

# Corporate Governance Report 2022

Excerpt from the Annual Report 2022

Making a

**difference** 

**Scout24**



## Corporate governance

### Corporate governance declaration

The actions taken by Scout24 SE's Management Board and Supervisory Board are determined by the principles of responsible and good corporate governance. The corporate governance declaration comprises the declaration of conformity, relevant information on corporate governance practice, a description of the Management Board's and the Supervisory Board's operating procedures as well as the composition of their committees.

#### Declaration of conformity with the German Corporate Governance Code issued by the Management Board and the Supervisory Board of Scout24 SE

The following **declaration of conformity** was issued in December 2022:

Pursuant to Article 161 (1) Sentence 1 of the German Stock Corporation Act ('Aktiengesetz', AktG, ), the Management Board and the Supervisory Board of Scout24 SE shall annually declare that the recommendations of the German Government Commission for the German Corporate Governance Code ('Regierungskommission Deutscher Corporate Governance Kodex', GCGC), published by the Federal Ministry of Justice in the official section of the German Federal Gazette ('Bundesanzeiger'), have been and are being complied with or which recommendations are not being applied and why.

That last annual declaration was issued in December 2021.

Pursuant to Article 161 AktG, the Management Board and the Supervisory Board of Scout24 SE hereby declare as follows:

1. Since the last declaration of conformity from December 2021 and until the publication of the declaration of conformity in December 2022, Scout24 SE has complied with all recommendations of the GCGC as amended on 16 December 2019 (GCGC 2019), with the following exception:

C.4: Maximum number of supervisory board mandates

In accordance with C.4, a supervisory board member who is not a member of the management board of a listed company shall not accept more than a total of five supervisory board mandates at non-group listed companies or comparable functions, whereby an appointment as chair of a supervisory board is counted twice.

The Chair of the Supervisory Board, Dr Hans-Holger Albrecht, holds a total of four such non-group positions at listed companies for a transitional period following the IPO of Deezer S.A. In his capacity as Chair, two of these positions count twice, such that his total arithmetic count of mandates is deemed to be six. The mandate at Deezer S.A. is expected to end in the course of 2023, which means that the period concerned is merely of a transitional nature. Also for this transitional period, the Supervisory Board is convinced that Dr Hans-Holger Albrecht's additional mandate will not affect the proper performance of his duties as Chair of the Supervisory Board. In particular, the Supervisory Board has satisfied itself that Dr Hans-Holger Albrecht has sufficient time to perform his duties.

2. In future, Scout24 SE will fully comply with all recommendations of the GCGC as amended on 28 April 2022 (GCGC 2022), with the following exception:

C.4: Maximum number of supervisory board mandates

In accordance with C.4, a supervisory board member who is not a member of the management board of a listed company shall not accept more than a total of five supervisory board mandates at non-



group listed companies or comparable functions, whereby an appointment as chair of a supervisory board is counted twice.

The Chair of the Supervisory Board, Dr Hans-Holger Albrecht, holds a total of four such non-group positions at listed companies for a transitional period following the IPO of Deezer S.A. In his capacity as Chair, two of these positions count twice, such that his total arithmetic count of mandates is deemed to be six. The mandate at Deezer S.A. is expected to end in the course of 2023, which means that the period concerned is merely of a transitional nature. Also for this transitional period, the Supervisory Board is convinced that Dr Hans-Holger Albrecht's additional mandate will not affect the proper performance of his duties as Chair of the Supervisory Board. In particular, the Supervisory Board has satisfied itself that Dr Hans-Holger Albrecht has sufficient time to perform his duties.

Munich, December 2022

Scout24 SE

The Management Board

The Supervisory Board



## **Relevant information on corporate governance practice**

The purpose of the Company is to acquire, hold, manage and sell interests in entities – in Germany and other countries – of any legal form which are active in the area of online and internet services and/or render services online and/or offline in the real estate sector, in particular for the brokerage or management of real estate or connected or related business purposes as well as all measures which relate to the activities of a holding company with Group-management functions, especially rendering management and other advisory services for a consideration for affiliated companies, and to operate activities for the aforementioned purposes in Germany and other countries.

The Company complies with all legal corporate governance requirements as well as with the recommendations of the German Corporate Governance Code, with the exception indicated and explained in the declaration. A special Code of Conduct provides employees with a reliable framework for acting responsibly that satisfies legal requirements and reflects the Company's own ethical and social values. The goal is to avoid any damage as a result of misconduct on the part of Scout24 or individual employees. The Code of Conduct can be downloaded at any time from the Company's website at [▶www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/code-of-conduct](https://www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/code-of-conduct).

The protection of privacy and the security of data processing and, consequently, the trust of users, customers and employees are issues that are important to the Scout24 Group. A Data Protection Code of Conduct sets out the guiding principles of entrepreneurial action in terms of data protection, transparency, necessity of the processed data and data minimisation.

## **Description of operating procedures of the Management Board and the Supervisory Board as well as composition and operating procedures of Supervisory Board committees**

Scout24 SE is a European Company (Societas Europaea, SE), a legal form for stock corporations in the European Union and in the European Economic Area, and is therefore subject, among other things, to the provisions on the Statute for a European Company (SE) of 8 October 2001 (SE Regulation), the Act on the Implementation of the EC Regulation on the Statute for a European Company ('Gesetz zur Ausführung der EG Verordnung über das Statut der Europäischen Gesellschaft', SEAG) and the Act on the Involvement of Employees in a European Company ('SE-Beteiligungsgesetz', SEBG) as well as the provisions of the German Stock Corporation Act. The Company has a dual management and control structure consisting of a separate Management Board and the Supervisory Board. The Management Board and the Supervisory Board work closely together for the benefit of the Company. The Articles of Association of Scout24 SE are available on the website at [▶www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/articles-of-association](https://www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/articles-of-association).

