

SCOUT 24

CORPORATE GOVERNANCE
REPORT 2018
INTEGRAL PART OF THE ANNUAL REPORT 2018



Corporate governance report

Corporate governance

1 Declaration of conformity

The actions taken by Scout24 AG's management and oversight bodies are determined by the principles of responsible and good corporate governance. The corporate governance declaration pursuant to Articles 289f, 315d of the German Commercial Code (HGB) is part of the combined management report and comprises the declaration of conformity required by Article 161 of the German Stock Corporations Act (AktG), relevant information on corporate governance practice, a description of the Management Board's and Supervisory Board's operating procedures as well as the composition of their committees.

1.1 Declaration of conformity to the German Corporate Governance Code issued by the Management Board and Supervisory Board of Scout24 AG

1. Scout24 AG complies with all recommendations of the German Corporate Governance Code ("Code") in its currently applicable version as published by the Federal Ministry of Justice and Consumer Protection in the official section of the Bundesanzeiger (German Federal Gazette) except for Section 4.2.3 (2) Sentence 6 (cap to remuneration of members of the Management Board), Section 4.2.5 (disclosure remuneration report) and Section 5.4.6 (1) Sentence 2 (remuneration for special functions in the Supervisory Board) and will continue to comply with these recommendations except for the sections mentioned above.
 - Pursuant to Section 4.2.3 (2) Sentence 6 of the Code, the amount of remuneration of the Management Board shall be capped with maximum levels, both as regards variable components and in the aggregate. The amount of remuneration of the members of the Management Board is capped with a maximum level in the aggregate, but not as regards individual variable components. The decision not to impose a cap on individual variable components is intended to ensure that their incentive effect is not impaired by rigid limits. Adequacy of the remuneration in the aggregate is still ensured by the overall cap.
 - Pursuant to Section 4.2.5 (1) Sentence 2 of the Code, the remuneration report, which is part of the management report, describes the principal features of the Management Board remuneration system. To improve the readability of the annual report, Scout24 AG has decided to present the remuneration report as part of the notes to the financial statements, but to include in the management report a reference to the remuneration report in the notes to the financial statements. The remuneration system of Scout24 AG is thus disclosed in the notes to the financial statements.
 - Pursuant to Section 5.4.6 (1) Sentence 2 of the Code, the status as chair or deputy chair of the Supervisory Board, as well as chair or membership of a committee, shall also be taken into consideration in determining the remuneration of members of the Supervisory Board. Scout24 AG's Articles of Association provide for special remuneration for the Chair of the Audit Committee only. This provision is deemed adequate at present with respect to the workload arising from the respective functions.
2. Since the last declaration of conformity from April 2017 until the publication of the annual report including the corporate governance report in March 2018, Scout24 AG complied with all recommendations of the Code except for Section 4.2.3 (2) Sentence 6, Section 4.2.5 (1) Sentence 2 and Section 5.4.6 (1) Sentence 2 of the Code as declared and explained in the declaration of conformity from April 2017.

Munich, March 2018

Scout24 AG

The Management Board

The Supervisory Board

1.2 Relevant information on corporate governance practice

The purpose of Scout24 AG 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/internet services, to take all measures relating to the activities of a holding company with group management functions, including but not limited to rendering management and other advisory services to affiliated entities in return for consideration, and to operate in the field of online/internet business in Germany and other countries. Together with Scout24 AG, these equity investments make up the Scout24 Group.

The Company complies with all legal corporate governance requirements as well as with the recommendations of the German Corporate Governance Code with the exceptions declared and explained in the declaration of conformity. 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 claims against Scout24 or individual employees arising from misconduct. The Code of Conduct can be downloaded at any time from the Company's website at

> [www.scout24.com/PortalData/2/Resources/ir/Code_Of_Conduct_\(Deutsch\)_Digitale_Version.pdf](http://www.scout24.com/PortalData/2/Resources/ir/Code_Of_Conduct_(Deutsch)_Digitale_Version.pdf).

