law or the articles of association stipulate a higher majority or impose further requirements. Article 19(2) of the AG Articles does not contain any deviations in this respect and specifies that in cases where the provisions of the Stock Corporation Act require a majority of the registered share capital (apart from Section 129(1) first sentence Stock Corporation Act also Section 179(2) first sentence, Section 182(1) first sentence and Sections 186(3) and 293(1) sentence 2 Stock Corporation Act, etc.) resolutions be passed by a simple majority of the share capital.

According to Article 57 SE Regulation, in the general meeting of an SE, simple resolutions are passed by a majority of votes validly cast, save where the SE Regulation or, failing that, the law applicable to stock corporations in the Member State in which an SE's registered seat is situated requires a larger majority. In the opinion of the Management Board, the provisions of the Stock Corporation Act requiring a majority of the registered share capital have to be applied in such a way at the SE that the corresponding majority of votes is required and necessary (see Section 4.5.4.7 below). For German listed SEs, this is of no practical relevance, since there are no multiple voting shares, meaning that the majority of the registered share capital always corresponds to the majority of votes. Just like in the AG Articles, Article 20(2) first sentence of the SE Articles provides that resolutions of the General Meeting are adopted by a simple majority of votes and, if a majority of the registered share capital is required, by a simple majority of the capital, unless otherwise required by mandatory law or by the articles of association.

Consequently, the change in legal form of Westwing Group AG into an SE will not lead to any objective changes to the principle of a simple majority of votes for non-statute-changing resolutions by the General Meeting applying to the Westwing Group AG under Section 133 Stock Corporation Act. This also applies at Westwing Group SE in the situations for which the Stock Corporation Act or the Transformation Act stipulate further requirements for resolutions, namely a majority of at least three quarters of the registered share capital represented at the time the resolution is adopted, which cannot be reduced by the statutes, meaning that the change in legal form into an SE will not lead to any changes in this respect, either.

#### 4.5.4.7 Resolutions changing the articles of association and other qualified resolutions of the general meeting

According to Sections 179(2) and 133(1) Stock Corporation Act, a majority of the registered share capital of at least three quarters of the registered share capital represented at the time the resolution is adopted and a simple majority of the votes cast are required for resolutions changing the articles of association of stock corporations established under German law. Section 179(2) sentence 2 Stock Corporation Act states that the articles of association may stipulate a different majority of capital, but that this may only be a higher majority if the matter involves a change to the company's objects. If the change to the articles of association involves an exclusion of the shareholders' subscription rights during capital increases or authorizes the management board to exclude their rights, namely in the case of authorized capital, in addition to a simple majority of votes, a majority of at least three quarters of the registered share capital represented at the time of voting stipulated in Section 186(3) Stock Corporation Act is required. There are also mandatory three-quarter majorities of the registered share capital during the approval of the general meeting of a stock corporation to reorganization measures or intercompany agreements.



Article 19(2) of the AG Articles currently provides that resolutions of the General Meeting are adopted by a simple majority of votes and, if a majority of the registered share capital is required, by a simple majority of the capital, unless otherwise prescribed by law or the articles of association.

According to Article 59(1) SE Regulation, the amendment of an SE's articles of association requires a decision by the general meeting taken by a majority which may not be less than two thirds of the votes cast, unless the law applicable to stock corporations in the Member State in which an SE's registered seat is situated requires or permits a larger majority. However, under Article 59(2) SE Regulation, a Member State may provide that where at least half of an SE's subscribed capital is represented, a simple majority of the votes referred to in paragraph 1 will suffice. The German legislator has made use of this authorization. Pursuant to Section 51 first sentence SEAG, the articles of association may stipulate that a simple majority of the votes cast is sufficient for a resolution of the general meeting regarding an amendment to the articles of association, provided that at least half of the registered share capital is represented. However, this does not apply to changes to the company's objects, resolutions on the transfer of the registered seat pursuant to Article 8(6) SE Regulation, and cases for which a higher capital majority is mandatory under German law (Section 51 sentence 2 SEAG). Consequently, under Section 20(2) sentence 2 of the SE Articles, a majority of two thirds of the votes cast or, if at least half of the registered share capital is represented, a simple majority of the votes cast is required for amendments to the articles of association, unless a higher majority is required by mandatory law or by the articles of association.

#### 4.5.4.8 Reviews of the legality of resolutions

The SE Regulation and the SEAG do not contain any provisions on contesting resolutions or examinations of the substantive legality of resolutions. This means that the provisions of the Stock Corporation Act regarding the possibilities to set aside resolutions by the general meetings or have them declared void under Sections 241 et seqq. Stock Corporation Act also apply unaltered to Westwing Group SE through the general reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form of Westwing Group AG to Westwing Group SE will not lead to any changes in relation to setting aside and reviewing resolutions by the General Meeting.

#### 4.5.4.9 Claims for compensation against company bodies, shareholder actions

The provisions under Section 147 et seqq. Stock Corporation Act regarding filing of claims for compensation and shareholder actions will apply in the same way to Westwing Group SE due to the reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form of Westwing Group AG to Westwing Group SE will not lead to any changes in relation to filing of claims for compensation and shareholder actions.

#### **4.6 Accounting**

In relation to accounting and auditing and other arrangements concerning the annual financial statements and management report as well as the consolidated financial statements and combined management report, the provisions relevant to stock corporations established under German law will apply at Westwing Group SE pursuant to Article 61 SE Regulation. Otherwise, the provisions of the Stock Corporation Act and the German Commercial Code apply through Article 9(1)(c)(ii) and Article 52 subparagraph 2 SE Regulation.

As a result, the change in legal form of Westwing Group AG to Westwing Group SE will not lead to any changes in relation to accounting and auditing.

#### **4.7 Measures for raising and reducing capital**

Due to the reference in Article 9(1)(c)(ii) SE Regulation, the rules under stock corporation law apply to the SE in relation to measures for raising and reducing capital.

As a result, the change in legal form of Westwing Group AG to Westwing Group SE will not lead to any changes in relation to measures for raising and reducing capital.

#### **4.8 Group law**

The provisions in the Stock Corporation Act relating to company groups apply to SEs with their registered seats in Germany in the same way as to stock corporations established under German law. This applies both for SEs as controlling undertakings and to SEs as dependent undertakings, and especially to intercompany agreements, de facto inclusion in the company group and exclusions of minority shareholders in return for a cash settlement.

As a result, the change in legal form of Westwing Group AG to Westwing Group SE will not lead to any changes in relation to group law.

#### **4.9 Winding-up and avoidance of the corporation**

According to Article 63 SE Regulation, as regards winding up, liquidation, insolvency, cessation of payments and similar procedures, an SE is governed by the legal provisions that would apply to a stock corporation formed in accordance with the law of the Member State in which its registered seat is situated. Thus the change in legal form of Westwing Group AG to SE will not lead to any changes in this respect. However, a cross-border transfer of the registered

seat to another Member State would not lead to the company being wound up (see Section 4.2.4 above).

## **5. PERFORMANCE AND PROCEDURAL STEPS FOR THE CHANGE IN LEGAL FORM**

It is set out below how the change in legal form of Westwing Group AG to Westwing Group SE will be performed. The change in legal form requires that the company's general meeting gives its consent to this measure on the basis of the Draft Terms of Conversion and approves the SE Articles. The change in legal form will become effective when it is entered in the Commercial Register of the court responsible for the Company, the Charlottenburg Local Court.

### **5.1 Preparation of the Draft Terms of Conversion**

According to Article 37(4) SE Regulation, the Management Board of Westwing Group AG has to draw up Draft Terms of Conversion. The Draft Terms of Conversion including the draft SE Articles for the future Westwing Group SE were recorded on June 16, 2021 in notarized form (Deed Roll No. 2950/2021 of the notary Dr. Bernhard Schaub in Munich). Article 37(4) SE Regulation does not contain any specific requirements relating to the contents of the Draft Terms of Conversion, and the SEAG does not set forth any minimum contents. Therefore, the Management Board of Westwing Group AG oriented itself to the requirements in Article 20 SE Regulation for merger plans when forming an SE by merger, to the extent that these requirements do not relate specifically to mergers and also appear appropriate in connection with the formation of an SE by change in legal form. In addition, the Management Board of Westwing Group AG took into account the requirements for a resolution regarding a change in legal form according to Section 193 et seqq. Transformation Act to the extent that this seems appropriate.

The Draft Terms of Conversion and the SE Articles attached as annex thereto will be available together with other documents from the time of convening of the General Meeting of Westwing Group AG that is to resolve on the change in legal form at the business premises of Westwing Group AG, Moosacher Straße 88, 80809 Munich, Germany and will be available on the Company's website at

<https://ir.westwing.com/hv>.

The Supervisory Board of Westwing Group AG approved and resolved the change in legal form and the Draft Terms of Conversion drawn up by the Management Board by resolution of June 18, 2021 and resolved to propose also on the part of the Supervisory Board that the ordinary General Meeting of Westwing Group AG on August 5, 2021 approves the Draft Terms of Conversion. The Draft Terms of Conversion are explained in Section 6.1 below.

## 5.2 Conversion Report

The management board of a stock corporation that is to be converted to an SE is required under Article 37(4) SE Regulation to draw up a report explaining and justifying the legal and economic aspects of the conversion and indicating the implications for the shareholders and for the employees of the adoption of the legal form of an SE.

To meet this obligation, the Management Board of Westwing Group AG has drawn up this Conversion Report. It serves in particular as information for the shareholders of Westwing Group AG for the resolutions to be passed by the ordinary General Meeting of Westwing Group AG on August 5, 2021 about the change in legal form. Like the Draft Terms of Conversion, the Conversion Report will be available from the time of convening of the General Meeting of Westwing Group AG that is to resolve on the change in legal form at the business premises of Westwing Group AG, Moosacher Straße 88, 80809 Munich, Germany and will be available on the Company's website at

<https://ir.westwing.com/hv>.

## 5.3 Capital coverage certificate

According to Article 37(6) SE Regulation, before the general meeting resolving on approval of the change in legal form of Westwing Group AG and the SE Articles, one or more independent experts have to certify that the company has net assets at least equivalent to its capital plus those reserves which must not be distributed under the law or the articles of association. These experts, referred to as Conversion Auditors in this Conversion Report, are to be appointed by the court responsible for Westwing Group AG under Article 37(6) SE Regulation in conjunction with Section 10 Transformation Act. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Arnulfstraße 59, 80656 Munich were appointed as Conversion Auditors by resolution of the competent court Munich Regional Court I (*Landgericht Munich I*) of March 3, 2021. The Conversion Auditors carried out their audit and issued a certificate with the following finding on June 18, 2021:

*“On the basis of the final result of our mandatory audit in accordance with Article 37(6) of the SE Regulation based on the documents submitted to us and the information and evidence provided to us, and based on the considerations and methodology set out in this Report, we confirm that Westwing Group AG, Berlin, has net assets at least in the amount of its registered share capital plus reserves that are not distributable by law or under the Articles of Association.”*

This certificate will be available from the time of convening of the General Meeting of Westwing Group AG that is to resolve on the change in legal form at

the business premises of Westwing Group AG, Moosacher Straße 88, 80809 Munich, Germany and will be available on the company's website at

<https://ir.westwing.com/hv>.

On the basis of the prevailing opinion, which is shared by the Management Board of Westwing Group AG, an additional formation audit by external formation auditors is not required in addition to the conversion audit by the Conversion Auditors in accordance with the provisions of stock corporation law regarding formation, in particular Section 33(2) Stock Corporation Act. Apart from the certificate issued by the Conversion Auditors pursuant to Article 37(6) SE Regulation, there is neither a need nor a legal basis for such an audit, since Article 37(6) SE Regulation contains a special provision for this purpose. According to the prevailing opinion, which is shared by the Management Board of Westwing Group AG, a formation report pursuant to Section 32 Stock Corporation Act is also not required. This finding can also be inferred from the legal concept expressed in Section 75(2) Transformation Act and Section 245(4) Transformation Act. These state that a formation audit and formation report are not required if the original legal entity itself was already subject to correspondingly strict formation regulations. These conditions are met, because the above regulations were observed and their requirements were fulfilled during the formation of Westwing Group AG by way of a change in legal form pursuant to the Transformation Act. The Management Board of Westwing Group AG also shares the widely held view that an internal formation audit on the course of the formation by way of a change in legal form and a corresponding audit report pursuant to Article 15(1) SE Regulation in conjunction with Section 33(1) Stock Corporation Act is not required. In consultation with the competent registry court an internal formation audit by the members of the Management Board and Supervisory Board is not carried out.

#### **5.4 Publication**

Article 37(5) SE Regulation states that the draft terms of conversion have to be publicized at least one month before the general meeting called upon to decide thereon. The draft terms of conversion are publicized by submitting them to the commercial register of the court responsible for the Company, the Charlottenburg Local Court, for the purpose of publication and by a notice by the registry court. The prevailing opinion held in the legal literature is that this publication requirement does not apply to the conversion report. In consultation with the competent registry court, only the Draft Terms of Conversion will be submitted for publication.

