

ZILLOW GROUP, INC.
Form DEF 14A
April 11, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

ZILLOW GROUP, INC.

(Name of Registrant as Specified in its Charter)

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N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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- (1) Title of each class of securities to which transaction applies:

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- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

- (4) Date Filed:

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Seattle, Washington

April 11, 2018

Dear Shareholders:

You are cordially invited to attend the Zillow Group, Inc. 2018 Annual Meeting of Shareholders on May 31, 2018 at 9:00 a.m. (Pacific Time). The meeting will be held at the offices of Perkins Coie LLP, 1201 Third Avenue, 49th Floor, in Seattle, Washington. Our board of directors has fixed the close of business on April 2, 2018 as the record date for determining those shareholders of our Class A and/or Class B common stock entitled to notice of, and to vote at, the annual meeting of our shareholders and any adjournments thereof.

The Notice of Annual Meeting and Proxy Statement, both of which accompany this letter, provide details regarding the business to be conducted at the annual meeting, including proposals for the election of directors, an advisory vote to approve the compensation of our named executive officers, and ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

Our board of directors recommends that you vote FOR each of the proposals described in this Proxy Statement.

Your vote is very important. Please vote your shares promptly, whether or not you expect to attend the annual meeting in person. You may vote by Internet, as well as by telephone, or, if you requested printed proxy materials, by mailing a proxy or voting instruction card. If you attend the annual meeting, you may vote in person, even if you previously submitted your vote.

On behalf of our board of directors, we thank you for your continued investment in Zillow Group.

Sincerely,

Richard N. Barton
Executive Chairman and Director

Spencer M. Rascoff
Chief Executive Officer and Director

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ZILLOW GROUP, INC.

1301 Second Avenue, Floor 31

Seattle, WA 98101

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 31, 2018

The 2018 Annual Meeting of Shareholders of Zillow Group, Inc. (the Annual Meeting) will be held at the offices of Perkins Coie LLP, 1201 Third Avenue, 49th Floor, in Seattle, Washington, on May 31, 2018 at 9: 00 a.m. (Pacific Time) for the following purposes:

1. To elect three directors nominated by our board of directors to serve until the 2021 Annual Meeting of Shareholders;
2. To approve, on an advisory basis, the compensation of our named executive officers;
3. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and
4. To transact such other business as may properly come before the Annual Meeting.

Only shareholders of record of our Class A and/or Class B common stock at the close of business on April 2, 2018 (the Record Date) will be entitled to notice of and to vote at the Annual Meeting and any adjournments thereof. Our Class C capital stock is non-voting (except in limited circumstances as required by Washington law or our amended and restated articles of incorporation). Shareholders of record of our Class C capital stock are not entitled to notice of, or to vote at, the Annual Meeting with respect to their shares of Class C capital stock. If you hold shares of our Class C capital stock in addition to shares of our Class A or Class B common stock, your voting power with respect to the proposals to be presented at the Annual Meeting is limited to your Class A and Class B common stock ownership.

In accordance with Securities and Exchange Commission rules, we sent a Notice of Internet Availability of Proxy Materials on or about April 11, 2018 and provided access to our proxy materials over the Internet on or before that date, to the holders of record of our Class A and Class B common stock as of the close of business on the Record Date.

Holders of our Class A and Class B common stock and persons holding proxies from such shareholders may attend the Annual Meeting. If your shares are registered in your name, you must bring a form of identification to the Annual Meeting. If your shares are held in the name of a broker, trust, bank or other nominee, you must bring a proxy from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares.

By order of the board of directors,

Kathleen Philips

Chief Financial Officer, Chief Legal Officer, Secretary and Treasurer

Seattle, Washington

April 11, 2018

Important Notice Regarding the Availability of Proxy Materials

For the Annual Meeting of Shareholders to be Held on May 31, 2018

This Zillow Group, Inc. Proxy Statement and the 2017 Annual Report of Zillow Group, Inc. are available at:

<http://investors.zillowgroup.com/annuals-proxies.cfm>

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ZILLOW GROUP, INC.

1301 Second Avenue, Floor 31

Seattle, WA 98101

PROXY STATEMENT

FOR ANNUAL MEETING OF SHAREHOLDERS

GENERAL INFORMATION CONCERNING THE PROXY STATEMENT, PROXIES AND VOTING AT THE ANNUAL MEETING

Introduction

Acquisition of Trulia. On February 17, 2015, pursuant to the Agreement and Plan of Merger, dated as of July 28, 2014 (the Merger Agreement) by and among Zillow, Inc. (Zillow), Trulia, Inc. (Trulia), and Zillow Group, Inc. (Zillow Group , the Company , we , us , or our), each of Zillow, Inc. and Trulia became wholly owned subsidiaries of Zillow Group. Upon completion of the Trulia transaction, each share of Zillow Class A common stock was converted into the right to receive one share of fully paid and nonassessable Class A common stock of Zillow Group, each share of Zillow Class B common stock was converted into the right to receive one share of fully paid and nonassessable Class B common stock of Zillow Group, and each share of Trulia common stock was converted into the right to receive 0.444 of a share of fully paid and nonassessable Class A common stock of Zillow Group.

This is the fourth Proxy Statement we have filed for Zillow Group following the completion of the acquisition. Because the Trulia transaction was completed on February 17, 2015, the director and executive compensation and related information reported in this Proxy Statement primarily relates to Zillow Group for the period after completion of the acquisition, including the Compensation Discussion and Analysis and related compensation tables for fiscal year 2015, and to our predecessor, Zillow, for the relevant periods prior to that date.

Issuance of Class C Capital Stock in Form of Stock Dividend. On July 21, 2015, we announced that our board of directors had approved a distribution of shares of our Class C capital stock as a dividend to our Class A and Class B common shareholders (the Class C Stock Split). Holders of Class A common stock and Class B common stock as of the close of business on July 31, 2015, the record date for the Class C Stock Split, received on August 14, 2015, a distribution of two shares of Class C capital stock for each share of Class A and Class B common stock held by them as of the record date. The distribution of shares had the effect of a 3-for-1 stock split. Outstanding equity awards to purchase or acquire shares of Class A common stock were proportionately adjusted to relate to one share of Class A common stock and two shares of Class C capital stock for each share of Class A common stock subject to the awards as of the record date, and the exercise prices of any such awards were also proportionately allocated between Class A common stock and Class C capital stock. The par value per share of our shares of Class A common stock and Class B common stock have remained unchanged at \$0.0001 per share after the Class C Stock Split. All historical

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share and per share amounts included in this Proxy Statement that preceded the Class C Stock Split have been retroactively adjusted to give effect to the Class C Stock Split unless otherwise noted.

Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the board of directors of Zillow Group of proxies to be voted at our 2018 Annual Meeting of Shareholders (the Annual Meeting) and at any adjournment or postponement of the Annual Meeting. In accordance with the rules of the Securities and Exchange Commission (the SEC), we sent a Notice of Internet Availability of Proxy Materials on or about April 11, 2018 and provided access to our proxy materials over the Internet beginning on or before that date, to

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the holders of record and beneficial owners of our Class A and Class B common stock as of the close of business on April 2, 2018 (the Record Date). Our Class C capital stock is non-voting (except in limited circumstances as required by Washington law or our amended and restated articles of incorporation). Holders of our Class C capital stock are not entitled to vote their shares of Class C capital stock at the Annual Meeting.

The Annual Meeting will be held at the offices of Perkins Coie LLP, 1201 Third Avenue, 49th Floor, in Seattle, Washington, on May 31, 2018 at 9:00 a.m. (Pacific Time).

What information is included in this Proxy Statement?

The information in this Proxy Statement relates to the proposals to be voted on at the Annual Meeting, the voting process, our board of directors and board committees, the compensation of Zillow Group directors and certain executive officers for fiscal year 2017, and other information.

Who is entitled to vote?

Holders of our Class A common stock and Class B common stock as of the close of business on the Record Date are entitled to receive the Notice of Annual Meeting of Shareholders and to vote at the Annual Meeting. As of the close of business on the Record Date, there were 57,288,985 shares of Class A common stock and 6,217,447 shares of Class B common stock outstanding and entitled to vote. Our Class C capital stock is non-voting (except in limited circumstances as required by Washington law or our amended and restated articles of incorporation). Holders of our Class C capital stock are not entitled to notice of, or to vote at, the Annual Meeting with respect to their shares of Class C capital stock. If you hold shares of our Class C capital stock in addition to shares of our Class A or Class B common stock, your voting power with respect to the proposals to be presented at the Annual Meeting is limited to your Class A and Class B common stock ownership.

