

SUPERVISORY BOARD REPORT



Christoph Vilanek

Chairman of the supervisory board

Dear ladies and gentlemen,

2018 was a successful fiscal year for the Ströer Group. It was shaped by the consistent implementation of our strategy, with a regional focus on Germany and the reinforcement of our Direct Media segment through further acquisitions and the sale of our Turkey business. In addition, the entry into force of the General Data Protection Regulation and the expansion of our supervisory board to 16 members were of special significance to the supervisory board.

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, the supervisory board regularly reviewed whether it has an appropriate number of independent members. This is particularly important given the existing 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 and Dirk Ströer, none of the members of the supervisory board have a business or personal relationship with Ströer SE & Co. KGaA, its board of management or supervisory board or a controlling shareholder, that would establish a material conflict of interest of a non-temporary nature. But for these two exceptions as defined by the German Corporate Governance Code, the supervisory board regards 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 2018, 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. 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 also convened five times in the fiscal year.

Focus of deliberations and review by the supervisory board plenum

In a written procedure, the supervisory board adopted a resolution on 22 February 2018 to change the Company's articles of incorporation and bylaws in order to increase capital stock by EUR 275,486 to EUR 55,557,985 by adjusting the conditional capital 2013 due to the exercise of share options by beneficiaries under the 2013 stock option plan in fiscal year 2017.

At the meeting of the supervisory board on 26 March 2018, 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 2017. Furthermore, the supervisory board adopted its recommendations for resolutions to be

passed by the annual shareholder meeting in 2018, including the distribution of a dividend of EUR 1.30 per qualifying share, the exoneration of the board of management and supervisory board, the appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor for fiscal year 2018, the nominations for supervisory board elections and the change in the articles of incorporations and bylaws to expand the supervisory board to 16 members. The supervisory board focused intensively on its efficiency review and approved the profile of skills and expertise. Finally, the supervisory board addressed the compliance report for fiscal year 2018.

In the supervisory board meeting held on 30 May 2018 in the run-up to the Company's annual shareholder meeting, the supervisory board deliberated over measures and a time schedule for the proposed expansion of the supervisory board to 16 members.

On 12 September 2018, the supervisory board met for the first time after the expansion of its membership to 16 members and the incumbent chairman of the supervisory board welcomed all new supervisory board members. The supervisory board unanimously elected Christoph Vilanek as chairman and 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.

The focus of deliberations at the supervisory board meeting on 13 December 2018 was the long-form audit report and the audit plan for fiscal year 2019. The supervisory board approved the appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, to perform a limited assurance engagement relating to the non-financial statement in accordance with the International Standard on Assurance Engagements ISAE 3000 and also approved the conclusion of a master services agreement for non-audit services with Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne. After in-depth review and deliberation, the supervisory board decided to perform the review of the Company's non-financial statement for fiscal year 2018 itself and not to engage a third party to perform the review. The supervisory board also approved the increase in capital stock to EUR 56,171,871 and the corresponding adjustment of the conditional capital 2013 due to the exercise of share options by beneficiaries under the 2013 stock option plan and under the 2015 stock option plan in fiscal year 2018. Finally, the supervisory board adopted the joint declaration of the supervisory board and board of management on the implementation of the recommendations of the German Corporate Governance Code in the version from 2017.

Anette Bronder took part in all meetings with the exception of the meeting on 26 March 2018. Julia Flemmerer attended the meeting on 12 September 2018; she did not take part in the meetings on 26 March 2018, 30 May 2018 or 13 December 2018. Michael Noth and Christian Sardiña Gellesch took part in all meetings with the exception of the meeting on 30 May 2018. Vicente

Vento Bosch took part in all meetings with the exception of the meeting on 12 September 2018. Petra Sontheimer and Andreas Huster took part in all meetings after taking office. All other supervisory board members participated in all meetings of the supervisory board of Ströer SE & Co. KGaA. All supervisory board members took part in the written procedures during their respective terms of office.