The Management Board will therefore submit the Draft Terms of Conversion to the Commercial Register of the court responsible for the company, the Charlottenburg Local Court, for the purpose of publication in due time to meet the above one-month deadline.

## **5.5 Ordinary General Meeting of Westwing Group AG**

According to Article 37(7) SE Regulation, the General Meeting of Westwing Group AG is required to approve the Draft Terms of Conversion together with the articles of association. Therefore, the Management Board and the Supervisory Board of Westwing Group AG will present the Draft Terms of Conversion together with the SE Articles to the ordinary General Meeting of Westwing Group AG on August 5, 2021 under agenda item 11 for resolution. According to Section 133(1) Stock Corporation Act in conjunction with Article 19(2) of the AG Articles, this resolution requires a simple majority of the votes cast, and according to Article 37(7) SE Regulation in conjunction with Section 65(1) sentence 1 Transformation Act, a capital majority comprising at least three quarters of the registered share capital represented at the time of voting.

In the context of the resolution on the Draft Terms of Conversion, the General Meeting will also appoint the auditor of the financial statements and consolidated financial statements for the first fiscal year of Westwing Group SE as well as the auditor for a possible audit review of the interim financial reports up to the ordinary General Meeting in the fiscal year following the first fiscal year. The Supervisory Board proposes to the ordinary General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich be appointed for this purpose.

It is intended that the General Meeting resolving on the approval of the change in legal form of Westwing Group AG into Westwing Group SE will also elect the members of the first Supervisory Board of Westwing Group SE. In addition to the existing Supervisory Board members of Westwing Group AG, an additional Supervisory Board member will be appointed for Westwing Group AG in connection with an enlargement of the Supervisory Board of Westwing Group AG, and this additional member is then also to be elected as a member of the first Supervisory Board of Westwing Group SE (see also [Section 5.8.2](#)). These elections are intended to be resolved on under agenda item 6 and agenda item 12 of the invitation to the general meeting on August 5, 2021.

## **5.6 Procedure for employee involvement**

In connection with the change in legal form of Westwing Group AG into an SE, Article 12(2) SE Regulation states that a procedure for employee involvement in the future Westwing Group SE is conducted in line with the provisions of the SEBG. According to Section 13(1) SEBG, the aim is essentially to enter into an involvement agreement. The purpose of the involvement agreement is mainly to govern the procedure for informing and consulting the employees by setting up an SE works council or by another procedure or procedures for informing and consulting employees pursuant to Section 21(1) and (2) SEBG. In the event that the parties enter into an involvement agreement on co-determination, its

contents have to be determined in accordance with Section 21(3) SEBG. Since the creation of an SE by way of a change in legal form is involved, pursuant to Section 21(6) SEBG an involvement agreement must ensure that all elements of employee involvement have at least the same scope as the employee involvement existing at Westwing Group AG.

Under Article 12(4) SE Regulation, the SE Articles must not conflict with the Involvement Agreement at any time. If such a conflict should arise, the SE Articles would have to be adjusted by a resolution of the general meeting.

According to Section 4(1) sentence 1 and (2) sentences 1 and 2 SEBG, the procedure for negotiating the conclusion of the involvement agreement begins at the time the employee representatives and representative committees of executive employees or the employees in the company to be converted and the affected subsidiaries and business operations in the Member States are informed about the conversion plans and a written request is made to form a special negotiation committee. According to Section 4(2) sentence 3 SEBG, the parties must be informed unsolicited and without undue delay after the draft terms of conversion are published. The Management Board will submit the required information to the employee representatives and representative committees of executive employees at Westwing Group AG (referred to briefly below for reasons of linguistic simplification as “**Employee Representatives**”) in accordance with the statutory requirements.

The employee involvement procedure at the SE has not yet been completed at the time of submission of this Conversion Report. This means that only the negotiation procedure and the possible results of the procedure can be presented in this Conversion Report before the procedure is complete. The details of these are described in Section 6.1.9 in the explanation of the Draft Terms of Conversion.

## **5.7 Entry of the change in legal form in the commercial register**

If the General Meeting of Westwing Group AG approves the Draft Terms of Conversion and the SE Articles, the Management Board of Westwing Group AG will apply for the change in legal form to be registered with the Commercial Register of the court responsible for the company, the Charlottenburg Local Court. Upon entry in the Commercial Register, the change in legal form of Westwing Group AG to an SE will become effective.

One part of the registration is a declaration pursuant to Section 15(1) SE Regulation in conjunction with Sections 198(3) and 16(2) Transformation Act that no legal action has been filed against the validity of the conversion resolution or has not been filed in time or that such a legal action was rejected with final and binding effect or was withdrawn. If such a negative declaration has not been

provided, the change in legal form may not be entered in the commercial register (a “registration ban”).

If a legal action is brought against the conversion resolution by the General Meeting of Westwing Group AG, a clearance procedure can be conducted pursuant to Article 15(1) SE Regulation and Sections 198(3) and 16(3) Transformation Act. In such proceedings, the registration ban can be overcome upon application by the Company pursuant to Section 16(3) sentence 3 Transformation Act, if (i) the action is impermissible or manifestly unfounded, or (ii) the plaintiff has failed to provide evidence by submitting documents, within one (1) week of having served the petition, that he/she has held a pro-rated amount of at least EUR 1,000.00 since the notice convening the general meeting was published, or (iii) the prompt entry into force of the merger appears to take precedence because the court holds, in its sole and absolute discretion, that the significant disadvantages for the Company and its shareholders as presented by the petitioner outweigh the disadvantages the respondent stands to suffer, unless the violation of the law is particularly serious.

Westwing Group SE may only be registered in the commercial register once the employee involvement procedure has been completed (for details of this see Section 9 of the Draft Terms of Conversion and the explanation of these under Section 6.1.9 below). Under Article 12(2) SE Regulation this is the case if (i) an involvement agreement has been concluded, or (ii) a decision by the SNB has been taken not to start negotiations or to break off the started negotiations, or (iii) the period for negotiations of the involvement agreement has expired without an agreement having been concluded.

Provided that all registration requirements are met, the competent registration court will enter the change in legal form in the commercial register. Upon registration, the SE will acquire its legal personality pursuant to Article 16(1) SE Regulation. Westwing Group AG will not cease to exist but will merely change its legal form.

Under Article 15(2) in conjunction with Article 13 SE Regulation, the registration of the change in legal form will be published in the Common register portal of the German federal states (*Gemeinsames Registerportal der Länder*) ([www.handelsregisterbekanntmachungen.de](http://www.handelsregisterbekanntmachungen.de)). In addition, the registration will be published in the Official Journal of the European Union for information purposes pursuant to Article 14 SE Regulation.

## **5.8 Appointment of the Management Board and Supervisory Board**

### **5.8.1 Appointment of the Management Board of Westwing Group SE**

Once the change in legal form becomes effective, the terms of office of the current Management Board members of Westwing Group AG will end. Article 39(2) SE Regulation states that the Management Board members of



Westwing Group SE are to be appointed by the supervisory body, i.e., the Supervisory Board of Westwing Group SE. Before the change in legal form is applied for registration, the Supervisory Board of Westwing Group SE will appoint the Management Board members by resolution. Under Article 15(1) SE Regulation in conjunction with Section 246(2) Transformation Act, the Management Board members are to be registered with the commercial register together with the change in legal form. Irrespective of the decision-making power of the future Supervisory Board of Westwing Group SE, it is to be assumed that the current Management Board members of Westwing Group AG will be appointed as members of Westwing Group SE. These are the chairman of the Management Board Stefan Smalla and Sebastian Säuberlich.

#### 5.8.2 Appointment of the Supervisory Board

The Supervisory Board of Westwing Group SE will have five members (like the Supervisory Board of Westwing Group AG subject to the planned enlargement of the Supervisory Board becoming effective), who are all representatives of the shareholders. It is intended that the general meeting of Westwing Group AG resolving on approval of the change in legal form to an SE on August 5, 2021 will elect the current Supervisory Board members of Westwing Group AG, being

- a) Christoph Barchewitz,
- b) Thomas Harding,
- c) Michael Hoffmann, and
- d) Dr. Antonella Mei-Pochtler

as members of the first Supervisory Board of Westwing Group SE. In addition, Ms. Mareike Wächter is to be elected as an additional fifth member of the first Supervisory Board of Westwing Group SE, who is already to be nominated as an additional member of the Supervisory Board of Westwing Group AG in connection with the enlargement of the Supervisory Board of Westwing Group AG (see [Section 5.5](#) above on this point). The terms of the members of the first Supervisory Board of Westwing Group SE will already end when the General Meeting resolving on formal discharge of the supervisory board members for the first fiscal year of Westwing Group SE is closed.

Thus, the current members of the Supervisory Board of Westwing Group AG, Christoph Barchewitz, Dr. Antonella Mei-Pochtler, Michael Hoffmann and Thomas Harding, are to be elected as members of the first Supervisory Board of Westwing Group SE, and as an additional member Mareike Wächter.

## 6. EXPLANATION OF THE DRAFT TERMS OF CONVERSION AND THE SE ARTICLES

### 6.1 Explanation of the Draft Terms of Conversion

#### 6.1.1 The conversion of Westwing Group AG into Westwing Group SE – Section 1 of the Draft Terms of Conversion

Section 1.1 of the Draft Terms of Conversion specifies the procedure of converting Westwing Group AG into the legal form of a European company (*Societas Europaea*, SE) pursuant to Article 2(4), Article 37 SE Regulation. The requirements for this have been fulfilled. This is because Westwing Group AG has with Westwing B.V., a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands, registered in the Dutch Commercial Register (*Kamer van Koophandel*) under no. 851092494 with registered business address Singel 512-2, 1017 AX Amsterdam (hereinafter “**Westwing B.V.**”) had a subsidiary in another Member State for more than two years. All shares in Westwing B.V. have been held by Westwing Netherlands Holding UG (*haftungsbeschränkt*) (German entrepreneurial company with limited liability) with its registered seat in Berlin, registered in the Commercial Register of the Charlottenburg Local Court under HRB 187427 (hereinafter “**Westwing Netherlands Holding**”) since the foundation of Westwing B.V. on November 16, 2011. All shares in Westwing Netherlands Holding have been held directly by Westwing Group AG as sole shareholder since October 1, 2018. Westwing Group AG thus indirectly holds 100% of the capital and voting rights of Westwing B.V. and thus exercises a controlling influence over Westwing B.V. Thus, Westwing Group AG fulfils the requirements of Article 2(4) SE Regulation for a conversion into the legal form of an SE pursuant to Article 37 SE Regulation.

It is clarified in Section 1.2 of the Draft Terms of Conversion that the conversion into the legal form of an SE pursuant to Article 37(2) SE Regulation does not result either in the winding-up on the Company or in the creation of a new legal person. It is also explained that Westwing Group AG continues to exist in the legal form of an SE and, due to the preservation of the identity of the legal entity, no transfer of assets takes place.

In this respect, Section 1.3 of the Draft Terms of Conversion clarifies that the shareholders’ participation in Westwing Group AG continues unchanged in the SE and the change in legal form does not have any effect on the stock exchange listing of Westwing Group AG and the trading of the shares on the stock exchange as well as on the existing inclusion of the shares in stock exchange indices. It is also pointed out that shareholders who object to the change in legal form will not be offered any cash compensation because such an offer is not provided for by law.

It is explained in Section 1.4 of the Draft Terms of Conversion that Westwing Group SE will, like Westwing Group AG, have a two-tier management system, consisting of a Management Board and a Supervisory Board.

Finally, it is stated in Section 1.5 that pursuant to Article 16(1) SE Regulation, the change in legal form takes effect upon registration in the Commercial Register of Charlottenburg Local Court, which has jurisdiction for the Company and this date is defined as the *Conversion Date*.

Pursuant to Article 12(2) SE Regulation, Westwing Group SE may not be registered in the Commercial Register until the employee involvement procedure has been completed (see the explanation on this in [Section 5.6](#) above and in [Section 6.1.9](#) below).

#### 6.1.2 Company name, registered seat, registered share capital and shareholder structure of Westwing Group SE – Section 2 of the Draft Terms of Conversion

In Section 2.1 of the Draft Terms of Conversion, the business name of Westwing Group SE is determined. The business name of the SE is “Westwing Group SE”. The business name has to be changed because, pursuant to Article 11(1) SE Regulation, the name of an SE has to be preceded or followed by the abbreviation SE. The company name will not be changed beyond this.

Pursuant to Section 2.2 of the Draft Terms of Conversion, the registered seat of Westwing Group SE continues to be Berlin, Germany. It is also clarified that the head office of Westwing Group SE will continue to be located in Munich, Germany, and the business address of Westwing Group SE will continue to be Moosacher Straße 88, 80809 Munich.

In Section 2.3 of the Draft Terms of Conversion, the registered share capital of Westwing Group SE is stated. Due to the identity-preserving character of the change in legal form, the entire registered share capital of Westwing Group AG will become the registered share capital of Westwing Group SE in the amount existing on the Conversion Date and in the division into no-par value bearer shares existing on the Conversion Date. At the time of the preparation of this Conversion Report, Westwing Group AG has a registered share capital of EUR 20,903,968.00, which is divided into 20,903,968 no-par value bearer shares.

