



# