

**Agreement on Employee Involvement at KWS SAAT SE**  
**dated March 16, 2015 (Extract)**

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**PART III**  
**Participation in the Supervisory Board**

**Section 11**  
**Composition of the Supervisory Board of KWS SAAT SE**

1. In accordance with the Articles of Association when it was constituted, KWS SAAT SE has a dual system of management and supervision, consisting of a management body (Executive Board) and a supervisory body (Supervisory Board).
2. The Supervisory Board of KWS SAAT SE consists of six members. Four of them represent the shareholders (“**shareholder representatives**”) and two of them the employees (“**employee representatives**”).
3. The provisions concluded in this Agreement shall apply to the employee representatives and how their seats are filled. In addition, the provisions under the law and the Articles of Association of KWS SAAT SE applying to members of the Supervisory Board shall apply to the employee representatives.

**Section 12**  
**Allocation of the seats held by employee representatives over the countries**

The two seats for the employee representatives shall be allocated to the Member States as follows:

- (a) Both seats for the employee representatives shall be filled with employees who are employed in Germany for the period of office of the first Supervisory Board of KWS SAAT SE and the second period of office of the Supervisory Board of KWS SAAT SE in accordance with the Articles of Association.
- (b) Beginning with the third period of office of the Supervisory Board of KWS SAAT SE in accordance with the Articles of Association, the two seats for the employee representatives shall be filled with an employee who is employed in Germany and an employee who is employed in one of the other Member States.

**Section 13**  
**Implementation of allocation of seats to the countries**

1. In order to implement allocation of the seats for the employee representatives to the countries, each seat shall be filled by a KWS employee who is employed in the Member State to which the seat in question is allotted on the key date (“**key appointment date**”). If a seat for the employee representatives is allocated jointly to multiple Member States, it shall be filled by a KWS employee who is employed in one of the Member States in question on the key appointment date.
2. If the employee representatives are elected by the employees, the key appointment date shall be the date the nomination is announced; the same shall apply to substitute members to be elected by the employees. In all other cases, the key appointment date shall be the date the resolution to appoint the representative is adopted.
3. Changes to the place of employment within the KWS Group after the key appointment date shall not affect the allocation of a candidate or employee representative or substitute member to the respective seat for the employee representatives based on the place of employment on the key appointment date.

#### **Section 14**

##### **Appointment of the employee representatives to the first Supervisory Board of KWS SAAT SE**

1. The following persons are hereby appointed as employee representatives on the first Supervisory Board of KWS SAAT SE and their personal substitute members:

<b>Employee representative</b>	<b>Substitute member</b>	<b>Country</b>
Jürgen Bolduan	Dr. Dietmar Stahl	Deutschland
Dr. Berthold Niehoff	Christina Zöllner	Deutschland

2. They shall be appointed effective the conclusion of this Agreement and for the period of office of the first Supervisory Board of KWS SAAT SE in accordance with the Articles of Association.
3. If an employee representative vacates his seat before the end of the period of office of the first Supervisory Board of KWS SAAT SE in accordance with the Articles of Association, his personal substitute member shall take his place as employee representative for the time up to the end of the period of office.
4. If the personal substitute member also vacates his/her seat before the end of the period of office of the first Supervisory Board of KWS SAAT SE in accordance with the Articles of Association, a successor shall be appointed by the EEC for the time up to the end of the period of office; the provisions of section 515.6 shall apply mutatis mutandis.
5. The statutory provisions on appointment of a successor by a court of law shall remain unaffected thereby.

#### **Section 15**

##### **Appointment of employee representatives for subsequent periods of office**

1. Beginning with the second period of office of the Supervisory Board of KWS SAAT SE in accordance with the Articles of Association, the employee representatives and a personal substitute member for each of them shall be elected by direct vote by all KWS employees, irrespective of the allocation of the seats in question over the countries.
2. This election shall be a free, secret and direct election held on the basis of a uniform electoral process for the whole of the territory covered by this Agreement and exclusively in accordance with the provisions of this Agreement and of the Election Regulations attached as an Annex 2 to this Agreement (the "Election Regulations"). National laws shall not apply. The EEC in office at the time shall be responsible for supervising and holding the electoral process.