The Supervisory Board regularly advises the Management Board regarding the management of Scout24 SE and accompanies and monitors its activities. The Management Board involves the Supervisory Board in good time in all decisions of fundamental importance for the Company. In particular, the Management Board liaises with the Supervisory Board on corporate strategy and discusses the current state of strategy implementation with it at regular intervals. The common goal of the Management Board and the Supervisory Board is to ensure the Company's continued successful and sustainable growth.

### **Management Board operating procedures**

The Management Board conducts the Company's business affairs in accordance with the law, the Articles of Association and the rules of procedure for the Management Board and the Supervisory Board. It must observe in particular the restrictions of management authority imposed by the Articles of Association or the rules of procedure for the Management Board and the Supervisory Board. It provides regular, timely and comprehensive information in detailed oral and written reports to the Supervisory Board on all issues of relevance to the Company regarding strategy, planning, profitability and liquidity, business development, risk position, risk management, sustainability and



compliance. The Management Board prepares the separate financial statements and the consolidated financial statements. In the 2022 financial year, the Company focused more intensely on environmental and social sustainability. The Management Board has established an internal control system and risk management system that is appropriate and effective in view of the scope of the Company’s business activities and its risk situation, and that additionally covers sustainability-related aspects. The Management Board also ensures the systematic identification and assessment of the Company’s risks and opportunities associated with social and environmental factors as well as the environmental and social impacts of the Company’s activities. Environmental and social objectives are given appropriate consideration in the corporate strategy. Aside from the financial objectives, corporate planning also includes sustainability-related goals.

Pursuant to Article 6 (1) of the Articles of Association, the Management Board has at least two members. In all other respects, the number of members of the Management Board is determined by the Supervisory Board. Members of the Management Board are appointed for a period not exceeding five years. Reappointments are permitted. The Supervisory Board appoints and dismisses members of the Management Board and determines the allocation of their responsibilities. It can also appoint a Chair (CEO) and a Deputy Chair of the Management Board as well as deputy members of the Management Board.

**COMPOSITION OF THE MANAGEMENT BOARD**

Name	Function	Member of the Management Board of the SE after change of legal form since	End of term of office
Tobias Hartmann	Chief Executive Officer	15 October 2021, last appointed on 8 July 2021 (member of AG’s Management Board since 19 November 2018)	31 December 2025
Dr Dirk Schmelzer	Chief Financial Officer	15 October 2021, last appointed on 1 October 2021 (member of AG’s Management Board since 18 June 2019)	30 June 2026
Dr Thomas Schroeter	Chief Product Officer	15 October 2021, last appointed on 28 July 2021 (member of AG’s Management Board since 6 December 2018)	27 January 2023 after consensual resignation (original appointment until 31 December 2025)
Ralf Weitz	Chief Commercial Officer	15 October 2021, last appointed on 20 July 2021 (member of AG’s Management Board since 6 December 2018)	31 December 2025

Members of the Management Board are each responsible for managing the portfolio allocated to them, always considering the Company’s overall benefit and interests. The allocation of responsibilities to individual members of the Management Board is based on the table of duties prepared with the approval of the Supervisory Board and that may be amended at any time with its approval.

Dr Thomas Schroeter resigned from his position as member of the Management Board of Scout2 4 SE as of the end of 27 January 2023 by mutual agreement. In his new role as Chief Product & Technology Officer, Ralf Weitz took over Dr Thomas Schroeter’s remit on the Management Board of Scout24 SE upon the latter’s departure.

The table of duties currently provides for the following allocation of responsibilities:

**Tobias Hartmann – Chief Executive Officer (CEO):**

- Strategy and business development
- Mergers and acquisitions
- Pricing strategy and sales
- Corporate communications
- Human resources, culture and sustainability
- Legal and compliance; internal audit

**Dr Dirk Schmelzer – Chief Financial Officer (CFO):**

- Finance and accounting
- Controlling
- Risk management
- Investor relations; treasury
- Tax
- Procurement

**Ralf Weitz – Chief Product & Technology Officer (CPTO):**

- Product strategy
- Data, technology, security
- Brand management, performance marketing
- Consumer research, customer satisfaction (CSAT)
- Transaction strategy
- Business development transaction business

The Articles of Association contain provisions on the power of representation of the Management Board, the management team and the passing of resolutions. The Management Board has rules of procedure. These rules of procedure were adopted by the Supervisory Board in the context of the change of legal form to an SE at the constituent meeting on 8 July 2021 and were amended in the 2022 financial year. Specifically, they govern the operating procedures of the Management Board and the allocation of responsibilities between members of the Management Board as well as their cooperation with the Supervisory Board. They also include a catalogue of those measures and transactions that require approval by the Supervisory Board.

**Disclosures on Management Board meetings**

Management Board meetings are held when required and, as a general rule, at least once every two weeks. Meetings must be held when so required by the interests of the Company. Unless a different majority is required by law, Management Board resolutions are adopted with a simple majority of the votes cast. If the Management Board comprises more than two members, the vote cast by the Chair of the Management Board counts twice in the event of a tied vote.

The Management Board of Scout24 SE has not formed any committees.

