<u>Convenience translation</u>

Annual Shareholders' Meeting of KWS SAAT SE & Co. KGaA on December 16, 2020

Report of the personally liable partner on item 11 on the agenda in accordance with Sections 203 (2) Sentence 2 and 186 (4) Sentence 2 of the German Stock Corporation Act (AktG)

The personally liable partner and the Supervisory Board propose to the Annual Shareholders' Meeting under item 11 on the agenda that an Authorized Capital 2020 totaling up to €9,900,000.00 – which is equal to 10% of the current capital stock – be created so that the Company can respond with sufficient agility and speed to market circumstances in the coming years and adapt its capital base flexibly to the resultant requirements. In accordance with Sections 203 (2) Sentence 2 and 186 (4) Sentence 2 of the German Stock Corporation Act (AktG), the personally liable partner submits the following written report on the authorization to exclude shareholders' subscription rights; it can also be obtained from the Company's Internet site at **<u>www.kws.com/shareholders-meeting</u>** as of the day this Annual Shareholders' Meeting is convened and will also be available there during the Annual Shareholders' Meeting:

If the Authorized Capital 2020 is utilized, shareholders shall in principle be entitled to subscription rights. In order to facilitate ease of handling, the new shares are also to be assumed by credit institutions or enterprises within the meaning of Section 186 (5) Sentence 1 of the German Stock Corporation Act (AktG), with the obligation to offer them for subscription solely to the shareholders (indirect subscription right). In the cases referred to in the proposed authorization, however, the personally liable partner shall also be authorized to exclude the subscription rights with the approval of the Supervisory Board:

— The authorization to issue new shares also includes the authorization to exclude shareholders' statutory subscription rights in order to exempt fractional amounts from the subscription rights. That is common practice and also objectively justified to facilitate ease of handling and achieve whole subscription ratios, so that a practicable subscription ratio can be presented with regard to the amount involved in the respective capital increase. Without such an exclusion of subscription rights, technical implementation of the capital increase and exercise of the subscription rights would be significantly impeded. The fractional amounts relating to new shares for which shareholders' subscription rights are excluded will be used by the Company in its best interest, either by being sold on the stock market or in another way.

— The authorization to exclude subscription rights is also intended to apply – if the capital increase is carried out against contributions in cash – in the case that the issue price of the new shares is not significantly below the stock market price of the already listed shares of the same class and with the same features at the time the issue price is definitively set by the personally liable partner within the meaning of Sections 203 (1) and (2) and 186 (3) Sentence 4 of the German Stock Corporation Act (AktG). This authorization enables the Company to meet quickly any need for equity that may occur, for example in response to market opportunities that arise suddenly or to acquire new groups of shareholders. Such opportunities can be seized quickly and flexibly as a result of the authorization. In addition, the uncomplicated procedure – without the time-consuming and costly process for handling subscription rights – means higher proceeds can be expected from the new shares to be issued. By excluding shareholders' subscription rights, the Company can act swiftly and place the shares close to the stock market price, i.e. the discount normally associated with rights issues is eliminated. In exercising the authorization, the personally liable partner will endeavor to keep any deviation from the stock market price as low as possible given the market conditions prevailing at the time of placement. The number of shares issued with shareholders' subscription rights excluded in accordance with Sections 203 (1) and (2) and 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) must not exceed in total 10% of the capital stock, either at the time the authorization takes effect or at the time it is exercised. That number shall also include shares which are issued or are to be issued on the basis of – any future – bonds with warrants and/or convertible bonds, if the bonds are issued during the term of this authorization, with shareholders' subscription rights excluded in *mutatis mutandis* application of Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG); in addition, that number shall include shares that are issued or sold after being repurchased during the term of this authorization under facilitated exclusion of subscription rights in accordance with or in *mutatis mutandis* application of Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG). In compliance with statutory regulations, these stipulations take account of shareholders' interest in protecting their shareholding against dilution. Since the issue price of the new shares is close to their stock market price and the volume of the capital increase with the exclusion of subscription rights is limited, every shareholder also has in principle the opportunity to maintain his or her stake by purchasing the necessary shares on the stock market at approximately the same terms and conditions.

— Moreover, the authorization to exclude subscription rights is intended to apply to the issue of new shares as part of a capital increase against contributions in kind, in particular for the purpose of granting shares in connection with business combinations or for the purpose of acquiring companies, parts of companies, participating interests in companies or other assets or rights to acquire assets, including receivables against the Company or its Group companies. The Company operates in a diverse competitive environment and should therefore be able to act quickly and flexibly on the national and international markets in the interests of its shareholders. That also includes in particular the possibility of seizing acquisition opportunities when they arise so as to improve its own competitive position. Shares from authorized capital can represent a sensible and attractive consideration in this respect; indeed, it is not seldom the case that sellers explicitly demand them. The Authorized Capital 2020 and authorization to exclude subscription rights will enable the Company to exploit such opportunities quickly, flexibly and cost-effectively. Since such an acquisition is normally conducted at short notice, it can usually not be decided on by the Annual Shareholders' Meeting, which is held only once a year; due to the statutory deadlines, it would also be likely that there is usually not the time to convene an Extraordinary Shareholders' Meeting in these cases. What is therefore needed is an authorized capital which the personally liable partner can access quickly and flexibly in order to seize such opportunities in the interests of the Company and therefore of its shareholders. In exercising this authorization, the personally liable partner will ensure that the value of the consideration is in reasonable proportion to the value of the new shares and that the interests of the Company and its shareholders are safeguarded appropriately. The stock market price will be important in determining the value of the shares. However, no schematic link to a stock market price is envisaged, in particular so that fluctuations in the stock market price do not jeopardize the results reached in negotiations. The dilution of the stakes of existing shareholders due to exclusion of subscription rights is offset by the fact that they – albeit with a lower percentage of ownership and proportion of voting rights than previously – share in the Company's growth that they would have otherwise had to fund themselves if subscription rights had been granted. Because the Company is listed, every shareholder can in principle also increase his or her percentage of ownership by purchasing shares.

We point out that, besides the proposed new Authorized Capital 2020, the Company does not at present have any further authorized or conditional capital, any authorization to issue bonds with warrants and/or convertible bonds, or any authorization to acquire and sell its own shares.

There are currently no specific plans to utilize the Authorized Capital 2020. The personally liable partner will carefully examine in each case whether to make use of the authorization to carry out a capital increase with the exclusion of subscription rights. This option will be used only if the personally liable partner and the Supervisory Board deem it to be in the interests of the Company and therefore of shareholders. The personally liable partner will report to the Annual Shareholders' Meeting on utilization of the Authorized Capital 2020 with exclusion of subscription rights.

Einbeck, November 2020

KWS SAAT SE & Co. KGaA

The personally liable partner KWS SE

The Executive Board

H. Duenbostel	L. Broers	F. Büchting	P. Hofmann	E. Kienle