

## SUPERVISORY BOARD REPORT



**Christoph Vilanek**  
Chairman of the supervisory board

### Dear ladies and gentlemen,

Fiscal year 2019 was again an exceptionally successful year for the Ströer Group. It was shaped by the consistent implementation of our OOH+ strategy, with a regional focus on Germany.

The supervisory board of Ströer SE & Co. KGaA carefully monitored and advised the general partner, Ströer Management SE, on a regular basis in the reporting period. The supervisory board of Ströer SE & Co. KGaA reviewed in particular the legality, expediency and propriety of management by Ströer Management SE's board of management.

In line with the requirements of the German Corporate Governance Code as amended on 7 February 2017, the supervisory board regularly reviewed whether it has an appropriate number of independent members. This is particularly important given the shareholder structure and was found to be the case in the supervisory board's opinion. With the exception of the supervisory board members Julia Flemmerer, whose term ended on 19 June 2019, Angela Barzen, whose term commenced on 19 June 2019, and Dirk Ströer, none of the members of the supervisory board have a business or personal relationship with Ströer SE & Co. KGaA, the general partner Ströer Management SE, its board of management or supervisory board or a controlling shareholder, that would establish a material conflict of interest of a non-temporary nature. Hence, pursuant to the definition in the German Corporate Governance Code as amended on 7 February 2017, six shareholder representatives were independent and two were not during their respective terms. The supervisory board thus considers 14 of the 16 supervisory board members as independent. This number is appropriate in the opinion of the supervisory board.

The board of management of Ströer Management SE informs the supervisory board of Ströer SE & Co. KGaA at supervisory board meetings as well as through written and oral reports on the business and all relevant aspects of business planning. It therefore fulfills its duty to provide information. In addition to the financial, investment and personnel planning, the development of business, the economic situation of the Company and the Group (including the risk situation and risk management), the financial position and the Group's profitability were discussed.

During fiscal year 2019, the supervisory board of Ströer SE & Co. KGaA convened four in-person meetings. In additional meetings, the chairman of the supervisory board, the deputy chairman of the supervisory board and the chairman of the supervisory board's audit committee discussed key business events with the board of management of Ströer Management SE. The supervisory board plenum received regular oral reports on these deliberations.

The supervisory board of Ströer SE & Co. KGaA has formed an audit committee which deals in particular with monitoring the financial reporting process, the effectiveness of the internal risk management systems, the internal audit function and the audit of the financial statements. The audit committee of Ströer SE & Co. KGaA convened five times in the fiscal year.

The supervisory board of Ströer SE & Co. KGaA also established a nomination committee on 19 September 2019 which proposes suitable candidates to the supervisory board for election as shareholder representatives by the shareholder meeting. The nomination committee of Ströer SE & Co. KGaA did not meet in the fiscal year.

### Focus of deliberations and review by the supervisory board plenum

At the meeting of the supervisory board on 22 March 2019, the supervisory board, in the presence of the auditors from Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, discussed in detail and approved the unqualified audited annual financial statements of Ströer SE & Co. KGaA and the unqualified audited consolidated financial statements of Ströer SE & Co. KGaA for fiscal year 2018. Furthermore, the supervisory board adopted its recommendations for resolutions to be passed by the shareholder meeting in 2019, including the increase in the dividend rate from 50% to 75% and the distribution of a dividend of EUR 2.00 per qualifying share, the exoneration of Ströer Management SE and its supervisory board, the appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor for fiscal year 2019, the introduction of a stock option plan and the nomination of candidates to the supervisory board. The supervisory board also reviewed and unanimously approved the non-financial report of Ströer SE & Co. KGaA. The supervisory board also addressed the compliance report for fiscal year 2018.

In a written procedure, the supervisory board adopted a resolution on 3 May 2019 recommending the appointment of Angela Barzen to the supervisory board.

In the supervisory board meeting held on 19 June 2019 in the run-up to the Company's shareholder meeting, the supervisory board examined the risk management report in detail.

At its meeting on 13 September 2019, the supervisory board unanimously elected Mr. Christoph Vilanek as chairman of the supervisory board and Mr. Dirk Ströer as deputy chairman of the supervisory board. The supervisory board also confirmed the appointment of Ulrich Voigt, Christoph Vilanek and Dirk Ströer to the audit committee. Mr. Voigt, Mr. Vilanek and Mr. Ströer abstained from voting in each case. The supervisory board also deliberated over the draft amendments to the German Corporate Governance Code in the version dated 9 May 2019. It unanimously agreed to establish a nomination committee which proposes suitable candidates to the supervisory board for election as shareholder representatives by the shareholder meeting and unanimously appointed Ms. Petra Sontheimer, Mr. Martin Diederichs and Mr. Ulrich Voigt as the first members of the nomination committee, who abstained from voting in each case. After extensive deliberation, the supervisory board agreed that at least six of the eight shareholder representatives should be deemed independent within the meaning of the German Corporate Governance Code. In addition, the supervisory board dealt with questions concerning the efficiency of its work.

At its meeting on 11 December 2019, the supervisory board closely reviewed the recommendation for tendering prepared by the audit committee for the appointment of the auditor of the financial statements for fiscal year 2020. After extensive discussion, the supervisory board unanimously approved the recommendation of the audit committee and agreed to propose the appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft to the Company's shareholder meeting in fiscal year 2020. The supervisory board also approved the declaration of compliance with the German Corporate Governance Code as amended on 7 February 2017. Furthermore, the supervisory board approved the amendment to the Company's articles of incorporation and bylaws to increase capital stock and accordingly adjust conditional capital following the exercise of the stock options under the stock option plan 2013 and the stock option plan 2015 in fiscal year 2019.

