zooplus AG

Munich

ISIN DE0005111702

Invitation to the Ordinary Annual General Meeting

We invite our shareholders to join us on

Wednesday, June 13, 2018, at 10.00 a.m.,

for the

Ordinary Annual General Meeting

to be held

in the Large Conference Room

of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft,

located at Bernhard-Wicki-Straße 8, 80636 Munich.

I.
Agenda

1. Presentation of the adopted annual financial statements and the approved consolidated financial statement for the 2017 financial year; the management reports for the company and the Group for the 2017 financial year; the report of the Supervisory Board for the 2017 financial year, and the explanatory report of the Management Board on the disclosures pursuant to Sections 289a (1) and 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB)

These documents are available for viewing at zooplus AG's principal corporate offices located at Sonnenstraße 15, 80331 Munich, and on the company's website at http://investors.zooplus.com/en/general-assembly.html and will also be available to shareholders at the company's Annual General Meeting. Each shareholder may receive a copy upon request.

In accordance with statutory provisions, a resolution on this Agenda Item is not provided for and not possible because the Supervisory Board has already approved the annual and consolidated financial statements and, in doing so, has adopted the annual financial statements. With respect to the other documents named in this Agenda Item, the law requires only that shareholders be given an opportunity to inspect the documents for informational purposes but does not provide for a resolution by the Annual General Meeting.

2. Appropriation of retained profits for the 2017 financial year

The Management Board and the Supervisory Board propose that the full amount of the retained profits for the 2017 financial year of EUR 2,856,498.50 recorded in the company's financial statements as of December 31, 2017 be carried forward.

3. Resolution on the discharge of the Management Board for the 2017 financial year

The Management Board and the Supervisory Board propose to discharge the members of the Management Board for the 2017 financial year.

4. Resolution on the discharge of the Supervisory Board for the 2017 financial year

The Management Board and the Supervisory Board propose to discharge the members of the Supervisory Board for the 2017 financial year.

5. **Election of the auditor of the annual financial statements and consolidated financial statements for the 2018 financial year**

Based on the recommendation of the Supervisory Board's Audit Committee, the Supervisory Board proposes the appointment of the Munich branch office of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, as the auditor for the annual financial statements and consolidated financial statements for the 2018 financial year.

6. **Resolution on the authorization to grant subscription rights to members of the Management Board of zooplus AG and management bodies of affiliated companies in Germany and abroad, selected executives and employees of zooplus AG and affiliated companies in Germany and abroad (2018 Stock Option Program), as well as to create Conditional Capital 2018/I and amend the Articles of Association**

Agenda Item 6 should create the option to grant subscription rights to shares of zooplus AG to members of the Management Board of zooplus AG and management bodies of affiliated companies in Germany and abroad, selected executives and employees of zooplus AG and affiliated companies in Germany and abroad (**"subscription right beneficiaries"**) under a stock option program (**"2018 Stock Option Program"**) in order to continue to tie executives and **employees** of zooplus AG and its affiliated companies in Germany and abroad to zooplus AG using a variable remuneration component with long-term incentives.

The Management Board and Supervisory Board propose to resolve the following:

a) Authorization to issue stock options with subscription rights to shares of zooplus AG

With the Supervisory Board's consent, the Management Board shall be authorized on one or more occasions until and including the date of December 31, 2021 (**"authorization period"**) to grant subscription rights (**"stock options"**) to up to 215,000 no-par-value bearer shares of the company to members of management bodies of affiliated companies in Germany and abroad and to selected executives and employees of zooplus AG and affiliated companies in Germany and abroad.

The Supervisory Board is authorized on one or more occasions until and including the date of **December 31, 2021** (**"authorization period"**) to grant subscription rights (**"stock**

options") to up to 150,000 no-par-value bearer shares of the company to members of the company's Management Board.

One stock option grants one subscription right to one share of the company. Company shareholders do not have subscription rights. If stock options are forfeited during the authorization period due to the termination of service or employment relationship with the company or an affiliated company, the departure of an affiliated company from the zooplus Group or other reasons, a corresponding number of stock options may be reissued to the subscription right beneficiaries. The company may choose to fulfill exercised subscription rights by either using the Conditional Capital 2018/I proposed for resolution under the following letter b) or treasury shares. The company also has the right to a cash settlement. The grant of stock options and the issue of subscription shares are subject to the following provisions:

(1) Subscription right beneficiaries and allocation

The group of subscription right beneficiaries includes the members of the Management Board (Group 1), members of management bodies of affiliated companies in Germany and abroad (Group 2) and selected executives and employees of the company and those of affiliated companies in Germany and abroad (Group 3).

The total volume of subscription rights shall be allocated among the individual groups of subscription right beneficiaries as follows:

- The subscription right beneficiaries in Group 1 together receive no more than 150,000 stock options or the subscription rights resulting therefrom.
- The subscription right beneficiaries in Group 2 together receive no more than 15,000 stock options or the subscription rights resulting therefrom.
- The subscription right beneficiaries in Group 3 together receive no more than 200,000 stock options or the subscription rights resulting therefrom.

If subscription right beneficiaries belong to more than one group of beneficiaries, the performance shares they receive will be based solely on their membership in one group. Group membership is specified by the company's Management Board unless this involves members of the company's Management Board, in which case the company's Supervisory Board specifies group membership. The subscription right beneficiaries of each group and the number of stock options to be granted may vary over the term of the 2018 Stock Option Plan and are specified by the company's Management Board unless this involves members of the company's Management Board, in which case these are specified by the company's Supervisory Board.

