

The logo for SCOUT 24, featuring the text "SCOUT 24" in a bold, dark blue, sans-serif font. The text is centered within an orange rectangular background that has rounded corners on the right side.

Scout24 AG

Corporate Governance Report

1. Corporate Governance Declaration

The actions taken by the management and controlling bodies of Scout24 AG are determined by the principles of responsible and proper corporate governance. The corporate governance declaration pursuant to Article 289a HGB is part of the comprises the declaration of Conformity required by § 161 AktG, relevant information about corporate governance and a description of the work and procedures of the Management Board and the Supervisory Board as well as the composition of their committees.

1.1. Declaration of Conformity of the Management Board and the Supervisory Board of Scout24 AG regarding the German Corporate Governance Code

As from 30 September 2015, the date of the first admission of its shares for stock exchange trading, Scout24 AG complies with the recommendations of the German Corporate Governance Code (the "Code") in its currently applicable version announced by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) except for item 4.2.3 para. 2 sentence 6 (cap to remuneration of management board members) and for item 5.4.6 para. 1 sentence 2 (remuneration for special functions in the supervisory board) and will continue to comply with these recommendations except for item 4.2.3 para. 2 sentence 6 and item 5.4.6 para. 1 sentence 2 of the Code.

Pursuant to item 4.2.3 para. 2 sentence 6 of the Code, remuneration of the management board members shall be subject to caps that apply to total remuneration as well as to its variable components. Remuneration of the management board members is subject to a cap regarding overall compensation but not regarding its individual variable remuneration components. This is to ensure that the incentivization effect of variable remuneration is not affected by rigid limits. Adequacy of the overall compensation is still ensured by the overall cap.

Pursuant to item 5.4.6 para. 1 sentence 2 of the Code, the exercising of the Chair and Deputy Chair positions in the Supervisory Board as well as the chair and membership in committees shall be considered when setting the remuneration of the members of the supervisory board. The articles of association of Scout24 AG neither provide for a special remuneration for the Chair or Deputy Chair positions in the Supervisory Board nor the chair or membership in committees. At this time, this provision is deemed adequate with respect to the extra work involved with the respective functions.

Munich, September 2015

Scout24 AG

Management Board

Supervisory Board

1.2. Relevant Information on Corporate Governance

The purpose of Scout24 AG is the acquisition, holding, managing and selling of interests in enterprises - in Germany and abroad - of any legal form which are active in the field of online/internet services, 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 against consideration vis-à-vis affiliated companies in each case its own name and on its own account and not on behalf and/or on the account of third parties.

The Company complies with all legal requirements as well as with the recommendations of the German Corporate Governance Code - except for the deviations stated and

explained in the Declaration of Conformity. A special Code of Conduct provides employees with a reliable framework for acting responsibly, meeting legal requirements and living up to the Company's own ethical and social values. The goal is to protect both Scout24 and individual employees from potential damages resulting from misconduct. The Code of Conduct is permanently available on the Company's corporate website at http://www.scout24.com/en/PortalData/2/Resources/ir/Code_Of_Conduct_%28English%29_Digital_Version.pdf.

1.3. Operating procedures of the Management Board and Supervisory Board and composition and procedures of the Supervisory Board committees

Scout24 AG is a stock corporation incorporated under the laws of Germany and thus is subject to, among others, the rules and regulations of the German Stock Corporation Act ("Aktengesetz"). Accordingly, the Company has also adopted the common dualistic management and control structure consisting of separate Management and Supervisory Boards. The Management Board and the Supervisory Board work closely together for the benefit of the Company.

The Supervisory Board regularly advises the Management Board regarding the management of Scout24 AG and monitors its activities. The Supervisory Board is involved in all decisions of fundamental significance to the Company by the Management Board in due time. In particular, the Management Board liaises with the Supervisory Board on Group strategy, and reports to it regularly on the implementation of the strategy. The common goal is the successful continuation of the Company's growth.