Deliberations of the supervisory board's audit committee

On 15 March 2018, the audit committee reviewed the draft versions of the annual and consolidated financial statements of Ströer SE & Co. KGaA for fiscal year 2017. The auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, attended this meeting. At its further meetings on 11 May 2018, 6 August 2018, 6 November 2018 and 21 November 2018, the audit committee examined the respective interim financial statements of the Company, the internal audit reports, the risk management report and compliance matters. At the meeting on 6 November 2018, the audit committee also discussed the review of the CSR report.

The members of the audit committee and the Chief Financial Officer of the general partner, Dr. Bernd Metzner, attended all meetings of the audit committee with the exception of Dirk Ströer, who did not attend the audit committee meeting on 15 March 2018.

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

Audit of the annual and consolidated financial statements

The annual and consolidated financial statements prepared by the board of management for fiscal year 2018 of Ströer SE & Co. KGaA 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 22 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 and the auditor in detail. Based on the final results of the 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 were approved by the supervisory board of Ströer SE & Co. KGaA.

Changes to the composition of the boards

Until 8 August 2018, the supervisory board of Ströer SE & Co. KGaA comprised 12 members, including the 6 shareholder representatives, with Christoph Vilanek as chairman, Dirk Ströer as his deputy, Anette Bronder, Julia Flemmerer, Ulrich Voigt and Vicente Vento Bosch. It also included six employee representatives: Sabine Hüttinger, Rachel Marquardt, Tobias Meuser, Dr. Thomas Müller, Michael Noth, and Christian Sardiña Gellesch.

On 30 May 2018, the shareholder meeting adopted a resolution to change the Company's articles of incorporation and bylaws to allow for an increase in the number of seats on the supervisory board of Ströer SE & Co. KGaA from 12 to 16 in accordance with the applicable provisions of the MitbestG [“Mitbestimmungsgesetz”: German Co-Determination Act] due to the increase in the headcount to more than 10,000 employees. After the announcement of the intended change in the composition of the supervisory board to reflect the change in circumstances (status proceedings) and the entry into force of the change in the articles of incorporation and bylaws to expand the supervisory board to 16 members, the Company's supervisory board comprises 8 members elected by the shareholders and 8 elected by the employees. Both women and men must account for at least 30% of the members of the supervisory board in each case.

The terms of office of all incumbent supervisory board members of the Company ended upon entry of the approved amendment to the articles of incorporation and bylaws to expand the supervisory board to 16 members in the Company's commercial register on 9 August 2018. The shareholder representatives, Anette Bronder, Martin Diederichs, Julia Flemmerer, Petra Sontheimer, Dirk Ströer, Vicente Vento Bosch, Christoph Vilanek and Ulrich Voigt, who were already elected by the shareholder meeting on 30 May 2018 subject to the condition precedent of a valid change in the articles of incorporation and bylaws regarding the expansion of the supervisory board, took office with effect from 9 August 2018. At the request of the board of management, the Cologne Local Court, by decision dated 30 August 2018, appointed eight employee representatives as members of the supervisory board, namely Sabine Hüttinger, Rachel Marquardt, Tobias

Meuser, Dr. Thomas Müller, Michael Noth, Nadine Reichel, Christian Sardiña Gellesch and Andreas Huster.

Since then, the supervisory board has comprised the eight shareholder representatives, Anette Bronder, Martin Diederichs, Julia Flemmerer, Petra Sontheimer, Dirk Ströer (as deputy chairman of the supervisory board), Vicente Vento Bosch, Christoph Vilanek (as chairman of the supervisory board) and Ulrich Voigt, as well as the eight employee representatives, Sabine Hüttinger, Rachel Marquardt, Tobias Meuser, Dr. Thomas Müller, Michael Noth, Nadine Reichel, Christian Sardiña Gellesch and Andreas Huster.

Anette Bronder resigned as member of the supervisory board effective 31 December 2018.

There were no changes to the composition of the board of management of the general partner, Ströer Management SE.

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 2019