How many votes do I have?

On any matter that is submitted to a vote of our shareholders, the holders of our Class A common stock are entitled to one vote per share of Class A common stock and the holders of our Class B common stock are entitled to 10 votes per share of Class B common stock. Holders of our Class A common stock and Class B common stock are not entitled to cumulative voting in the election of directors. Our Class C capital stock is non-voting (except in limited circumstances as required by Washington law or our amended and restated articles of incorporation). If you hold shares of our Class C capital stock in addition to shares of our Class A or Class B common stock, your voting power with respect to the proposals to be presented at the Annual Meeting is limited to your Class A and Class B common stock ownership.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

Most shareholders hold their shares through a broker, trust, bank or other nominee rather than directly in their own names.

If on April 2, 2018, your shares of Class A or Class B common stock were registered directly in your name with our transfer agent, Computershare, then you are a shareholder of record. As a shareholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to vote over the Internet, by telephone or by filling out and returning a proxy card to ensure your vote is counted.

If on April 2, 2018, your shares of Class A or Class B common stock were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you

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have the right to direct your broker or other agent on how to vote the shares of Class A and Class B common stock in your account. You are also invited to attend the Annual Meeting. However, since you are not the shareholder of record, you may not attend the Annual Meeting or vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy card from your broker or other agent.

What am I voting on?

We are asking you to vote on the following matters in connection with the Annual Meeting:

1. The election of three directors nominated by our board of directors to serve until the 2021 Annual Meeting of Shareholders;
2. An advisory resolution approving the compensation of our named executive officers; and
3. Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

We will also consider any other business that may properly come before the Annual Meeting.

How do I vote?

Vote by Internet. Shareholders of record may submit proxies over the Internet by following the instructions on the Notice of Internet Availability of Proxy Materials or, if printed copies of the proxy materials were requested, the instructions on the printed proxy card. Most beneficial shareholders may vote by accessing the website specified on the voting instructions forms provided by their brokers, trustees, banks or other nominees. Please check your voting instruction form for Internet voting availability.

Vote by Telephone. Shareholders of record may submit proxies using any touch-tone telephone from within the United States and Canada by calling toll free 1-800-652-VOTE (8683) and following the instructions provided by the recorded message or, if printed copies of the proxy materials were requested, by following the instructions on the printed proxy card. Most beneficial owners may vote using any touch-tone telephone from within the United States by calling the number specified on the voting instruction forms provided by their brokers, trustees, banks or other nominees.

Vote by Mail. Shareholders of record may submit proxies by mail by requesting printed proxy cards and completing, signing and dating the printed proxy cards and mailing them in the pre-addressed envelopes that will accompany printed proxy materials. Beneficial owners may vote by completing, signing and dating the voting instruction forms provided and mailing them in the pre-addressed envelopes accompanying the voting instruction forms.

If you are a shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the board of directors. If you are a beneficial owner and you return your signed voting instruction form but do not indicate your voting preferences, please see *What are broker non-votes and how do abstentions and broker non-votes affect the proposals?* for information regarding whether your broker, bank or other holder of record may vote your uninstructed shares on a particular proposal.

Vote in Person at the Annual Meeting. All shareholders of Class A or Class B common stock as of the close of business on the Record Date can vote in person at the Annual Meeting. You can also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner, you must obtain a legal proxy from your broker, bank, or other holder of record and present it to the inspector of election with your ballot to be able to vote at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you also vote either by telephone, Internet, or mail so that your vote will be counted if you decide not to attend.

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What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials, your shares are registered in more than one name or are registered in different accounts. In order to vote all the shares of Class A and Class B common stock you own, you must either sign and return all of the proxy cards or follow the instructions for any alternative voting procedures on each of the proxy cards or Notices of Internet Availability of Proxy Materials you receive.

Can I change my vote or revoke my proxy?

Yes, if you are a shareholder of record, you may revoke your proxy at any time before it is exercised at the Annual Meeting by (a) delivering written notice, bearing a date later than the proxy, stating that the proxy is revoked, (b) submitting a later-dated proxy relating to the same shares by mail, telephone or the Internet prior to the vote at the Annual Meeting, or (c) attending the Annual Meeting and properly giving notice of revocation to the inspector of election or voting in person. Shareholders of record may send any written notice or request for a new proxy card via regular mail to Zillow Group, Inc., c/o Computershare P.O. Box 505000, Louisville, KY 40233, online at <https://www-us.computershare.com/investor/contact>, or follow the instructions provided on the Notice of Internet Availability of Proxy Materials and proxy card to submit a new proxy by telephone or via the Internet. Shareholders of record may also request a new proxy card by calling (866) 641-4276 or, if outside the United States, (201) 680-6578.

If you are a beneficial shareholder, you may revoke your proxy or change your vote only by following the separate instructions provided by your broker, trust, bank or other nominee.

What constitutes a quorum at the Annual Meeting?

Transaction of business at the Annual Meeting may occur if a quorum is present. If a quorum is not present, it is expected that the Annual Meeting will be adjourned or postponed in order to permit additional time for soliciting and obtaining additional proxies or votes, and, at any subsequent reconvening of the Annual Meeting, all proxies will be voted in the same manner as such proxies would have been voted at the original convening of the Annual Meeting, except for any proxies that have been effectively revoked or withdrawn.

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the total voting power of Zillow Group's Class A and Class B common stock constitutes a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum.

What are the voting requirements to elect directors and approve the other proposal described in this Proxy Statement?

With respect to Proposal No. 1, the election of directors, the three directors receiving the largest number of votes will be elected. With respect to Proposals No. 2 and 3, the number of votes cast in favor of the proposal must exceed the number of votes cast against the proposal in order for the proposal to be approved.

What are broker non-votes and how do abstentions and broker non-votes affect the proposals?

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote the shares on a proposal because the nominee does not have discretionary voting power for a particular item and has not received instructions from the beneficial owner regarding voting. If your shares are held by a broker on your behalf and you do not instruct the broker as to how to vote these shares on Proposals No. 1 or 2, the broker may not exercise discretion to vote on these proposals. With respect to Proposal No. 3, the ratification of the appointment of our independent registered public accounting firm for the fiscal year ending December 31, 2018, the broker may exercise its discretion to vote for or against that proposal in the absence of your instruction.

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Abstentions and broker non-votes are not counted as votes in favor of or against any proposal.

Who will pay for the cost of this proxy solicitation?

Zillow Group will bear the cost of the solicitation of proxies from our shareholders. In addition to solicitation by mail, our directors, officers and employees, without additional compensation, may solicit proxies from shareholders by telephone, by letter, by facsimile, in person or otherwise. Following the original circulation of the proxies and other soliciting materials, we will request brokers, trusts, banks or other nominees to forward copies of the proxy and other soliciting materials to persons for whom they hold shares of Zillow Group Class A or Class B common stock and to request authority for the exercise of proxies. In such cases, Zillow Group, upon the request of the brokers, trusts, banks and other shareholder nominees, may reimburse such holders for their reasonable expenses.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to rules adopted by the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials to holders of our Class A and Class B common stock. All such shareholders will have the ability to access the proxy materials on the website referred to in the Notice of Internet Availability of Proxy Materials or request to receive an electronic copy or printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request an electronic copy or printed copy may be found in the Notice of Internet Availability of Proxy Materials. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. We encourage shareholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of the circulation of proxy materials.

When will Zillow Group announce the results of the voting?

Voting results will be announced by the filing of a Current Report on Form 8-K within four business days after the Annual Meeting. If final voting results are unavailable at that time, we will file an amended Current Report on Form 8-K within four business days of the day the final results are available.

What are the requirements for admission to the Annual Meeting?

Only holders of our Class A and/or Class B common stock and persons holding proxies from such shareholders may attend the Annual Meeting. If your shares are registered in your name, you must bring a valid form of identification to the Annual Meeting. If your shares are held in the name of a broker, trust, bank or other nominee that holds your shares, you must bring a proxy from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares. Attendance at the Annual Meeting without voting or revoking a previously submitted proxy in accordance with the voting procedures will not in and of itself revoke a proxy.