In Section 2.4 of the Draft Terms of Conversion, it is explained that the persons and companies that are shareholders of Westwing Group AG on the Conversion Date will become shareholders of Westwing Group SE as a result of the change of the legal form, namely to the same extent and with the same number of no-par value bearer shares in the share capital of Westwing Group SE as they hold in the share capital of Westwing Group AG on the Conversion Date. The arithmetical share of each no-par value share in the share capital (EUR 1.00 at the time this Conversion Report is presented) will remain as it exists directly on the Conversion Date.

In Section 2.5 on the Draft Terms of Conversion, it is clarified that the shares of Westwing AG recorded in global share certificates will be replaced by global share certificates in the name of Westwing Group SE.

#### 6.1.3 Articles of Association and capital of Westwing Group SE – Section 3 of the Draft Terms of Conversion

Section 3.1 of the Draft Terms of Conversion clarifies that Westwing Group SE is to receive the Articles of Association that are attached to the Draft Terms of Conversion as an Annex, which form a constituent part of the Draft Terms of Conversion (defined as “SE Articles” in this Conversion Report and referred to as such hereinafter). It is also clarified in this Section that in the event of any discrepancy or contradiction between the English version and the German version of the SE Articles, the German version will prevail over the English version.

In Section 3.2 of the Draft Terms of Conversion, it is explained that the amount of registered share capital and the division of the registered share capital of Westwing Group SE into no-par value shares pursuant to Article 4(1) and Article 4(2) of the SE Articles corresponds to the amount of registered share capital and the division of the registered share capital of the Westwing Group AG into no-par value shares pursuant to Article 4(1) and Article 4(2) of the AG Articles. The situation on the Conversion Date is decisive in this context.

The determinations regarding the authorized and conditional capital existing at Westwing Group AG are contained in Section 3.3 to Section 3.9 of the Draft Terms of Conversion. See the explanations in [Section 4.2.3](#) above; the definitions used in this Conversion Report are retained. In this context, Sections 3.3 to 3.6 first explain that

- (ii) the Authorized Capital 2018/I pursuant to Article 4(3) of the AG Articles,
- (iii) the Authorized Capital 2018/II pursuant to Article 4(4) of the AG Articles,
- (iv) the Authorized Capital 2018/III pursuant to Article 4(5) of the AG Articles, and
- (v) the Authorized Capital 2018/IV pursuant to Article 4(6) of the AG Articles

are not to continue to exist because the purpose has already been fulfilled in each case.

In Section 3.7 of the Draft Terms of Conversion, it is stated that the existing Authorized Capital 2018/V of Westwing Group AG existing pursuant to Article 4(7) of the AG Articles is to continue to exist and will therefore become the Authorized Capital 2018/V of Westwing Group SE in the amount existing on the Conversion Date by virtue of Article 4(3) of the SE Articles.

According to Section 3.8 of the Draft Terms of Conversion, this also applies to the Authorized Capital 2018/VI. It is stated in this respect that the existing Authorized Capital 2018/VI of Westwing Group AG existing pursuant to Article 4(8) of the AG Articles is to continue to exist and will therefore become the Authorized Capital 2018/VI of Westwing Group SE in the amount existing on the Conversion Date by virtue of Article 4(4) of the SE Articles.

According to Section 3.9, this also applies to the Condition Capital 2018 existing pursuant to Article 4(9) of the AG Articles. The Conditional Capital 2018 in the amount existing on the Conversion Date will become the Conditional Capital 2018 of Westwing Group SE by virtue of Article 4(5) of the SE Articles.

For the continued existence and transfer of the capital of Westwing Group AG to Westwing Group SE by means of corresponding provisions in the SE Articles, the amount of such capital directly on the Conversion Date is decisive in each case. It is therefore clarified in Section 3.10 of the Draft Terms of Conversion that any and all changes prior to the Conversion Date regarding the amount and division of the registered share capital of Westwing Group AG or the existing authorized or conditional capital based on prior utilizations thereof also apply to Westwing Group SE.

In order to be able to make any amendments to the SE Articles with regard to the registered share capital or the authorized or conditional capital, Section 3.11 of the Draft Terms of Conversion contains an express authorization of the Supervisory Board of Westwing Group AG, and alternatively the Supervisory Board of Westwing Group SE. This provision contains an authorization and at the same time an instruction to make any amendments to the version of the SE Articles that are necessary so that the capital ratios of Westwing Group AG set out in Article 4 of the AG Articles immediately prior to the Conversion Date are accurately reflected in Article 4 of the SE Articles for Westwing Group SE. Any amendments are to be made prior to the application of Westwing Group SE for registration in the Commercial Register of the competent Charlottenburg Local Court, because the register court makes the registration of Westwing Group SE dependent on this. It is therefore ensured that the SE Articles submitted for registration in the Commercial Register can take into account the continuity of the capital.

#### 6.1.4 Continued validity of resolutions of the General Meeting of Westwing Group AG – Section 4 of the Draft Terms of Conversion

Section 4 of the Draft Terms of Conversions makes determinations on whether the resolutions already adopted by the General Meeting of Westwing Group AG also continue to apply unchanged at Westwing Group SE in accordance with the principle of continuity to the extent that they have not yet been implemented on the Conversion Date. See in this respect the explanations in Section 2.5.2.3 above; the definitions used in this Conversion Report are retained.

According to Section 4.1 of the Draft Terms of Conversion, a continued validity is determined for the Bond Authorization, with which the extraordinary General Meeting of Westwing Group AG on September 21, 2018 (Deed Roll No. 5693/2018 of the notary Dr. Bernhard Schaub, Munich) under agenda item 4 a) authorized the Management Board to issued Bonds in a total nominal amount of up to EUR 100,000,000.00 with the possibility to exclude subscription rights. The Bond Authorization is valid until September 20, 2023 and it is explained that the Bond Authorization, provided that the conversion of Westwing Group AG into the legal form of an SE has taken place by this date, will continue to apply to the Management Board of Westwing Group SE. It is also again pointed out that the Conditional Capital 2018 created to service claims arising from the Bonds issued under the Bond Authorization will also become the Conditional Capital 2018 of Westwing Group SE in the amount existing on the Conversion Date by virtue of Article 4(5) of the SE Articles.

In Section 4.2 and Section 4.3 of the Draft Terms of Conversion on the other hand it is explained that

- (i) Authorization Resolution I to acquire and use treasury shares pursuant to Section 71(1) no. 8 Stock Corporation Act, and
- (ii) Authorization Resolution II to utilize equity derivatives for the acquisition of treasury shares pursuant to Section 71(1) no. 8 Stock Corporation Act

are in principle not to continue apply to the Management Board of Westwing Group AG.

Pursuant to Section 4.2 of the Draft Terms of Conversion, it will instead be proposed to the General Meeting of Westwing Group AG on August 5, 2021 under agenda item 9, which under agenda item 11 is to adopt a resolution on consent to the change in legal form from Westwing AG into Westwing Group SE, that the Management Board is granted a new authorization pursuant to Section 71(1) no. 8 Stock Corporation Act to acquire treasury shares and to use them, including the authorization to cancel acquired treasury shares and to reduce capital as well as to exclude subscription rights until August 4, 2026. In the event that the General Meeting of Westwing Group AG on August 5, 2021 validly grants this authorization, it will continue to apply to the Management Board of Westwing Group SE after the change of the legal form of Westwing Group AG into Westwing Group SE becomes effective, to the extent that it exists on the Conversion Date and has not been utilized. It is clarified that in the event that the General Meeting of Westwing Group AG on August 5, 2021 does not validly grant the corresponding authorization to the Management Board, the existing Authorization Resolution I will apply until September 20, 2023 and thus, provided that the conversion of Westwing Group AG into the legal form of an SE has taken place by this date, it will also continue to apply for the Management Board of

Westwing Group SE to the extent that it exists on the Conversion Date and has not yet been utilized.

In addition, pursuant to Section 4.3 of the Draft Terms of Conversion, it will be proposed to the General Meeting of Westwing Group AG on August 5, 2021 under agenda item 10, which under agenda item 11 is to adopt a resolution on consent to the change in legal form from Westwing AG into Westwing Group SE, that the Management Board, subject to cancellation of Authorization Resolution II, is granted a new authorization pursuant to Section 71(1) no. 8 Stock Corporation Act to utilize equity derivatives to acquire treasury shares until August 4, 2026. In the event that the General Meeting of Westwing Group on August 5, 2021 validly grants this authorization, it will continue to apply to the Management Board of Westwing Group SE after the change of the legal form of Westwing Group AG into Westwing Group SE becomes effective, to the extent that it exists on the Conversion Date and has not been utilized. In addition, it is explained that in the event that the General Meeting of Westwing Group AG on August 5, 2021 does not validly grant the corresponding authorization to the Management Board, the existing Authorization Resolution II will apply until September 20, 2023, and thus, provided that the conversion of Westwing Group AG into the legal form of an SE has taken place by this date, it will also continue to apply to the Management Board of Westwing Group SE to the extent that it exists on the Conversion Date and has not yet been utilized.

With respect to Authorization Resolution III to exercise acquisition rights to acquire treasury shares under existing agreements, in particular angel agreements, and to acquire treasury shares, it is clarified in Section 4.4 of the Draft Terms of Conversion that this authorization applies until September 20, 2023. Provided that the conversion of Westwing Group AG into the legal form of an SE has taken place by this date, Authorization Resolution III will also continue to apply to the Management Board of Westwing Group SE to the extent that it exists Conversion Date and has not been utilized.

Finally, it is clarified in Section 4.5 of the Draft Terms of Conversion that all other resolutions of the General Meeting of Westwing Group AG continue to apply unchanged at Westwing Group SE, to the extent that they have not yet been implemented on the Conversion Date.

#### 6.1.5 Corporate bodies of Westwing Group SE, two-tier system – Section 5 of the Draft Terms of Conversion

Section 5 of the Draft Terms of Conversion contains provisions to the effect that Westwing Group SE will have a two-tier management system in accordance with Article 6(1) of the SE Articles, just as Westwing Group AG has had until now. The corporate bodies of Westwing Group SE will thus continue to be the Management Board, the Supervisory Board and the General Meeting.

#### 6.1.6 Management Board – Section 6 of the Draft Terms of Conversion

Section 6 of the Draft Terms of Conversion stipulates that the Management Board of Westwing Group SE will continue to consist of one or several persons pursuant to Article 7(1) of the SE Articles. As was previously the case at Westwing Group AG, the Supervisory Board determines the specific number of members of the Management Board of Westwing Group SE.

It is also pointed out that, notwithstanding the decision-making competence of the future Supervisory Board of Westwing Group SE pursuant to Article 39(2) SE Regulation, it is to be assumed that the current members of the Management Board of Westwing Group AG will be appointed as members of the Management Board of Westwing Group SE. These are Stefan Smalla as Chairman of the Management Board and Sebastian Säuberlich.

#### 6.1.7 Supervisory Board – Section 7 of the Draft Terms of Conversion

Section 7.1 of the Draft Terms of Conversion first of all explains that the General Meeting of Westwing Group AG on August 5, 2021 under agenda item 5 is to adopt a resolution on the enlargement of the Supervisory Board of Westwing Group AG to five (5) members and the corresponding amendment of Article 9(1) of the AG Articles and then under agenda item 6, subject to the condition precedent that this amendment to the Articles of Association becomes effective, Ms. Mareike Wächter is to be appointed as the fifth member of the Supervisory Board of Westwing Group AG until the end of the General Meeting that resolves formal discharge of the supervisory board members for the 2021 fiscal year.

Section 7.2 stipulates that the offices of the elected members of the Supervisory Board of Westwing Group AG end upon the change of the legal form taking effect on the Conversion Date.

It is explained in Section 7.3 that pursuant to Article 10(1) of the SE Articles, the Supervisory Board of Westwing Group SE will consist of five (5) members, i.e. as at Westwing Group AG subject to the condition precedent of the effectiveness of the aforementioned enlargement of the Supervisory Board of Westwing Group AG. It is also clarified that all members will continue to be representatives of the shareholders pursuant to the second half of sentence 1 of Section 96(1) of the Stock Corporation Act and as to date elected by the General Meeting pursuant to sentence 1 of Section 101(1) of the Stock Corporation Act.

It is also stated in Section 7.4 of the Draft Terms of Conversion that the members of the Supervisory Board of Westwing Group SE are, unless otherwise specified at the time of their election, appointed until the end of the General Meeting that adopts a resolution on the formal discharge of the supervisory board members for the second fiscal year following the commencement of their term of office, however, for no more than six (6) years. It is also explained that the fiscal year in which the term of office begins is not included in this calculation and that re-



elections are permissible. The term of office of the members of the Supervisory Board of Westwing Group SE is thus shortened in relation to the previous term of office of the members of the Supervisory Board of Westwing Group AG (see already the explanations in Section 4.5.3.5). Finally, it is clarified that the members of the first Supervisory Board of Westwing Group SE are to be appointed for a term of office that ends at the end of the General Meeting that adopts a resolution on the formal discharge of the supervisory board members for the first fiscal year of Westwing Group SE.