1.3.1. Operating procedures of Management Board

The Management Board shall conduct the Company's business affairs on its own responsibility within the parameters defined by the laws, the Articles of Association and the codes of procedure for the Management Board and the Supervisory Board. It must follow the restrictions of management authority imposed by the Articles of Association or the codes of conduct for the Management Board and the Supervisory Board or stipulated by the Supervisory Board or the General Meeting of Shareholders within the scope of its competences. It provides regular, timely and comprehensive information in detailed oral and written reports to the Supervisory Board on all issues of relevance to the whole Company regarding strategy, planning, business development, risk position, risk management and compliance. The Management Board prepares the annual and consolidated financial statement.

Pursuant to Article 6, section 1 of the Company's Articles of Association, the Management Board consists of at least two members. The actual number is determined by the Supervisory Board. The Supervisory Board appoints and dismisses Management Board members and determines the allocation of their responsibilities. It may also appoint a Chairman and a Deputy Chairman of the Management Board and also appoint deputy Management Board members.

Composition of the Management Board

As of December 31, 2015, the Management Board of Scout24 AG had two members.

Name	Function	Management Board member since	Contract expiry
Greg Ellis	Chief Executive Officer	September 4, 2015	September 30, 2019
Christian Gisy	Chief Financial Officer	September 4, 2015	September 30, 2019

Members of the Management Board each manage the business areas allocated to them under their own responsibility. They must at all times keep track of the Company's

overall wellbeing. The allocation of business areas to individual Management Board members is based on the business allocation plan prepared with the approval of the Supervisory Board and that may be amended at any time with its approval.

The business allocation plan currently provides for the following allocation of responsibilities:

Greg Ellis: Chief Executive Officer - CEO:

- Corporate Communications
 - IS24 and AS24*
 - Strategy and Business Development
 - Mergers & Acquisitions
 - Human Resources
- *operating functions, i.e. Sales, Marketing, and IT

Christian Gisy: Chief Financial Officer - CFO:

- Finance
- Controlling
- Investor Relations
- Treasury
- Legal and Compliance
- Risk management and internal control system
- Procurement

The Management Board has a code of procedure. The code of procedure for the Management Board was adopted by the Supervisory Board on September 4, 2015. Specifically, this governs the operating procedures of the Management Board and the allocation of responsibilities between the Management Board members and their cooperation with the Supervisory Board. It also includes 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. Management Board resolutions are adopted with a simple majority of the votes cast, unless a different majority is mandatory by law. Where the Management Board comprises more than two members, the vote cast by the Chairman shall count twice in the event of a parity of votes.

1.3.2. Operating procedures of Supervisory Board

The Supervisory Board has all duties and rights assigned or allocated to it by law, the Company's 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 Management Board members. The Supervisory Board regularly advises the Management Board on the management of the Company. The Supervisory Board is directly involved in all decisions of fundamental significance to the Company. The Supervisory Board has a self-imposed code of procedure. This governs the operating procedures and the way resolutions are adopted by the Supervisory Board and also lays down the duties of the committees established (Audit Committee and Executive Committee, which also assumes the roles of

a Nomination Committee and a Remuneration Committee, see below). The Supervisory Board has issued codes of procedure for both of these committees that govern their operating procedures. All codes of procedure are regularly adapted in line with developments in the German Corporate Governance Code (DCGK).

Due to the change in the Company's legal form to a stock corporation ("Aktiengesellschaft") and the first-time statutory formation of a Supervisory Board in September 2015, the Supervisory Board held only one scheduled meeting in the 2015 fiscal year. In addition, the Supervisory Board and its committees held four meetings by way of conference call and adopted one resolution in writing. The Executive and Audit Committees did not hold any meetings in the fiscal year 2015. It is planned for the Supervisory Board and the Audit Committee to hold four scheduled meetings each calendar year.