**Supervisory Board operating procedures**

The Supervisory Board has all duties and rights assigned or allocated to it by law, the Articles of Association or otherwise. In particular, these include monitoring the management, appointing and dismissing members of the Management Board and amending, rescinding and terminating employment contracts with members of the Management Board. The Supervisory Board regularly advises the Management Board on the management of the Company. The Supervisory Board is involved in good time in all decisions of fundamental importance for the Company. The Supervisory Board has issued its own rules of procedure. They govern, among other things, the operating procedures and the way resolutions are adopted by the Supervisory Board and also lay down the duties of the committees established by the Supervisory Board: the Audit Committee, the Executive Committee and the Remuneration Committee. The Supervisory Board has made provisions for the committees' rules of procedure in accordance with Article 8 of the new rules of procedure for the Supervisory Board adopted by resolution of the Supervisory Board on 8 July 2021 and last amended in November 2022. Also by resolution of 8 July 2021, the Audit Committee was prescribed by the Supervisory Board new rules of procedure, which were last amended in March 2022. The rules of procedure of the Supervisory Board are publicly available on the Company's website at [www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance](https://www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance).

The Executive Committee also performs the tasks of a Nomination Committee and, in this capacity, nominates suitable candidates for the Supervisory Board for its proposals to the Annual General



Meeting when electing members of the Supervisory Board. In doing so, it must consider statutory requirements, the Articles of Association, the German Corporate Governance Code, the profile of skills and expertise of the Supervisory Board and said rules of procedure.

The Supervisory Board convened for five meetings in the 2022 financial year and passed further written resolutions by circularisation. The Executive Committee met four times in the 2022 financial year. The Audit Committee held four meetings. The Remuneration Committee met three times in 2022. The Supervisory Board must hold two ordinary meetings in each half of a calendar year. The rules of procedure for the Audit Committee that came into force in July 2021 provide for the Audit Committee to regularly hold one meeting each quarter of a calendar year.

At the request of the Chair of the Supervisory Board, the Management Board attends all scheduled meetings of the Supervisory Board with respect to specific agenda items, submits written and oral reports on individual agenda items and draft resolutions, and answers questions raised by individual members of the Supervisory Board. Unless the Supervisory Board or a committee requests its attendance, the Management Board does not attend meetings of the Supervisory Board, particularly if the auditor is summoned as an expert. Between such meetings, the Management Board provides all members of the Supervisory Board in particular with detailed quarterly reports on the Company's situation. Furthermore, the Chair of the Supervisory Board and the Chairs of the various committees are also kept informed by the Management Board in telephone calls and meetings about key developments and forthcoming major decisions.

As a general rule, Supervisory Board resolutions are adopted at meetings attended by its members in person. Members of the Supervisory Board attending by video or telephone link are deemed present and may also cast their votes this way. In addition to face-to-face meetings, resolutions may be adopted in text form, by telephone or in comparable ways of adopting resolutions, provided that the Chair of the Supervisory Board or – in their absence – the Deputy Chair stipulates this procedure for the individual case in question. In particular, resolutions may also be adopted by way of video or telephone conference or by way of a combination of the aforementioned possibilities (combined resolutions). The Supervisory Board has a quorum when all of its members have been invited at the addresses most recently known for them and at least half of its total number of members, but no fewer than three members, participate in the adoption of any resolution. In this respect, a member of the Supervisory Board is also deemed to have attended the Supervisory Board meeting when they abstain from voting. Unless a different majority is required by law, Supervisory Board resolutions are adopted with a simple majority of the votes cast. This also applies to elections. Abstentions are not counted when determining the results of voting. Each member of the Supervisory Board must disclose to the Supervisory Board any conflicts of interest, in particular those that may arise as a result of a consultancy or directorship function with customers, suppliers, lenders or other third parties. In the event of conflicts of interest that are material and not merely temporary, the respective member of the Supervisory Board must resign from their position. In its report to the Annual General Meeting, the Supervisory Board provides information about any conflicts of interest and the way they were dealt with. No such conflicts of interest arose in the reporting period.

The Supervisory Board together with its committees regularly review how effectively the Supervisory Board as a whole and its committees perform their duties. This review is conducted internally and also, in individual cases, with the involvement of external advisors. The Supervisory Board last conducted a comprehensive efficiency review in the 2022 financial year. The findings of the review confirm that cooperation within the Supervisory Board and with the Management Board is professional, constructive and trust-based, and that meetings are efficiently organised and conducted based on an appropriate level of information. No fundamental need for change was identified other than increasing diversity in the medium term. Individual suggestions will be taken up and implemented during the year.



## Composition of the Supervisory Board

According to Article 9 (1) of the Articles of Association, the Supervisory Board of Scout24 SE has six members, all of whom are to be elected exclusively by the Annual General Meeting. Where the Annual General Meeting does not stipulate shorter terms in office upon the election of individual members or of the Supervisory Board as a whole, members of the Supervisory Board are appointed for a term lasting until the end of the Annual General Meeting that decides on their exoneration for the fourth financial year after the beginning of the term of office but for no longer than six years. The year in which the term of office begins is not counted. Reappointments are permitted.

As regards the composition of the Supervisory Board in the 2022 financial year and the composition of its committees, we refer to the disclosures in the [report of the Supervisory Board](#).

Scout24 SE pursues a Group-wide strategy of promoting diversity. One woman is currently appointed to the Supervisory Board. In addition, the experience, background and profiles of the Supervisory Board members are characterised by a diversity that brings different perspectives to the Supervisory Board.

Pursuant to Recommendation C.6 Subsection 1.1 Half-sentence 1 of the German Corporate Governance Code, the Supervisory Board of Scout24 SE should include what it considers to be an appropriate number of independent members. In the opinion of the Supervisory Board, all members of the Supervisory Board are independent within the meaning of the German Corporate Governance Code.

