

Composition of the Supervisory Board and Overall Competence Profile

The Supervisory Board of SLEEPZ AG set targets for its composition and its overall competence profile for the first time at the end of 2016, thereby orientating itself towards the requirements of a listed company, whose Supervisory Board is staffed with the legally smallest number of members and which is confronted with a wide range of challenges resulting from growth. The Supervisory Board has made it a target to fill its positions with members who, in particular, have special knowledge of the retail sector and/or e-commerce, business, operational and management experience, knowledge in the areas of accounting or audits as described in section 100 (5) AktG as well as corporate governance and risk management. The Supervisory Board considers it essential to retain the criteria of 'qualification' and 'ability' as *the* essential criteria. In this respect, it has decided not to set a ratio of women as a criteria for its composition. Furthermore, it has granted the possibility to deviate from the existing, basic retirement age of 70 years in exceptional circumstances.

At least two independent members should be on the Supervisory Board of SLEEPZ AG. As at the reporting date, the acting members of the Supervisory Board Sven Rittau, Michael Stammler and Dott. Michele Puller fulfil the criteria of 'independence' in line with Annex II of the European Commission recommendations dated 15 February 2005 (2005/162/EG).

In addition, the members of the Supervisory Board in their entirety are familiar with the sector in which SLEEPZ operates. With Michael Stammler, the Supervisory Board body continues to have the requisite member with expertise in the areas of accounting or auditing. The requirements of the composition of the Supervisory Board, as stipulated in section 100 (5) AktG, are thus fulfilled.

The complete targets of the Supervisory Board on its composition and overall competence profile can be found on the website at **www.sleepz.com > Company > Supervisory Board**

The Supervisory Board will review the criteria for its composition and overall competence profile once a year, taking into account the structural development of the SLEEPZ Group and any changes in the requirements of law, corporate governance or jurisdiction, and reserves the right to adjust these in the required manner.