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. The Data Protection Code of Conduct is available for download at any time from

> www.scout24.com/PortalData/2/Resources/ir/2018/corporate_governance/Scout24_2018_Datenschutz_Verhaltenskodex.pdf.

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

Scout24 AG is a stock corporation incorporated under German law and, as such, subject to legal requirements including those of the German Stock Corporation Act (AktG). Accordingly, the Company has also adopted the standard dual management and control structure consisting of a separate Management Board and Supervisory Board. The Management Board and 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 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 growth.

1.3.1 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 Supervisory Board. It must observe the restrictions of management authority imposed by the Articles of Association or the rules of procedure for the Management Board and the Supervisory Board or stipulated by the Supervisory Board or the Annual General Meeting 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 Company regarding strategy, planning, business development, risk position, risk management and compliance. The Management Board prepares the separate financial statements and the consolidated financial statements.

Pursuant to Article 6 (1) of the Articles of Association, the Management Board has at least two members. The actual number of members of the Management Board is determined by the Supervisory Board. 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 and also appoint deputy members of the Management Board.

Composition of the Management Board

As of 31 December 2018, the Management Board of Scout24 AG comprised four members:

Name	Function	Member of the Management Board since	End of term of office
Tobias Hartmann	Chief Executive Officer	19 November 2018	18 November 2021
Christian Gisy	Chief Financial Officer	4 September 2015	30 September 2019
Dr. Thomas Schroeter	Chief Product Officer	6 December 2018	5 December 2021
Ralf Weitz	Chief Commercial Officer	6 December 2018	5 December 2021

Previous CEO Gregory Ellis stepped down effective as of 18 November 2018 from his office as Chairman of the Management Board and CEO of Scout24 AG.

Members of the Management Board each manage the portfolio allocated to them under their own responsibility, always considering the Company's overall benefit and interests. The allocation of responsibilities to individual members of the Management Board 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:

Tobias Hartmann: Chief Executive Officer – CEO:

- Strategy and business development
- Mergers & acquisitions
- Technology
- Brand management & Corporate communications
- Human resources

Christian Gisy: Chief Financial Officer – CFO:

- Finance & Accounting & Treasury
- Controlling
- Investor relations
- Legal

- Risk & Compliance
- ImmobilienScout24 & AutoScout24 International
- Finanzcheck

Dr. Thomas Schroeter: Chief Product Officer - CPO:

- Product strategy
- Marketing & branding strategy
- Group-wide insights, analytics & research
- Scout24 segments Germany

Ralf Weitz: Chief Commercial Officer - CCO:

- Commercial strategy
- Sales operations incl. planning, go-to-market, customer care, training & enablement
- Scout24 segments Germany

The Management Board has rules of procedure. The rules of procedure for the Management Board were adopted by the Supervisory Board on 4 September 2015. 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. Management Board resolutions are adopted with a simple majority of the votes cast, unless a different majority is required by law. If the Management Board comprises more than two members, the vote cast by the Chair counts twice in the event of a tied vote.

1.3.2 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 (Audit Committee and Executive Committee, which also assumes the roles of a nomination committee and remuneration committee, see below). For both of these committees, the Supervisory Board has issued additional rules of procedure governing their operating procedures. All rules of procedure are regularly updated for any developments in the German Corporate Governance Code.

The Supervisory Board convened for four face-to-face meetings in the 2018 financial year and passed further written resolutions by circularisation. The Executive Committee met once in the 2018 financial year, and the

Audit Committee held three face-to-face meetings and three conference calls. It is planned that the Supervisory Board and Audit Committee hold four scheduled meetings each financial year.

At the request of the Supervisory Board Chair, 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 members of the Supervisory Board. Between such meetings, the Management Board provides all members of the Supervisory Board with detailed quarterly reports on the Company's situation. Furthermore, the Supervisory Board Chair 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.

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 conference are deemed present and may also submit 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 Supervisory Board Chair or – in his or her 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 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 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 attend 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 required by law. This also applies to 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 any arising from an advisory 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 his or her position. In its report to the Annual General Meeting, the Supervisory Board provides information about any conflicts of interest that may have arisen and the way they were dealt with. No conflicts of interest arose in the reporting period.