With the following exceptions, all supervisory board members participated in all meetings of the supervisory board of Ströer SE & Co. KGaA during their respective terms. Dr. Müller did not participate in the meetings held on 22 March 2019, 19 June 2019 or 11 December 2019. Ms. Flemmerer did not participate in the meetings held on 22 March 2019 or 19 June 2019. Mr. Voigt did not participate in the meeting held on 19 June 2019.

### Deliberations of the supervisory board's audit committee

On 20 February 2019, the audit committee discussed the work on the annual financial statements, the current business figures of the Ströer Group and various tax topics. On 13 March 2019, the audit committee examined the draft versions of the annual and consolidated financial statements of Ströer SE & Co. KGaA for fiscal year 2018 and the non-financial report for fiscal year 2018. The auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, attended this meeting. At its further meetings on 6 May 2019, 2 August 2019 and 7 November 2019, the audit committee deliberated on the Company's respective quarterly statements and half-yearly financial report, the preparation and execution of the tender for the recommendation on the appointment of the auditor of the financial statements for fiscal year 2020, the internal audit function, the risk management report and compliance issues.

The members of the audit committee participated in all meetings of the audit committee. The CFO of the general partner, Dr. Bernd Metzner and subsequently Dr. Christian Baier, participated in all meetings of the audit committee during their respective terms.

The members of the supervisory board's audit committee are still Mr. Ulrich Voigt as chairman, Mr. Christoph Vilanek as his deputy and Mr. Dirk Ströer.

### Audit of the annual and consolidated financial statements

The annual and consolidated financial statements of Ströer SE & Co. KGaA prepared by the board of management of Ströer Management SE for fiscal year 2019 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, together with the underlying books and records and the combined management report of the Company and the Group. An unqualified auditor's report was issued in each case.

The documentation on the financial statements and the long-form audit reports were made available to all members of Ströer SE & Co. KGaA's supervisory board in good time. The documents were the subject of intensive discussions in the audit committee of Ströer SE & Co. KGaA and in the meeting of the supervisory board of Ströer SE & Co. KGaA to discuss the financial statements on 26 March 2019. The responsible auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, participated in the plenum discussions. The auditor reported on the key findings of the audit and was available to answer questions.

The supervisory board reviewed all documents presented by the board of management of Ströer Management SE and the auditor in detail. Based on the result of its review, the supervisory board had no reservations and agreed with the conclusion reached in the audit of the financial statements by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne. The annual and consolidated financial statements prepared by the board of management of Ströer Management SE were approved by the supervisory board of Ströer SE & Co. KGaA.

### Changes to the composition of the boards

The supervisory board of Ströer SE & Co. KGaA comprises 16 members, with eight shareholder representatives and eight employee representatives.

Following Ms. Anette Bronder's resignation as of 31 December 2018, as of the beginning of the reporting period the supervisory board comprised seven shareholder representatives – Mr. Christoph Vilanek (chairman), Mr. Dirk Ströer (deputy chairman), Ms. Julia Flemmerer, Ms. Petra Sontheimer, Mr. Ulrich Voigt, Mr. Martin Diederichs and Mr. Vicente Vento Bosch – and eight employee representatives – Ms. Sabine Hüttinger, Ms. Rachel Marquardt, Ms. Nadine Reichel, Mr. Andreas Huster, Mr. Tobias Meuser, Dr. Thomas Müller, Mr. Michael Noth and Mr. Christian Sardiña Gellesch.

By resolution dated 21 March 2019, Cologne Local Court appointed Ms. Sabine Thiäner to replace Ms. Anette Bronder in her capacity as a shareholder representative to the supervisory board by request of the board of management of Ströer Management SE. Mr. Michael Noth resigned effective 31 May 2019.

With effect from the end of the shareholder meeting on 19 June 2019, the terms of office as supervisory board members ended for Julia Flemmerer, Christoph Vilanek, Dirk Ströer and Ulrich Voigt. Julia Flemmerer did not stand for a further term and thus left the supervisory board. The shareholder meeting confirmed the offices of Christoph Vilanek, Dirk Ströer and Ulrich Voigt as supervisory board members and appointed Angela Barzen to the supervisory board to replace Julia Flemmerer.

By resolution dated 29 August 2019, Cologne Local Court appointed Ms. Petra Loubek to replace Mr. Michael Noth as an employee representative to the supervisory board by request of the board of management of Ströer Management SE.

Since this date, the supervisory board has comprised eight shareholder representatives – Mr. Christoph Vilanek (chairman), Mr. Dirk Ströer (deputy chairman), Ms. Angela Barzen, Ms. Petra Sontheimer, Ms. Sabine Thiäner, Mr. Ulrich Voigt, Mr. Martin Diederichs and Mr. Vicente Vento Bosch – and eight employee representatives – Ms. Sabine Hüttinger, Ms. Petra Loubek, Ms. Rachel Marquardt, Ms. Nadine Reichel, Mr. Andreas Huster, Mr. Tobias Meuser, Dr. Thomas Müller and Mr. Christian Sardiña Gellesch.

There was one change to the composition of the board of management of the general partner, Ströer Management SE. Dr. Bernd Metzner resigned from the board of management as of 30 April 2019. He was replaced by Dr. Christian Baier as of 1 August 2019.

### Thanks

The supervisory board of Ströer SE & Co. KGaA would like to thank the board of management of Ströer Management SE, the management of the group entities, the works council and all employees for their outstanding personal dedication, hard work and unwavering commitment.

On behalf of the supervisory board



Christoph Vilanek  
Chairman of the supervisory board  
of Ströer SE & Co. KGaA  
Cologne, March 2020