(2) Issue periods (acquisition periods)

Stock options may be issued in tranches within the authorization period for a single or repeated initiation of a plan on one or more occasions during the year, whereby the options are to be issued in accordance with legal requirements in each case within four weeks always beginning on the third working day after the publication of the results of the respective quarter or financial year (referred to as the **"issue period"**). When stock options are granted to members of the Management Board, the relevant rules are determined by the company's Supervisory Board or otherwise by the company's Management Board (both referred to as the **"program terms and conditions"**).

The issue date shall be the date on which the subscription right beneficiaries receive the offer granting stock options, irrespective of the point in time the offer is accepted. The offer may specify a later date than the date of issue.

(3) Vesting period

Stock options may only be exercised after the end of the vesting period. The vesting period of a tranche of stock options begins on the specified issue date and ends no earlier than the end of the issue date's fourth anniversary.

(4) Performance targets

Stock options may only be exercised if and to the extent the performance targets are achieved as described below:

The performance targets are linked to the absolute share price performance of the zooplus share during the vesting period. Subscription right beneficiaries may exercise differing amounts of their allocated stock options depending on the price performance of zooplus shares: A third of the stock options may be exercised if the volume-weighted 6-month average price of the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange at the end of the vesting period is at least 20 % above the exercise price (Performance Target I, in which case a third of the stock options may be exercised), at least 30 % above the exercise price (Performance Target II, in which case two-thirds of the stock options can be exercised), and at least 50 % above the exercise price (Performance Target III, in which case all of the stock options may be exercised).

(5) Exercisability of stock options

Stock options may be exercised only when the vesting period has expired, and one of the performance targets has been achieved. Stock option obligations are met in the form of the company's shares, whereby each stock option entitles the beneficiary to subscribe to one share.

(6) Term and exercise periods and

Stock options may be exercised by the subscription right beneficiaries within two years following the date of the vesting period's expiration (**"term"**). Stock options may be exercised during this period within four weeks, always beginning on the third working day after the publication of the results of the respective quarter or financial year (**"exercise period"**). The term can be appropriately extended by the company's Management Board – or, alternatively, the Supervisory Board if members of the Management Board are affected – to the extent that legal regulations prevent exercise at the expiration of the original term. Stock options that are not exercised by the expiration of the respective (if applicable, extended) term expire without compensation.

(7) Exercise price

When exercising stock options, the exercise price must be paid for each share subscribed. The **"exercise price"** per share equals the volume-weighted 6-month average price of the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange before the date the stock options are issued. The minimum issue price is equivalent to at least the lowest issue price as defined under Section 9 (1) (AktG).

(8) Substitution rights of the company

The company may meet the obligations of the exercised stock options by issuing new no-par-value bearer shares based on the Conditional Capital 2018/I proposed for resolution under letter b) below. The company is also permitted to meet the obligation in whole or in part using treasury shares instead of new shares. The company may also pay the whole or partial value of the shares to be delivered through the exercise of stock options in cash less the exercise price, instead of delivering (new or treasury) shares.

The decision of which alternative to select in any given case is made by the company’s Management Board or by the company's Supervisory Board when members of the Management Board are affected.

(9) Restrictions in the event of extraordinary developments

In the event of extraordinary developments, the company’s Supervisory Board is authorized, at its discretion, to restrict the exercise of stock options granted to members of the company’s Management Board. A restriction may be necessary specifically to ensure the appropriateness of remuneration as defined under Section 87 (1) sentence 1 AktG.

In the event of extraordinary developments, the company’s Management Board is authorized, at its discretion, to restrict the exercise of stock options granted to subscription share beneficiaries in Group 2 and 3. A restriction may be necessary specifically to ensure that the total remuneration of the individual beneficiaries is proportionate to the tasks and performance of the subscription right beneficiary and does not exceed the usual remuneration without a special reason.

(10) Individual rights

Stock options are not legally transferable but are inheritable. A transfer is also allowed for the fulfillment of bequests. Stock options may only be exercised by the respective subscription right beneficiary or his/her heirs or legatee. If stock options can no longer be exercised in accordance with the above provisions, they will be forfeited without replacement or compensation. The provision authorizing the reissue of forfeited stock options to subscription right beneficiaries remains unaffected.

(11) Anti-dilution protection

The terms and conditions of the plan may contain the customary anti-dilution protection clauses based upon which the economic value of the stock options in accordance with the regulations in Section 216 (3) AktG may be largely protected, particularly by taking into account potential share splits, capital increases from reserves by issuing new shares, or other measures with similar effects when determining the number of shares to be issued for each stock option.

(12) Dividend rights

The new no-par-value bearer shares are entitled to dividends as of the beginning of the financial year for which no resolution of the Annual General Meeting has been made on the appropriation of retained profits at the time the subscription right is exercised.

(13) Authorization to determine additional details

Additional details with respect to granting and meeting the stock option obligations for issuing shares based on Conditional Capital 2018/I and further terms and conditions of the plan are determined by the company's Supervisory Board when members of the Management Board are concerned, or otherwise by the company's Management Board.