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SUMMARY

The following summary highlights select information from this Proxy Statement and may not contain all of the information that is important to you. Accordingly, you are encouraged to carefully read this entire Proxy Statement and the documents referred to or incorporated by reference before voting.

Company Information:	Zillow Group, Inc., a Washington corporation
Exchange Information:	Zillow Group, Inc. Class C capital stock is traded on The Nasdaq Global Select Market under the symbol Z . Zillow Group, Inc. Class A common stock is traded on The Nasdaq Global Select Market under the symbol ZG .
Directors Nominated for Election:	<ol style="list-style-type: none"> 1. Erik Blachford (Class I) 2. Spencer M. Rascoff (Class I) 3. Gordon Stephenson (Class I)
Named Executive Officers for 2017:	<ol style="list-style-type: none"> 1. Spencer M. Rascoff, Chief Executive Officer 2. Kathleen Philips, Chief Financial Officer, Chief Legal Officer, Secretary, and Treasurer 3. Lloyd D. Frink, Vice Chairman and President 4. Amy C. Bohutinsky, Chief Operating Officer 5. Greg M. Schwartz, Chief Business Officer
Independent Registered Public Accounting Firm for 2018:	Deloitte & Touche LLP

ANNUAL SHAREHOLDERS MEETING

Date:	May 31, 2018	Record Date	Meeting Agenda
Time:	9:00 a.m. Pacific Time	April 2, 2018	Ø Elect three Class I directors.
Place:	Offices of Perkins Coie LLP		
	1201 Third Avenue, 49 th	Mailing Date	

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Floor, Seattle, Washington

This Proxy Statement was first mailed to shareholders on or about April 11, 2018.

Approve, on an advisory basis, the compensation of our named executive officers.

Voting

Shareholders of our Class A common stock and Class B common stock as of the close of business on the Record Date are entitled to vote.

Ratify appointment of Deloitte & Touche LLP as Independent Registered Public Accounting Firm for 2018.

Transact other business that may properly come before the meeting.

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As of April 2, 2018, the board of directors was composed of eight members, divided into three classes and with standing board committee composition as follows:

Name	Term Expiring at the Annual Meeting of Shareholders to be Held in	Audit Committee	Compensation Committee	Nominating and Governance Committee
<u>Class I</u>				
Erik Blachford	2018			
Spencer M. Rascoff	2018			
Gordon Stephenson	2018			
<u>Class II</u>				
Richard N. Barton	2019			
Lloyd D. Frink	2019			
April Underwood	2019			
<u>Class III</u>				
Jay C. Hoag	2020			
Gregory B. Maffei	2020			

: Committee Chairperson : Committee Member

If elected at the Annual Meeting, Messrs. Blachford, Rascoff, and Stephenson will serve on the board until the Annual Meeting of Shareholders in 2021, or until their respective successors are duly elected and qualified, whichever is later, or until their earlier death, resignation or retirement. Proxies will be voted in favor of Messrs. Blachford, Rascoff, and Stephenson, unless the shareholder indicates otherwise on the proxy. Messrs. Blachford, Rascoff, and Stephenson each currently serve as a director, have consented to being named as nominees in this Proxy Statement, and have agreed to serve if elected. The board of directors expects that each of the nominees will be able to serve, but if they become unable to serve at the time the election occurs, proxies will be voted for another nominee designated by the board of directors unless the board chooses to reduce the number of directors serving on the board.

The following section presents biographical information for members of the Zillow Group board of directors. Unless otherwise noted, executive officer positions and directorships of the Company were held continuously with Zillow before the Trulia transaction in February 2015 and with Zillow Group after the Trulia transaction.

OUR DIRECTOR NOMINEES

Erik Blachford

- Ø Venture Partner, Technology Crossover Ventures
- Ø Zillow Group Board Committee Service: Audit (Member), Compensation (Member), Nominating and Governance (Member)
- Ø Independent Director

Erik Blachford (age 51) has served on the board of directors since May 2005. Mr. Blachford has served as a venture partner at Technology Crossover Ventures since March 2011. He served as the Executive Chairman at Couchsurfing International, Inc., a hospitality exchange and social networking company, from August 2014 until August 2015, and Executive Chairman of TerraPass, Inc., a carbon offset company, from September 2009 to June 2014. Mr. Blachford served as Chairman and Chief Executive Officer of Butterfield & Robinson Travel, a luxury tour operator, from September 2009 until January 2011 and as Chief Executive Officer of TerraPass, Inc. from

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January 2005 to April 2007. From January 2005 to April 2007, Mr. Blachford was an active independent investor in a variety of early stage private companies. From March 2003 to December 2004, Mr. Blachford served as Chief Executive Officer of Expedia, Inc., an online travel company, and Chief Executive Officer of IAC Travel, the travel division of IAC/InterActiveCorp, a holding company of Internet businesses. From January 2003 to December 2004, Mr. Blachford served as President of Expedia North America and Expedia Senior Vice President of Marketing & Programming. Mr. Blachford previously served on the boards of directors of Expedia, Inc. from April 2003 to September 2003, and Points International Ltd., a reward-program management portal, from June 2003 to December 2004. Mr. Blachford currently serves as a member of the boards of directors of several privately held companies. Mr. Blachford also serves on the U.S. National Council of the World Wildlife Fund. Mr. Blachford holds a B.A. in English and a certificate in theater from Princeton University, and an M.B.A. from Columbia University's Graduate School of Business.

Mr. Blachford is qualified to serve on our board of directors because he brings valuable strategic and financial expertise as a venture capitalist and entrepreneur. He also possesses significant operational and corporate governance experience as a former chief executive officer and director of a public company in the mobile and Internet industries. In addition, Mr. Blachford brings extensive experience with respect to development and management of innovative technology companies, in particular, consumer-facing mobile and Web-based media companies.

Spencer M. Rascoff

Ø Chief Executive Officer, Zillow Group, Inc.

Spencer M. Rascoff (age 42) has served as our Chief Executive Officer since September 2010 and as a member of the board of directors since July 2011. Mr. Rascoff joined Zillow as one of its founding employees in 2005 as Vice President of Marketing and Chief Financial Officer and served as Chief Operating Officer from December 2008 until he was promoted to Chief Executive Officer. From 2003 to 2005, Mr. Rascoff served as Vice President of Lodging for Expedia, Inc. In 1999, Mr. Rascoff co-founded Hotwire, Inc., an online travel company, and managed several of Hotwire's product lines before Hotwire was acquired in 2003 by IAC/InterActiveCorp, Expedia, Inc.'s parent company at the time. Mr. Rascoff served in the mergers and acquisitions group at Goldman, Sachs & Co., an investment banking and securities firm. Mr. Rascoff has served on the board of directors of TripAdvisor, Inc., an online travel company, since September of 2013, and Hutch Interiors, Inc., a home design app, in which Zillow Group is an investor, since July 2017. Mr. Rascoff graduated cum laude with a B.A. in Government from Harvard University.

Mr. Rascoff is qualified to serve on our board of directors because of the important perspective and experience he brings as our Chief Executive Officer. He possesses extensive knowledge of the residential real estate industry and consumer-facing mobile and Web-based media.

Mr. Rascoff adds valuable strategic and operational insights to the board as a result of his background as both an innovator and entrepreneur as well as a senior leader and director of other large technology companies.

Gordon Stephenson

Ø Co-Founder and Managing Broker, Real Property Associates

Ø Zillow Group Board Committee Service: Audit (Member) and Nominating and Governance (Chair)

Ø Independent Director

Gordon Stephenson (age 52) has served as a member of the board of directors since May 2005. Mr. Stephenson is the co-founder and has been the Managing Broker of Real Property Associates (RPA), an independent real estate brokerage in the Pacific Northwest, since its inception in 1991. Prior to founding RPA, Mr. Stephenson was an associate broker with Prudential MacPhersons and Windermere Real Estate, both of which are real estate sales and brokerage companies based in Seattle, Washington. Mr. Stephenson serves on the boards of directors of Anchor Bancorp, a bank holding company, and its wholly owned subsidiary, Anchor Bank, a community-based savings bank, and Pure Watercraft, an early-stage electric boat company. Mr. Stephenson holds an A.B. in Economics from Stanford University.