At the request of the Chairman of the Supervisory Board, the Management Board attends all scheduled meetings of the Supervisory Board, submits written and oral reports on individual agenda items and draft resolutions, and answers questions raised by individual Supervisory Board members. Between such meetings, the Management Board provides all Supervisory Board members with detailed quarterly reports on the Company's situation. Furthermore, the Supervisory Board Chairman and Audit Committee Chair are also kept informed by the Management Board in telephone calls and one-to-one meetings about key developments and forthcoming major decisions at the Company.

As a general rule, Supervisory Board resolutions are adopted at face-to-face meetings actually attended by its members in person. Supervisory Board members connected by video or telephone conference count as present and may also submit their votes this way. Apart from such meetings held in person, resolutions may be adopted in writing, by telephone or in comparable ways of adopting resolutions, provided that the Supervisory Board Chairman or – should he be indisposed – his Deputy stipulate this procedure for the individual case in question. In particular, resolutions may also be adopted by way of video or telephone conference calls or by way of a combination of the aforementioned possibilities. 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 one half of the members which it comprises in total and no fewer than three members in total participate in the adoption of any resolution. In this respect, a member of the Supervisory Board is also deemed to participate in the Supervisory Board meeting when he or she abstains from voting. Supervisory Board resolutions are adopted with a simple majority of the votes cast, unless a different majority is mandatory by law. This also applies for elections. Abstentions are not counted when determining the results of voting.

Each member of the Supervisory Board must inform the Supervisory Board of any conflicts of interest, in particular those, which may result from a consultant or directorship function with clients, suppliers, lenders or other third parties. In the event of material conflicts of interest and those, which are not merely temporary, the respective member of the Supervisory Board must resign from his or her position. In its report, the Supervisory Board informs the Annual General Meeting of any conflicts of interest which have occurred together with their treatment. In the reporting period, there occurred no conflicts of interest.

The Supervisory Board examines the efficiency of its activities on a regular basis. As the change in legal form occurred only in September 2015, the Supervisory Board has not yet held any efficiency review. However, it is planned to do an efficiency review in the current fiscal year.

1.3.3. Composition of the Supervisory Board

Consistent with Article 9 section 1 of the Company's Articles of Association, the Supervisory Board of Scout24 AG consists of nine members, all of which are currently to be elected 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, Supervisory Board members are elected for a term lasting until the end of the Annual General Meeting that resolves on their discharge for the fourth fiscal year after the beginning of its term in office. The year in which the term in office begins is not counted.

Currently, the Supervisory Board comprises the following nine individuals:

Name Function	Profession	Member since	Appointed until	Other board positions in 2015
Stefan Goetz Chairman	Managing Director of Hellman & Friedman LLC, San Francisco, USA	September 4, 2015	AGM 2020	Verisure Holding AB, Malmö, Sweden and certain related entities in the holding structure of Securitas Direct AB, Malmö, Sweden (Member of Board of Directors); Asa HoldCo GmbH, Frankfurt am Main, Germany (Member of Board of Directors); Asa GP GmbH, Frankfurt am Main, Germany (Member of Board of Directors); Immobilien Scout GmbH, Berlin, Germany (Member of the Supervisory Board, until December 2015)
Patrick Healy Deputy Chairman (between September 17 and November 24, 2015: only ordinary member)	Managing Director (Deputy CEO) of Hellman & Friedman LLC, San Francisco, USA	September 4, 2015	AGM 2020	TeamSystem Holding S.p.A., Pesaro, Italy and certain related entities in the holding structure of TeamSystem S.p.A., Pesaro, Italy (Member of Board of Directors, since March 2016); Verisure Holding AB, Malmö, Sweden and certain related entities in the holding structure of Securitas Direct AB, Malmö, Sweden (Member of Board of Directors); Web Reservations International Limited and certain subsidiaries, Dublin, Ireland (Member of Board of Directors, until October 2015); H&F Nugent 1 Limited, Edinburgh, UK and certain related entities in the holding structure of Wood Mackenzie Limited, Edinburgh, UK (Member of Board of Directors, until May 2015);