## Supervisory Board committees

To perform its tasks efficiently, the Supervisory Board currently has a total of three committees: an Executive Committee, an Audit Committee and a Remuneration Committee.

These committees prepare the resolutions for the Supervisory Board as well as agenda items that are to be dealt with in the full meeting of the Supervisory Board. Furthermore, the Supervisory Board has delegated to its committees certain defined decision-making powers, where legally permissible. The Chairs of the various committees report to the Supervisory Board on the respective committee's work at the subsequent Supervisory Board meeting.

Details of the working methods and composition of the Supervisory Board and its committees can also be found in the [report of the Supervisory Board](#).

## Executive Committee

The Executive Committee prepares the meetings of the Supervisory Board and the strategic M&A activities of the Scout24 Group. The Executive Committee is responsible in particular for preparing the decisions of the Supervisory Board with respect to corporate governance and advising the Management Board on strategy and M&A issues. This also includes advice on the sustainability strategy and on key sustainability issues. The Executive Committee also performs the tasks of the Nomination Committee and nominates suitable candidates for the Supervisory Board for its proposals to the Annual General Meeting when electing members of the Supervisory Board.

The Executive Committee is chaired by Dr Hans-Holger Albrecht. Aside from the Chair, the other members of the Committee in the 2022 financial year were the Supervisory Board members Peter Schwarzenbauer and Frank H. Lutz.

## Audit Committee

The Audit Committee addresses in particular the monitoring of financial reporting and the financial reporting process, the audit of the financial statements, sustainability reporting and its audit and assurance, the appropriateness and effectiveness of the internal control system (including sustainability-related aspects), the risk management system, the internal audit system and compliance.



The Audit Committee submits to the Supervisory Board a reasoned recommendation for the appointment of the independent auditor. It monitors the auditor's independence and concerns itself with the additional services rendered by the auditor, the issuance of the audit engagement, the determination of the key audit areas and the agreement of fees.

Under the German Stock Corporation Act (Articles 107 (4) and 100 (5) 'Aktengesetz', AktG), the Audit Committee for new appointments from 1 July 2021 must comprise at least two financial experts. At least one member must have expertise in the field of accounting, and at least one other member must have expertise in the field of auditing.

The Chair of the Audit Committee, Frank H. Lutz, meets these legal requirements and has additional expertise in the fields of financial planning and controlling. Frank H. Lutz also meets the further criteria of Recommendation D.3 of the German Corporate Governance Code as amended on 28 April 2022 (GCGC 2022) with regard to knowledge and experience in the application of accounting principles and internal control and risk management systems and expertise in the field of auditing of financial statements, in particular special knowledge and experience in the auditing of financial statements. This also includes sustainability reporting and its audit and assurance. In addition to the Chair of the Audit Committee, the Audit Committee consisted of the other Supervisory Board members: Dr Hans-Holger Albrecht and André Schwämmlein. Dr Hans-Holger Albrecht also has the necessary expertise in the field of auditing through his many years of service on the Supervisory Board and the Audit Committee of various companies.

#### **Remuneration Committee**

The Remuneration Committee deals, among other things, with the compensation of members of the Management Board, the appointment and termination of members of the Management Board as well as with the intended appointment and revocation of the appointment of a Chair of the Management Board. It also handles the preparation of proposals on the conclusion, amendment and termination of employment, pension and termination agreements with members of the Management Boards.

The committee consists of its Chair Dr Elke Frank and the additional members Christoph Brand and Peter Schwarzenbauer. Operating procedures of the Management Board and the Supervisory Board and its committees in the financial year can also be found in the [report of the Supervisory Board](#), which is included in the annual report of Scout24 SE.

#### **Information about fostering participation by women in management positions pursuant to Article 76 (4) and Article 111 (5) AktG; diversity concept and succession planning**

In compliance with the age limit set by the Supervisory Board in its rules of procedure, only persons who are not older than 65 years of age should as a rule be proposed for election as members of the Supervisory Board.

#### **Diversity concept of the Supervisory Board (Article 289 et seq. HGB)**

Sufficient diversity is to be ensured in the Supervisory Board's composition. The diversity concept is implemented in the election of members of the Supervisory Board and in the reappointment of candidates to the Supervisory Board.

In addition to an appropriate consideration of women, the concept entails diversity with regard to cultural backgrounds as well as differences in educational and professional backgrounds, experience and ways of thinking. Furthermore, the composition of the Supervisory Board takes into account the particular international experience of members. When considering potential candidates for re-election or for a new appointment to Supervisory Board positions that become vacant, the aspect of diversity should be given appropriate consideration at an early stage in the selection process.

The Supervisory Board has set itself the target of including an appropriate number of women among its members. On 19 March 2019, it confirmed its goal of having at least one woman as a member, with a deadline for implementation by the end of 1 March 2024. This target has already been implemented.



On 19 March 2019, the Supervisory Board also set a target of 0% for the percentage of women on the Management Board of Scout24 SE, which is to be implemented by 1 March 2024. This value was achieved in the reporting year. The Supervisory Board supports the objectives pursued with the introduction of a quota for women and attaches importance to equal treatment and equal opportunities for men and women as well as wider diversity. Appointments to the Management Board and the Supervisory Board should be based on the best interests of the Company. The successful work and well-functioning composition of the recently downsized Management Board, which has been in place since the summer of 2019, should not be affected by exclusively diversity-driven changes. That is why the given target value was chosen. In good time before the deadline, the Supervisory Board will again critically review the target figure and decide on a possible adjustment in the interests of the Company.