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Mr. Stephenson is qualified to serve on our board of directors because he brings extensive experience in the residential real estate industry as a founder and manager of a real estate brokerage firm. As a result of his experience in these roles, he possesses valuable financial and management skills. Mr. Stephenson also has in-depth knowledge of the company's products and operations based on his tenure on the board and his work in residential real estate.

The Board of Directors Recommends a Vote FOR

Each of the Board's Nominees.

DIRECTORS CONTINUING IN OFFICE UNTIL THE 2019 ANNUAL MEETING OF SHAREHOLDERS

Richard N. Barton

Ø Executive Chairman, Zillow Group, Inc.

Richard N. Barton (age 50) is our co-founder and has served as Executive Chairman since September 2010. Mr. Barton has been a member of our board of directors since inception in December 2004 and served as Chief Executive Officer from inception until September 2010. Mr. Barton has served as a venture partner at Benchmark Capital, a venture capital firm, since February 2005. Prior to co-founding our company, Mr. Barton founded Expedia as a group within Microsoft Corporation in 1994, which Microsoft spun out as Expedia, Inc. in 1999, and Mr. Barton served as Expedia's President, Chief Executive Officer and as a member of its board of directors from 1999 to 2003. Mr. Barton also co-founded and has served as Non-Executive Chairman of Glassdoor.com, a salaries and reviews website for companies, since January 2008, and serves on the boards of directors of several other privately held companies. Mr. Barton has served on the board of directors of Netflix, Inc., an online media subscription service provider, since 2002, and Liberty Interactive Corporation, holding companies of businesses in the digital commerce, media, communications and entertainment industries, since 2016. Mr. Barton holds a B.S. in General Engineering: Industrial Economics from Stanford University.

Mr. Barton is qualified to serve on our board of directors because of the broad range of relevant leadership and technical skills he possesses as a founder and former chief executive officer of companies in the mobile and Internet industries. Mr. Barton also has unique experience launching and promoting continued innovation at transformative technology companies and marketing mobile and Web-based products to consumers. He has extensive knowledge of our business as our co-founder and one of our largest shareholders. As a director of other public companies, Mr. Barton also brings managerial, operational and corporate governance experience to our board of directors.

Lloyd D. Frink

Ø Vice Chairman and President, Zillow Group, Inc.

Lloyd D. Frink (age 53) is our co-founder and has served as Vice Chairman since March 2011, as a member of the board of directors since inception in December 2004, and as President since February 2005. Mr. Frink previously served as Zillow's Vice President from December 2004 to February 2005, as its Treasurer from December 2009 to March 2011 and as its Chief Strategy Officer from September 2010 to March 2011. From 1999 to 2004, Mr. Frink was at Expedia, Inc., where he held many leadership positions, including Senior Vice President, Supplier Relations, in which position he managed the air, hotel, car, destination services, content, merchandising and partner marketing groups from 2003 to 2004. From 1988 to 1999, Mr. Frink was at Microsoft Corporation, where he worked in many leadership roles, including as part of the original Expedia team and as a Group Program Manager from 1991 to 1995 and 1997 to 1999. Mr. Frink serves on the board of directors of GrubHub, Inc., an online and mobile food-ordering company. Mr. Frink holds an A.B. in Economics from Stanford University.

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Mr. Frink is qualified to serve on our board of directors because of his valuable strategic and technical leadership as a founder and senior policymaker of companies in the mobile and Internet industries. He has extensive experience developing and implementing business strategy based on in-depth knowledge of relevant industry sectors, including consumer-facing mobile and Web-based companies. He has valuable knowledge of our business as our co-founder and one of our largest shareholders. As a director and senior leader of large public companies, Mr. Frink also brings corporate governance and operational expertise to our board.

April Underwood

- Ø Vice President of Product, Slack Technologies, Inc.
- Ø Zillow Group Board Committee Service: Compensation (Member)
- Ø Independent Director

April Underwood (age 37) has served as a member of the board of directors since February 2017. Ms. Underwood has served as vice president of product at Slack Technologies, Inc., a cloud-based software company that builds professional collaboration tools, since she joined the company in June of 2015. Prior to joining Slack Technologies, Inc., she was director of product at Twitter, Inc., a social media and communications company, from April of 2010 to February of 2015. Prior to joining Twitter, Inc., Ms. Underwood held various product and engineering roles at Google, Travelocity, and Intel. Ms. Underwood holds a B.B.A. in Management Information Systems and Business Honors from The University of Texas at Austin, and an M.B.A. from The University of California at Berkeley (Haas).

Ms. Underwood is qualified to serve on Zillow Group's board of directors because of her broad experience in technology product development, engineering, innovation, and consumer engagement, as well as her deep understanding of the mobile and Internet industries. In various positions at leading technology and Internet companies, she has successfully driven growth initiatives, including product marketing and developer relations. In addition, as a founding member of #Angels, a woman owned and operated angel-investing group focused on helping grow technology start-ups, Ms. Underwood gained entrepreneurial experience through advising emerging technology companies on strategy development and execution.

DIRECTORS CONTINUING IN OFFICE UNTIL THE 2020 ANNUAL MEETING OF SHAREHOLDERS

Jay C. Hoag

- Ø General Partner, Technology Crossover Ventures
- Ø Zillow Group Board Committee Service: Compensation (Chair)
- Ø Independent Director

Jay C. Hoag (age 58) has served as a member of the board of directors since October 2005. Mr. Hoag co-founded Technology Crossover Ventures, a private equity and venture capital firm, in 1995 and continues to serve as a Founding General Partner. Mr. Hoag has served on the boards of directors and compensation committees of TripAdvisor, Inc., since February 2018; Electronic Arts Inc., an interactive entertainment software company, since September 2011; and Netflix, Inc., since 1999. Mr. Hoag served on the board of directors of TechTarget, Inc., a marketing services provider, from 2004 to 2016. Mr. Hoag also serves on the boards of directors of several private companies and universities. Mr. Hoag holds a B.A. from Northwestern University and an M.B.A. from the University of Michigan.

As a venture capital investor, Mr. Hoag brings strategic insights and extensive financial experience to our board of directors. He has evaluated, invested in and served as a board and committee member of numerous companies, both public and private, and is familiar with a full range of corporate and board functions. His many years of experience helping companies shape and implement strategy provide our board of directors with unique perspectives on matters such as risk management, corporate governance, talent selection and leadership development.

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Gregory B. Maffei

- Ø President and Chief Executive Officer, Liberty Media Corporation and Liberty Interactive Corporation
- Ø Zillow Group Board Committee Service: Audit (Chair)
- Ø Independent Director

Gregory B. Maffei (age 57) has served as a member of the board of directors since May 2005. Mr. Maffei has served as President and Chief Executive Officer of Liberty Media Corporation (including its predecessor) since May 2007 and Liberty Broadband Corporation since June 2014. He has served as a director, the President and Chief Executive Officer of Liberty TripAdvisor Holdings, Inc., since July 2013, and as its Chairman of the Board since June 2015. He has also served as President and Chief Executive Officer of Liberty Interactive Corporation (and its predecessor) since February 2006 and as a director since November 2005, and as its Chief Executive Officer-Elect from November 2005 through February 2006. Prior thereto, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation, a business software and hardware systems company, President and Chief Executive Officer of 360networks Corporation, a wholesale provider of Internet connectivity services, and Chief Financial Officer of Microsoft Corporation, a software company. Mr. Maffei has served as the Chairman of the Board of TripAdvisor, Inc., since February 2013; Chairman of the Board of Live Nation Entertainment, Inc., a live entertainment and ecommerce company, since March 2013 and as a director since February 2011; Chairman of the Board of Sirius XM Holdings, Inc., a satellite radio company, since April 2013 and as a director since 2009; director of Charter Communications, Inc., since May 2013; and Chairman of the Board of Pandora Media, Inc., since September 2017. Mr. Maffei previously served as Chairman of the Board of Directors of Starz, an integrated global media and entertainment company, from January 2013 until December 2016; as a director of DIRECTV (and its predecessor), a provider of digital television entertainment services, from June 2008 to June 2010; as a director of Expedia, Inc.; an online travel company, from 1999 to 2003 and Chairman from 1999 to 2002; as a director of Starbucks Corporation, a retailer of specialty coffee, from 1999 to 2006; as a director of Barnes & Noble, Inc., a retailer of books and digital media, from September 2011 to April 2014; and as a director of Electronic Arts, Inc. from June 2003 to July 2013. Mr. Maffei holds an A.B. from Dartmouth College and an M.B.A. from Harvard Business School, where he was a Baker Scholar.