Blake Kleinmann Supervisory Board Member	Managing Director of Hellman & Friedman LLC, San Francisco, USA	September 4, 2015	AGM 2020	Asa HoldCo GmbH, Frankfurt am Main, Germany (Member of Board of Directors); Asa GP GmbH, Frankfurt am Main, Germany (Member of Board of Directors); H&F Sensor EquityCo Limited, Halifax, UK and certain related companies in the holding structure of SSP Holdings Limited, Halifax, UK (Member of Board of Directors, until March 2015); Barolo Midco S.p.A., Pesaro, Italy and certain related companies in the holding structure of TeamSystem S.p.A, Pesaro, Italy (Member of Board of Directors, since March 2016); H&F Nugent 1 Limited, Edinburgh, UK and certain related entities in the holding structure of Wood Mackenzie Limited, Edinburgh, UK (Member of Board of Directors, until May 2015);
Thorsten Langheim Supervisory Board Member	Senior Vice President Group Corporate Development of Deutsche Telekom AG, Bonn, Germany	September 4, 2015	AGM 2020	T-Mobile US, Inc., Bellevue, USA (Member of Board of Directors); T-Systems International GmbH, Frankfurt am Main, Germany (Member of Supervisory Board); Deutsche Telekom Strategic Investments GmbH, Bonn, Germany (Member of Supervisory Board); Deutsche Telekom Venture Funds GmbH, Bonn, Germany (Member of Supervisory Board)
Alexander Graf Matuschka von Greiffenclau Supervisory Board Member	Group Chief Performance Officer of VimpelCom Limited, Amsterdam, Netherlands	September 4, 2015	AGM 2020	Nokia Networks, Munich, Germany (Chief Restructuring Officer, Chief Transformation Officer, Member of the Executive Board, up to June 2015)
Robert D. Reid Supervisory Board Member	Senior Managing Director of The	September 4, 2015	AGM 2020	Intelenet Global Services Private Limited, Mumbai, India (Member of the Board of Directors, since

	Blackstone Group International Partners LLP, London, UK			February 2016)
David Roche Supervisory Board Member	Executive chairman of goHenry Limited, Lymington, UK	September 4, 2015	AGM 2020	-
Dr. Liliana Solomon Supervisory Board Member	Member of the Management Board (CFO) of Unify Deutschland GmbH & Co. KG, Munich, Germany	September 4, 2015	AGM 2020	-
Vicente Vento Bosch Supervisory Board Member (from September 17 to November 24, 2015: Deputy Chairman)	Chief Executive Officer of Deutsche Telekom Capital Partners Management GmbH, Hamburg, Germany	September 4, 2015	AGM 2020	Deutsche Telekom Strategic Investments GmbH, Bonn, Germany (Chairman of the Supervisory Board); Deutsche Telekom Venture Funds GmbH, Bonn, Germany (Chairman of the Supervisory Board); Deutsche Telekom Capital Partners Fund GmbH, Hamburg, Germany (Managing Director); Strato AG, Berlin, Germany (Chairman of the Supervisory Board); Telekom Innovation Pool GmbH, Bonn, Germany (Member of other governing body / Beirat, since March 2015); Ströer Management SE, Dusseldorf, Germany (Member of of the Supervisory Board, since October 2015); Ströer SE, Cologne, Germany (Member of of the Supervisory Board, since November 2015); Interactive Media CCSP GmbH, Darmstadt, Germany (Chairman of the Supervisory Board, up to November 2015); Immobilien Scout GmbH, Berlin, Germany (Member of the Supervisory board, up to December 2015)

Scout24 pursues a group-wide strategy to promote diversity. The Supervisory Board currently includes one female member. The diversity aspect is also reflected in the several positions on the Supervisory Board held by international members, who contribute a variety of different perspectives to the work of the Supervisory Board. The focal points of diversity may vary from location to location and are tailored to local needs.

According to Point 5.4.2 of the German Corporate Governance Code (DCGK), the Supervisory Board of Scout24 AG includes what it considers an appropriate number of independent members.