The Supervisory Board examines the efficiency of its activities on a regular basis.

1.3.3 Composition of the Supervisory Board

According to Article 9 (1) of the Articles of Association, the Supervisory Board of Scout24 AG has six members, all of whom are currently 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. The year in which the term of office begins is not counted.

The Supervisory Board comprised the following individuals in the 2018 financial year:

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2018 (during term of office)
Dr. Hans-Holger Albrecht Chairman (since 21 June 2018)	CEO and member of the Board of Directors of Deezer S.A., Paris, France and London, UK	21 June 2018	AGM 2020	<ul style="list-style-type: none"> - ICE GROUP AS, Oslo, Norway (Chairman of the Board of Directors) - AINMT Holdings A.B. (Non-executive Director of the Board of Directors)
Dr. Liliana Solomon Deputy Chairwoman (since 21 June 2018)	Group Chief Financial Officer of Compass IV Ltd, London, UK	4 September 2015	AGM 2020	<ul style="list-style-type: none"> - Metro AG, Düsseldorf, Germany (member of the Supervisory Board)
Stefan Goetz Chairman (until 21 June 2018)	Managing Director of Hellman & Friedman LLC, San Francisco, USA	4 September 2015	Stepped down as of 21 June 2018	<ul style="list-style-type: none"> - Verisure Holding AB, Malmö, Sweden and other related entities in the holding structure of Securitas Direct AB, Malmö, Sweden (member of the Management Board); - Asa GP GmbH, Düsseldorf, Germany (Managing Director); - Evergood 1 ApS, Copenhagen, Denmark, and other related entities in the holding structure of Nets A/S Group, Ballrup, Denmark (member of the Management Board);
Patrick Healy Deputy Chairman (until 21 June 2018)	Managing Director (Deputy CEO) of Hellman & Friedman LLC, San Francisco, USA	4 September 2015	Stepped down as of 21 June 2018	<ul style="list-style-type: none"> - TeamSystem Holding S.p.A., Pesaro, Italy and other related entities in the holding structure of TeamSystem S.p.A., Pesaro, Italy (member of the Supervisory Board); - Verisure Holding AB, Malmö, Sweden and other related entities in the holding structure of Securitas Direct AB, Malmö, Sweden (member of the Supervisory Board);
Blake Kleinman Member of the Supervisory Board	Managing Director of Hellman & Friedman LLC, San Francisco, USA	4 September 2015	Stepped down as of 21 June 2018	<ul style="list-style-type: none"> - Asa GP GmbH, Düsseldorf, Germany (Managing Director); - Barolo Midco S.p.A., Pesaro,

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2018 (during term of office)
				Italy and other entities in the holding structure of TeamSystem S.p.A., Pesaro, Italy (member of the Supervisory Board); - Allfunds Bank S.A.U., Madrid, Spain and other related entities in the holding structure of Allfunds Bank S.A.U., Madrid, Spain (Chairman of the Board of Directors);
David Roche Member of the Supervisory Board	Chairman of the Board of Directors of goHenry Limited, Lymington, UK	4 September 2015	AGM 2020	- Guestline Ltd., Shrewsbury, UK (member of the Board of Directors);
Peter Schwarzenbauer Member of the Supervisory Board	Member of the Board of Management of BMW AG, Munich, Germany	8 June 2017	AGM 2020	- Rolls-Royce Motor Cars Limited, Chichester, UK (member of the Board of Directors);
Ciara Smyth Member of the Supervisory Board	Strategy consultant, Dublin, Ireland	21 June 2018	AGM 2020	- None
Michael Zahn Member of the Supervisory Board	Chief Executive Officer, Deutsche Wohnen AG, Berlin, Germany	8 June 2017	AGM 2020	- GSW Immobilien AG, Germany (Chairman of the Supervisory Board until June 2018); - TLG Immobilien AG, Berlin, Germany (Chairman of the Supervisory Board); - G+D Gesellschaft für Energiemanagement mbH, Magdeburg, Germany (Chairman of the Advisory Board); - Funk Schadensmanagement GmbH, Berlin, Germany (Chairman of the Advisory Board); - DZ Bank AG, Frankfurt, Germany (member of the Advisory Board); - Füchse Berlin Handball