Additional regulations specifically include the decision to initiate annual tranches on one or many occasions to make use of the authorization to grant stock options; the provisions for the execution of the 2018 Stock Option Program and the annual tranches; the method of allocation and exercise of stock options; the allocation of stock options to individual subscription right beneficiaries; and the determination of the issue date within the respective issue period. This also includes regulations for exercisability, the forfeiture or pro-rata reduction of stock option (without replacement or compensation) in special cases, particularly when subscription right beneficiaries end their service or employment with the company or an affiliated company; in the event of death, retirement or disability; other special cases of departure, including departure of an affiliated company, business or operating segment from the zooplus Group; in the event of temporary leave or suspension of employment; a change of control; the conclusion of an affiliation agreement or delisting; or to meet legal requirements. If stock options are forfeited as a result of any of the above regulations, they may be reissued.

The company is also authorized to deviate in this respect from the provisions of this resolution in terms of its application to the executives and employees of affiliated companies abroad because it is not imperative that the content of this resolution under corporate law falls under the authority of the Annual General Meeting to adopt resolutions or to the extent this resolution exceeds the minimum requirements of corporate law.

b) Conditional Capital 2018/I

The company's share capital shall be increased conditionally by up to EUR 365,000.00 through the issue of up to 365,000 new no-par-value bearer shares (Conditional Capital 2018/I). The conditional capital increase is solely for granting share subscription rights (stock options) based on the authorization above to members of the Management Board of zooplus AG, management bodies of affiliated companies in Germany and abroad and selected executives and employees of zooplus AG and affiliated companies in Germany and abroad. The shares are to be issued at the issue price specified in the authorization above. The conditional capital increase will only be executed to the extent that the subscription rights are exercised, and the company refrains from using treasury shares or cash compensation to meet its subscription right obligations. The new shares will be entitled to dividends as of the beginning of the financial year for which no resolution of the Annual General Meeting has been made on the appropriation of retained profits at the time when the subscription right is exercised. The company's Management Board – or, alternatively, the Supervisory Board when members of the Management Board are affected – is authorized to determine the additional details of the conditional capital increase and its execution.

c) Amendment to the Articles of Association

Section 5 of the Articles of Association will be supplemented with the following new paragraph 8:

"(8) In accordance with the authorization of Annual General Meeting of June 13, 2018 under Agenda Item 6 letter a), the company's share capital has been conditionally increased by EUR 365,000.00 through the issue of up to 365,000 no-par-value bearer shares of the company with a notional interest in the share capital of EUR 1.00 per share (Conditional Capital 2018/I). Conditional Capital 2018/I serves to secure subscription rights attached to stock options issued by zooplus AG under the authorization of the Annual General Meeting of June 13, 2018 under Agenda Item 6 letter a) as part of the 2018 Stock Option Program in the period as of the date of the registration of Conditional Capital 2018/I until December 31, 2021. The conditional capital increase will be executed only to the extent stock options are issued, and the holders of these stock options make use of their subscription rights for company shares. The issue of shares from Conditional Capital 2018/I will be executed at an exercise price determined in accordance with the authorization of the Annual General Meeting of June 13, 2018 under Agenda Item 6 letter a) (7). The new shares will be entitled to dividends as of the beginning of the financial year for which no resolution of the Annual General Meeting has been made on the appropriation of retained profits at the time the subscription right is exercised. The company’s Management Board, or the company’s Supervisory Board if members of the Management Board are affected, is authorized to determine the additional details of the conditional capital increase and its execution."

7. Resolution on the cancellation of Conditional Capital 2010/I

Under Agenda Item 5, the company’s Annual General Meeting of May 27, 2010 resolved the 2010/I Stock Option Program in order to grant company employees subscription rights to company shares. Conditional Capital 2010/I in the amount of EUR 210,000.00 was created to meet the obligations of the 2010/I Stock Option Program.

Of the total 210,000 subscription rights to be issued, 60,000 subscription rights have not been issued to date and can no longer be issued. All of the subscription rights issued by the company have been used to meet the obligations of Conditional Capital 2010/I. Therefore, Conditional Capital 2010/I in accordance with Section 5 (7) of the company’s Articles of Association shall be cancelled.

As a result, the Management Board and Supervisory Board propose to resolve the following:

Conditional Capital 2010/I contained in Section 5 (7) of the company’s Articles of Association shall be cancelled. Section 5 (7) of the company’s Articles of Association shall be cancelled without substitution.

8. Resolution on the creation of new Conditional Capital 2018/II and authorization of the Management Board to issue convertible bonds / bonds with warrants excluding shareholders subscription rights and amend the Articles of Association

An authorization to issue bonds with conversion or option rights for shares in the company and to create a corresponding Conditional Capital 2018/II shall be made to provide the company the option to raise capital in the future.

As a result, the Management Board and Supervisory Board propose to resolve the following:

a) With the consent of the Supervisory Board, the Management Board shall be authorized to issue bearer or registered convertible bonds or bonds with warrants (collectively **"bonds"**) with a total nominal value of EUR 115,000,000.00 and a limited or unlimited maturity. The Management Board shall also be authorized to grant bondholders conversion or option rights for subscription of up to a total of 713,757 new, no-par-value bearer shares of the company with a notional interest in the share capital of EUR 1,00 each (**"new shares"**) subject to the terms and conditions of the bond or warrant. The bonds are to be issued in exchange for a cash contribution. The authorization also includes the option to assume guarantees for bonds issued by entities in which the company has a direct or indirect majority interest and to meet the obligations of the conversion or option rights related to these bonds by granting new shares. This authorization is valid until and including **June 12, 2023**. The bonds may be issued in whole or in part on one or more occasions. All fractional bonds will have identical rights and obligations.