For the first management level below the Management Board, the Management Board of Scout24 SE has set a target of 30% for the percentage of women, with an implementation deadline of 30 June 2025. The evaluation of the proportion of women is based on the Company's actual hierarchy and the reporting lines of Scout24 SE's Management Board. As of 31 December 2022, the percentage of women at the first management level below the Management Board stood at 20%, thus falling short of the target value. For the second management level below the Management Board, the Management Board of Scout24 SE has set a target of 30% for the percentage of women, with an implementation deadline of 30 June 2025. As of 31 December 2022, the percentage of women stood at 47%, thus very comfortably reaching the target.

#### **Diversity concept for the Management Board (Recommendation B.1 GCGC) and long-term succession planning**

When selecting members of the Management Board, the Supervisory Board considers their personal suitability, integrity, persuasive leadership qualities, international experience, professional qualifications for the position, track record, knowledge of the Company and ability to adapt to changing processes. Diversity is an important selection criterion when filling Management Board positions, also with regard to aspects such as age, gender as well as educational and professional background. Diversity criteria are weighted depending on the Management Board remit in question as well as the corresponding tasks.

In the composition of the Management Board, attention should be paid to internationality in the sense of international experience as well as at least to experience in other European countries/the DACH (Germany, Austria and Switzerland) region, such as prolonged professional experience abroad of relevance for Scout24 or supervision of business activities abroad.

The Management Board as a whole should have experience in the business areas of relevance for Scout24 SE.

The diversity concept for the Management Board is implemented in connection with the procedure for appointing members to the Management Board and is also reflected in succession planning.

The members of the Management Board encompass a broad spectrum of knowledge and experience as well as education and professional backgrounds and have international experience. As a whole, the Management Board possesses all the knowledge and experience deemed material in view of the Company's activities.

When filling management positions in the Company, the Management Board pays attention to diversity and strives in particular for an appropriate consideration of women and internationality. To this end, the Management Board is supported by the People, Organisation & Culture department. Measures are being taken to support women more systematically. Managers bear a special responsibility for the topic of diversity and inclusion in the Company. The aim is to train managers so that they can contribute to this aspect.



### **Long-term succession planning for the Management Board**

Together with the Management Board, the Supervisory Board is responsible for long-term succession planning for the Management Board. Long-term succession planning takes into account the requirements of the German Stock Corporation Act and the GCGC, the competence required for the board remit in question as well as diversity criteria.

### **Age limit for members of the Management Board**

In general, the standard age limit for members of the Management Board is 67.

## **Corporate governance at Scout24 SE**

The Management Board and the Supervisory Board of Scout24 SE see good corporate governance as involving responsible corporate management aimed at ensuring sustainable value creation. In particular, the trust placed in the Company by its investors, business partners and employees as well as by the general public should be maintained. Furthermore, Scout24 attaches great importance to the Management Board and the Supervisory Board working efficiently, as well as to good cooperation both between these two boards and also with the Company's employees. In this respect, open and transparent corporate communication also plays an important role.

The corporate structure is designed to promote responsible, transparent and efficient management and oversight of the Company. The Company therefore also identifies with the principles set out in the German Corporate Governance Code. The Management Board and the Supervisory Board as well as the other management levels and employees have an obligation to comply with these principles of responsible corporate governance. The Management Board is responsible for ensuring compliance with corporate governance principles at the Company.

The Company has central risk management and compliance functions that are responsible for ensuring and continuously refining the Group-wide compliance management system (CMS) as well as the risk management system (RMS), among other matters.



## **Risk and opportunities management**

Dealing responsibly with risks and opportunities is a central task of the Management Board, executives and all employees, and it is also an expression of good corporate governance. The aim is to identify risks at an early stage, limit them and take advantage of any opportunities that may arise. The internal control system includes processes and systems for processing sustainability-related data.

## **Compliance**

To implement the values, principles and rules of responsible corporate governance in its daily activities, Scout24 SE has established conduct rules that specify and supplement the legal provisions and apply to all employees of the Scout24 Group. The relevant regulations include the Code of Conduct, the Data Protection Code of Conduct and other processes relevant for compliance purposes (e.g. e-learning, training, assessment of compliance risk, compliance talks, a whistle-blower hotline and compliance reports). In addition, there are Group-wide employee guidelines that explain in detail how employees can be sure that they are conducting themselves in an appropriate manner. The CMS mainly comprises the following areas: compliance culture, compliance objectives and tasks, compliance organisation, compliance risks, compliance programmes, monitoring and refinement of compliance. All employees of the Scout24 Group are regularly trained on and informed about individual topics, both centrally and as needed. Their respective participation is monitored centrally.

The risk management and compliance functions serve as the central point of contact for all stakeholders, especially for employees and members of corporate bodies as well as customers and third parties.

The compliance function offers support and advice in all compliance-related matters, including any form of harassment or discrimination (in cooperation with the HR department) and anti-fraud and anti-corruption measures, and it also acts as an unbiased point of contact for complaints and recommendations as well as for any reports of infringements of laws or internal company policies. In addition, the Group's Legal department addresses compliance-related topics and issues and can offer assistance with compliance-related matters where necessary.

Executives at Group entities are additionally required to forward compliance-related information to all employees within their areas of responsibility and to ensure that compliance rules are observed. In addition to regular training sessions, this process is supported by information material and ad hoc training sessions in response to current topics and requirements.