1.3.4. Committees

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

To perform its tasks efficiently, the Supervisory Board has currently formed two committees, namely an Executive Committee, which also assumes the roles of a Nomination Committee and a Remuneration Committee, and an Audit Committee. These prepare the resolutions for the Supervisory Board and agenda items that are to be dealt with by the Board. The Committee Chairs report to the Supervisory Board on the respective Committee's work always in the subsequent Supervisory Board Meeting.

From September 12 to December 1, 2015, an IPO Committee responsible for decisions relating to the Company's IPO was in place.

Executive Committee

Until expiry of the respective term, the Executive Committee, which also assumes the roles of a Nomination Committee and a Remuneration Committee, comprises the following persons (a Chairman and three further members):

Name	Position
Stefan Goetz	Chairman
Patrick Healy	Member
Alexander Graf Matuschka von Greiffenclau	Member
Vicente Vento Bosch	Member

The Executive Committee prepares the meetings of the Supervisory Board and is occupied with ongoing matters arising between meetings. It is required in particular to prepare the Supervisory Board decisions in the fields of corporate governance and the draft resolutions for intended appointments or dismissals and - in its capacity as Remuneration Committee - for the compensation of Management Board members. In its capacity as Nomination Committee, the Executive Committee is also responsible for compiling a list of potential candidates for the Supervisory Board to be elected by the Annual General Meeting of Shareholders.

Audit Committee

Until expiry of the respective term, the Audit Committee comprises the following persons (a Chairperson and three further members):

Name	Position
Dr. Liliana Solomon	Chairwoman

Blake Kleinman	Member
Robert D. Reid	Member
Vicente Vento Bosch	Member

The Audit Committee is concerned in particular with the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal auditing system, the audit of the financial statements, particularly in the latter case the independence of the auditor, the additional services provided by the auditor, the granting of the audit assignment to the auditor, the setting of key audit focuses and the fee agreement, as well as compliance.

According to the German Stock Corporation Act (Articles 107 section 4, 100 section 5 AktG) the Audit Committee must include at least one independent member who has expertise in the fields of financial reporting and auditing. The Audit Committee Chair, Dr. Liliana Solomon, meets these legal requirements and has also additional expertise in the fields of financial planning and controlling. Moreover, Dr. Liliana Solomon also meets the criteria set out in item 5.3.2 sentences 2 and 3 of the German Corporate Governance Code.

The IPO Committee had the following members:

Name	Position
Stefan Goetz	Chairman
Patrick Healy	Member
Robert D. Reid	Member
Vicente Vento Bosch	Member

The IPO Committee met when required. In the fiscal year 2015 it held one meeting and was dissolved following the completion of its duties in the Supervisory Board meeting held on December 1, 2015.

Information about the operating procedures of the Management Board, the Supervisory Board and its committees in the year can also be found in the Supervisory Board Report, which is included in the Annual Report of Scout24 AG.

1.3.5. Shareholdings held by members of the Management and Supervisory Boards

The members of the Management Board and the Supervisory Board hold direct and indirect stakes in Scout24 AG. Due to participation structures, a complete allocation of the indirect shareholdings, especially regarding the members of the Supervisory Board, is not possible. Thus, the following presents only the clearly known shareholdings of members of the Management Board and Supervisory Board in the fiscal year 2015.

- The members of the Management Board hold indirect stakes in the Company via MEP Ord GmbH & Co. KG and MEP Pref GmbH & Co. KG. Greg Ellis indirectly holds a total of around 1.13% of the Company's share capital, while Christian Gisy holds around 0.21% of the share capital. This program serves incentive purposes, with the incentive being based on a five-year vesting period.
- The members of the Supervisory Board Blake Kleinman and Stefan Goetz, are managing directors of Hellman & Friedman LLC, London ("H&F"). Patrick Healy is Deputy Chief Executive Officer of H&F. Stefan Goetz, Blake Kleinman and Patrick Healy also hold partnership interests in H&F. H&F Willis AIV, L.P. and its affiliated funds, through the former Asa HoldCo GmbH, Frankfurt (now: Willis Lux Holdings 2 S.à r.l., Luxembourg), indirectly hold shares in Scout24 AG. The Supervisory Board member Robert D. Reid holds partnership interests in certain investment funds managed by The Blackstone Group International Partners LLP, London and thereby holds an indirect interest in Scout24 AG.