No person may hinder the election of employee representatives of the EEC. In particular, no person may be restricted in the exercise of the passive and active right to vote. No person may influence the elections by inflicting disadvantages or by granting or promising benefits. The costs of the elections shall be borne by KWS SAAT SE. If it is necessary to take time off work in order to exercise a right to vote, this shall not justify any reduction to compensation.

3. A list of candidates comprising at least two candidates shall be drawn up for each seat for the employee representatives. Every KWS employee who is eligible to vote shall have two votes for each seat for the employee representatives. The candidate who receives the most votes shall be elected as the employee representative for the seat in question; the candidate with the second most votes shall be elected as his/her personal substitute member.

Contrary to the above paragraph, a joint list of candidates comprising at least four candidates shall be drawn up for both seats for the second period of office of the Supervisory Board. Every KWS employee who is eligible to vote shall have a total of four votes. The two candidates who receive the most votes shall be elected as employee representatives for the two seats. The two candidates with the next most votes shall be elected as substitute members; they shall take the place of an employee representative who leaves office prematurely (including any substitute member who has taken his/her place) in the order of their election.

Employees who are eligible to vote cannot cast multiple votes for the same candidate (no cumulative voting). If there is a tied vote, the winner shall be decided by the drawing of lots.

4. The employee representatives shall be elected for a full period of office of the Supervisory Board in accordance with the Articles of Association and with effect from the end of the preceding period of office in accordance with the Articles of Association.
5. If an employee representative vacates his/her seat before the end of the period of office in accordance with the Articles of Association for which the election was held, his/her personal substitute member shall take his/her place as employee representative for the time up to the end of the period of office.
6. If the personal substitute member also vacates his/her seat before the end of the period of office in accordance with the Articles of Association for which the election was held, a successor shall be appointed by the EEC for the time up to the end of the period of office; the following provisions shall apply:
  - (a) In addition to the other personal qualifications required for being appointed as an employee representative, the successor must fulfill the requirements relating to the particular seat's allocation to a country/countries in accordance with section 13.
  - (b) A successor shall be appointed by a resolution adopted by the EEC. A corresponding resolution by the EEC requires the presence of 2/3 of the EEC members and the agreement of a 2/3 majority of the EEC members present.
  - (c) The successor shall be appointed with immediate effect if the appointment is made after the beginning of the period of office in question; otherwise, the successor shall be appointed with effect from the start of the period of office.
7. The provisions of section 104 of the German Stock Corporation Act (AktG) in conjunction with Article 9 of the SE Regulation and section 17(3) first sentence SEAG relating to the appointment of employee representatives by a court of law shall remain unaffected.

#### **Section 16** **Nominations for the election of employee representatives**

1. The following provisions shall apply to the nomination of candidates for election as employee representatives in accordance with section 15.1 to section 15.4 (in each case a **"nomination"**):
  - (a) Every nomination must state which of the two seats for the employee representatives it relates to. Contrary to that, reference to a specific seat is not required in the election for the second period of office of the Supervisory Board.
  - (b) Only KWS employees who are employed in the Member State to which the seat for employee representatives is allocated are eligible to nominate candidates; if the seat in question is allocated jointly to multiple Member States, all KWS employees who are employed in one of the Member States in question are eligible to nominate candidates. A nomination must be sponsored by at least ten (10) KWS employee who are eligible to nominate candidates.
  - (c) In addition to the other personal qualifications required for being appointed as an employee representative, nominated candidates must fulfill the requirements relating to the particular seat's allocation to a country/countries in accordance with section 13.
2. If valid nominations for at least two candidates are not made for a seat for employee representatives on time in accordance with section 116.1 above or for a total of at least four candidates for both seats in the second period of office), the missing number of candidates shall be nominated by the EEC as follows:
  - (a) In addition to the other personal qualifications required for being appointed as an employee representative, the candidates in question must fulfill the requirements relating to the particular seat's allocation to a country/countries in accordance with section 13.
  - (b) The missing number of candidates shall be nominated by a resolution adopted by the EEC.
3. The provisions of the Election Regulations shall apply to the details of the procedure for nominations, including in particular the deadlines to be observed in this regard.