A whole series of measures intended to ensure employee conduct in compliance with the law at all times has been implemented in CMS. These include the establishment of a whistle-blower system (hotline), also accessible to third parties, which also offers the possibility of providing anonymous tip-offs concerning potential compliance-related infringements. With regard to employees using the whistle-blower system, the Company has adopted a clear non-retaliation policy for those who come forward as whistle-blowers. This means that employees who report information need not fear any negative consequences, including in cases in which it is not possible to find sufficient evidence to support the concerns voiced. This applies to all reports concerning potential infringements of laws and/or rules, and not only for those received via the hotline. However, the compliance hotline may also be used for questions and comments concerning compliance topics, and especially for those relating to the Code of Conduct.

The Group-wide CMS is subject to a continuous improvement process involving regular reviews of the compliance system (including established processes, procedures and documentation) and the Group's business practices. Where necessary, corresponding improvements are adopted following a review.



### **Declaration of conformity**

The most recent **declaration of conformity** with the German Corporate Governance Code pursuant to Article 161 AktG was issued by the Management Board and the Supervisory Board in December 2022.

### **Objectives for the Supervisory Board's composition**

The Supervisory Board of Scout24 SE should be composed in such a way that, overall, its members possess the knowledge, skills and specialist experience necessary for the due performance of its duties. Taking into account the Company's specific situation, the Supervisory Board should state specific targets that consider the Company's international activities, potential conflicts of interest, the number of independent members of the Supervisory Board within the meaning of Recommendation C.6 Subsection 1 Half-sentence 1 of the German Corporate Governance Code and diversity. An age limit for members of the Supervisory Board is specified in Article 2 of the rules of procedure for the Supervisory Board. As a general rule, only persons who have not yet reached the age of 65 at the time of their appointment may become members of the Supervisory Board.

Furthermore, Article 2 of the rules of procedure stipulates that a member should not, as a general rule, be a member of the Supervisory Board of Scout24 SE for longer than twelve years in total. The Supervisory Board sets a target for the percentage of women on the Supervisory Board. At its meeting on 19 March 2019, the Supervisory Board decided that the board should include at least one female member.

### **Profile of skills and expertise and qualification matrix**

In addition to the personal suitability of each individual member of the Supervisory Board through reliability, availability and appropriate independence, the Supervisory Board has formulated the following profile of skills and expertise for the entire board, which is reviewed and adjusted from time to time.

The Supervisory Board has decided that the board as a whole should have the following skills and expertise:

- Expertise in the digital economy, digitalisation and technology; expertise in the real estate industry and/or marketplaces/classifieds
- Experience in leading a company as a board member or managing director or in other senior management roles and in building businesses, developing new business and markets, and growth and performance marketing
- Expertise in the field of mergers and acquisitions
- International experience/expertise
- Expertise in the field of human resources
- Expertise in the field of sustainability, especially in the areas of social responsibility, good corporate governance and data security
- Expertise/experience in the areas of accounting, auditing and internal control procedures
- Knowledge in the field of compliance, law and regulation

The Supervisory Board in its present composition fulfils this profile of skills and expertise.



Skills and expertise/member	Dr Hans-Holger Albrecht	Frank H. Lutz	Dr Elke Frank	Christoph Brand	Peter Schwarzenbauer	André Schwämmlein
Digital/tech/real	✓	✓	✓	✓	-	✓
Leadership/business	✓	✓	✓	✓	✓	✓
M&A	✓	✓	✓	✓	✓	✓
International	✓	✓	✓	✓	✓	✓
HR	✓	✓	✓	-	-	-
Sustainability	✓	✓	✓	-	✓	✓
Billing/contracting	✓	✓	-	-	-	✓
Compliance	✓	✓	✓	-	✓	✓
Diversity: gender	m	m	f	m	m	m
Diversity: nationality	D	D	D	CH	D	D
Diversity: age	*1963	*1968	*1971	*1969	*1959	*1981
Member since - term of office	2018	2019	2020	2019	2018	2019
Independence	✓	✓	✓	✓	✓	✓

Legend ✓ applicable - not applicable m male w female D German CH Swiss

## Basic features of the compensation system

### Compensation of the Management Board

The compensation of the Management Board is determined by the Supervisory Board at an appropriate amount based on a performance assessment taking any Group emoluments into account and is reviewed regularly. In the determination and review of the Management Board's compensation, the Supervisory Board takes account of the fact that, pursuant to the standardised requirements set forth in Article 87 (1) AktG, the total compensation of each individual member of the Management Board must be appropriate in relation to the tasks and performance of the member of the Management Board and to the Company's situation and may not exceed the customary level of compensation unless particular reasons so require. As a listed company, the Company must gear its compensation structure towards its sustainable and long-term development. Variable compensation components should have a multi-year assessment basis; the Supervisory Board is to agree on options for limits in response to extraordinary developments.

The Annual General Meeting approved the Management Board's compensation system on 8 July 2021.

The principal criteria for determining appropriate compensation of the Management Board are the tasks of the members of the Management Board, individual performance, the performance of the Management Board as a whole, the Company's economic and financial situation, profits and the Company's prospects as well as the amount and structure of Management Board compensation at comparable companies. The aim of the compensation system is to make a significant contribution to the sustainable and long-term continued development of Scout24's success story. This is mainly premised on an appropriate performance-based and success-based compensation structure. Compensation is calculated in such a way as to ensure that it is competitive on a national and international scale, thus offering an incentive for dedicated and successful work.

Scout24 SE's Supervisory Board has established the following principles for the compensation system of the members of the Management Board:

#### Strategy orientation

In its entirety, the compensation system for the members of the Management Board makes a significant contribution to promoting and implementing the corporate strategy by setting ambitious growth targets for Scout24's revenue and earnings from operating activities. In addition to growth



targets, targets explicitly related to the implementation of the corporate strategy are taken into account.