Mr. Maffei is qualified to serve on our board of directors because he brings significant financial and operations experience due to his current and former leadership roles at public companies in the media, communications, and technology industries. He brings valuable perspective to strategic and operational matters based on extensive knowledge of governance practices and trends, particularly with respect to compliance and risk management. Mr. Maffei also possesses significant expertise related to financial reporting and accounting as a result of his leadership roles with large public companies.

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CORPORATE GOVERNANCE

Board of Directors

Our board of directors and its committees meet throughout the year on a set schedule and hold special meetings and act by written consent from time to time. During 2017 and including telephonic meetings, Zillow Group's board of directors met four times, the audit committee held five meetings, Zillow Group's compensation committee held two meetings and Zillow Group's nominating and governance committee held three meetings. During 2017, each incumbent member of Zillow Group's board of directors attended 85% or more of the aggregate number of meetings of the board and committees on which he or she served that were held during their term of service, except for Mr. Blachford who did not attend five of the fourteen board and committee meetings that were held in 2017. We encourage all of our directors and nominees for director to attend our annual meeting of shareholders. Three of Zillow Group's directors attended the 2017 Annual Meeting of Shareholders.

Director Independence

Our board of directors has undertaken a review of the independence of each of the persons who served as a director of Zillow Group during 2017. Based on information provided by each director concerning his or her background, employment, investments, and affiliations and upon the review and recommendation of our nominating and governance committee, our board of directors has determined that Ms. Underwood and Messrs. Blachford, Hoag, Maffei, and Stephenson, do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is independent as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of Nasdaq. The independent directors periodically meet in executive session.

In making the independence determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and its subsidiaries and all other facts and circumstances our board deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. In evaluating the independence of our directors, the board of directors also considered the following transactions, relationships and arrangements that are not required to be disclosed in this Proxy Statement as transactions with related persons:

Mr. Hoag is the General Partner of Technology Crossover Ventures (TCV), and is a direct or indirect director, limited partner, or member of the general partners of various private equity and venture capital funds of TCV that have been invested in by Messrs. Barton and Rascoff, each in their individual capacity, and Mr. Maffei, through an entity that he owns and controls. Each of Messrs. Barton and Rascoff's capital commitments in these funds represent a *de minimis* share of the total committed capital of the funds. Mr. Blachford also serves as a venture partner of TCV.

Mr. Hoag serves on the boards of directors of Netflix, Inc. with Mr. Barton.

Mr. Hoag serves of the board of directors of TripAdvisor, Inc. with Messrs. Rascoff and Maffei. Mr. Hoag also serves on the compensation committee. Mr. Maffei is also the Chief Executive Officer and Chairman of the Board of Liberty TripAdvisor Holdings, which currently holds approximately 22% of the outstanding stock of TripAdvisor, Inc.

Mr. Maffei is the President and Chief Executive Officer of Liberty Interactive Corporation, as well as a member of the board of directors with Mr. Barton.

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Messrs. Blachford and Barton are 50% co-owners of a condominium.

Mr. Blachford serves on the boards of directors of two privately held companies in which Mr. Barton is an investor and, for one of the companies, also serves as a board member.

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Mr. Stephenson participates in Zillow Group's Premier Agent program. Mr. Stephenson is the Managing Broker of Real Property Associates, which provides certain brokerage and rental management services to Mr. Rascoff.

Ms. Underwood is the Vice President of Product for Slack Technologies, Inc. (Slack), a company with which Zillow Group engages in ordinary course business transactions. Zillow Group's payments to Slack were less than 5% of the recipient's consolidated gross revenue for 2017 and 2016.

Board Leadership Structure

In accordance with our Corporate Governance Guidelines, a copy of which is posted on our website at <http://investors.zillowgroup.com/corporate-governance.cfm>, our board of directors does not have a policy as to whether the offices of chair of the board and Chief Executive Officer should be separate. Our board of directors believes that it should have the flexibility to make this determination as circumstances require, and in a manner that it believes is best to provide appropriate leadership for our company. The board of directors believes that its current leadership structure, with Mr. Barton serving as Executive Chairman and Mr. Rascoff serving as Chief Executive Officer, is appropriate because it enables the board, as a whole, to engage in oversight of management, promote communication and collaboration between management and the board, and oversee governance matters, while allowing our Chief Executive Officer to focus on his primary responsibility, the operational leadership and strategic direction of the Company. In addition, the board of directors benefits from the perspective and insights of Messrs. Barton and Rascoff as a result of their extensive experience in the mobile and Internet industries. The board of directors does not believe that its role in risk oversight has affected the board's leadership structure.

Risk Oversight

The board of directors considers the assessment of company risks and development of strategies for risk mitigation to be a responsibility of the entire board (as reported by the appropriate committee in the case of risks that are under the purview of a particular committee). The board engages in risk oversight on a broad range of matters, including challenges associated with strategic acquisitions, data privacy, cybersecurity, and other threats relevant to our information technology environment. The compensation committee provides oversight of our compensation philosophy and the objectives of our compensation programs, including the evaluation of whether our incentive compensation programs contain incentives for executive officers and employees to take risks in performing their duties that are reasonably likely to have a material adverse effect on the company. The nominating and governance committee oversees risks associated with corporate governance and the composition of our board of directors, including the independence of board members. The audit committee provides oversight concerning our major financial risk exposures and the steps management has taken to monitor and control such exposures. Each committee generally reports on its discussions to the full board of directors during the committee reports portion of the next board meeting. This enables the board of directors and its committees to coordinate their risk oversight roles.

Board Committees

The board of directors currently has the following standing committees: audit, compensation, and nominating and governance. The board of directors may, from time to time, form a new committee or disband a current committee depending on the circumstances and needs of the Company. Each standing committee complies with the independence and other requirements established by the SEC, Nasdaq, and applicable laws and regulations. Membership of the standing committees is determined annually by the board of directors with consideration given to the recommendation of the nominating and governance committee. Adjustments to committee assignments may be made at any time.

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The board of directors has adopted a written charter for each standing committee. Shareholders may access a copy of each standing committee's charter on the Investor Relations section of our website at <http://investors.zillowgroup.com/corporate-governance.cfm>. A summary of the duties and responsibilities of each standing committee is set forth below.

Audit Committee

The current members of our audit committee are Erik Blachford, Gordon Stephenson and Gregory B. Maffei, with Mr. Maffei serving as Chair. The primary responsibilities of the audit committee are to:

oversee the integrity of our corporate accounting and financial reporting process, internal accounting and financial controls and audits of the financial statements;

evaluate the independent auditor's qualifications, independence and performance, engage and provide for the compensation of the independent auditor, and establish the policies and procedures for the retention of the independent auditor to perform any proposed permissible non-audit services;

review our annual audited financial statements;

review our critical accounting policies, disclosure controls and procedures and internal controls over financial reporting;

establish and oversee certain compliance procedures and ethics compliance, including procedures for the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters;

discuss with management and the independent auditor the results of the annual audit and the reviews of our quarterly unaudited financial statements; and

review all transactions with related persons that are disclosed under Item 404 of Regulation S-K.

Our board of directors has determined that each of our audit committee members meets the requirements for independence and financial literacy under the applicable rules and regulations of the SEC and Nasdaq. Our board of directors has determined that each of Messrs. Blachford, Maffei and Stephenson is an audit committee financial expert as defined under the applicable rules and regulations of the SEC.

Compensation Committee

The current members of our compensation committee are Erik Blachford, Jay C. Hoag and April Underwood, with Mr. Hoag serving as Chair. The primary responsibilities of our compensation committee are to:

review our overall compensation philosophy and policies relating to the compensation and benefits of our officers and employees;

review and approve goals and objectives relevant to the compensation of our Chief Executive Officer and other senior officers, evaluate the performance of these officers in light of those goals and objectives, and set compensation of these officers based on such evaluations;

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oversee the administration and issuance of stock options, restricted stock units, and other awards under our equity incentive plans, including the Zillow Group, Inc. Amended and Restated 2011 Incentive Plan (the 2011 Plan); and

oversee our compensation and benefit plans, policies and programs for our executive officers and non-employee directors.