**Section 17**  
**Personal qualifications required**  
**for appointment as an employee representative**

1. Employee representatives and any substitute members must fulfil the personal qualifications required for appointment as a member of the Supervisory Board which apply in general to members of the Supervisory Board of KWS SAAT SE under the law and the Articles of Association. Furthermore, any person who, at the time of an election, has lost the right to vote and stand for office in public elections due to a criminal conviction, may not be elected.
2. In addition, employee representatives and any substitute members must meet the following requirements:
  - (a) An active, permanent employment relationship with KWS; an employment relationship shall (also) therefore be deemed active if it can be assumed that the respective main contractual duties of the employee in question will be resumed at the latest six (6) months after the date of the election.
  - (b) An uninterrupted length of service for the KWS Group of at least twelve (12) months at the key appointment date.

**Section 18**  
**Term of office of the employee representatives**

1. The period of office of the employee representatives shall be as specified in the Articles of Association of KWS SAAT SE and shall be the same as the period of office of the shareholder representatives in accordance with the Articles of Association.
2. The period of office shall commence at the end of each preceding period of office of the Supervisory Board; contrary to that, the provision in section 14 shall apply to the beginning of the period of office for employee representatives on the first Supervisory Board of KWS SAAT SE.
3. Employee representatives may be reappointed.
4. Substitute members and successors to employee representatives who leave office prematurely shall be appointed up to the end of the period of office of the employee representative who has left office prematurely. A substitute member shall be given the status of an employee representative, and so of a member of the Supervisory Board of KWS SAAT SE, only if and when the employee representative for which he/she is the substitute member leaves office prematurely.
5. An employee representative shall leave the Supervisory Board prematurely if he/she no longer fulfils one of the qualifications to be elected in accordance with the Articles of Association or the law specified in Section 17.1 or the qualifications to be elected specified in section 17.2 (active employment relationship at KWS); it is hereby pointed out by way of clarification that it may be the case that the employee representative no longer meets the requirement to have an active employment relationship at KWS due to the fact that the subsidiary at which he/she is employed leaves the KWS Group or is no longer a subsidiary within the meaning of this Agreement. Employee representatives shall leave office automatically when they no longer meet the qualifications to be elected. This shall apply mutatis mutandis in the case of a substitute member for an employee representative if he/she is no longer eligible to hold the position of a substitute member.
6. The statutory regulations and provisions of the Articles of Association applying in general to members of the Supervisory Board of KWS SAAT SE shall apply to the resignation of employee representatives from their office. They shall apply mutatis mutandis to resignations from the position of a substitute member of employee representatives.
7. The statutory provisions on the removal of employee representatives by a court of law pursuant to section 103 AktG in conjunction with Article 9 of the SE Regulation shall remain unaffected.

**Section 19**  
**Rights of the employee representatives**

1. The employee representatives on the Supervisory Board of KWS SAAT SE shall have the same rights and obligations as the shareholder representatives. This shall also apply to the statutory obligation to maintain confidentiality.
2. The employee representatives shall be given leave from their work, without a reduction in their compensation, if this is necessary for them to discharge their duties as employee representatives properly.
3. Employee representatives may take part in training and further education events to a reasonable extent, where these impart knowledge required for their work on the Supervisory Board. The employee representatives shall inform the Chairperson of the Supervisory Board of KWS SAAT SE about attendance of such events in good time and of the times and costs of the training and further education events. The times of absence shall be agreed in good time with the employee representative's supervisor. The Company shall bear the reasonable cost of such events.
4. Liability insurance corresponding to that which the Company also takes out for shareholder representatives shall be taken out for each employee representative and his/her substitute member. The costs of it shall be borne by KWS SAAT SE, where legally possible.

**Section 20**  
**Language of the Supervisory Board**

1. The working language of the Supervisory Board shall be English, unless all members of the Supervisory Board agree by mutual consent for German to be the working language. This shall also apply mutatis mutandis to the language used for correspondence with the members of the Supervisory Board and submissions to the Supervisory Board.
  2. There shall be no entitlement to the provision of translations into another language or of a simultaneous translator translating into another language.
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