It is explained in Section 7.5 of the Draft Terms of Conversion that the members of the first Supervisory Board of Westwing Group SE are elected by the General Meeting on August 5, 2021 that adopts a resolution on the change in the legal form of Westwing Group AG into Westwing Group SE and that under agenda item 12, the current members of the Supervisory Board of Westwing Group AG, namely

- a) Christoph Barchewitz,
- b) Thomas Harding,
- c) Michael Hoffmann, and
- d) Dr. Antonella Mei-Pochtler

will be proposed to this General Meeting for election as members of the first Supervisory Board of Westwing Group SE.

It is also explained that under the same agenda item 12, Ms. Mareike Wächter, who is already proposed for election as the fifth member of the enlarged Supervisory Board of Westwing Group AG, will also be proposed to this General Meeting as a further member of the first Supervisory Board of Westwing Group SE.

In addition, it is explained in the Draft Terms of Conversion that to the extent that the members of the first Supervisory Board of Westwing Group SE are not elected by the General Meeting of Westwing Group AG on August 5, 2021 or subsequently resign, their appointment will be made by the competent court upon request.

It is also again pointed out that Christoph Barchewitz and Dr. Antonella Mei-intend to stand for re-election as Chairman of the Supervisory Board and Deputy Chairwoman of the Supervisory Board, respectively, if they are elected.

It is explained in Section 7.6 of the Draft Terms of Conversion that subject to a deviating resolution of the General Meeting of Westwing Group AG or any other court appointment, the first Supervisory Board of Westwing Group SE will therefore consist of:

- a) Christoph Barchewitz,

- b) Michael Hoffmann,
- c) Thomas Harding,
- d) Dr. Antonella Mei-Pochtler, and
- e) Mareike Wächter.

Through the intended appointment of Christoph Barchewitz, Michael Hoffmann and Mareike Wächter, the composition of the Supervisory Board of Westwing Group SE would fulfil the requirements of the new Section 100(5) of the Stock Corporation Act (*AktG*), which was amended in accordance with the German Act to Strengthen Financial Market Integrity (*FISG*), as each of them has the respective expertise and thus, one Supervisory Board member has expertise in the field of accounting and another Supervisory Board member has expertise in the field of auditing.

#### 6.1.8 Special rights and special benefits – Section 8 of the Draft Terms of Conversion

Section 8 of the Drafts Terms of Conversion contains information on special rights and special benefits.

It is first of all clarified in Section 8.1 of the Draft Terms of Conversion to the extent that third parties have rights to shares in Westwing Group AG, these rights to the shares of the Company will continue in the new legal form of the SE.

It is pointed out in Section 8.2 of the Draft Terms of Conversion that beyond the shares referred to in Section 2.4 and Section 3.2 of the Draft Terms of Conversion, no rights will be granted to persons within the meaning of Section 194(1) no. 5 Transformation Act and/or points f) and g) of Article 20 SE Regulation and no measures are provided for these persons. Section 2.4 and Section 3.2 of the Draft Terms of Conversion contain the information that the amount of registered share capital and the division of the registered share capital of Westwing Group SE into no-par value shares correspond exactly to the amount of registered share capital and the division of the share capital of Westwing Group AG and that the shareholders of Westwing Group AG will participate in the registered share capital of Westwing Group SE as a result of the conversion of legal form to the same extent and with the same number of no-par value bearer shares as they participate in the registered share capital of Westwing Group AG on the Conversion Date.

In Section 8.3 of the Draft Terms of Conversion, attention is drawn to the following aspects with respect to special rights and special benefits as a precaution:

It is explained in Section 8.3.1 that special rights (e.g., conversion, option or profit rights) of holders of securities other than shares remain unaffected due to the continuity principle and the special rights therefore continue unchanged in

the legal form of the SE. No special measures are provided for holders of such rights.

In addition, it is explained in Section 8.3.2 of the Draft Terms of Conversion that, notwithstanding the competence of the future Supervisory Board of Westwing Group SE, it is to be assumed that the current members of the Management Board of Westwing Group AG will be appointed as members of the Management Board of Westwing Group SE (see already the explanation in Section 6.1.6 above).

Section 8.3.3 of the Draft Terms of Conversion again contains the information that the current members of the Supervisory Board of Westwing Group AG are to be proposed for election as members of the first Supervisory Board of Westwing Group SE. The Draft Terms of Conversion also state in this context that in the event of the new election as members of the first Supervisory Board of Westwing Group SE, the current Chairman of the Supervisory Board, Christoph Barchewitz and the current Deputy Chairwoman on the Supervisory Board, Dr. Antonella Mei-Pochtler are to be proposed again as the Chairman and Deputy Chairwoman of the Supervisory Board, respectively (see already the explanation in Section 6.1.7 above).

Furthermore, the acquisition rights (option rights) existing in Westwing Group AG are explained in Section 8.3.4 of the Draft Terms of Conversion. In this context, it is shown in detail that the acquisition rights (option rights) were granted or promised by the Company in its previous legal form as Westwing Group GmbH to managing directors and employees of the Company and its direct and indirect subsidiaries and then authorized capital was created in the legal form of a German limited liability company (GmbH) to back up these option rights pursuant to Section 55a of the German Limited Liability Companies Act. It is also explained that the acquisition rights (option rights) remained unaffected by the change of legal form of Westwing Group GmbH into Westwing Group AG and continued to exist intended for the granting of shares in Westwing Group AG (Section 23 Transformation Act). The authorized capital created in the legal form of a German limited liability company was resolved as Authorized Capital 2018/V for Westwing Group AG in the course of the change of legal form with the same purpose and has continued to exist since then by virtue of Article 4(7) of the AG Articles. It is then clarified in the Draft Terms of Conversion that the acquisition rights (option rights) remain unaffected by the change of the legal form of Westwing Group AG into an SE and continue to exist for the granting of shares in Westwing Group SE and accordingly, the Authorized Capital 2018/V also continues to exist by virtue of Article 4(3) of the SE Articles for Westwing Group SE (see already the explanations in Section 6.1.3 above).

It is then clarified in Section 8.4 of the Draft Terms of Conversion that, apart from the aspects described, no special benefits are granted to persons within the

meaning of Section 194(1) no. 5 Transformation Act and/or points f) and g) of Article 20(1) SE Regulation and no measures are provided for these persons.

#### 6.1.9 Negotiations on employee involvement – Section 9 of the Draft Terms of Conversion

In Section 9 of the Draft Terms of Conversion, the procedure regarding the negotiations on the involvement of employees in Westwing Group AG is described in detailed. In addition to general explanations of the procedure, possible outcomes of the negotiations are listed and the composition of the negotiating body on the employees' side and the current status of the procedure are explained.

##### 6.1.9.1 General explanations on the procedure

It is first of all explained in Section 9.1 that in the context of the conversion of Westwing Group AG into the legal form of an SE, the Management Board of Westwing Group AG will conduct a negotiation procedure in accordance with the German Act on the Involvement of Employees in a European Company (SE Involvement Act, "**SEBG**"). It is explained in this section that the involvement of employees pursuant to Section 2(8) of the SEBG means any procedure, including information, consultation and co-determination, by which the representatives of the employees can influence the decision-making of the SE. Furthermore, it is pointed out that the objective of the negotiations is the conclusion of a written agreement on the involvement of employees in Westwing Group SE ("**Involvement Agreement**") and that the Management Board will conduct the negotiations with the "special negotiating body", which is comprised of the employees of Westwing Group AG and its subsidiaries and establishments in the Member States ("**SNB**") and to be formed for these purposes (Section 4(1) SEBG).

##### 6.1.9.2 Possible outcomes of the negotiations

Section 9.2 of the Draft Terms of Conversion sets out in detail the alternative outcomes to which the negotiations may lead.

#### (a) Conclusion of an Involvement Agreement

Section 9.2.1 first of all explains the case in which an Involvement Agreement is entered into between the Management Board of Westwing Group AG and the SNB. It is explained that the involvement rights of the employees of Westwing Group SE will be governed by this Involvement Agreement and that Section 21 of the SEBG stipulates certain minimum contents for the Involvement Agreement, namely the following:

#### (iii) Determining the scope of the Involvement Agreement (including the companies and establishments located outside

the territory of the Member States, insofar as these are included in the scope of the Involvement Agreement).

- (iv) In the event that the parties agree to establish an SE works council,
  - a) determining its composition, the number of its members and allocation of seats including the effects of significant changes in the number of employees employed in the SE,
  - b) determining of the powers and the procedure for informing and consulting the SE works council,
  - c) determining the frequency of its meetings and the financial and material resources to be made available, and
  - d) determining the date on which the Involvement Agreement enters into force and its term and furthermore determining the cases in which the Involvement Agreement is to be renegotiated including determining the procedure to be applied for this.
- (v) In the event that an SE works council is not established, determining the implementation modalities of the procedure or procedures for informing and consulting employees.

It is also stated that in addition to the minimum content, the Involvement Agreement can contain further provisions in accordance with Section 21(3) to (5) SEBG and minimum content is to be agreed subject to Section 21(6) Employee Involvement Act, which requires that the Involvement Agreement must ensure at least the same extent with regard to all components of employee involvement as exists at Westwing Group AG as the legal entity changing its legal form. It is therefore ensured that employees are represented and involved in Westwing Group SE to the same extent as previously in Westwing Group AG.

- (b) Negotiation procedure does not lead to an agreement

Section 9.2.2 then explains the case in which in the negotiation procedure within the statutory negotiation period, which is six months from the establishment of the SNB in accordance with Section 20 SEBG and can be extended to twelve months by mutual agreement, no agreement is reached between the Management Board of Westwing Group AG and the SNB.

In this case, the statutory standard rules pursuant to Sections 22 onwards SEBG apply and the following details regarding these standard statutory rules are set out in the Draft Terms of Conversion:

- (vi) Pursuant to Section 2(1) no. 2 SEBG, an SE works council would have to be established at Westwing Group SE in accordance with Section 23 of the SEBG, the task of which would be to ensure that the employees in the SE are informed and consulted. It would be responsible for matters concerning the SE itself, one of its subsidiaries or one of its establishments in a Member State or which go beyond the powers of the competent bodies at the level of the individual Member State (Section 27 SEBG). The SE works council would have to be informed and consulted at least once per calendar year in a joint meeting about the development of the business situation and the prospects of Westwing Group SE (Section 28 SEBG). In addition, the SE works council would have to be informed and consulted about extraordinary circumstances that have a significant impact on the interests of employees, also during the course of the year (Section 29 SEBG).
- (vii) The provisions on employee co-determination by operation of law pursuant to Sections 35 to 38 German Employee Involvement Act would not apply in this case, because the special requirement pursuant to Section 34(1) no. 1 SEBG is not fulfilled, since no provision on employee co-determination in the Supervisory Board of Westwing Group AG applied to Westwing Group AG prior to the change of the legal form. Therefore, in this case, the Supervisory Board of Westwing Group SE would continue to consist only of shareholder representatives, just like the Supervisory Board of Westwing Group AG.
- (viii) Pursuant to Section 25 sentence 1 SEBG, the management of Westwing Group SE would have to review every two years whether changes have occurred in the SE, its subsidiaries or establishments and whether these changes require a different composition of the SE works council. In addition, four (4) years after its establishment, the SE works council would have to adopt a resolution on whether an Involvement Agreement should be negotiated or whether the previous arrangement should continue to apply (Section 26(1) SEBG).

Overall, the application of the statutory standard rules solution leads to the establishment of an SE works council at Westwing Group SE, the composition of which is reviewed by the Management Board every

two (2) years and which may decide to negotiate an Involvement Agreement four (4) years after its establishment. However, the statutory standard rules solution does not lead to employee co-determination on the Supervisory Board of Westwing Group SE.

(c) No entry into negotiations or negotiations are broken off

Finally, Section 9.2.3 of the Draft Terms of Conversion sets out the third possible outcome of the negotiation procedure, namely the case that the SNB adopts a resolution pursuant to Section 16(1) SEBG not to enter into negotiations or to break off negotiations that have begun. It is explained in this regard that such a resolution of the SNB would terminate the negotiation procedure without the statutory standard rules applying. Consequently, in this case, no SE works council would have to be established at Westwing Group SE and there would also be no employee co-determination on the Supervisory Board of Westwing Group SE.

In summary, none of the alternatives for the outcome of the negotiation procedure necessarily leads to employee co-determination on the Supervisory Board of Westwing Group SE, so that the Supervisory Board of Westwing Group SE will be composed exclusively of shareholder representatives, as has been the case to date with the Supervisory Board of Westwing Group AG.