### **Long-term view and sustainability**

The compensation system is designed to foster the Company's sustainable and long-term development. To link compensation to the Company's long-term development, long-term variable compensation makes up a significant proportion of total compensation, exceeding short-term variable compensation. Furthermore, the compensation system includes a sustainability component that takes into account social and ecological aspects and promotes sustainable action by the Company.

### **Capital market orientation**

To align the actions of the members of the Management Board with the Company's long-term development and the interests of the shareholders, the variable performance-related compensation components are granted share-based for the most part. This requirement is met by structuring the long-term variable compensation component as performance share units. The share ownership guideline also supports the convergence of interests between shareholders and members of the Management Board.

### **Clarity and comprehensibility**

The compensation system for the members of the Management Board is clear and comprehensible. The compensation system complies with the requirements of the German Stock Corporation Act (AktG) and takes into account the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022.

The compensation of the members of the Management Board of Scout24 SE consists of fixed and variable components. The fixed components are independent of the performance of the members of the Management Board and consist of fixed compensation, ancillary benefits and retirement benefits. The variable components are performance-related and consist of the one-year variable compensation (short-term incentive, STI) and the multi-year, share-based variable compensation (long-term incentive, LTI). The target total compensation comprises the sum of the fixed and variable compensation components. The target compensation is based on the STI and LTI at their target amounts, in other words, assuming 100% target achievement. The variable compensation obtained as a result of reaching long-term targets should exceed the share resulting from reaching short-term targets (consistent with Recommendation G.6 of the GCGC in the version of 28 April 2022).

The fixed components of the compensation of Scout24's Management Board consist of fixed compensation, ancillary benefits and retirement benefits, such as contributions to insurance, retirement benefits and housing and travel expenses. The variable compensation consists of one-year variable compensation and multi-year share-based variable compensation. It sets incentives for the implementation of the Company's strategy and, in turn, for its long-term and sustainable development.

An upper limit is set for variable compensation components. The targets for the one-year variable compensation component are each set by the Supervisory Board before each financial year. The key performance criteria for assessing performance with regard to the one-year variable compensation are Group revenue (35%), ordinary operating Group earnings before interest, taxes, depreciation and amortisation (Group ooEBITDA) (35%), and a non-financial sustainability target (environmental, social and governance target, ESG) that applies to all members of the Management Board (30%).

The share-based LTI in the form of performance share units (PSUs) is granted annually as a tranche. The relevant, equally weighted performance criteria are revenue growth, ooEBITDA growth, and a non-financial strategic target that applies to all members of the Management Board members and is set by the Supervisory Board for each tranche.



## Compensation of the Supervisory Board

The compensation of the members of the Supervisory Board is defined in Article 13 of the Articles of Association as purely fixed compensation depending on the tasks of the respective member on the Supervisory Board or its committees. Purely fixed compensation provides an appropriate counterbalance to the largely variable compensation of the Management Board. Up to 30 June 2022, each member of the Supervisory Board was reimbursed pursuant to Article 13 (1) of the Articles of Association (former version) for their outlays and additionally received fixed annual compensation of EUR 60,000. The Chair of the Supervisory Board and his Deputy received fixed annual compensation of EUR 140,000 and EUR 120,000 respectively. Committee members additionally received fixed annual compensation of EUR 20,000 each, while the Chairs of the various committees received fixed annual compensation of EUR 40,000 each.

Members of the Supervisory Board who were not members during a full financial year receive the aforementioned compensation pro rata temporis in the amount of one-twelfth for each month or part-month of their term of office.

The Supervisory Board reviews its compensation at regular intervals. In this context, the components as well as the amount and structure of the compensation was considered by reference to the compensation at a peer group of other comparable entities in the 2022 financial year. Based on this review, the Supervisory Board decides whether a change in compensation is necessary and appropriate. In such a case, the Management Board and the Supervisory Board submit a proposal to the Annual General Meeting to adjust the compensation. Based on the procedure described above, the proposal to the Annual General Meeting on 30 June 2022 to amend the compensation of the Supervisory Board was made on the initiative of the Supervisory Board and adopted by a majority at the Annual General Meeting under agenda item 8. In this context, the Supervisory Board had the appropriateness and customary nature of its compensation reviewed by an independent external compensation expert. Taking into account the results of this analysis, the fixed compensation of all members, including the fixed compensation of the Chair of the Supervisory Board and his Deputy, and the compensation for membership and chairing of the Audit Committee were increased appropriately. The components and structure of Supervisory Board's compensation otherwise remained unchanged.

## Components, amount and structure of the Supervisory Board's compensation

Under the rules adjusted this year and set out in the Articles of Association, each member of the Supervisory Board receives fixed annual compensation of EUR 70,000. The Chair of the Supervisory Board and his Deputy receive a compensation for the higher organisational and administrative expenses associated with their work and their special responsibility for the successful and efficient cooperation of the entire board. The Chair of the Supervisory Board receives fixed annual compensation of EUR 175,000 and his Deputy of EUR 140,000. Each membership and chairing of Supervisory Board committees is remunerated additionally in view of the importance of the committee work and the increased preparation effort and workload. As a result, Recommendation G.17 of the GCGC is complied with. A distinction is made between the Audit Committee and the other committees with regard to the amount of this additional compensation. Each member of the Audit Committee additionally receives fixed annual compensation of EUR 25,000 and its Chair EUR 50,000. Each member of any other committee additionally receives fixed annual compensation of EUR 20,000, and each Chair of another committee receives EUR 40,000 respectively.

