

## Report of the Supervisory Board

The Management Board of DO & CO Aktiengesellschaft regularly informed the members of the Supervisory Board in writing and orally in meetings and outside meetings about the progress of business and the situation of the Company as well as material business events. Based on the reports of and information from the Management Board, the Supervisory Board monitored the management and deliberated thoroughly on business occurrences of special significance in open discussions.

At the 19<sup>th</sup> Ordinary General Meeting of Shareholders held on 27 July 2017, Peter Hoffmann- Ostenhof was appointed to the Supervisory Board of DO & CO Aktiengesellschaft. At the same time, Werner Sporn left the Supervisory Board after the 19<sup>th</sup> Ordinary General Meeting of Shareholders was concluded. On this occasion, the Supervisory Board would like to thank him for his long-standing extraordinary commitment and the excellent cooperation.

With deep regret it is reported that Waldemar Jud, long-time chairman of DO & CO's Supervisory Board who helped shape DO & CO's corporate history in his many years of service as chairman, passed away on 12 March 2018.

Therefore, the Supervisory Board currently consists of 5 members.

In the business year 2017/2018, the Supervisory Board performed its duties under the law and the Articles of Association in four meetings. They focused on deliberations regarding the Company's strategic approach, the acquisition of stakes, extension of the distribution network (such as the opening of the newest gourmet kitchen at the Los Angeles airport), the organic and geographical expansion opportunities and ongoing business, especially the extension of the contract with Austrian Airlines, the relations to the key customer in Turkey, as well as Nespresso-DO & CO Cafés.

The Chairmen of the Supervisory Board and the Management Board regularly consulted on material issues of the Company's development.

At its meeting on 13 June 2018, the Audit Committee examined the separate financial statements of DO & CO Aktiengesellschaft and the preparation of its approval, the proposal for the appropriation of profit, the management report, the Consolidated Corporate Governance Report as well as the Consolidated Sustainability Report, the Consolidated Financial Statements and the Group Management Report and proposed to select PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as auditor of the separate financial statements and the consolidated financial statements for the business year 2018/2019.

The Audit Committee met twice in the business year 2017/2018, monitoring the accounting system, the implementation of steps to optimise the internal control system, as well as the functionality of the risk management system and the internal audit system.

The remuneration committee met once in the business year 2017/2018, deliberating on the granting of variable salary components to members of the Management Board in the business year 2016/2017.

The separate financial statements plus notes of DO & CO Aktiengesellschaft as of 31 March 2018 along with the management report were prepared in accordance with Austrian accounting regulations and audited by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH, which issued an unqualified auditor's report on these documents. The auditor submitted the additional report to the Audit Committee pursuant to Article 11 Audit Regulation, providing a written report on the findings of the audit. The Supervisory Board concurred with the Management Board in the latter's report on the audit findings and approved the financial statements for 2017/2018. They are thus adopted in accordance with Section 96 (4) of the Austrian Corporation Act (AktG).

The consolidated financial statements as of 31 March 2018 plus notes were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union and were audited, along with the Group management report, by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH. In the auditor's opinion, the consolidated financial statements present fairly, in all material respects, the actual assets and financial position of the DO & CO Aktiengesellschaft Group as of 31 March 2018 and the results of its operations and its cash flows for the business year 2017/2018 in conformity with International Financial Reporting Standards (IFRS) as adopted in the European Union and additional requirements under Section 245a Austrian Commercial Code (UGB). The Supervisory Board concurred with the findings of the audit.

Furthermore, the Supervisory Board examined the proposal from the Management Board for the appropriation of profit of DO & CO Aktiengesellschaft. A proposal will be made to the General Meeting of Shareholders on 12 July 2018 to distribute the entire net profit of € 8,282,400.00 for a dividend payout of € 0.85 on each share entitled to a dividend.

The compliance review within the scope of the Consolidated Corporate Governance Report as provided for in Section 243b UGB and an evaluation of compliance by DO & CO Aktiengesellschaft with the rules of the Austrian Corporate Governance Code (ÖCGK) during the business year 2017/2018 were carried out by Ullrich Saurer, lawyer at Held Berdnik Astner & Partner Rechtsanwälte GmbH, and found that DO & CO has complied with the rules of the Austrian Corporate Governance Code in its business year 2017/2018.

The Supervisory Board also conducted a self-evaluation of its activities, the results of which were extensively discussed in the Supervisory Board meeting on 12 February 2018.

The Supervisory Board proposes to appoint PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as the auditor of the (separate and consolidated) financial statements for the business year 2018/2019.

The Supervisory Board thanks the Company's management and its staff members for their dedicated work in a still very challenging economic environment.

Vienna, 13 June 2018

Andreas Bierwirth  
Chairman of the Supervisory Board