#### 6.1.9.3 Conclusion of the procedure as registration requirement for the SE

It is clarified in Section 9.3 of the Draft Terms of Conversion that pursuant to Article 12(2) SE Regulation, Westwing Group SE can only be registered in the commercial register and the change of the legal form can therefore only become effective if either the Involvement Agreement has been concluded or the SNB has adopted a resolution not to enter into or to terminate negotiations or the negotiation period has expired without an agreement having been reached on the Involvement Agreement. To protect the employees of the Westwing Group AG which is changing its legal form, this is intended to ensure that the procedure regarding the involvement of employees in the SE is actually carried out and concluded (in accordance with one of the alternatives listed above) before the SE comes into existence.

#### 6.1.9.4 Initiation of the procedure by the Management Board

Section 9.4 of the Draft Terms of Conversion contain information on how the Management Board of Westwing Group AG will initiate the procedure for the involvement of employees in the legal form of the SE. It is described that the Management Board of Westwing Group AG will inform the employees or employee representatives of Westwing Group AG, the affected subsidiaries and establishments in a letter about the intended conversion and request the formation of the SNB. It is also stated that information will be provided pursuant

to Section 4(3) SEBG, i.e. about (i) the identity and structure of Westwing Group AG, (ii) its affected subsidiaries and affected establishments and their distribution among the contracting states of the European Union, (iii) the employee representations existing at these subsidiaries and establishments, (iv) the number of employees employed (both in total and differentiated by companies and establishments) as well as (v) the number of employees entitled to co-determination rights in the corporate bodies of these companies.

#### 6.1.9.5 Composition of the SNB

Section 9.5 of the Draft Terms of Conversion set out in detail how the SNB is comprised of employee representatives from all Member States. It is explained that the formation and composition of the SNB is in principle governed by German law, i.e. pursuant to Sections 4 to 7 SEBG and that the allocation of the seats on the SNB to the Member States is governed by Section 5(1) SEBG for the establishment of an SE with registered seat in Germany. In accordance with this regulation, each Member State in which the Westwing Group has employees receives at least one seat on the SNB and the number of seats allocated to a Member State increases by one seat each time the number of employees in that Member States exceeds the thresholds of 10%, 20%, 30%, etc., in each case in relation to the total number of employees of the Westwing Group employed in all Member States.

It is then explained that according to these requirements and on the basis of the number of employees of the Westwing Group in the Member States as of June 15, 2021, the Member States presumably have a total of 13 seats, the allocation of which is detailed as follows in the Draft Terms of Conversion:

<b>Member State</b>	<b>Number of employees</b>	<b>Percentage of employees (rounded) in relation to the total number of employees in all Member States</b>	<b>Number of seats on SNB</b>
Germany	860	44.49%	5
France	0	0%	0
Italy	99	5.12%	1
Netherlands	10	0.52%	1
Poland	790	40.87%	5
Spain	174	9.00%	1
<b>Total:</b>	<b>1,933</b>	<b>100%</b>	<b>13</b>



#### 6.1.9.6 Election or appointment of the members of the SNB in the Member States

Section 9.6. of the Draft Terms of Conversion briefly explains that the election or appointment of the members of the SNB from the individual Member States will be carried out in accordance with the respective Member State provisions implementing Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European company with regard to the involvement of employees.

#### 6.1.9.7 Possibility of changing the composition of the SNB

It is pointed out in Section 9.7 of the Draft Terms of Conversion that the SNB is to be reconstituted accordingly pursuant to Section 5(4) sentence 1 SEBG if changes in the structure or number of employees of Westwing Group AG, the affected subsidiaries or the affected establishments occur during the term of office of the SNB that would change the specific composition of the SNB.

#### 6.1.9.8 Costs of the procedure

Finally, Section 9.8 of the Draft Terms of Conversion provides that the costs incurred by the formation and activities of the SNB are borne by Westwing Group AG and, after the Conversion Date, by Westwing Group SE. This is to ensure, for the protection of employees, that the negotiation procedure does not impose costs on them and that negotiations are not influenced by employees' having to fear of the apportionment of any costs.

#### 6.1.10 Other consequences for employees and their representatives – Section 10 of the Draft Terms of Conversion

Section 10 of the Draft Terms of Conversion sets out the further consequences of the change in legal form for employees and their representative bodies.

It is first of all pointed out in Section 10.1 that, apart from the future involvement of the employees in Westwing Group SE as described in Section 9 of the Draft Terms of Conversion and explained in Section 6.1.9 above, the change in legal form will have no effect on the involvement rights of the employees of Westwing Group AG or the Westwing Group.

It is further pointed out in Section 10.2 of the Draft Terms of Conversion that the employment relationships of the employees of Westwing Group AG and the Westwing Group will remain unaffected by the conversion of legal form into an SE and all rights and obligations of the employees under these existing employment relationships will continue to exist unchanged. It is explained in this respect that since the conversion into the legal form of an SE does not involve a change of legal entity, there is no transfer of an undertaking with regard to the employees of Westwing Group AG and Section 613a German Civil Code does not apply to the conversion. The change of legal form into Westwing Group SE

therefore in principle has no impact on the employment relationships of the employees of the Westwing Group.

It is then expressly clarified in Section 10.3 of the Draft Terms of Conversion that the employees of the Westwing Group as a whole are not affected by a transfer of their employment relationship as a result of the change in legal form of Westwing Group AG. All rights and obligations of the employees of the affected subsidiaries or the affected establishments arising from the existing employment relationships continue to exist unchanged and remain unaffected by the change in the legal form. This applies above all because the structure of the Westwing Group and the existence of the individual subsidiaries do not change at all as a result of the change of legal form.

Section 10.4 of the Draft Terms of Conversion contains the information that the existence, composition and term of office of employee representations at the level of the establishment or company will not be affected by the conversion of legal form. It is also stated that a European works council has not been formed at the Westwing Group and therefore does not cease to exist as a result of the change in the legal form pursuant to Section 47(1) no. 2 SEBG. Existing collective agreements are also not affected by the change in legal form.

In summary, Section 10.5 of the Draft Terms of Conversion explains that no further measures are envisaged in connection with or due to the conversion into the legal form of an SE which would have consequences for the employees and their representative bodies.

In conclusion, it can be stated that the possible outcomes of the employee involvement procedure are explained in detail in Section 6.1.9.2 above and that, apart from that, there will be no changes for the employees of the Westwing Group with regard to their employment relationships, any employee representations at the company or establishment level or existing collective agreements as a result of the change in legal form.

#### 6.1.11 Auditors – Section 11 of the Draft Terms of Conversion

Section 11 of the Draft Terms of Conversion stipulates that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich is appointed as the auditor of the financial statements for Westwing Group SE. This includes the appointment as the auditor of the financial statements and the consolidated financial statements for the first fiscal year of Westwing Group SE and, in the event of a review of additional interim financial information to be prepared up to the General Meeting of the fiscal year of Westwing Group SE following the first fiscal year, as the auditor for such review. In addition, it is clarified that the first fiscal year of Westwing Group SE is the calendar year in which the change of legal form of Westwing Group AG into Westwing Group SE is

registered with the Commercial Register of the Charlottenburg Local Court with jurisdiction for Westwing Group AG.

#### 6.1.12 Costs – Section 12 of the Draft Terms of Conversion

Finally, Section 12 of the Draft Terms of Conversion states that Westwing Group AG bears the costs incurred in connection with the notarization of the Draft Terms of Conversion as well as the preparation and implementation of the Draft Terms of Conversion up to the amount of EUR 400,000.00 stipulated in Article 24(2) of the SE Articles.

### 6.2 Explanation of the SE Articles

Upon the change in legal form taking effect, Westwing Group AG will change its legal form into that of an SE. The previous Articles of Association of Westwing Group AG will be replaced by the new Articles of Association of Westwing Group SE. The SE Articles are a constituent part of the Draft Terms of Conversion, which will be submitted to the General Meeting of Westwing Group AG on August 5, 2021 for approval.

The SE Articles are based on the existing AG Articles of Association of Westwing Group AG. A large part of the provisions could be adopted unchanged, as the legal provisions of the SE Regulation and the SEAG applicable to the SE Articles essentially correspond to the provisions applicable to the articles of association of a stock corporation in core areas. In various respects, however, the Articles of Association have been revised due to change in the legal form. The provisions of the future SE Articles of Westwing Group SE are explained below. In doing so, significant differences to the existing AG Articles of Westwing Group AG are highlighted.

#### 6.2.1 General provisions (Article 1 to Article 3 of the SE Articles)

The introductory general provisions of the Articles of Association of Westwing Group SE regarding the company name and registered seat (Article 1), the object of the company (Article 2) as well as announcements (Article 3) are essentially unchanged compared to the current Articles of Association of Westwing Group AG.

##### 6.2.1.1 Company name and registered seat (Article 1 of the SE Articles)

In Article 1(1) of the SE Articles, the new legal form of the Company is determined as a European company (*Societas Europaea*, SE).

The Company's name is changed from "Westwing Group AG" to "Westwing Group SE" as a result of the change in legal form. The change in the abbreviation indicating the company form ("SE" instead of "AG") is mandatory pursuant to Article 11(1) SE Regulation.

No change was made to Article 1(2) of the SE Articles because, like Westwing Group AG, Westwing Group SE will have its registered seat in Berlin, Germany.

#### 6.2.1.2 Object of the Company (Article 2 of the SE Articles)

Westwing Group SE will essentially have the same company object as Westwing Group AG. Compared to the Articles of Association of Westwing Group AG, a linguistic adjustment will be made in Article 2(1) of the SE Articles of Association to the effect that instead of the designation “e-commerce for various goods”, there will now be more specific reference to “e-commerce covering goods of different kinds”. In fact, however, this does not entail any change in the business activities of the Company. Furthermore, in Article 2(1) of the SE Articles the development, production and marketing of goods is expressly mentioned and supplemented by the exemplary list fitments, furniture, decoration accessories, antiques, home textiles and similar products. As a result, the company object of Westwing Group SE is described more comprehensively in order to enable a flexible further development and expansion of the business model in the long term. Finally, in Article 2(1) of the SE Articles, with regard to the services related to the object of the Company, “businesses” have now been added in addition to the previously included “services”. This is also an addition to ensure that the further development of the business model is in line with the object of the Company.

The object of the Company Westwing Group AG is therefore the development, marketing and provision of internet services (e-commerce covering goods of different kinds, in particular fitments, furniture, decoration accessories, antiques, home textiles and similar products), development, production, marketing and trading in such goods, in particular fitments, furniture, decoration accessories, antiques, home textiles and similar products, the provision of logistic services, digital services and all other businesses and services relating to the aforementioned object of the Company inside and outside of Germany through subsidiaries or otherwise.

With regard to the further development of the business model, the language of Article 2(2) sentence 1 of the SE Articles will also be expanded so that, in addition to conducting business, the Company in addition to conducting all kinds of transactions is also entitled to perform all actions and take all steps which relate to or which are appropriate to serve the object of the Company. The previous provision was worded more narrowly and was partially included at the end of Article 2(2) sentence 3 of the AG Articles.

An express authorization to exercise the holding function has also been inserted in Article 2(2) sentence 2 of the SE Articles. This is intended to give Westwing Group SE more flexibility to establish as well as manage and participate in other enterprises. In addition, it is newly inserted in Article 2(2) sentence 3 of the SE Articles that operations or shareholdings may be completely or partially

managed by or transferred to affiliated companies and that intercompany agreements may be concluded. This insertion is intended to enable the comprehensive exercise of the function of Westwing Group SE as a holding company managing the group and to expressly include all measures related thereto in the Articles of Association.

Finally, the authorization to establish branches in Germany and abroad is extended in Article 2(2) sentence 4 to include permanent establishments.

#### 6.2.1.3 Announcements and form of information (Article 3 of the SE Articles)

Notices of Westwing Group SE, as to date for Westwing Group AG, will be published in the Federal Gazette (*Bundesanzeiger*). In addition, notices to the shareholders of the Company may, as to date, also be communicated by data transmission to the extent permitted by law. The provision of Article 3 of the SE Articles has been adopted unchanged from the AG Articles.

#### 6.2.2 Registered share capital and shares (Article 4 and Article 5 of the SE Articles)

The provisions on the registered share capital and shares of the Company previously contained in Article 4 and Article 5 of the AG Articles are adopted in the Articles of Association of Westwing Group SE largely unchanged in terms of content, with the exception of the planned cancellation and partly new creation of authorized capital.

##### 6.2.2.1 Registered share capital, authorized and conditional capital (Article 4 of the SE Articles)

The change in legal form will take place while preserving the identity of the Company, so that the registered share capital of Westwing Group AG will become the registered share capital of Westwing Group SE in the amount existing at the time of the registration of the change in legal form in the Commercial Register. At the time this Conversion Report is being prepared, the registered share capital of Westwing Group AG amounts to EUR 20,903,968.00 and is divided into 20,903,968 no-par value bearer shares without a nominal value in the share capital of EUR 1.00 each). This is set out in Article 4(1) subparagraph 1 as well as Article 4(2) of the SE Articles with identical wording to the previous provision in the AG Articles.