- The members of the Supervisory Board Alexander Graf Matuschka von Greiffenclau, Thorsten Langheim and Vincente Vento Bosch hold indirect stakes in the Company through BMEP Ord GmbH & Co. KG and BMEP Pref GmbH & Co. KG. In total, their indirect shareholdings amount to 0.24% of the share capital.
- Furthermore, Alexander Graf Matuschka von Greiffenclau, Dr. Liliana Solomon, and David Roche have undertaken to reinvest part of their Supervisory Board compensation in shares of Scout24 AG. Specifically, 26% of the annual fixed Supervisory Board compensation is to be reinvested in shares in Scout24 AG and held for the full duration of their Supervisory Board membership at Scout24 AG. David Roche already fulfilled his obligation and holds 725 shares of Scout24 AG. The other Supervisory Board members have waived their supervisory board compensation.

1.4. Disclosures of resolutions regarding the promotion of women's participation in management positions pursuant to Articles 76 (4), 111 (5) AktG

The Supervisory Board has set itself the target of including an appropriate number of women among its members. In its first meeting on September 4, 2015, the Supervisory Board resolved, among others, that the Supervisory Board should include at least one female member, with a transposition deadline on June 30, 2017. This reflects the current status. Also on September 4, 2015, the Supervisory Board has resolved a target for the proportion of women in the Management Board of Scout24 of 0%, with a transposition deadline on June 30, 2017. This reflects the current status.

For the first management tier below the Management Board, the Management Board of Scout24 AG has resolved a target for the proportion of women of one fourth, with a transposition deadline at the end of June 30, 2017. The target for the first management tier reflects the current status. However, this does not rule out the possibility of a rising proportion of women on that level. For the second tier below the Management Board, the Management Board of Scout24 AG has resolved a target for the proportion of women of one fifth, with a transposition deadline at the end of June 30, 2017. The target for the second management tier represents an increase of the proportion of women, which is currently at 9%. The transposition deadline makes full use of the legally permissible bounds for the first-time determination of a transposition deadline.

2. Corporate governance

Corporate Governance at Scout24 AG

The Management and Supervisory Boards of Scout24 AG see good corporate governance as involving responsible corporate management aimed at ensuring sustainable value creation. In particular, corporate governance should foster the trust placed in the Company by its investors, business partners, and employees, as well as by the general public. Furthermore, Scout24 attaches great value to the Management Board and 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 communications also play an important role.

The corporate structure is aligned in such a way as to promote the responsible, transparent, and efficient management and supervision of the Company. The Company therefore identifies with the principles set out in the German Corporate Governance Code. The Management and Supervisory Boards as well as the other management tiers and employees are committed 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 established a central “risk management” department that is responsible, among other aspects, for introducing and implementing a group-wide Compliance Management System (CMS). The relevant regulations also include the recently revised Code of Conduct and other processes relevant for compliance purposes (e.g. eLearning, training, assessment of compliance risk, compliance talks, whistleblower hotlines, and compliance reports). The CMS system mainly consists of the following sections: compliance culture, compliance targets and tasks, compliance organization, compliance risks, compliance programs, information material and trainings on compliance, monitoring and enhancement of compliance. This department acts as the central point of contact for shareholders, employees, service providers, and managers and also coordinates all compliance topics on group Company level in line with the group-wide CMS system.

It offers support and advice in all compliance-related matters, including all forms of harassment or discrimination (in cooperation with the HR department) and anti-fraud and anti-corruption measures, and also acts as a neutral point of contact for complaints and recommendations, as well as for any reports of infringements of laws or internal Company guidelines. Furthermore, the Group’s legal department also addresses compliance-related topics and issues and can offer assistance with compliance-related matters where necessary.