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2018 (during term of office)
				GmbH, Berlin, Germany (member of the Advisory Board); – GETEC Wärme & Effizienz GmbH, Magdeburg, Germany (member of the Real Estate Advisory Board);

Scout24 AG pursues a group-wide strategy of promoting diversity. Two women are currently appointed to the Supervisory Board. The diversity aspect is also reflected in the several international members of the Supervisory Board, who contribute a variety of different perspectives to its work. The focal points of diversity may vary from location to location and are tailored to local needs.

Pursuant to Section 5.4.2 of the German Corporate Governance Code, the Supervisory Board of Scout24 AG should include what it considers to be an appropriate number of independent members. Taking into account the shareholder structure in the 2018 financial year with close to 100% free float, all members of the Supervisory Board can currently be considered independent.

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 committees prepare the resolutions for the Supervisory Board as well as agenda items that are to be dealt with in plenary meetings. The Committee Chairs report to the Supervisory Board on the respective committee’s work at the subsequent Supervisory Board meeting.

Executive Committee

Until expiry of the respective term of office, the Executive Committee, which also assumes the roles of a nomination committee and a remuneration committee, comprises the following persons (a chair and three further members):

Name	Position
Dr. Hans-Holger Albrecht (since 21 June 2018)	Chairman
Stefan Goetz (until 21 June 2018)	Chairman
Patrick Healy (until 21 June 2018)	Member
David Roche	Member
Peter Schwarzenbauer (since 21 June 2018)	Member
Ciara Smyth (since 21 June 2018)	Member

The Executive Committee prepares the meetings of the Supervisory Board and handles current matters arising between the meetings. In particular it has to prepare the Supervisory Board resolutions relating to corporate governance and in connection with proposals for intended appointments or dismissals and – in its capacity as Remuneration Committee – for the remuneration of members of the Management Board. In its capacity as Nomination Committee, the Executive Committee proposes potential candidates to the Supervisory Board for its election proposal to the Annual General Meeting.

Audit Committee

Until expiry of the respective term of office, the Audit Committee comprises the following persons (a chair and two further members):

Name	Position
Dr. Liliana Solomon	Chairwoman
Dr. Hans-Holger Albrecht (since 21 June 2018)	Member
Blake Kleinman (until 21 June 2018)	Member
Michael Zahn	Member

The Audit Committee addresses in particular the monitoring of the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit and compliance. The Audit Committee submits a reasoned recommendation for the appointment of the independent auditor to the Supervisory Board. 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.

Pursuant to the German Stock Corporation Act (Articles 107 (4), 100 (5) AktG), the Audit Committee must include at least one member of the Supervisory Board who has expertise in the fields of financial reporting or auditing. The Audit Committee Chair, Dr. Liliana Solomon, meets these legal requirements and has additional expertise in the fields of financial planning and controlling. Furthermore, Dr. Liliana Solomon meets the further criteria of Section 5.3.2 (3) of the German Corporate Governance Code according to which the audit committee chair should be independent and not a former member of the Management Board whose term of office ended less than two years ago.

Information about the operating procedures of the Management Board and the Supervisory Board and its committees can also be found in the supervisory board report, which is included in the annual report of Scout24 AG.

1.4 Information about fostering participation by women in management positions pursuant to Article 76 (4), Article 111 (5) AktG

The Supervisory Board has set itself the target of including an appropriate number of women among its members. At its 4 September 2015 meeting, the Supervisory Board confirmed its objective, among others, that at least one woman should be on the Supervisory Board, setting 30 June 2017 as deadline for implementation. This target has been implemented. On 19 March 2019, the Supervisory Board passed another resolution confirming this objective and setting an implementation deadline up to the end of 01 March 2024.