A new subparagraph 2 has been inserted in Article 4(1), which contains the information that the registered share capital of Westwing Group SE has been provided in full by way of the conversion of Westwing Group AG into a European company (*Societas Europaea*, SE). This inclusion of this provision is to ensure compliance with the incorporation regulations of the Stock Corporation Act.

The previous information on the provision of the registered share capital of Westwing Group AG by way of a change of the legal form of Westwing Group

GmbH will be adopted unchanged in terms of content in subparagraph 3 of Article 4(1) of the SE Articles.

Within the scope of the possibility to amend the Articles of Association, the authorized capitals which is no longer required due to the complete fulfilment of their respective purpose will be deleted from the Articles of Association of Westwing Group SE without replacement. This concerns

- (ix) the authorization pursuant to Article 4(3) of the AG Articles (Authorized Capital 2018/I),
- (x) the authorization pursuant to Article 4(4) of the AG Articles (Authorized Capital 2018/II),
- (xi) the authorization pursuant to Article 4(5) of the AG Articles (Authorized Capital 2018/III), and
- (xii) the authorization pursuant to Article 4(6) of the AG Articles (Authorized Capital 2018/IV).

The authorized capital pursuant to Article 4(7) of the Articles of Association of Westwing Group AG (Authorized Capital 2018/V), on the other hand, is to continue to exist unchanged and will therefore become the Authorized Capital 2018/V of Westwing Group SE in the amount existing on the Conversion Date by virtue of Article 4(3) of the SE Articles. The previous provision in Article 4(7) of the AG Articles will be adopted in the SE Articles without any change in content.

Likewise, the authorized capital pursuant to Article 4(8) of the Articles of Association of Westwing Group AG (Authorized Capital 2018/VI) is to continue to exist unchanged and will therefore become the Authorized Capital 2018/VI of Westwing Group SE in the amount existing on the Conversion Date by virtue of Article 4(4) of SE Articles. The previous provision in Article 4(8) of the AG Articles will be adopted in the SE Articles without any change in content.

Furthermore, the Conditional Capital 2018 of Westwing Group AG existing pursuant to Article 4(9) of the AG Articles is to continue to exist unchanged and will become the Conditional Capital 2018 of Westwing Group AG in the amount existing on the Conversion Date by virtue of Article 4(5) of the SE Articles. The previous provision in Article 4(9) of the AG Articles will be adopted in the SE Articles without any change in content.

The responsibilities of the Management Board and the Supervisory Board of Westwing Group AG in the context of the aforementioned capital and the granting and handling of subscription rights in the context of capital will in future lie with the Management Board and Supervisory Board of Westwing Group SE.

In the event of any change in the registered share capital of the amounts of authorized capital prior to the change in legal form into an SE taking effect, the

Supervisory Board of Westwing Group AG (and in the alternative the Supervisory Board of Westwing Group SE) is authorized and instructed pursuant to Section 3.11 of the Draft Terms of Conversion to make any resulting amendments to the version of the SE Articles prior to the Conversion Date.

#### 6.2.2.2 Shares (Article 5 of the SE Articles)

The provision in Article 5 of the AG Articles on the existence of bearer shares, the exclusion of the right of shareholder to receive individual share certificates and the determination of the form and content of share certificates by the Management Board with the consent of the Supervisory Board is adopted unchanged as Article 5 of the SE Articles.

#### 6.2.3 Organization of the Company (Article 6 to Article 20 of the SE Articles)

Point b) of Article 38 SE Regulation provides the option between a two-tier system with a management board and a supervisory board and a one-tier system with an administrative board. In Article 6 of the SE Articles, a new paragraph 1 is therefore added in the context of the change in legal form. This new Article 6(1) of the SE Articles clarifies that Westwing Group SE, as was previously the case with Westwing Group AG, has a two-tier system. The provision in Article 6 of the AG Articles is then adopted unchanged as Article 6(2) of the SE Articles and contains the clarifying statement that the corporate bodies of Westwing Group SE are the Management Board, the Supervisory Board and the General Meeting. In this respect, there are no changes to the content of the previous Articles of Association of Westwing Group AG.

##### 6.2.3.1 Management Board (Article 7 to Article 9 of the SE Articles)

The provisions of the AG Articles in Article 7 of the AG Articles (Composition and Rules of Procedure) and in Article 8 of the AG Articles (Management and Representation of the Company) have been adopted unchanged for Westwing Group SE as Article 7 of the SE Articles and Article 8 of the SE Articles.

Accordingly, pursuant to Article 7(1) SE Articles, the Management Board continues to consist of one or more persons and, as to date, the number of members of the Management Board is determined by the Supervisory Board. Pursuant to Article 7(2) of the SE Articles, the Supervisory Board may continue to appoint a chairman and a deputy chairman of the Management Board. Pursuant to Article 7(3) of the SE Articles, it is stipulated as before that the appointment of members of the Management Board, the conclusion of service contracts and the revocation of appointments as well as the change and termination of service contracts is done by the Supervisory Board and that the Supervisory Board may adopt Rules of Procedure for the Management Board. Pursuant to Article 7(4) of the SE Articles, it remains the case that members of the Management Board members are appointed for a term of five (5) years and reappointments are permissible. In principle, the appointment period of a member of the

Management Board at the SE may not exceed six years pursuant to Article 46(1) sentence 1 of the SE Regulation. However, the Articles of Association of Westwing Group SE do not make use of this option and the term of office of five (5) years for the members of the Management Board remains unchanged.

Article 8 of the Articles of Association of Westwing Group SE is likewise adopted unchanged and Article 8 of the Articles of Association of Westwing Group SE provides that the Management Board of the Company manages the Company at its own responsibility and has to conduct the business of the Company in accordance with the law, the Articles of Association and the Rules of Procedure for the Management Board. It is also clarified that, notwithstanding the joint responsibility of the Management Board, the individual board members manage their respective business segments according to the Rules of Procedure in their own responsibility. Pursuant to Article 8(2) of the SE Articles, the Company will, as before, be represented solely by one Management Board member if only one member of the Management Board is appointed, and other the Company will be represented by two members of the Management Board or by one member of the Management Board together with an authorized signatory (*Prokurist*). The Supervisory Board may, as to date at Westwing Group AG, pursuant to Article 8(3) of the SE Articles authorize individual members of the Management Board to represent the Company solely and may generally or in specific cases issue an exemption to all or to specific members of the Management Board from the prohibition to represent more than one party pursuant to Section 181 2nd alternative of the German Civil Code, whereby Section 112 of the Stock Corporation Act remains unaffected.

The provision in Article 9 of the SE Articles is new. It lists the transactions and measures which the Management Board may implement only after prior approval of the Supervisory Board. This regulation takes into account that Article 48(1) of the SE Regulation mandatorily requires that the Articles of Association of an SE list the categories of transactions which require authorization of the management organ (here the Management Board) by the supervisory organ (here the Supervisory Board) in the two-tier system. Such a list of transactions requiring approval was not included in the previous Articles of Association of the Westwing Group AG. It is now therefore stipulated in Article 9(1) of the SE Articles that

- the modification of the fields of business of the Company and the termination of existing and commencement of new fields of business;
- the conclusion, amendment and termination of enterprise agreements pursuant to Sections 291 et seqq. Stock Corporation Act; and
- the establishment, relocation and closure of material places of business

require the prior approval of the Supervisory Board. The aforementioned measures and transactions are taken from the previous Rules of Procedure for



the Management Board of Westwing Group AG and already required the approval of the Supervisory Board at Westwing Group AG. Pursuant to Article 9(2) of the SE Articles, the Supervisory Board of Westwing Group SE also reserves the right to determine further kinds of transactions or measures in addition to the transactions and measures mentioned in Article 9(1) that require its approval in the Rules of Procedure for the Management Board or the Rules of Procedure for the Supervisory Board or by resolution. This was previously generally governed by Article 11(2) of the AG Articles. In addition, pursuant to Article 9(3) of the SE Articles, the Supervisory Board of Westwing Group SE may give revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements. The Supervisory Board also previously had this option at Westwing Group AG pursuant to Article 11(3) of the AG Articles, so that with regard to management by the Management Board at Westwing Group SE, there are practically no changes compared to the situation at Westwing Group AG.

#### 6.2.3.2 Supervisory Board (Article 10 to Article 15 of the SE Articles)

The provisions in Article 9 of the AG Articles on the composition, elections and term of office of the Supervisory Board are adjusted in paragraphs 1 and 2 due to the enlargement of the Supervisory Board, the shortening of the term of office and the provision of the SE Regulation on the term of office of members of the supervisory board. In all other respects, the provisions of the AG Articles regarding the Supervisory Board in Articles 9(3) to (5) of the AG Articles (Composition, Elections, Term of Office), Article 10 of the AG Articles (Chairman and Deputy Chairman), Article 11 of the AG Articles (Rights and Obligations of the Supervisory Board), with the exception of the provisions now contained in Article 9 of the SE Articles, Article 12 of the AG Articles (Rules of Procedure and Committees), Article 13 of the AG Articles (Meetings and Resolutions of the Supervisory Board) as well as Article 14 of the AG Articles (Compensation) have been adopted unchanged for Westwing Group SE as Article 10 of the SE Articles to Article 15 of the SE Articles.

Article 10(1) of the SE Articles stipulates that the Supervisory Board of Westwing Group SE, like the Supervisory Board of Westwing Group AG, consists of five (5) members who are elected by the General Meeting. Article 10(2) of the SE Articles contains the basic regulation on the appointment term of members of the Supervisory Board. While the members of the supervisory board of a German Stock Corporation may not be appointed for a period longer than until the end of the general meeting that adopts a resolution on the formal discharge of the supervisory board members for the fourth fiscal year after the term of office begins (whereby pursuant to Section 102(1) of the Stock Corporation Act, the fiscal year in which the term of office begins is not included in the calculation), the members of the supervisory board of an SE may pursuant to Article 46(1) of the SE Regulation be appointed for a period determined by the articles of association which may not exceed six years. Longer terms of office are therefore,

in principle, possible for an SE. However, the Articles of Association of Westwing Group SE do not make use of this, but the previous term of office is even shortened. This is intended to meet the expectations of institutional investors in particular and the requirements of modern corporate governance. Pursuant to Article 10(2) of the SE Articles, at Westwing Group SE the members of the Supervisory Board will now be appointed, in principle (i.e. unless specified otherwise in the appointment resolution), until the end of the ordinary General Meeting that resolves on the formal discharge of the supervisory board members for the second fiscal year following the commencement of their term of office. For clarification purposes, the addition is made that the appointment can be made for a maximum of six (6) years. The fiscal year in which the term of office begins is not included in this calculation and reappointments remain permissible. The terms of office of the members of the Supervisory Board at Westwing Group SE are therefore generally shorter because previously the members of the Supervisory Board of Westwing Group AG were appointed until the end of the ordinary General Meeting that resolves on the formal discharge of the supervisory board members for the fourth fiscal year following the commencement of their term of office. In addition, Article 10(2) sentence 3 of the SE Articles is newly inserted and concerns the term of office of the first Supervisory Board members. The offices of the previous members of the Supervisory Board of Westwing Group AG end upon the change in the legal form taking effect. The current members of the Supervisory Board of Westwing Group SE, Christoph Barchewitz, Dr. Antonella Mei-Pochtler, Michael Hoffmann and Thomas Harding and, in addition, Mareike Wächter as an additional, new member, are to be appointed members of the first Supervisory Board of Westwing Group SE by resolution of the General Meeting which adopts a resolution on the approval of the change in legal form. Pursuant to Article 10(2) sentence 2 of the SE Articles, their term of office ends in each case with the end of the General Meeting that adopts a resolution on the formal discharge of the supervisory board members for the first fiscal year of Westwing Group SE. The shorter term of office of the first Supervisory Board is due to a precautionary application of Article 15(1) SE Regulation in conjunction with Section 30(3) Stock Corporation Act. Unchanged from the AG Articles, the provision pursuant to Article 10(3) of the SE Articles regarding the election of a member who leaves office before the end of his or her term of office will be adopted in the Articles of Association of Westwing Group SE for the remainder of the term of office of the Supervisory Board member who leaves office, unless the General Meeting determines the term of office of the successor differently, and accordingly in the event of an election due to an election being challenged. This also applies to the provision in Article 10(4) on the appointment of substitute members to replace, in an order to be determined, members of the Supervisory Board who resign prematurely or who are no longer members of the Supervisory Board due to an election being challenged, and whose offices end at the end of the General Meeting at which the election of a successor is held pursuant to Article 10(3), but no later than at the end of the term of office of the leaving member, whereby

the position as a substitute member is revived if the substitute member whose term of office has terminated due to the election of a successor was appointed as substitute member for several members of the Supervisory Board. Lastly, the provision in Article 10(5) on the resignation from office by Supervisory Board members subject to a one-month notice period with the option to waive compliance with the notice period is also adopted unchanged from the Articles of Association of Westwing Group AG.

