

SUPERVISORY BOARD REPORT



Christoph Vilanek
Chairman of the supervisory board

Dear ladies and gentlemen,

Fiscal year 2017 was shaped by the further digitalization of out-of-home advertising media and strategic acquisitions in the area of dialog marketing. With the acquisition of the Avedo group, the Ströer Group has further strengthened its relevance among customers, added an additional marketing channel to its overall portfolio and reaffirmed its focus on performance-driven and high growth sales models. By acquiring the Ranger Marketing group, Ströer has rounded off its sales portfolio with an important channel, namely professional direct sales. Furthermore, the tele sales operations of the Avedo group and the direct sales operations of the Ranger Marketing group were dovetailed, boosting the efficiency and effectiveness of the dialog marketing activities. This will allow the Ströer Group to offer its customers integrated solutions along the entire marketing and sales value chain. In addition, Ströer also successfully placed a note loan of EUR 350m with terms of up to seven years and fixed and variable interest rates with a broad German and international investor base, and thereby capitalized on the favorable capital market environment.

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 of 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. The majority of the members of the supervisory board are independent as defined by the German Corporate Governance Code and not subject to any potential conflicts of interest. Should conflicts of interest arise nevertheless, these are reported without delay; the supervisory board member concerned then does not take part in advising on or voting on resolutions on the relevant item on the agenda. In addition, all supervisory board members make their decisions in the interests of the Company and all of its shareholders and act independently and free from external constraints.

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 2017, 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 audit committee of the supervisory board discussed key business events with the board of management – in particular with the chairman and the CFO. 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 four times in the fiscal year.

Focus of deliberations and review by the supervisory board plenum

At the meeting of the supervisory board on 23 March 2017, 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 2016. Furthermore, the supervisory board adopted its recommendations for the annual shareholder meeting in 2017 to, among other things, distribute a dividend of EUR 1.10 per qualifying share, exonerate the board of management and supervisory board and to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, as the Company's auditor for fiscal year 2017. In addition, the supervisory board approved the report of the supervisory board to the shareholder meeting for fiscal year 2016. The supervisory board approved the conclusion of subscription right agreements between the Company and Udo Müller, Christian Schmalzl and Dr. Bernd Metzner, respectively, on options to purchase shares in the Company.

The supervisory board meeting was convened with the six newly elected employee representatives on 14 June 2017. The then residing chairman of the supervisory board welcomed all new supervisory board members and also commended the fact that the supervisory board of Ströer SE & Co. KGaA is now co-determined. The supervisory board unanimously elected Mr. Christoph Vilanek as chairman 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. Finally, the shareholder representatives discussed the analysis of the efficiency review of the supervisory board, which was performed as scheduled before the appointment of the employee representatives.

At the meeting of the supervisory board on 14 September 2017, the chairman of the audit committee explained the duty to disclose a non-financial statement in accordance with the CSR Directive Implementation Act [“CSR-Richtlinie-Umsetzungsgesetz”]. As this is a very new topic, the supervisory board resolved to initially engage a third party with the review of the non-financial statement and subsequently conduct its own examination. Furthermore, the supervisory board agreed that the non-financial statement should be published as a separate report.

The focus of deliberations at the meeting on 14 December 2017 was the discussion of the audit plan for fiscal year 2018 and the adoption of the rules of procedure for the internal audit of the Ströer Group. The supervisory board also approved the appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, for the review of the non-financial statement on the basis of a limited assurance engagement in accordance with the international standard on assurance engagements ISAE 3000 and the conclusion of a framework agreement for non-audit services with Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne. In addition, 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.

Vicente Vento Bosch took part in all meetings of the supervisory board with the exception of the meeting on 23 March 2017. Anette Bronder took part in all meetings of the supervisory board with the exception of the meeting on 14 June 2017. Dr. Thomas Müller took part, after taking office, in all meetings of the supervisory board with the exception of the meeting on 14 September 2017. Julia Flemmerer, Rachel Marquart, after taking office, and Ulrich Voigt took part in all meetings of the supervisory board with the exception of the meeting on 14 December 2017. All other supervisory board members were present at all meetings of the supervisory board of Ströer SE & Co. KGaA during their respective terms of office.

Deliberations of the supervisory board's audit committee

On 3 March 2017, the audit committee reviewed the draft versions of the annual and consolidated financial statements of Ströer SE & Co. KGaA for fiscal year 2016. The auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, attended this meeting. At its further meetings on 2 May 2017, 2 August 2017 and 2 November 2017, the

audit committee examined the respective interim financial statements of the Company, the internal audit reports and the risk management 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 Christoph Vilanek, who did not attend the audit committee meeting on 2 August 2017.

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 2017 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 26 March 2018. The responsible auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Cologne, participated in the plenum discussions. He 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 of 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

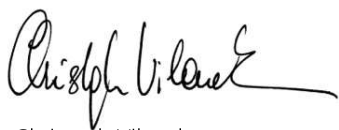
The supervisory board of Ströer SE & Co. KGaA comprised six shareholder representatives until 27 March 2017: Christoph Vilanek as chairman, Dirk Ströer as his deputy, Anette Bronder, Julia Flemmerer, Ulrich Voigt and Vicente Vento Bosch. In line with the provisions on co-determination, the employees of the Ströer Group elected for the first time on 28 March 2017 six employee representatives to the Company's supervisory board, which comprises twelve members in total. The following employee representatives were elected to the supervisory board of Ströer SE & Co. KGaA: Sabine Hüttinger, Rachel Marquardt, Tobias Meuser, Dr. Thomas Müller, Michael Noth and Christian Sardiña Gellesch. Since then, the supervisory board has comprised the twelve members: Christoph Vilanek as chairman of the supervisory board, Dirk Ströer as his deputy, Anette Bronder, Julia Flemmerer, Sabine Hüttinger, Rachel Marquardt, Tobias Meuser, Dr. Thomas Müller, Michael Noth, Christian Sardiña Gellesch, Ulrich Voigt and Vicente Vento Bosch.

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 2018