Also on 01 March 2019, the Supervisory Board has resolved upon a target for the proportion of women in the Management Board of Scout24 AG of 0 %, with an implementation deadline up to the end of 01 March 2024.

For the first management level below the Management Board, the Management Board of Scout24 AG has resolved to set a target for the proportion of women of one fourth, with an implementation deadline up to the end of 30 June 2017. As of 31 December 2018, the proportion of women at the first management level below the Management Board stood at 0%, thereby not reaching the 25% target. However, this is mainly due to the fact that the first level below the Management Board only consisted of one man as of 31 December 2018. For the second level below the Management Board, the Management Board of Scout24 AG has resolved to set a target for the proportion of women of 30%, with an implementation deadline up to 01 March 2024. As of 31 December 2018, the proportion of women amounted to 26%, slightly below the target level.

2 Corporate governance

Corporate governance at Scout24 AG

The Management Board and Supervisory Board 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 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 Supervisory Board as well as the other management levels 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 a central risk management department that is responsible for a group-wide compliance management system (CMS), among other matters. The relevant regulations also 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). The CMS mainly comprises the following areas: compliance culture, compliance objectives and tasks, compliance organisation, compliance risks, compliance programmes, information material and training courses on compliance, monitoring and enhancement of compliance. This department acts as the central point of contact for shareholders, employees, service providers and executives and coordinates all compliance topics at group entity level in line with the group-wide CMS.

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 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 required to forward compliance-related information to all employees within their areas of responsibility and to ensure that the compliance rules are observed. This process is supported by the provision of information material, guidelines and compliance-related advice.

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 compliance hotline, accessible also to third parties, which 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 whistle-blowers. This means that, having reported information, employees need not fear any negative consequences, even in cases where no sufficient evidence can be found to support the concerns voiced. This applies for all tip-offs 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.

Comments on the declaration of conformity

The most recent declaration of conformity to the German Corporate Governance Code pursuant to Article 161 AktG was issued by the Management Board and the Supervisory Board in March 2019. With the exceptions declared therein, the Company has complied with the recommendations of the Code since it issued its last declaration of conformity in March 2018 and intends also to do so in future.

Objectives for the Supervisory Board's composition

According to Section 2 (1) of the rules of procedure for the Supervisory Board, the Supervisory Board should be composed in such a way that, overall, its members possess the knowledge, skills, and specialist experience necessary for the correct performance of its duties. The aforementioned requirements should also be met by each individual member of the Supervisory Board. 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 members of the Supervisory Board as defined in Section 5.4.2 of the German Corporate Governance Code, an upper age limit to be set for members of the Supervisory Board, and diversity. As a general rule, the term of office on Scout24 AG's Supervisory Board should not exceed a total of 15 years for each member. 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

In terms of a profile of skills and expertise, the Supervisory Board has resolved that the board as a whole should have the following competences:

- Expertise in the digital economy, digitisation and technology
- Expertise in the field of real estate and automotive industry
- Knowledge/experience in the areas of accounting, auditing, internal control procedures
- Knowledge in the field of compliance
- Expertise in the field of mergers and acquisitions
- International experience/expertise
- Expertise in the field of sustainability
- Marketing expertise
- Expertise in the field of human resources
- Experience in corporate governance

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

Basic features of the remuneration system

Remuneration of the Management Board

The remuneration 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 reviewed regularly. In the determination and review of the Management Board's remuneration, the Supervisory Board takes account of the fact that, pursuant to the standardised requirements set forth in Article 87 (1) AktG, the total remuneration 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 economic situation and may not exceed the customary level of remuneration unless particular reasons so require. Accordingly, the principal criteria for determining appropriate remuneration 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. Scout24 AG's remuneration system is focussed on the sustainable growth of the Company. Remuneration 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 Section 4.2.3 of the German Corporate Governance Code, the remuneration structure of the Management Board is focussed mainly on the sustainable growth of the Company. Monetary remuneration comprises fixed and variable components. Variable remuneration components include both short-term and multi-year targets. Moreover, the Supervisory Board is entitled to award each member of the Management Board a bonus for extraordinary performance, but no more than three times the variable remuneration of the respective member of the Management Board. Variable compensation itself is not capped, but the total amount of remuneration, including retirement pensions, bonus and fringe benefits, is capped with maximum levels. The targets for the one-year variable remuneration component are each set by the Supervisory Board at the end of a financial year for the following financial year. The targets may be of a financial or non-financial nature. The Supervisory Board sets the targets for the multi-year variable remuneration component at the end of a financial year for the three following financial years and determines their respective weighting. The targets may be of a financial or non-financial nature. In addition to these components, the members of the Management Board also receive fringe benefits, such as contributions to insurance policies, retirement pensions, housing and travel expenses.