The provision of Article 11 of the SE Articles is worded identically to Article 10 of the AG Articles and no changes in this respect result due to the change in legal form. Pursuant to Article 11(1) of the SE Articles, the Supervisory Board elects from among its members a chairman and a deputy chairman, as to date at Westwing Group AG. The election takes place following the General Meeting that has elected the new members of the Supervisory Board and no special invitation is necessary for this meeting. The term of office of the chairman and his/her deputy corresponds to their term of office as members of the Supervisory Board unless a shorter period is determined at the time of their election. Pursuant to Article 11(2) of the SE Articles, the Supervisory Board, as previously by Westwing Group AG, must conduct a new election without undue delay if the chairman or his/her deputy leaves such office during his/her term of office. Article 11(3) of the SE Articles stipulates, unchanged from the AG Articles, in all cases in which the deputy acts on behalf of the chairman in the absence of the chairman, he/she has the same rights as the chairman. As previously in the Articles of Association of Westwing Group AG, Article 11(4) of the SE Articles stipulates that declarations of the Supervisory Board are made in the name of the Supervisory Board by the chairman and the chairman is authorized to accept declarations on behalf of the Supervisory Board.

The rights and obligations of the Supervisory Board are set out in Article 12 of the SE Articles. First of all, Article 12(1) clarifies identically to the provision of Article 11(1) of the Articles of Association of Westwing Group AG that the Supervisory Board has all rights and obligations assigned to it by law and by the Articles of Association. The previous provision in Article 11(2) and Article 11(3) of the AG Articles on the transactions requiring approval are adopted with identical wording in Article 9(2) and Article 9(3) of the SE Articles and Article 12(2) of the SE Articles stipulates the Supervisory Board's power to amend the wording of the Articles of Association, which already exists in Westwing Group AG. The change in legal form therefore does not result in any changes to the rights and obligations of the Supervisory Board.

Article 13 of the SE Articles corresponds to Article 12 of the AG Articles and stipulates in Article 13(1) of the SE Articles that the Supervisory Board adopts Rules of Procedure for the Supervisory Board and in Article 13(2) of the SE Articles that the Supervisory Board can set up committees in accordance with the law and, to the extent permitted by law or by the Articles of Association, may delegate any of its duties, decision-making powers and rights to its chairman, to

one of its members or to committees established from among its members, whereby the Supervisory Board determines the composition, competences and procedures of the committees.

In Article 14 of the SE Articles, the provisions from Article 13 of the AG Articles on meetings and the passing of resolutions by the Supervisory Board are adopted unchanged for Westwing Group SE. Pursuant to Article 14(1) of the SE Articles, the meetings of the Supervisory Board, as previously at Westwing Group AG, are to be called at least fourteen days in advance by the chairman of the Supervisory Board, not including the day on which the invitation is sent and the day of the meeting itself. Notice of meetings may be given in writing, by fax, by e-mail or any other customary means of communication and in urgent cases the chairman may shorten this period and may call the meeting orally or by telephone. In all other respects regarding the calling of Supervisory Board meetings the rules provided by law as well as by the Rules of Procedure of the Supervisory Board apply. Article 14(2) of the SE Articles stipulates that meetings of the Supervisory Board are chaired by the chairman and pursuant to Article 14(3) of the SE Articles, resolutions of the Supervisory Board are generally passed in meetings. At the order of the chairman or with the consent of all Supervisory Board members, the meetings of the Supervisory Board may also be held in the form of a telephone conference or by other electronic means of communication (especially by video conference) and individual members of the Supervisory Board may be connected to the meetings via telephone or by other electronic means of communication (especially by video link) and in such cases resolutions may also be passed by way of the telephone conference or by other electronic means of communication (especially by video conference). Absent members of the Supervisory Board or members who do not participate in, or are not connected to, the telephone or video conference can also still participate in the passing of resolutions by submitting their votes in writing through another Supervisory Board member. In addition, they may also cast their vote prior to or during the meeting or following the meeting within a reasonable period as determined by the chairman of the Supervisory Board in oral form, by telephone, by fax, by e-mail or any other customary means of communication, whereby objections to the form of voting determined by the chairman are not permitted. In this regard, pursuant to Article 14(4) of the SE Articles, as is also the case for Westwing Group AG, resolutions on matters which have not been mentioned on the agenda enclosed with the invitation to the meeting and which have not been notified by the third day before the meeting are only permitted if no member of the Supervisory Board objects. In such case, absent members must be given the opportunity to object to the adoption or to cast their vote in writing, orally, by telephone, fax, e-mail or any other customary means of communication within an adequate period of time to be determined by the chairman. The resolution becomes effective only after no absent Supervisory Board member has objected within the period. Members of the Supervisory Board taking part via telephone or other electronic means of communication are considered to be present. With respect to the provision on the adoption of resolutions outside of meetings, the

provisions likewise apply in accordance with Article 14(5), which also applied to Westwing Group AG, i.e., that resolutions may also be adopted outside of meetings in writing, by fax or by e-mail or any other comparable means of communication, whereas the aforementioned forms may also be combined, at the order of the chairman of the Supervisory Board if preceded by reasonable notice or if all members of the Supervisory Board participate in the adoption of the resolution, whereby members who abstain from voting are considered to take part in the resolution and objections to the form of voting determined by the chairman are not permitted in this case. In Article 14(6), the provision of the Articles of Association of Westwing Group AG on the quorum of the Supervisory Board is adopted with unchanged wording, i.e. the Supervisory Board also has a quorum if at least half of the members of which it has to consist in total take part in the voting. In any case at least three members have to take part in the voting. Absent members of the Supervisory Board or members who do not participate or are connected via telephone or via other electronic means of communication (especially via video conference) and who cast their vote in accordance with Article 14(3) or (5) as well as members who abstain from voting are considered to take part in the voting for this purpose. Due to the unchanged size of the Supervisory Board with five (5) members, there are no changes to the quorum at Westwing Group AG, because at least 3 (three) members must continue to participate in the adoption of resolutions. Pursuant to Article 14(7) of the SE Articles, resolutions of the Supervisory Board are, unless otherwise provided by mandatory law, passed with a simple majority of the votes cast. Abstentions in a vote do not count as a vote cast in this case. This corresponds to the previous provision for the resolution majority of the Supervisory Board of Westwing Group AG. Furthermore, according to Article 14(7) sentence 3 and sentence 4 of the SE Articles, the provision continues to apply unchanged that if a voting in the Supervisory Board results in a tie, the vote of the chairman of the Supervisory Board is decisive and in the absence of the chairman of the Supervisory Board, the deputy chairman's vote is not decisive.

With regard to the minutes of the resolutions of the Supervisory Board, the provision previously applicable to Westwing Group AG also remains in force, which now stipulates in accordance with Article 14(8) of the SE Articles that minutes must be taken of the resolutions and meetings of the Supervisory Board and the resolutions adopted in such meetings which are to be signed by the chairman or, for resolutions which are adopted outside of meetings, have to be recorded by the chairman in writing and made available to all members.

The provisions on the compensation of the Supervisory Board in Article 14 of the AG Articles are adopted with identical wording in Article 15 of the SE Articles. It is stipulated in Article 15(1) of the SE Articles that for each fiscal year of the Company the members of the Supervisory Board receive a fixed base compensation in the amount of EUR 25,000.00, the chairman of the Supervisory Board receives a fixed base compensation in the amount of EUR 40,000.00 and each deputy chairman a fixed base compensation in the amount of

EUR 30,000.00. It is also stipulated in Article 15(2) of the SE Articles in accordance with the previous provision for Westwing Group AG that for their office in the Audit Committee of the Supervisory Board the Chairman of the Audit Committee receives an additional compensation in the amount of EUR 20,000.00 and any other member of the Audit Committee an additional compensation in the amount of EUR 10,000.00 for each fiscal year of the Company. Pursuant to Article 15(3) of the SE Articles, the compensation is payable after the end of the respective fiscal year and members of the Supervisory Board who hold their office in the Supervisory Board or in a committee of the Supervisory Board or who hold the office as chairman or deputy chairman only during a part of the fiscal year receive a corresponding portion of the compensation. Pursuant to Article 15(4) and 15(5) of the SE Articles, the provisions applicable to Westwing Group AG remain in force, according to which the members of the Supervisory Board are reimbursed for their reasonable out-of-pocket expenses incurred in the performance of their duties as Supervisory Board members as well as the value added tax on their compensation and out-of-pocket expenses and they are to be included, where existing, in the D&O liability insurance for board members in the Company's interest, whereby the premiums for this are borne by the Company.

#### 6.2.3.3 General Meeting (Article 16 to Article 20 of the SE Articles)

Articles 16 to 20 of the SE Articles contain the provisions on the convocation and holding of the General Meeting of Westwing Group SE. In this context, the provisions from the AG Articles (there Articles 15 to 19 of the AG Articles) were essentially adopted and adapted with regard to the statutory provisions applicable to the SE with regard to the deadline for the holding of the General Meeting as well as with regard to the majority requirements for resolutions amending the Articles of Association. In addition, the possibility of an external third party chairing the meeting was explicitly added for clarification purposes. Apart from these three aspects, the provisions on the convocation and holding the General Meeting are identical to those already contained in the Articles of Association of Westwing Group AG.

With respect to the place and convocation of the General Meeting, Article 16(1) of the SE Articles now stipulates, in deviation from Article 15(1) of the AG Articles, that the General Meeting is held within the first six (6) months of each fiscal year, instead of within the first eight (8) months of each fiscal year as to date. This adjustment was necessary because pursuant to Article 54(1) of the SE Regulation, the ordinary general meeting of an SE with registered seat in Germany has to be held within six (6) months of the end of the last fiscal year. The provision in Article 16(2) of the SE Articles stipulates, without any change compared to Westwing Group AG, that, subject to any existing legal rights of the Supervisory Board and a minority of the shareholders to convene, the General Meeting is convened by the Management Board. It is to be held, at the option of the body convening the General Meeting, either at the registered seat of the

Company or at the place of a German stock exchange. In addition, pursuant to Article 16(3) of the SE Articles, the General Meeting at Westwing Group SE will continue to be convened at least within the statutory minimum period. Apart from period for the General Meeting to take place which has been shortened by two (2) months, the change in legal form does not change anything with regard to the place and convocation of the General Meeting.

With the exception of an editorial adjustment, the provisions of Article 16 of the AG Articles have been adopted unchanged as Article 17 in the SE Articles. Accordingly, pursuant to Article 17(1) of the SE Articles of Association, shareholders who have duly submitted notification of attendance and evidence of shareholding are entitled to attend the General Meeting and exercise their voting right, as was previously the case. Pursuant to Article 17(2) of the SE Articles, the registration must be received by the Company at the address specified in the convening notice at least six (6) days prior to the day of the General Meeting and the notice of the General Meeting may provide for a shorter period to be measured in days; in addition, this period does not include the day of the General Meeting and the day of receipt. Pursuant to Article 17(3) of the SE Articles, the registration must be in text form (Section 126b German Civil Code) or by way of other electronic means as specified by the Company in greater detail in German or English. Article 17(4) of the SE Articles stipulates that the evidence of shareholding pursuant to Article 17(1) is to be submitted in the form of special proof of ownership of shares prepared by a depository institution in German or English in text form (Section 126b German Civil Code) and evidence in the form of proof pursuant to Section 67c(3) Stock Corporation Act is sufficient. The special proof of ownership of shares must refer to the start of the 21<sup>st</sup> day prior to the General Meeting (record date) and be received by the Company at the address specified in the convening notice of the General Meeting at least six (6) days prior to the General Meeting, whereby the convening notice of the General Meeting may provide for a shorter period to be measured in days and this period does not include each the day of the General Meeting and the day of receipt. Pursuant to Article 17(5) of the SE Articles, voting rights may be exercised by proxy. The granting of the proxy, its revocation and the evidence of authority to be provided to the Company must be in text form (Section 126b German Civil Code) unless the convening notice provides for a less strict form. Details on the granting of the proxy, its revocation and the evidence to be provided to the Company are to be provided together with the notice convening the General Meeting and Section 135 of the Stock Corporation Act remains unaffected. Pursuant to Article 17(6) of the SE Articles, the Management Board is authorized to provide that shareholders may cast their votes in writing or by electronic communication without attending the General Meeting (absentee vote). The Management Board is also authorized to determine the scope and the procedure of the exercising of these rights. Finally, Article 17(7) of the SE Articles stipulates that the Management Board is authorized to provide that shareholders may participate in the General Meeting without being present in person at the place 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) and that the Management Board is also authorized to determine the scope and the procedure of the corresponding participation and exercising of rights.