   If convertible bonds are issued, the holders shall be entitled to convert their respective bonds into new shares of the company in accordance with the bond's terms and conditions. The conversion ratio is derived by dividing the nominal value of one bond by the conversion price set for one new share in the company. The conversion ratio can also be derived by dividing the issue price of the bond, which is below its nominal value, by the conversion price set for one new share in the company. The bond's terms and conditions may include a conversion obligation.

   If bonds with warrants are issued, each bond will have one or more warrants attached that entitle the holder to subscribe to new shares by paying the exercise price in accordance with the warrant's terms and conditions.

   It may be stipulated in the bond or warrant terms and conditions that the exchange ratio and/or the conversion or exercise price is variable and that the conversion or exercise price will be set within a fixed range depending on the development of the share price during the term. The notional interest in the share capital attributable to the new shares that can be subscribed per bond may not exceed the principal amount of the respective bond or the issue price of the respective bond if the issue price is below the principal amount.

   The conversion/exercise price may not be set at less than 80 % of zooplus AG's share price in the closing auction in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange. The relevant price is the average closing price on the five trading days prior to the Management Board's final decision to issue the bonds. If shareholders are granted subscription rights for the bonds and these subscription rights are traded on the Frankfurt Stock Exchange, the average price must be calculated based on the closing prices of zooplus AG's share during the trading period of the subscription rights, except for the last two trading days. If a closing auction does not take place on the relevant trading days or a price is not determined in the auction, the applicable price will be the last price quoted in continuous trading, provided there was continuous trading on that trading day.

Sections 9 (1) and 199 (2) AktG remain unaffected.

With the Supervisory Board's consent, the Management Board is authorized to set the bond's further terms and conditions. The terms and conditions may govern, among others,

- whether the obligation may also be met using zooplus AG's treasury shares or by paying an equal value in cash or listed securities instead of using Conditional Capital 2018/II;
- whether the conversion price, exercise price or exchange ratio must be set when issuing the bonds or may be calculated based on future market prices within a set range;
- if and how a conversion ratio will be rounded;
- whether an additional cash contribution or cash settlement will be set in the case of fractional shares;
- whether a certain date can be set prior to which the conversion or option rights may or must be exercised;
- in which currency the bonds will be issued; and
- whether there is a conversion obligation.

The bonds must generally be offered to shareholders for subscription and shall be offered by at least one credit institution or company within the definition of Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (Kreditwesengesetz [KWG]) subject to the obligation to offer the bonds to shareholders for subscription. With the Supervisory Board's consent, the Management Board is authorized to exclude shareholder subscription rights in the following cases:

- The new shares issued based on the conversion or option rights do not exceed 10 % of the share capital on the date this authorization takes effect nor on the date of its exercise. The calculation of the 10 % limit of the share capital includes:

  - shares issued under the exclusion of subscription rights of shareholders in accordance with, or as defined by, Section 186 (3) sentence 4 AktG during the term of this authorization; as well as
  - shares issued or to be issued to service bonds with conversion or option rights based on other authorizations if and to the extent that the bonds will be issued excluding shareholder subscription rights during the term of this authorization as defined by Section 186 (3) sentence 4 AktG.

  The exclusion of the shareholders' subscription rights described in the rules above is also only permissible when the bonds' issue price is not significantly lower than the theoretical market value calculated using recognized financial mathematical methods

- to the extent necessary to avoid fractional shares resulting from the subscription ratio; and
- in order to grant subscription rights to the holders of conversion and/or option rights for company shares as compensation for the dilution of the economic value of such rights to the extent they would be entitled to upon the exercise of those rights.

Irrespective of Section 9 (1) AktG, the value of the conversion or exercise price may be lowered based on a dilution protection clause according to the bond's or warrant's specific terms and conditions if the company increases the share capital or issues or guarantees additional bonds during the conversion or warrant period and grants shareholders an exclusive subscription right, and this confers no subscription rights to holders of existing conversion or warrant rights, which they would be entitled to after exercise of the conversion or option rights or the fulfillment of conversion obligations.

The bond or warrant terms may also provide for an adjustment in the conversion or exercise price based on other actions of the company that may lead to a dilution in the value of the conversion or option rights.

b) The EUR 713,757.00 through the issue of up to 713,757 no-par-value bearer shares in accordance with Item a) above (Conditional Capital 2018/II) to service conversion and option rights based on the authorization granted in Item a) above. The purpose of the conditional capital increase is to grant conversion and option rights to the holders of bonds issued under the authorization above until **June 12, 2023** in accordance with the bond or warrant terms. The issue of the new shares will be carried out at the conversion or exercise price to be determined according to Item a) above and in accordance with the respective bond or warrant terms and conditions. The conditional capital increase will be carried out only to the extent that bondholders exercise their conversion or option rights or to meet the conversion obligation and to the extent that the company's own shares are not made available to meet the obligations of these rights. The shares will be entitled to dividends as of the beginning of the previous financial year if they were issued before the start of the company's Annual General Meeting, or otherwise as of the beginning of the financial year in which they were issued.

c) Section 5 of the Articles of Association will be supplemented with the following new paragraph 9:

"(9) The company's share capital is conditionally increased by up to EUR 713,757.00 through the issue of up to 713,757 new no-par-value bearer shares (Conditional Capital 2018/II). The sole purpose of the conditional capital increase is to provide a means to grant new shares to the holders of conversion or option rights to be issued by the company or companies in which the company has a direct or indirect majority interest according to the authorizing resolution of the Annual General Meeting on June 13, 2018 under Agenda Item 8 a). The issue of the shares will be carried out at the respective conversion or exercise price to be determined in accordance with the resolution above. The conditional capital increase will only be carried out to the extent that the holders of conversion or option rights exercise their rights or meet conversion obligations under such bonds. The shares would be entitled to dividends as of the beginning of the previous financial year if they were issued before the start of the company's Annual General Meeting or otherwise as of the beginning of the financial year in which they were issued."