Managers at group companies are required to forward compliance-related information to all employees within their areas of responsibility and to safeguard compliance with compliance requirements. This process is supported by the provision of information material, guidelines, and compliance-related advice.

A whole series of measures intended to ensure legally conformant conduct on the part of employees at all times has been implemented in the CMS system. Among others, these include the establishment of a compliance hotline, one that also offers the possibility of providing anonymous tip-offs concerning potential compliance-related infringements. With regard to employees using the compliance hotlines, the Company has adopted a clear non-retaliation policy for whistleblowers. This means that, having reported information, employees need not fear any negative consequences, even in cases where no sufficiently solid evidence can be found to support the concerns thereby voiced. This applies for all tip-offs concerning potential infringements of laws and/or guidelines, 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 system is subject to a continual 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 in the wake of the review.

Notes to Declaration of Conformity

The Management and Supervisory Boards submitted a current Declaration of Conformity regarding the German Corporate Governance Code pursuant to Article 161 AktG most recently in September 2015. Apart from the deviations listed therein, the Company complied with the recommendations made in the Code since the change of its legal form and intends to do so in future as well.

Objectives for the composition of the Supervisory Board

According to Article 2 section 1 of the code of procedure for the Supervisory Board, the Supervisory Board should be composed in such a way that, overall, its members have the knowledge, skills, and specialist experience necessary for the correct performance of its duties. The aforementioned requirements should also be met by each individual

Supervisory Board member. The Supervisory Board should state specific targets for its composition, taking into account the Company's specific situation, its international activities, potential conflicts of interest, the number of independent Supervisory Board members as defined in item 5.4.2 of the German Corporate Governance Code, an upper age limit to be set for Supervisory Board members, and diversity. As a general rule, the Supervisory Board membership of each individual member should not last longer than a total of 15 years. The Supervisory Board sets a target for the proportion of women in the Supervisory Board. At its meeting on September 4, 2015, the Supervisory Board resolved that the Supervisory Board should include at least one female member.

Basic features of the compensation system

The compensation for the Management Board is determined by the Supervisory Board at an adequate amount on the basis of a performance appraisal taking any possible group emoluments into account. In the determination and review of the compensation for the Management Board the Supervisory Board takes account of the fact that the total remuneration of each individual member of the Management Board needs to be in an adequate proportion relating to the tasks undertaken and achievements of the member of the Management Board and to the financial situation of the Company, and may not exceed the normal level of remuneration unless there are special reasons, as per the standardised requirements according to Article 87 section 1 AktG. Particular criteria for the determination of an adequate compensation for the Management Board are the tasks of the member of the Management Board, his personal performance, the performance of the entire Management Board, the business and financial situation of the Company, the success and the future perspectives of the Company as well as the amount and structure of the compensation of the management boards of comparable companies. The compensation scheme of Scout24 AG is oriented towards a sustainable corporate performance. 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.

Consistent with item 4.2.3 of the German Corporate Governance Code, the structure of Management Board compensation is aligned to the Company's sustainable performance. Monetary compensation components comprise fixed and variable components. Variable compensation includes both short-term and multiyear targets. Moreover, the Supervisory Board is entitled to award each member of the Management Board a special payment for extra-ordinary performance in the amount of a maximum of three times the variable compensation of the respective Management Board member.

In itself, variable compensation is not capped, but the total volume of compensation, including retirement pensions, special payment, and fringe benefits is nevertheless capped in terms of its amount. The targets for the one-year variable compensation are each set by the Supervisory Board at the end of a fiscal year for the following fiscal year. The targets may be of a financial or non-financial nature. The Supervisory Board sets the targets for multiyear variable compensation at the end of a fiscal year for the three following fiscal years and determines their respective weighting. The targets may be of a financial or non-financial nature. In addition to these components, the Management Board members also receive fringe benefits, such as contributions to insurance policies, pension provisions, housing and travel expenses.