Remuneration of the Management Board pursuant to Section 4.2.5 of the German Corporate Governance Code

Detailed information regarding the remuneration structure and remuneration paid to individual members of the Management Board pursuant to Section 4.2.5 of the German Corporate Governance Code and on the remuneration of members of the Supervisory Board can be found in the remuneration report, which is part of the notes to the consolidated financial statements, under section 5.5.

Remuneration of the Supervisory Board

Pursuant to Article 12 (1) of the Articles of Association, each member of the Supervisory Board is reimbursed for their expenses and additionally receives fixed annual remuneration of EUR 60,000. The Chair of the Supervisory Board and his or her deputy receive fixed annual remuneration of EUR 140,000 and EUR 120,000 respectively. Members of a committee additionally receive fixed annual remuneration of EUR 20,000 and committee chairs EUR 40,000 respectively.

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

D&O insurance

The Company has concluded an insurance policy covering the members of the Management Board and Supervisory Board against financial loss (“directors and officers liability insurance”) with an appropriate deductible pursuant to Article 93 (2) Sentence 3 AktG (Management Board) and Section 3.8 (3) of the German Corporate Governance Code (Supervisory Board) respectively. The insurance premiums are paid by the Company.

Shareholders and 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 Supervisory Board Chair. Each share of Scout24 AG entitles the holder to one vote. The shareholders have the opportunity to exercise their voting rights in 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 attend 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 submit 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 AG took place in Munich on 21 June 2018. The invitation to the Annual General Meeting was published in the Bundesanzeiger (German Federal Gazette) 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 AG from the date when the Annual General Meeting was convened. After the meeting, Scout24 AG also published the attendance and voting results on its website.

Shareholders representing more than 66.0% of Scout24 AG's share capital were present at the Annual General Meeting. A total of ten agenda items were to be voted upon in this context, each of which were accepted by significant majorities.

Notifiable securities transactions (directors' dealings)

Members of the Management Board or Supervisory Board as well as other persons discharging managerial responsibilities who regularly have access to insider information on the Company and who are authorised to make significant business decisions, and certain persons who are closely associated with those persons, are required by Article 19 of the European Market Abuse Regulation (MAR) to notify Scout24 AG of any acquisition or sale of Scout24 shares and related financial instruments, particularly derivatives, as soon as they exceed an amount of EUR 5,000 in any calendar year. Among other media locations, we have published corresponding transactions on the internet at > www.scout24.com/Investor-Relations/Finanzmitteilungen/Directors-Dealings. For the 2018 financial year, the Company was notified by members of the Supervisory Board, the Management Board and other persons discharging managerial duties of a total of four such directors' dealings.

Transparency

The shares of Scout24 AG are listed in the Prime Standard of the Frankfurt Stock Exchange. The Company is therefore subject to the highest legal and stock exchange transparency requirements. In particular, Scout24 AG 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 the press and analysts including webcast and webcast replays
- Corporate presentations
- Ad hoc, corporate and IR releases
- Marketing releases

Financial reporting and annual audit

The group interim report as of 30 June 2018 and the consolidated financial statements as of 31 December 2018 as well as the two quarterly statements as of 31 March 2018 and 30 September 2018 were prepared in accordance with International Financial Reporting Standards (IFRSs). The separate financial statements of Scout24 AG for the 2018 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 AG were audited by the independent auditor and approved by the Supervisory Board.