II.

Written report of the Management Board on Agenda Item 6 (2018 Stock Option Program)

The company grants a variable remuneration component with a long-term incentive to members of the zooplus AG Management Board and management bodies of affiliated companies in Germany and abroad and selected executives and employees of zooplus AG and affiliated companies in Germany and abroad. This variable remuneration is intended to promote the entrepreneurial attitude of the respective participants, secure their long-term loyalty to the company and respective group companies and ensure competitive remuneration.

The authorization granted by the company's Annual General Meeting of May 31, 2016 under Agenda Item 6 under the 2016 Stock Option Program will expire on December 31, 2018. A stock option program shall continue to be available in order to continue to align the remuneration structure to sustainable and perennial corporate development, ensure the transparent and intelligible design of the variable remuneration component and a balanced risk-reward profile for participants.

For this reason, Agenda Item 6 of the Ordinary Annual General Meeting of zooplus AG on June 13, 2018 proposes that the Management Board – or, alternatively, the Supervisory Board if members of the Management Board are concerned – be authorized with the consent of the Supervisory Board on one or several occasions until and including the date of December 31, 2021, to grant subscription rights (stock options) for up to a total of 365,000 no-par-value bearer shares to members of the zooplus AG Management Board and management bodies of affiliated companies in Germany and abroad and selected executives and employees of zooplus AG and affiliated companies in Germany and abroad. Accordingly, a new Conditional Capital 2018/ shall be created, and a new paragraph 8 shall be added to Section 5 of the Articles of Association.

Conditional Capital 2018/I amounting to EUR 365,000.00 is equivalent to roughly 5,11 % of the company's currently existing share capital and gives the company the ability to issue new shares and transfer these shares to subscription right beneficiaries in the event these beneficiaries exercise their granted stock options. The new shares will only be issued when stock options were issued to subscription right beneficiaries and these beneficiaries exercised their subscription rights after the expiry of the vesting period and upon the achievement of the performance targets defined in the authorization and in accordance with other terms and conditions contained in the 2018 Stock Option Program in accordance with the conditions set out in the resolution of the Annual General Meeting. Due to the appropriation of Conditional Capital 2018/I, shareholders are not entitled to subscription rights for the new shares.

The issue of stock options that qualify for subscription to the company's shares has the advantage that the beneficiaries can decide after the shares are issued whether they want to remain a shareholder of the company or would rather sell their shares on the stock market. This serves to expand the company's shareholder base and, at the same time, improves the company's liquidity because there is no outflow of funds but rather an inflow of funds to the company equaling the exercise price of the new shares. The company may invest these available funds to expand the operating business.

As a rule, stock options should be issued in annual tranches during the authorization period. The authorization period ends on December 31, 2021.

The allocation of stock options to the individual groups of subscription right beneficiaries should generally correspond to the allocation of the maximum number to be issued under the authorization. Nevertheless, the Management Board and Supervisory Board reserve the right to decide annually on the issue of stock options and the scope of the individual tranches based on the company's overall situation and the remuneration structure of relevant comparable companies. Fluctuations in the annual volume may occur, for example, when there are changes in the number of executives and/or employees participating in the program and/or in the market price of zooplus's shares.

Shares from Conditional Capital 2018/I are issued no earlier than the expiration of the vesting period, which is four calendar years after the issue of the relevant tranche of stock options, and not before a corresponding exercise notification. Stock options may be exercised only when the vesting period has expired, and one of the performance targets has been achieved. Otherwise, the stock options are forfeited without compensation.

The performance targets are based on the absolute share price performance of the zooplus shares during the vesting period. Subscription right beneficiaries can exercise differing amounts of their allocated stock options depending on the price performance of zooplus shares. For example, a third of the stock options may be exercised if the volume-weighted 6-month average price of the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange at the end of the vesting period is at least 20 % above the exercise price (Performance Target I, in which case a third of the stock options may be exercised), at least 30 % above the exercise price (Performance Target II, in which case two-thirds of the stock options may be exercised), and at least 50 % above the exercise price (Performance Target III, in which case all of the stock options may be exercised).

The authorization provides for the right of the Supervisory Board or the Management Board to appropriately restrict the exercise of the stock options at its discretion in the event of any extraordinary developments.

Vested stock options may generally be exercised by the subscription right beneficiaries within an exercise period of two years. The exercise period begins after the date of the vesting period's expiration. Stock options may be exercised during this period within four weeks always starting on the third working day after the publication of the results of the respective quarter or financial year.

The exercise price payable to the company by the subscription right beneficiary following the exercise of stock options for the purchase of one share each of the company is equivalent to the volume-weighted 6-month average price of the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange before the date the stock options are issued.

The Management Board and Supervisory Board shall be authorized to determine the further details of the grant and fulfillment of stock options for the issue of shares from Conditional Capital 2018/I and other terms of the program, including the treatment of stock options when subscription right beneficiaries end their service or employment with the company or its affiliates upon expiry of the vesting period.