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As part of its process to determine the compensation level of each executive officer, the compensation committee evaluates, among other things, the Chief Executive Officer's assessment of the other executive officers and recommendations regarding their compensation in light of the goals and objectives of our executive compensation program.

Pursuant to its charter, the compensation committee has sole authority to engage outside compensation consultants or other advisors to assist the committee in carrying out its duties. With respect to 2017 executive compensation, the compensation committee did not engage a compensation consultant but considered the 2016 analysis of Compensia, a compensation consulting firm, as described below. The compensation committee also considered market information available through Equilar and Radford, each leading executive compensation data solutions companies, and data from the proxy statements of peer companies as reference points in making certain executive compensation decisions for 2017 consistent with the Company's compensation philosophy. With respect to 2016 executive compensation, the compensation committee engaged Compensia to recommend a peer group for the purpose of conducting a market analysis of the total compensation of certain executive officers and to make recommendations for the committee's consideration with respect to the salary and equity compensation of certain executive officers. Compensia did not provide any other services to the compensation committee, management, or the Company in 2016 or 2017 and only received fees from the Company on behalf of our compensation committee.

The compensation committee may form and delegate authority to subcommittees and delegate authority to one or more designated members of the committee in accordance with its charter. The charter also permits the compensation committee to delegate to one or more senior executive officers the authority to make certain grants of equity-based compensation to non-executive officer employees, subject to restrictions set forth in the charter and under applicable laws. Upon the recommendation of the compensation committee, the board of directors has delegated to Mr. Rascoff, so long as he is acting as Chief Executive Officer of Zillow Group, Ms. Philips, so long as she is acting as Chief Financial Officer of Zillow Group, Mr. Barton, so long as he is acting as Executive Chairman of Zillow Group, and Mr. Frink, so long as he is acting as Vice Chairman or President of Zillow Group, the authority to grant equity awards to non-executive officer employees under the 2011 Plan, subject to certain restrictions. Pursuant to such authority, these individuals routinely act to grant equity awards to our non-executive officer employees.

Our board of directors has determined that each member of our compensation committee meets the requirements for independence under the applicable rules and regulations of Nasdaq, the SEC, and the Internal Revenue Code of 1986, as amended (the Code). For additional discussion of the processes and procedures the compensation committee has used to determine executive officer and non-employee director compensation, please refer to the sections entitled, Named Executive Officer Compensation Compensation Discussion and Analysis How We Set Executive Compensation and Director Compensation, respectively.

Compensation Committee Interlocks and Insider Participation

None of the members of Zillow Group's compensation committee in 2017 was, at any time during 2017 or at any other time, an officer or employee of Zillow Group, and, except as described in the section entitled Certain Relationships and Related Person Transactions, none had or has any relationships with Zillow Group that are required to be disclosed under Item 404 of Regulation S-K.

A compensation committee interlock can occur when an executive officer of one company: (1) serves on the compensation committee of another company, one of whose executive officers serves on the compensation committee or board of directors of the first company; or (2) serves as a director of another company, one of whose executive officers serves on the compensation committee of the first company. During 2017, none of Zillow Group's executive officers served as a member of the board of directors, or as a member of the compensation or similar committee, of another company such that a compensation committee interlock arose.

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Nominating and Governance Committee

The current members of our nominating and governance committee are Gordon Stephenson and Erik Blachford, with Mr. Stephenson serving as Chair. The primary responsibilities of the nominating and governance committee are to:

identify, approve, and recommend individuals qualified to become members of the board of directors in accordance with the director selection guidelines approved by the board of directors;

oversee evaluations of our board of directors and its committees; and

develop, periodically review, monitor and recommend to the board of directors corporate governance principles and policies applicable to the Company.

The nominating and governance committee and the board of directors believe it is essential to have directors representing diverse viewpoints to enhance the quality of the board's discussions and decision-making process. This is consistent with the Company's commitment to equity and belonging across the organization, with diversity of thought being an integral part of the way the Company promotes innovation and long-term success. Diversity, which we broadly construe to include age, professional experience, gender, race, and ethnicity, among other considerations, is one factor taken into account by the nominating and governance committee in determining the needs of the board of directors and evaluating director candidates to fill such needs. The director selection guidelines used by the nominating and governance committee to evaluate the board's composition and director candidates are included in the committee's charter, which is available on the Investor Relations section of our website at <http://investors.zillowgroup.com/corporate-governance.cfm>. Pursuant to the director selection guidelines and to help ensure a well-balanced board, the nominating and governance committee considers the total mix of the board's composition and director candidates' qualifications, including factors like relevant industry knowledge, expertise in operations, financial acumen, and experience working with public companies. The nominating and governance committee does not have a formal policy with respect to diversity. The nominating and governance committee has the authority to retain a search firm or other advisor to identify director candidates and to otherwise assist with the fulfillment of its duties.

Our board of directors has determined that each member of the nominating and governance committee meets the requirements for independence under the applicable rules and regulations of Nasdaq and the SEC. Pursuant to its charter, the nominating and governance committee will also consider qualified director candidates recommended by our shareholders. The nominating and governance committee evaluates the qualifications of candidates properly submitted by shareholders in the same manner as it evaluates the qualifications of director candidates identified by the committee or the board of directors. Shareholders can recommend director candidates by following the instructions outlined below in the section entitled "Additional Information - Consideration of Shareholder-Recommended Director Nominees." No nominations for director were submitted to the nominating and governance committee for consideration by any of our shareholders in connection with the Annual Meeting.

Table of Contents**DIRECTOR COMPENSATION****2017 Director Compensation Table**

Zillow Group's director compensation program is governed by the Amended and Restated Stock Option Grant Program for Nonemployee Directors (the Program). In 2017, Zillow Group compensated its eligible non-employee directors solely with stock options. As described in greater detail below, in February 2017, the board of directors adopted amendments to the Program. Under the prior Program, eligible non-employee directors received a fully-vested stock option grant as compensation for the prior year's service (the 2016 to 2017 board service year) as of March 1, 2017. In addition, under the amended Program, non-employee directors received a stock option grant as compensation for the upcoming year's service (the 2017 to 2018 board service year) as of March 1, 2017 which vests quarterly over one year. For 2018 and thereafter, the Company expects that a single option grant will be made to non-employee directors for the upcoming year's service.

The following table provides information regarding the compensation of our non-employee directors during 2017. The 2017 compensation of Messrs. Rascoff and Frink, executive officers who are also members of the board of directors, is discussed in the Compensation Discussion and Analysis, and additional information is presented in the related tables. Messrs. Rascoff, Barton, and Frink did not receive compensation for their board service.

Name	Option Awards (\$)(1)	Total (\$)
Erik Blachford	350,000	350,000
Peter Flint	350,000	350,000
Jay C. Hoag	350,000	350,000
Gregory B. Maffei	350,000	350,000
Gordon Stephenson	350,000	350,000
April Underwood	400,000(2)	400,000(2)

- (1) Amounts reflect aggregate grant date fair value of the option awards granted, computed, as of the grant date, in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation (FASB ASC Topic 718). Assumptions used to calculate these amounts are described in Note 14, Share-Based Awards, to Zillow Group's financial statements included in Zillow Group's Annual Report on Form 10-K for the year ended December 31, 2017. On March 1, 2017, and as described in greater detail below, each of the eligible non-employee directors of Zillow Group received an annual stock option grant to purchase 13,071 shares of Zillow Group's Class C capital stock with a Black-Scholes-Merton grant date fair value of \$200,000 for the next year's service and, other than Ms. Underwood, an annual stock option grant to purchase 9,803 shares of Zillow Group's Class C capital stock with a Black-Scholes-Merton grant date fair value of \$150,000 for the prior year's service. As of December 31, 2017, Zillow Group's non-employee directors held stock options granted for director service to purchase the following number of shares of Zillow Group's Class A common stock and Class C capital stock: Mr. Blachford, 22,886 shares of Class A common stock and 85,481 shares of Class C capital stock; Mr. Flint (whose term as director expired in June 2017), 22,890 shares of Class C capital stock; Mr. Hoag, 3,145 shares of Class A common stock and 45,999 shares of Class C capital stock; Mr. Maffei, 22,886 shares of Class A common stock and 85,481 shares of Class C capital stock; Mr. Stephenson, 22,886 shares of Class A common stock and 85,481 shares of Class C capital stock; and Ms. Underwood, 26,501 shares of Class C capital stock.
- (2) On February 11, 2017, in connection with her initial appointment to the board, Ms. Underwood received a stock option grant to purchase 13,430 shares of Zillow Group's Class C capital stock with a Black-Scholes-Merton grant date fair value of \$200,000. One-sixteenth of the shares subject to this option grant vests quarterly such that the option grant will be fully vested after four years.