In Article 18 of the SE Articles, the provision in Article 17 of the AG Articles on the chairing of the meeting is adopted and made more precise to the effect that an external third party can also be elected by the Supervisory Board to chair the meeting (Article 18(1) sentence 3 SE Articles). Article 18(1) of the SE Articles also stipulates that the General Meeting is chaired by the chairman of the Supervisory Board or by another member of the Supervisory Board appointed by the chairman (chairperson of the general meeting). In the event that neither the chairman of the Supervisory Board nor another member of the Supervisory Board appointed by the chairman takes over the position of the chairperson of the General Meeting, the chairperson of the General Meeting is elected by the Supervisory Board, whereby a third party can also be elected. In the event that the Supervisory Board does not elect the chairperson of the General Meeting, the chairperson of the General Meeting is elected by the General Meeting under the chairmanship of a person nominated by the Management Board for that purpose. According to the wording of Article 18(2) of the SE Articles, which is unchanged compared to the AG Articles, the chairman of the General Meeting chairs the proceedings of the meeting and directs the course of the proceedings at the General Meeting. He may, particularly in exercising rules of order, make use of assistants. He determines the sequence of speakers and the consideration of the items on the agenda as well as the form, the procedure and the further details of voting and may also, to the extent permitted by law, decide on the bundling of factually related items for resolution into a single voting item. Likewise without any changes compared to the AG Articles, pursuant to Article 18(3) of the SE Articles, the chairman of the General Meeting is authorized to impose a reasonable time limit on the right to ask questions and to speak. In particular, he may establish at the beginning of or at any time during the General Meeting, a limit on the time allowed to speak or ask questions or on the combined time to speak and ask questions, determine an appropriate time frame for the course of the entire General Meeting, for individual items on the agenda or individual speakers; he may also, if necessary, close the list of requests to speak and order the end of the debate.

Article 19 of the SE Articles contains the unchanged provisions of Article 18 of the AG Articles on the transmission of the General Meeting. Pursuant to Article 19(1), the Management Board is authorized to allow an audio-visual transmission of the General Meeting and the details are determined by the Management Board. Article 19(2) of the SE Articles also allows members of the Supervisory Board to participate in the General Meeting by means of audio and video transmission in coordination with the chairman of the General Meeting, provided that the members are resident abroad or are unable to attend the General Meeting on the day of the General Meeting.



In the provision on the adoption of resolutions of the General Meeting, which are set out in Article 20 of the SE Articles, only an adjustment was made with regard to the majority requirement for resolutions amending the Articles of Association and otherwise the provisions of Article 19 of the AG Articles were adopted with identical wording.

Pursuant to Article 20(1) of the SE Articles, each share carries one vote in the General Meeting and pursuant to Article 20(2) sentence 1 of the SE Articles, resolutions of the General Meeting are adopted with a simple majority of the votes cast, and, in so far as a majority of the registered share capital is necessary, with a simple majority of the registered share capital represented at the voting, unless a higher majority is required by mandatory law or by these Articles of Association. This complies with the requirements of Article 57 of the SE Regulation in conjunction with Section 133(1) of the Stock Corporation Act. On the other hand, the newly inserted Article 20(2) sentence 2 of the SE Articles applies to amendments to the Articles of Association, stating that unless mandatory law provides otherwise, amendments to the Articles of Association require a majority of two-thirds of the votes cast or, if at least half of the registered share capital is represented, a simple majority of the votes cast. This addition in comparison to the AG Articles was inserted against the background of the provision in Article 59(1) and (2) of the SE Regulation in conjunction with Section 51 of the SEAG. The purpose of the provision is, as with Article 19(2) sentence 1 of the AG Articles, to reduce the necessary majority requirements, as far as legally permissible, to a simple majority. Pursuant to Article 20(2) sentence 3 of the SE Articles, which is unchanged in terms of content, the majority requirement for the removal of Supervisory Board members provided for in Section 103(1) sentence 2 of the Stock Corporation Act remains unaffected.

#### 6.2.4 Annual Financial Statements and Appropriation of Profit (Article 21 to Article 23 of the SE Articles)

The provisions of Article 20 to Article 22 of the AG Articles have been adopted unchanged as Article 21 to Article 23 of the SE Articles for Westwing Group SE.

##### 6.2.4.1 Fiscal year (Article 21 of the SE Articles)

Pursuant to Article 21 of the SE Articles, the fiscal year of the Company remains the calendar year without any change.

##### 6.2.4.2 Annual Financial Statements (Article 22 of the SE Articles)

Article 22(1) of the SE Articles provides exactly as before for Westwing Group AG that within the first three (3) months of the fiscal year, the Management Board has to prepare the annual financial statements and the management report as well as, where required by law, the consolidated financial statements and the group management report for the preceding fiscal year and submit these documents without undue delay to the Supervisory Board and the auditors,

whereby at the same time the Management Board also has to submit to the Supervisory Board a proposal for the appropriation of the distributable profit (*Bilanzgewinn*) that is to be brought forward to the General Meeting. Pursuant to Article 22(2) of the SE Articles, the Management Board and the Supervisory Board adopt the annual financial statements and are authorized to allocate sums amounting to up to half of the net profit for the fiscal year to other retained earnings. They are also authorized to allocate up to 100% of the net profit for the fiscal year to other retained earnings as long and as far as the other retained earnings do not exceed half of the registered share capital and would not exceed this either following such a transfer.

#### 6.2.4.3 Appropriation of Profit and Ordinary General Meeting (Article 23 of the SE Articles)

Apart from the adjustment to the period of six (6) months for the General Meeting to take place, the provisions of Section 22 of the AG Articles are adopted unchanged as Article 23 of the SE Articles for Westwing Group SE and the change in legal form does in this respect not lead to any changes with regard to the appropriation of the distributable profit (*Bilanzgewinn*), the determination of the profit participation in the event of capital increases or the allocation to retained earnings or the possibility to resolve a distribution in kind.

Pursuant to Article 23(1) of the SE Articles, the General Meeting resolves annually within the first six (6) months of each fiscal year on the appropriation of the distributable profit (*Bilanzgewinn*), the formal discharge of the members of the Management Board and the Supervisory Board and the election of the auditor (ordinary General Meeting) as well as on the approval of the financial statements to the extent required by law. The amendment of the period from previously eight (8) months to now six (6) months was necessary because pursuant to Article 54(1) of the SE Regulation, the ordinary general meeting of an SE with registered seat in Germany has to be held within six (6) months of the end of the last fiscal year (see already the explanation for the corresponding amendment of Article 16 of the SE Articles in [Section 6.2.3.3](#)). As previously for Westwing Group AG, pursuant to Article 23(2) of the SE Articles, the profit shares attributable to the shareholders are determined in proportion to the shares in the registered share capital held by them and Article 23(3) of the SE Articles stipulates that in case of an increase in the share capital, the participation of the new shares in the profits can be determined in divergence from Section 60(2) of the Stock Corporation Act. Finally, Article 23(4) of the SE Articles stipulates that the General Meeting may resolve to distribute the distributable profit by way of a dividend in kind in addition or instead of a cash dividend. The General Meeting may allocate further amounts to retained earnings or carry such amounts forward as profit in the resolution on the appropriation of the distributable profit.

#### 6.2.5 Final provisions (Article 24 and Article 25 of the SE Articles)

In the final provisions of the Articles of Association of Westwing Group SE, a provision on the costs of the change in the legal form to an SE will be included. In all other respects, the provisions will be adopted unchanged from the AG Articles.

##### 6.2.5.1 Cost of Transformation (Article 24 of the SE Articles)

The provision on the formation costs of Westwing Group AG from Article 23 of the AG Articles is adopted in Article 24(1) of the SE Articles. The registration of Westwing Group AG in the Commercial Register dates back less than 30 years, so that in the event of a change in legal form, the adoption of these provisions of the Articles of Association in the Articles of Association of the entity in its new legal form is required by law under Section 243(1) sentences 2 and 3 of the Transformation Act. In addition, the information on the costs of the change in legal form to an SE are included as a new Article 24(2) of the SE Articles. Article 24(2) of the SE Articles provides that the costs of the change in the legal form of the Company from the legal form of a stock corporation into the legal form of a *Societas Europaea* (SE) (in particular the costs for the notary and the court, costs for publication, taxes, audit costs and costs for consultants) are borne by the Company in an amount of up to EUR 400,000.00. This determination of the costs to be borne by Westwing Group SE for its formation as an SE is a necessary part of the Articles of Association of Westwing Group SE pursuant to Article 15(1) SE Regulation in conjunction with Section 26(2) Stock Corporation Act.

##### 6.2.5.2 Language Version (Article 25 of the SE Articles)

The previous provision in Article 24 of the AG Articles is adopted without any changes in Article 25 of the SE Articles, so that the German language version of the Articles of Association prevails and the English version is not part of the Articles of Association of Westwing Group SE and only a non-binding convenience translation.

## 7. EFFECTS OF THE CHANGE IN LEGAL FORM

In accordance with the requirement in Article 37(4) of the SE Regulation, the effects that the conversion to the legal form of an SE has for the shareholders and employees of Westwing Group AG are presented below.

Ultimately, the conversion of Westwing Group AG into the legal form an SE has only few direct effects for the shareholders of the Company. When the change in legal form takes effect, the shareholders of the Company will no longer participate in a German stock corporation but in a European Company (SE). This is subject in part to provisions that deviate from the legal regulations applicable to a stock corporation (see also the explanations in [Section 4](#) above). In addition,

it is also given new Articles of Association due to the change in legal form (see the explanations on this in [Section 6.2](#) above).

## **7.1 Effects on the change in legal form for shareholders**

### **7.1.1 Shareholdings, dividend entitlement**

The shareholders of Westwing Group AG are shareholders of Westwing Group SE by operation of law upon the change in the legal form taking effect. Their participation continues unchanged due to the identity of the legal entity. The shareholders of Westwing Group AG will therefore participate in the registered share capital of Westwing Group SE to the same extent and with the same number of no-par value bearer shares as they participate in the registered share capital of Westwing Group AG immediately prior to the change in legal form taking effect.

The rights associated with the shares, including the dividend entitlement, will not change either as a result of the conversion of Westwing Group AG into the legal form of an SE. As was previously the case with Westwing Group AG, the General Meeting of Westwing Group SE will decide on the appropriation of the balance sheet profit.

### **7.1.2 Issue of new share certificates**

The no-par value bearer shares of Westwing Group AG are currently recorded in global share certificates.

The existing global share certificates become incorrect when Westwing Group AG is converted into Westwing Group SE. The shares of the Company recorded in global share certificates will therefore be recorded in one or more new global share certificate(s) issued by Westwing Group SE. This takes place by replacing the global share certificates at Clearstream.

The depository banks will subsequently change all securities account holdings from shares in Westwing Group AG to shares in Westwing Group SE. The shareholders do not have to do anything in this regard. The International Securities Identification Number (ISIN) DE000A2N4H07 for the existing shares will not change due to the conversion into the legal form of an SE.

### **7.1.3 Continued existence of the stock exchange listing**

The change in legal form does not have effect on the stock exchange listing of Westwing Group AG or the trading of shares on the stock exchange. The shareholders of Westwing Group AG also after the conversion of Westwing Group AG into the legal form of an SE trade their shares which exist in Westwing Group SE on any stock exchange on which the shares are already listed (see already [Section 6.1.1](#) above). For this purpose, no separate stock exchange listing

of the shares of Westwing Group SE is required, since the Company will neither be dissolved nor newly founded by the change in the legal form. The conversion also has no effect on the existing inclusion of the shares of Westwing Group AG in stock exchange indices.

#### 7.1.4 Continued existence of notification requirements under the Securities Trading Act

With regard to the notification obligations concerning voting rights, the provisions of Sections 33 et seqq. of the Securities Trading Act apply to the future Westwing Group SE as a listed SE, as they do to Westwing Group AG as a listed German stock corporation, via point c) (ii) of Article 9(1) of the SE Regulation. Pursuant to Section 44 of the Securities Trading Act, shareholders' rights may therefore also not be exercised in the case of an SE under certain conditions if certain notification obligations are violated. Notifications of voting rights made prior to the change of the legal form taking effect remain unaffected by the change in legal form. In particular, the fact of the transformation of legal form itself does not trigger any new notification obligations for shareholders of the Company pursuant to Sections 33 et seqq. of the Securities Trading Act.

#### 7.1.5 Other effects under company law

For the other effects of the conversion of legal form under company law, see also the explanations on the comparison of the structural elements of Westwing Group AG and Westwing Group SE, in particular the legal position of the shareholders, under [Section 4.4](#) above and the explanations of the Articles of Association of Westwing Group SE under [Section 6.2](#) above.

#### 7.1.6 Tax effects

Due to the principle of identity of the legal entity, the change in the legal form of Westwing Group AG into an SE does not involve any transfer of assets. The change in legal form is therefore tax-neutral at the level of the Company and, in particular, does not trigger any income or transfer taxes for the Company.

With regard to the current taxation of the SE, the same tax regulations apply as for Westwing Group AG.

It is recommended that shareholders of Westwing Group AG consult their tax advisors with regard to any tax-relevant particularities which may exist in their case. This applies in particular to shareholders for whom foreign tax law provisions are applicable.

## 7.2 Effects of the change in legal form for employees

Article 37(9) of the SE Regulation requires that the rights and obligations of the company to be converted on terms and conditions of employment arising from

employment contracts or employment relationships and existing at the date of the registration are, by reason of such registration transferred to the SE.

The effects that the conversion to the legal form of an SE will have for employees are explained in more detail in the explanation of the Draft Terms of Conversion in Section 6.1.9 above.

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# ANNEX

## Overview on the structure of the Westwing Group