The 2018 Stock Option Program is designed to align the interests of subscription right beneficiaries to the sustainable development of the zooplus Group by means of a long-term variable remuneration component based on a multi-year assessment. The Management Board and Supervisory Board are confident that the proposed authorization to issue stock options to the subscription right beneficiaries is especially suitable for creating a lasting incentive for subscription right beneficiaries and a sustained increase in the company's value in the interest of both the company and its shareholders.

III.
Written report of the Management Board in reference to Agenda Item 8 under Section 221 (4) sentence 2 in conjunction with Section 186 (4) sentence 2 AktG

The proposed creation of Conditional Capital 2018/II and the authorization to issue convertible bonds or bonds with warrants (collectively **"bonds"**) should, in the interest of the company, allow the bonds to be issued at the most favorable terms and conditions and fully meet the capital market requirements. This ensures that the company has a sufficient capital base, which is essential for the company's business development. By issuing bonds, the company can take advantage of attractive financing opportunities on the market when they arise and issue debt at low interest rates. By granting conversion or option rights or stipulating conversion obligations, the company gives itself the added option of retaining a portion of the proceeds from bond issues as equity. The proposed authorization provides that bonds with conversion or option rights for shares in zooplus AG may be issued with the Supervisory Board's consent in an amount of up to EUR 115,000,000.00.

In the area of so-called hybrid financing instruments, it has become common to have forms of financing that have perpetual maturities. Therefore, the authorization provides the option to issue bonds with unlimited maturities, which gives the company the necessary flexibility to place the bonds itself or via companies in which it holds direct or indirect majority interests. Bonds may also be issued in currencies other than the euro.

The authorization is valid until **June 12, 2023**. A new Conditional Capital 2018/II shall be created to meet the potential obligation to issue shares under this authorization. The details of the bonds are to be determined by the Management Board and require the Supervisory Board's approval.

The notional interest in the share capital of the new shares to be subscribed per bond may not exceed the principal amount of the respective bond or the issue price of the respective bond if the issue price is below the principal amount.

The conversion or exercise price for one share to be set or to be determined within a range based on future market prices must be equivalent to at least 80 % of the average closing price on the five XETRA trading days prior to the Management Board's decision to issue the bond. If shareholders are granted subscription rights for the bonds and these subscription rights are traded on the Frankfurt Stock Exchange, the average price must be calculated based on the closing prices of zooplus AG's share during the trading period of the subscription rights, except for the last two trading days. The provisions of Sections 9 (1) and 199 (2) AktG remain unaffected.

The company's shareholders are generally entitled to subscription rights to newly issued bonds in an amount corresponding to their previous holding in the company's share capital. The bonds shall be offered by at least one credit institution or company within the definition of Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act subject to the obligation to offer the bonds to shareholders for subscription. This is to facilitate settlement and should not to be regarded as an exclusion of shareholder subscription rights because shareholders are granted indirect subscription rights for the bonds.

The proposed resolution provides authorization to exclude general subscription rights when issuing bonds for certain purposes named in the proposed resolution in accordance with the applicable statutory regulations. In the views of the Managing Board and the Supervisory Board, the authorization to exclude shareholder subscription rights is reasonable and fair to the shareholders when considering the reasons explained below.

Above all, the Management Board and Supervisory Board should be authorized to issue bonds excluding shareholder subscription rights, provided the new shares to be issued based on the conversion or option rights do not exceed 10 % of the company's share capital on the date this authorization takes effect nor on the date of its exercise. This allows the company to take immediate advantage of favorable stock market conditions and lock in the best possible terms and conditions for issuing the bond by setting the terms closely in line with the market.

This is not possible when subscription rights are granted because the length of the subscription period would restrict the ability to react promptly to market conditions. Uncertainty surrounding the exercise of subscription rights may also hinder the successful placement of the bonds with third parties. In the case of rights issues, a substantial safety discount is usually necessary to ensure the issue's attractiveness. Excluding subscription rights also gives the company an opportunity to broaden its shareholder base, including the addition of international investors.

The legal basis for excluding subscription rights are Sections 221 (4) sentence 2 and 186 (3) sentence 4 AktG. These standards are intended to protect shareholders from an unacceptable dilution in their shareholdings. It is possible to ascertain in advance whether such a dilutive effect will occur. The Black/Scholes model or other recognized financial mathematical methods can calculate the hypothetical market price of the bond and, by comparing this figure with the issue price, can determine the potential dilutive effect. Under the authorization, the issue price may not be significantly lower than the theoretical market value that was calculated using recognized financial mathematical methods. Thus, the calculated fair value of a subscription right will effectively be zero, meaning the shareholders are not subject to any appreciable economic disadvantage resulting from the exclusion of subscription rights. This protects shareholders' interests. Shareholders also have the opportunity to maintain their relative stake in the company's share capital at nearly identical conditions by purchasing shares on the stock exchange. The opportunity to do so adequately addresses the shareholders' financial interests. The same rules apply as those to a capital increase excluding subscription rights under Section 186 (3) sentence 4 AktG.

The Management Board and Supervisory Board will keep the discount to fair value as low as possible when setting the prices while taking into account the prevailing situation on the capital market. This will ensure that there is protection against dilution. The Management Board will seek informed advice and, if necessary, expert assistance. This advice, for example, can be an expert opinion from an investment bank or auditing firm on the question of the dilutive effect.