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Time and Manner of Compensation

The Program is administered by the compensation committee and the board of directors under the 2011 Plan. Eligible directors are compensated for service on our board and committees of our board solely with stock options granted under the Program. No director receives cash compensation for service as a director, though a director is reimbursed for reasonable expenses incurred while attending meetings of our board of directors and board committees.

In February 2017, the board of directors, upon the recommendation of the compensation committee, adopted amendments to the Program. Pursuant to the amended Program, on March 1 of each year, our non-employee directors are eligible to automatically receive stock option grants to purchase a number of shares of Class C capital stock equal to the amount set forth in the Program. Eligible directors who are initially elected or appointed to the board of directors during the 12-month period following a March 1 grant date receive a prorated annual option grant in connection with their initial election or appointment to the board, based on the number of full calendar months that elapse between the date of the director's initial election or appointment to the board and the next March 1 grant date, subject to approval by the board or the compensation committee.

The grants made in March 2017 pursuant to the amended Program were for that number of shares of Class C capital stock having a Black-Scholes-Merton value of \$200,000 on the date of grant (with any fractional share rounded to the nearest whole share (0.5 rounded up)) and with a per share exercise price equal to the closing price of our Class C capital stock on the date of grant. One-fourth of the shares subject to annual stock options granted under the Program vest each quarter over one year, subject to continued service. Prorated options granted under the Program become fully vested as of the first March 1 grant date following the board's or compensation committee's approval of the grant.

Prior to the board's approval of the amended Program, non-employee directors automatically received stock options that were fully vested as of the March 1 grant date as compensation for the prior year's service. In order to compensate directors for service over the immediately preceding year, non-employee directors, other than Ms. Underwood, also received stock options on March 1, 2017 for 9,803 shares of Class C capital stock having a Black-Scholes-Merton value of \$150,000 on the date of grant (with any fractional share rounded to the nearest whole share (0.5 rounded up)) and with a per share exercise price equal to the closing price of our Class C capital stock on that date. In lieu of the foregoing grant, Ms. Underwood was granted a stock option to purchase 13,430 shares of our Class C capital stock which vests quarterly over four years, subject to Ms. Underwood's continued director service. For 2018 and thereafter, the Company expects a single option grant will be made to non-employee directors under the current Program for the next year's service which vests quarterly over one year.

Stock options granted under the Program in 2017 have ten-year terms, subject to earlier termination in the event of a director's termination of service.

Pursuant to its charter, the compensation committee reviews non-employee director compensation at least annually and may recommend adjustments to the board. The Company has designed its non-employee director compensation program to attract and retain excellent directors and align their interests with the long-term interests of our shareholders. The compensation committee considers third-party director compensation surveys, such as the director compensation reports issued jointly by the National Association of Corporate Directors and Pearl Meyer, and the time commitment required of Zillow Group's directors, among other factors, when evaluating non-employee director compensation.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides certain information as of December 31, 2017 with respect to securities authorized for issuance under equity compensation plans. No future equity awards will be granted under the equity compensation plans not approved by security holders described in the table and accompanying footnotes below.

Plan category	Number of securities issuable upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (1) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders (2)			
Class A Common Stock	4,728,583(3)	\$ 24.99	(4)
Class B Common Stock			
Class C Capital Stock	25,601,218(5)	\$ 28.36	5,076,898(6)(7)
Equity compensation plans not approved by security holders			
Class A Common Stock	107,585(8)	\$ 14.70	
Class B Common Stock			
Class C Capital Stock	224,225(9)	\$ 20.50	
Total			
Class A Common Stock	4,836,168	\$ 24.76	
Class B Common Stock			
Class C Capital Stock	25,825,443	\$ 28.29	5,076,898
Total All Classes	30,661,611	\$ 27.70	5,076,898

- (1) The weighted-average exercise price is calculated based on outstanding stock options. It excludes outstanding restricted stock units (RSUs) and restricted units, which have no exercise price.
- (2) Includes the Zillow, Inc. Amended and Restated 2005 Equity Incentive Plan (the 2005 Plan) and the 2011 Plan. The 2005 Plan was terminated in July 2011, and no new equity awards may be granted under that plan. No Class B common stock is issuable under either the 2005 Plan or the 2011 Plan.
- (3) Includes (i) stock options to purchase 82,806 shares of Class A common stock under the 2005 Plan and (ii) stock options and RSUs for 4,645,777 shares of Class A common stock under the 2011 Plan.
- (4) We intend that future grants under the 2011 Plan will be for Class C capital stock only; however, we also have the discretion to grant Class A common stock pursuant to the 2011 Plan. In the event we make future grants under the 2011 Plan for Class A common stock, those grants would reduce the number of securities remaining available for future issuance as Class C capital stock.
- (5) Includes 11,014,365 shares of Class C capital stock issuable upon exercise of outstanding stock options and vesting of outstanding RSUs and restricted units that were distributed as a dividend in connection with the Class C Stock Split effective August 14, 2015. Also includes 14,586,853 shares of Class C capital stock issuable upon exercise of outstanding stock options and vesting of RSUs that were granted under our 2011 Plan in 2015, 2016, and 2017 following the effective date of the Class C Stock Split.
- (6) Includes shares available for issuance under the 2011 Plan, which we intend to issue solely as shares of Class C capital stock. Does not include (i) 7,742,649 shares that became available for issuance under the 2011 Plan on January 1, 2017 pursuant to the evergreen provision, and (ii) shares subject to stock options granted in substitution of stock options previously granted by companies we acquired,

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which stock options do not reduce the number of shares available for issuance under the 2011 Plan.

- (7) The 2011 Plan contains an evergreen provision, pursuant to which the number of shares available for issuance can be increased on the first day of each of our fiscal years, equal to the least of (i) 3.5% of our outstanding Class A common stock, Class B common stock and Class C capital stock on a fully diluted basis

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as of the end of our immediately preceding fiscal year, (ii) 10,500,000 shares (as adjusted for the Class C Stock Split), and (iii) a lesser amount determined by our board of directors; provided, however, that any shares from increases in prior years that are not actually issued will continue to be available for issuance under the 2011 Plan.

- (8) Includes 92,611 shares of Class A common stock issuable upon exercise of outstanding options and vesting of RSUs that we assumed in connection with our February 2015 acquisition of Trulia. These awards were assumed under the Trulia 2012 Equity Incentive Plan, as amended and restated (the Trulia 2012 Plan) and the Trulia 2005 Stock Incentive Plan, as amended. Also includes 14,974 shares of Class A common stock issuable upon exercise of outstanding stock options and RSUs that were granted to Trulia employees under the Trulia 2012 Plan following completion of the Trulia acquisition. No future awards will be granted under these plans. No Class B common stock is issuable under these plans.
- (9) Includes 194,277 shares of Class C capital stock issuable upon exercise of outstanding stock options and vesting of RSUs assumed in the Trulia acquisition that were distributed as a dividend pursuant to the Class C Stock Split. Also includes 29,948 shares of Class C capital stock issuable pursuant to the Class C Stock Split with respect to outstanding stock options and RSUs that were granted to Trulia employees under the Trulia 2012 Plan following completion of the Trulia acquisition.

Trulia 2012 Equity Incentive Plan, as Amended and Restated

The Trulia 2012 Plan became effective in September 2012. The Trulia 2012 Plan provides for the grant of incentive and nonqualified stock options, restricted stock, RSUs, stock appreciation rights, performance units and performance shares to employees, directors and consultants. Under the 2012 Plan, stock options were granted at a price per share not less than 100% of the fair market value per share of the underlying stock at the grant date. The plan administrator determined the vesting period for each option award on the grant date, and options granted under the plan generally expire 10 years from the grant date or such shorter term as may be determined for the options. As described above, no new equity awards will be granted under the Trulia 2012 Plan or under any of the other equity plans under which outstanding equity awards were assumed in connection with the Trulia acquisition.

