

COMPLIANCE REPORT 2018

Compliance is of great importance for the board of management of the general partner of Ströer SE & Co. KGaA, Ströer Management SE (the board of management) and the supervisory board of Ströer SE & Co. KGaA. In a globalized world, shaped by increasingly complex and interlinked legal regulations, it is increasingly important for the board of management of the Ströer Group to understand the legal conditions and make the right decisions in compliance with the law. In this context, the board of management has issued a binding code of conduct setting out reliable guidelines for day-to-day operations (the code of conduct).

The code of conduct is based on international standards and summarizes important laws as well as additional internal policies which govern the conduct of all Ströer employees in their dealings with business partners, public officials, colleagues and society at large. In this context, management acts as a role model for all employees and provides continual support for its employees to ensure they are aware of and comply with the applicable provisions. The Ströer Group is committed to ensuring that the highest possible ethical and legal standards are upheld in relations with its limited shareholders [Kommanditaktionäre], employees, business partners, competitors and society as a whole. The primary objective of our compliance program is to prevent violations from happening in the first place. To this end, employees attend training on various compliance topics. The compliance system places particular emphasis on anti-corruption, conflict of interest, capital market law, data protection law and anti-trust regulations.

The board of management appointed a chief compliance officer, who reports to the board of management and the chairman of the supervisory board and oversees the group-wide implementation of the compliance program and continuously updates and adapts the compliance system. We place particular importance on our employees being able to actively obtain advice early on in cases of doubt. In this context, not only supervisors but also certain specialist units and compliance officers are available to offer assistance. We have also given all employees and third parties the opportunity to report any possible illegal activity to the Company in a protected environment by sending an email to compliance@stroer.de. Only the chief compliance officer and the compliance officer for Germany have access to this email address. The board of management requires both officers to observe strict confidentiality.

All suspected compliance breaches are reported and reviewed within the Ströer Group on the basis of uniform criteria. Ströer SE & Co. KGaA takes extensive countermeasures in the event of any compliance breaches. These countermeasures include in particular the comprehensive review of any breaches by internal experts and external advisors as well as the implementation of appropriate disciplinary measures.

In fiscal year 2018, the compliance organization received three reports of compliance breaches which were sanctioned with disciplinary action and one dismissal.