In the interest of shareholders, the Management Board and Supervisory Board will strive for the smallest possible dilutive effect by considering the following shares in the authorization's proposed limit of 10 % of the share capital:

- shares issued under exclusion of subscription rights of shareholders in accordance with or within the meaning of Section 186 (3) sentence 4 AktG during the term of this authorization; and
- shares issued or to be issued based on other authorizations to service bonds with conversion or option rights if and to the extent that the bonds will be issued excluding shareholder subscription rights during the term of this authorization as defined under Section 186 para. (3) sentence 4 AktG.

The proposed authorization to exclude subscription rights for the sale of fractional amounts allows the company to set a practicable subscription ratio. Otherwise, the settlement of any capital measure undertaken would be made more difficult, particularly for issuing bonds in round amounts. Fractional amounts occur when the subscription ratio and the amount of the issue do not allow all of the new bonds to be evenly distributed to shareholders. The cost of trading subscription rights for fractional amounts outweighs the benefit received by the shareholder. The bonds excluding subscription rights resulting from the exclusion of subscription rights for fractional amounts will be sold on the stock market (if possible) or otherwise disposed of in the best manner for the company. The potential dilutive effect is low due to the limitation to fractional amounts.

The authorization to exclude subscription rights in favor of holders of conversion or option rights serves the purpose of avoiding a reduction in the conversion or exercise price of the conversion or option rights already issued or the necessity to make additional cash payments. Instead, the holders of such rights shall be granted a subscription right to the new bonds to the extent that they would be entitled to ensure their protection against dilution had they exercised their rights. It is a common market practice, to issue bonds with this type of dilution protection.

Conditional Capital 2018/II will be needed to service the conversion and option rights attached to the bonds. The amount of Conditional Capital 2018/II does not exceed the maximum statutory limits contained in Section 192 (3) sentence 1 AktG also in conjunction with the company's other, existing conditional capital and Conditional Capital 2018/I proposed for resolution under Agenda Item 6.

The conversion or exercise price for a new share will be set by the Management Board with the Supervisory Board's approval taking into account the market conditions at the time of the bond issue and may not be set at less than 80 % of the reference price defined in the authorization (see Agenda Item 8 lit. a) above).

IV.

Requirements for attending the Annual General Meeting and exercising voting rights, the record date pursuant to Section 123 (4) sentence 2 AktG and its importance

In accordance with the company's Articles of Association, only those shareholders who have registered with the company by submitting proof of their share ownership furnished by a custodian institution in the German or English language to one of the following contacts below are entitled to attend the Annual General Meeting and to put forward motions and cast votes at the Annual General Meeting:

zooplus AG
c/o Computershare Operations Center
80249 Munich
or
Fax: +49 (0) 89 30903-74675
or
Email: anmeldestelle@computershare.de

Proof of share ownership must refer to the beginning of May 23, 2018, (0:00 CEST) ("**record date**") and must be received by the company together with the registration by no later than the end of June 6, 2018, (24:00 CEST). Proof of share ownership in writing in either German or English from the custodian institution is sufficient. Under the company's Articles of Association, the company is entitled to request further adequate proof if there is any doubt as to whether the proof provided is correct or genuine. If this proof is not provided or not provided in due form, the company can refuse the shareholder's admission to the Annual General Meeting in accordance with the Articles of Association.

The record date is the date that determines whether shareholders are entitled to participate and exercise voting rights at the Annual General Meeting. Only those individuals who have submitted proof that the shares were owned on the record date are considered as shareholders by the company and permitted to attend the Annual General Meeting and exercise voting rights. Changes in share ownership after the record date are not relevant in this respect. Individuals who do not own any shares on the record date and subsequently become shareholders are entitled to attend and cast votes based on the shares held only when they are appointed as a proxy or authorized to exercise rights. Shareholders who have properly registered and provided proof of their share ownership are also entitled to participate in the Annual General Meeting and exercise voting rights if they have sold their shares after the record date. The record date has no effect on the sale of shares and no implications for dividend entitlement.

V.
Powers of attorney; procedure for casting votes by proxy; proxy representatives

Shareholders who are unable or do not wish to personally attend the Annual General Meeting can arrange proxy representation through, for example, a bank, shareholders' association, or another person of their choice, in order to exercise their rights and, specifically, their voting rights. In this case, the shareholder must also register and provide proof of share ownership in due form and on time according to the provisions above. If the shareholder authorizes more than one person as a proxy, the company may refuse one or several of these proxies.

Granting a power of attorney, its revocation and proof of the authorization to the company must be made in written form.

Banks and equivalent institutions or companies pursuant to Section 135 (10) AktG in conjunction with Section 125 (5) AktG as well as shareholders' associations and persons as defined by Section 135 (8) AktG can stipulate different regulations if they are appointed as proxies; related inquiries are to be addressed to the respective proxy.

A form for granting power of attorney can be found on the reverse side of the admission ticket that is sent to shareholders following their timely registration in the manner described. The form for granting power of attorney can also be found on the company's website at http://investors.zooplus.com/en/general-assembly.html or may be requested from the company using the following contact options:

> zooplus AG
> c/o Computershare Operations Center
> 80249 Munich
> or
> Fax: +49 (0) 89 30903-74675
> or
> Email: zooplus-hv2018@computershare.de

The authorization can be issued to the proxy and revoked or issued to the company and revoked, or proof of the authorization can be provided to the company. Please notify us promptly at one of the contact options above if a power of attorney is issued to the company or revoked or if proof of a power of attorney issued to a proxy or revoked is provided to the company. On the day of the Annual General Meeting, the issue and revocation of the power of attorney and proof of the issue or revocation of a power of attorney for a proxy can also be provided to the company at the entrance checkpoint.