Following the entry of the above amendment to the Articles of Association in the Commercial Register on 18 August 2022 and its corresponding entry into effect, the Supervisory Board's compensation has been determined for the period since 1 July 2022 in accordance with the amended Section 13 of the Articles of Association as described above.

Detailed information regarding the compensation structure and compensation paid to individual members of the Management Board and on the compensation of members of the Supervisory Board pursuant to Article 162 AktG can be found in the [compensation report](#).



## D&O insurance

The Company has concluded an insurance policy covering the members of the Management Board and the Supervisory Board against financial loss ('directors and officers liability insurance') with an appropriate deductible pursuant to Article 93 (2) Sentence 3 AktG for the Management Board that complies with the legal requirements. The insurance premiums are paid by the Company.

## Shareholders and the Annual General Meeting

Shareholders exercise their co-determination and oversight rights at the Annual General Meeting, which according to the Articles of Association is chaired by the Chair of the Supervisory Board. Each share in Scout24 SE entitles the holder to one vote. The shareholders have the opportunity to exercise their voting rights at the Annual General Meeting in person or by a proxy of their choice or by a proxy appointed by the Company. The Management Board is authorised to determine that shareholders may also participate in the Annual General Meeting without being present at the venue where it is held and may exercise their rights in full or in part by means of electronic communication (online attendance) or may cast their votes, without being present at the meeting, in writing or by means of electronic communication (absentee voting). The Management Board is also authorised to determine details regarding the extent and procedure of online attendance or absentee voting. Such details shall be announced in the notice convening the Annual General Meeting. Each shareholder is entitled to attend the Annual General Meeting, to address the Annual General Meeting in respect of the individual agenda items and to request information about the affairs of the Company to the extent necessary to properly assess an item on the agenda.

The Annual General Meeting of Scout24 SE took place in Munich on 30 June 2022. Pursuant to Article 1 (2) Sentence 1, (6) Sentence 1 and (8) Sentence 2 of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic ('Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie', GesRuaCOVBekG) of 27 March 2020 last amended by Article 15 of the Act on the Establishment of a Special Fund 'Reconstruction Assistance 2021' and on the Temporary Suspension of the Obligation to File an Insolvency Petition Due to Heavy Rainfall and Floods in July 2021 and on the Amendment of Other Laws ('Aufbauhilfegesetz 2021', AufbhG 2021) of 10 September 2021 (hereinafter the 'Covid-19 Act'), the Management Board had decided, with the consent of the Supervisory Board, that the Annual General Meeting would be held as a virtual Annual General Meeting without the physical presence of shareholders or their proxies (with the exception of the Company's proxies), and that shareholders would cast their votes at the Annual General Meeting additionally by means of electronic communication in particular. The Annual General Meeting was held at the Haus der Bayerischen Wirtschaft, Conference Center, Max-Joseph-Str. 5, 80333 Munich, Germany, with the physical presence of the chair of the meeting, members of the Management Board, the proxies of the Company and Mr Frank Lutz as well as Dr Elke Frank as further members of the Supervisory Board, and the notary Prof. Dr Hartmut Wicke, Munich, who was engaged to record the minutes of the Annual General Meeting. The other members of the Supervisory Board who were not physically present attended the Annual General Meeting via video and audio link.

Shareholders exercised their voting rights exclusively by absentee vote or by granting power of attorney to the proxy appointed by the Company. The invitation was published in the German Federal Gazette ('Bundesanzeiger') in due time in accordance with legal requirements and set forth, among other things, the agenda and resolutions proposed by the Company as well as the terms and conditions for attending the meeting and exercising voting rights. All documents required by law were available on the website of Scout24 SE from the date when the Annual General Meeting was convened. After the Annual General Meeting, Scout24 SE also published the voting results on its website.

Shareholders representing 69.02% of Scout24 SE's share capital were present at the Annual General Meeting.



### **Notifiable securities transactions (directors' dealings)**

The members of the Management Board and the Supervisory Board, other persons discharging managerial duties who regularly have access to insider information about the Company and who are authorised to make significant business decisions, as well as certain persons who are in a close relationship with the aforementioned, are legally required by Article 19 of the Market Abuse Regulation to disclose to Scout24 SE the purchase and sale of Scout24 shares and related financial instruments, in particular derivatives, if the amount of the transaction exceeds EUR 20,000 in a calendar year. Among other media locations, we have published corresponding transactions on the internet at [www.scout24.com/en/investor-relations/financial-news/directors-dealings](https://www.scout24.com/en/investor-relations/financial-news/directors-dealings).

For the 2022 financial year, the Company (including for the time prior to the change of form from AG to SE) was notified by members of the Supervisory Board, the Management Board and other persons discharging managerial duties of a total of three such directors' dealings.

### **Transparency**

The shares of Scout24 SE are listed in the Prime Standard of the Frankfurt Stock Exchange. The Company is therefore subject to strict transparency requirements under statutory and stock exchange law. In particular, Scout24 SE reports on the situation and development of the Company and the Group in both German and English in the form of annual and interim financial reports, quarterly statements, quarterly conference calls for analysts and the press including webcasts and webcast replays, corporate presentations, ad hoc, corporate and IR releases as well as marketing communications.

### **Financial reporting and annual audit**

The half-year financial report as of 30 June 2022 and the consolidated financial statements as of 31 December 2022 as well as the two quarterly statements as of 31 March 2022 and 30 September 2022 were prepared in accordance with International Financial Reporting Standards (IFRS). The separate financial statements of Scout24 SE for the 2021 financial year were prepared in accordance with the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The consolidated financial statements and the separate financial statements of Scout24 SE were audited by the independent auditor and approved by the Supervisory Board.