Compensation of the Management Board pursuant to Point 4.2.5 DCGK

Detailed disclosure regarding the compensation structure and on the compensation paid to individual Management Board members pursuant to item 4.2.5 of the German Corporate Governance Code (DCGK) and on the compensation of Supervisory Board members can be found in the Compensation Report, which forms part of the Company's Group Management Report. This information can be found in Note 6.5.5 of the Notes to the Consolidated Financial Statements.

Compensation of the Supervisory Board

Pursuant to Article 12 section 1 of the Company's Articles of Association, in addition to the reimbursement of expenses, each member of the Supervisory Board receives an annual fixed compensation of 80,000 Euro. Supervisory Board members who were not members of the Supervisory Board during a full fiscal year shall receive the aforementioned compensation on a pro rata temporis basis in the amount of one twelfth for each commenced month of their function.

D&O insurance

The company has concluded an insurance policy covering the members of the Management and Supervisory Boards against financial loss (known as a "Directors and Officers Liability Insurance") with an appropriate deductible according to Article 93 section 2 sentence 3 AktG (Management Board) or item 3.8 section 3 of the German Corporate Governance Code (Supervisory Board) respectively.

Shareholders and Annual General Meeting

Shareholders exercise their co-determination and control rights at the Annual General Meeting, which according to the Articles of Association is chaired by the Chairman of the Supervisory Board. Each share of Scout24 carries one vote. The shareholders have the opportunity to exercise their voting rights in the Annual General Meeting themselves or to arrange for them to be exercised through an authorized agent of their choice or a voting representative of the Company. The Management Board is authorized to determine that the shareholders may attend the General Meeting also without being present at the place where it is held and without a proxy and may exercise their rights in whole or in part by means of electronic communication (online participation) or may submit their votes, without attending the meeting, in writing or by means of electronic communication (absentee voting). The Management Board is also authorized to determine details regarding the extent and procedure of online participation or absentee voting. Such details shall be announced in the notice of the General Meeting. Each shareholder is entitled to participate in the General Meeting, to address the general meeting in respect of the individual agenda items and to request information about the affairs of the company to the extent necessary for the appropriate judgement of the relevant agenda item.

Given the change in legal form which occurred only in September 2015, no public Annual General Meeting of Scout24 AG has been held to date. The first scheduled Annual General Meeting of Scout24 AG is expected to be held in Berlin on June 23, 2016.

Notifiable securities transactions (Directors' Dealings)

The members of the Management Board and the Supervisory Board, as well as other persons discharging managerial responsibilities who regularly have access to insider information on the Company and who are authorized to make significant business decisions, and certain persons who are in a close relationship with those persons, are obliged according to Article 15a of the German Securities Trading Act to disclose to Scout24 AG any acquisitions and disposals of Scout24 shares and related financial instruments, particularly derivatives as soon as they exceed an amount of €5,000 in any calendar year. We have published details of respective transactions, among others, on our corporate website at <http://www.scout24.com/en/Investor-Relations/Financial-News/Directors-Dealings/directors-dealings>. For the fiscal year 2015, the Supervisory Board member David Roche has reported one such securities transaction.

Transparency

The shares of Scout24 AG are listed in the Prime Standard of the Frankfurt Stock Exchange. The Company is thus subject to the strictest transparency requirements

provided for by general and stock market law. Specifically, Scout24 AG reports in German and English on the Company's situation and performance by way of its:

- Annual and interim financial reports
- Quarterly conference calls for press representatives and analysts, including a webcast and its replay
- Company presentations
- Ad-hoc, Company and IR releases
- Marketing releases

Financial reporting and auditing

The quarterly financial report as of September 30, 2015 and the consolidated financial statements as of December 31, 2015 were prepared in accordance with International Financial Reporting Standards (IFRS). The separate financial statements of Scout24 AG for the 2015 fiscal year were prepared in accordance with the requirements of the German Commercial Code (HGB) and of the German Stock Corporation Act (AktG).

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