The company also provides shareholders the option to be represented by a company-appointed proxy who is bound to the shareholder's instructions. Shareholders must also register and provide proof of share ownership in due form and on time according to the provisions above when authorizing company-appointed proxies.

If company-appointed proxies are authorized, they must be issued explicit and unambiguous instructions for the exercise of the voting rights in all cases. If no explicit or unambiguous instructions are provided, the company-appointed proxy will abstain from voting on the respective matter. Proxies are obliged to vote according to the instructions given. Company-appointed proxies will not accept instructions to speak, make objections to Annual General Meeting resolutions, ask questions or file motions either in advance or during the Annual General Meeting.

Company-appointed proxies must be authorized and instructed in writing. Powers of attorney and instructions issued to company-appointed proxies may be issued using the power of attorney and instruction forms provided to the shareholders upon their proper registration for the meeting. These documents are also available on the company's website at http://investors.zooplus.com/en/general-assembly.html and may also be obtained from the company using the following contact details:

zooplus AG
c/o Computershare Operations Center
80249 Munich
or
Fax: +49 (0) 89 30903-74675
or
Email: zooplus-hv2018@computershare.de

These addresses may also be used to submit the completed power of attorney and instruction forms. Powers of attorney for exercising voting rights and instructions issued to company-appointed proxies must be received by the company for organizational purposes at one of the contact options given above no later than June 12, 2018 (24:00 CEST), provided they are not issued, amended or revoked at the Annual General Meeting.

VI.
Shareholder rights

Prior to and during the Annual General Meeting, shareholders are entitled, among others, to the following rights under Sections 122 (2), 126 (1), 127 and 131 (1) AktG. Further information may be found at http://investors.zooplus.com/en/general-assembly.html.

1. Request for additions to the agenda

Shareholders whose total share ownership accounts for one-twentieth of the share capital or the notional amount of EUR 500,000.00 of the share capital (the latter corresponding to 500,000 shares) can request under Section 122 (2) AktG that items be added to the agenda and made public. Each new item must enclose a justification or a draft resolution

The request must be made in writing and addressed to the company's Management Board at:

zooplus AG
Attn: Management Board
Sonnenstraße 15
80331 Munich

The company must receive the request no later than the end of May 13, 2018 (24:00 CEST).

Additions to the agenda to be made public are published immediately in the Federal Gazette upon the receipt of the request and forwarded for publication to media channels where it can be assumed that the information will be disseminated throughout the European Union. These requests will also be made accessible on the company website at http://investors.zooplus.com/en/general-assembly.html.

2. Countermotions and nominations

Every shareholder has the right to submit to the company countermotions to resolutions proposed by the Management Board and/or the Supervisory Board on specific agenda items pursuant to Section 126 (1) AktG and to submit nominations for election pursuant to Section 127 AktG. Grounds for countermotions must be provided; nominations need not be justified.

Countermotions and nominations should only be sent to one of the following contact addresses:

zooplus AG
Sonnenstraße 15
80331 Munich
or
Fax: +49 (0) 89 95006-503
or
Email: kontakt@zooplus.de

Countermotions or nominations sent otherwise will not be considered.

Countermotions and nominations received at one of the contact options above within the deadline of up to 14 days before the date of the Annual General Meeting, i.e., no later than the end of May 29, 2018 (24:00 CEST), will be published immediately on the Internet at http://investors.zooplus.com/en/general-assembly.html, if they are to be disclosed to the other shareholders, citing the name of the shareholder and the reasons given. Any statements from the management will also be publicized at this address.

The company can refrain from publishing a countermotion and its justification under the conditions provided in Section 126 (2) AktG.

Even when countermotions and nominations have been received by the company on time, they will be considered at the Annual General Meeting only if they are presented or distributed during the meeting. The right of each shareholder to put forward countermotions to the various agenda items or nominations during the Annual General Meeting, even when they were not forwarded to the company in advance, remains unaffected.

3. Right to information

Pursuant to Section 131 (1) AktG, each shareholder is entitled to receive information upon request from the Management Board about the company's affairs, legal and business relations with affiliated companies, and the position of the Group and companies included in the consolidated financial statements, if this information is necessary for a proper assessment of an item on the agenda. The Management Board may refrain from answering individual questions for the reasons stated in Section 131 (3) AktG.

VII.
Total number of shares and voting rights on the notification date of the Annual General Meeting

On the notification date of this Annual General Meeting, the company's share capital amounted to EUR 7,137,578.00 divided into 7,137,578 shares (no-par-value shares), each granting one vote. Thus, the total number of voting rights is 7,137,578.

VIII.
Publications on the company's website

The notification of this Annual General Meeting, any documents to be made available for the Annual General Meeting, the total number of shares and voting rights at the time of the meeting's notification, the forms for granting a power of attorney for the Annual General Meeting, any countermotions, nominations and supplementary requests of shareholders that are to be disclosed, detailed explanations of rights of the shareholders described above pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) AktG, as well as any further information is available on the company's website at http://investors.zooplus.com/en/general-assembly.html. The voting results recorded will also be published at this address after the Annual General Meeting.

Munich, April 2018

zooplus AG

The Management Board