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**PROPOSAL 2: ADVISORY VOTE TO APPROVE THE COMPENSATION OF
NAMED EXECUTIVE OFFICERS**

Pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), our shareholders are able to vote to approve, on a nonbinding, advisory basis, not less frequently than once every three years, the executive compensation programs and policies and the resulting compensation of our named executive officers, as further described in the Compensation Discussion and Analysis section and the compensation tables that follow it. In accordance with the Exchange Act requirements, we are providing our shareholders with an opportunity to express their views on our named executive officers' compensation, commonly referred to as the say-on-pay vote. Although this advisory vote is nonbinding, our board of directors and compensation committee will review and consider the voting results when making future decisions regarding our named executive officer compensation and related executive compensation programs. Our board of directors has adopted a policy to hold this advisory vote every three years, with the next vote on the compensation of our named executive officers to occur at the 2021 Annual Meeting of Shareholders.

As described in more detail in the Compensation Discussion and Analysis, our executive compensation program is designed to:

Attract qualified, experienced executive officers who will enable us to achieve our business objectives;

Retain and motivate our executive officers to achieve superior performance;

Reward performance; and

Align the interests of our executive officers with those of our shareholders by motivating our executive officers to increase shareholder value.

We encourage shareholders to read the Compensation Discussion and Analysis in this Proxy Statement, which describes the processes the compensation committee used to determine the structure and amounts of the compensation of our named executive officers in 2017 and how our executive compensation philosophy, policies and procedures operate and are designed to achieve our compensation objectives. The compensation committee and our board of directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the named executive officers in this Proxy Statement have contributed to our success.

Accordingly, we ask our shareholders to vote **FOR** the following resolution:

RESOLVED, that the shareholders of Zillow Group, Inc. approve, on a nonbinding, advisory basis, the compensation of the named executive officers, as disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table, and the other related tables and disclosures in the Proxy Statement for the 2018 Annual Meeting of Shareholders of Zillow Group, Inc.

The Board of Directors Recommends a Vote **FOR**

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the Advisory Resolution to Approve Compensation of our Named Executive Officers.

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**PROPOSAL 3: RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee, which consists entirely of independent directors, has selected Deloitte & Touche LLP (Deloitte) as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

Shareholder ratification of the appointment of Deloitte as our independent registered public accounting firm is not required by our Amended and Restated Bylaws (Bylaws) or otherwise. However, our board of directors is submitting the appointment of Deloitte to our shareholders for ratification as a matter of corporate practice. If our shareholders fail to ratify the appointment, the audit committee may reconsider the appointment of Deloitte. Even if the appointment is ratified, the audit committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our shareholders. Representatives of Deloitte are expected to be present at the Annual Meeting.

Change of Independent Public Accountants: As previously reported on the Company's Current Report on Form 8-K, dated August 3, 2016, the audit committee conducted a comprehensive, competitive process to determine the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2017. On August 3, 2016, the audit committee approved the engagement of Deloitte as our independent registered public accounting firm for the Company's fiscal year ending December 31, 2017, and approved the dismissal of EY, which became effective on February 7, 2017.

The reports of EY on the Company's consolidated financial statements for the years ended December 31, 2015 and 2016, did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principle. During the fiscal years ended December 31, 2015 and 2016, there were no disagreements (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K) between the Company and EY on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of EY, would have caused EY to make reference to the subject matter of the disagreements in connection with EY's report on the Company's consolidated financial statements for such fiscal years, and there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

During the two most recent fiscal years ended December 31, 2015 and 2016, neither the Company nor anyone acting on its behalf has consulted with Deloitte regarding: (i) the application of accounting principles to a specified transaction, either completed or proposed, or (ii) the type of audit opinion that might be rendered on the Company's financial statements, and either a written report was provided to the Company or oral advice was provided that Deloitte concluded was an important factor considered by the Company in reaching a decision as to an accounting, auditing or financial reporting issue; or (iii) any matter that was either the subject of a disagreement or a reportable event, as each term is defined in Items 304(a)(1)(iv) or (v) of Regulation S-K, respectively.

**The Board of Directors Recommends a Vote FOR the Ratification of the
Appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm.**

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AUDIT COMMITTEE REPORT

The audit committee assists our board of directors in oversight of (a) our accounting and financial reporting processes and the audits of our financial statements, (b) the independent auditor's qualifications, independence and performance, (c) our internal audit function, if any, and the performance of our internal accounting and financial controls, and (d) our compliance with legal and regulatory requirements. Deloitte & Touche LLP (Deloitte), the Company's independent registered public accounting firm, was responsible for auditing the financial statements prepared by our management for the fiscal year ended December 31, 2017.

In connection with our review of Zillow Group's audited financial statements for the fiscal year ended December 31, 2017, we relied on reports received from Deloitte as well as the advice and information we received during discussions with Zillow Group's management. In this context, we hereby report as follows:

- (i) The audit committee has reviewed and discussed the audited financial statements for fiscal year 2017 with Zillow Group's management.
- (ii) The audit committee has discussed with Deloitte, the Company's independent registered public accounting firm, the matters required to be discussed by the statement on Auditing Standard No. 1301, *Communications with Audit Committees*.
- (iii) The audit committee has received the written disclosures and the letter from Deloitte, the Company's independent registered public accounting firm, required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the audit committee concerning independence, and has discussed with the independent registered public accounting firm the independent registered public accounting firm's independence.
- (iv) Based on the review and discussion referred to in paragraphs (i) through (iii) above, the audit committee recommended to Zillow Group's board of directors that the audited financial statements be included in Zillow Group's Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

Members of the audit committee:

Gregory B. Maffei (Chairman)

Erik Blachford

Gordon Stephenson

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS FEES REPORT****Fees Paid to Independent Registered Public Accounting Firm**

The following table provides information regarding the fees billed by Deloitte & Touche LLP (Deloitte) for the fiscal year ended December 31, 2017, inclusive of out-of-pocket expenses.

	2017
Audit Fees	\$ 915,575
Audit-Related Fees	\$
Tax Fees	\$ 89,995
All Other Fees	\$ 2,077

Fees Paid to Prior Independent Registered Public Accounting Firm

The following table provides information regarding the fees billed by the Company's previous independent registered public accounting firm, Ernst & Young LLP (EY), for the fiscal year ended December 31, 2016 and 2017, inclusive of out-of-pocket expenses.

	2017	2016
Audit Fees	\$ 30,000	\$ 1,395,771
Audit-Related Fees	\$	\$
Tax Fees	\$	\$
All Other Fees	\$	\$ 2,110

Audit Fees

Audit fees of Deloitte and EY during the 2017 and 2016 fiscal years, include the aggregate fees incurred for the audits of the annual consolidated financial statements and the review of each of the quarterly consolidated financial statements included in Quarterly Reports on Form 10-Q for Zillow Group. Audit fees in 2016 also include services rendered by EY in connection with Zillow Group's February 2016 acquisition of Naked Apartments, August 2016 acquisition of Bridge Interactive Group, December 2016 issuance of 2.00% Convertible Senior Notes due 2021 and certain registration statements on Form S-8.

Tax Fees

Tax fees of Deloitte for the fiscal year ended December 31, 2017 primarily include tax compliance and return preparation. For the fiscal year ended December 31, 2016, there were no fees billed by EY for professional services rendered under Tax Fees in the chart above.

All Other Fees

Other fees include access to online accounting and tax research software applications and data.

Audit Committee Review and Pre-Approval of Independent Registered Public Accounting Firms Services

All fees described above were approved by the audit committee. Our audit committee's policy is to pre-approve all audit and non-audit services (including the fees and terms thereof) to be performed by our independent registered public accounting firm. This policy is set forth in the

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charter of the audit committee, which is available at <http://investors.zillowgroup.com/corporate-governance.cfm>. The audit committee considered whether the non-audit services rendered by our independent registered accounting firms were compatible with maintaining their independence as the independent registered public accounting firms of our financial statements and concluded, for both Deloitte and EY, that they were.

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The following table provides information regarding our executive officers as of April 2, 2018:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Spencer M. Rascoff	42	Chief Executive Officer and Director
Richard N. Barton	50	Executive Chairman and Director
Lloyd D. Frink	53	Vice Chairman, President and Director
David A. Beitel	48	Chief Technology Officer
Amy C. Bohutinsky	43	Chief Operating Officer
Stanley B. Humphries	50	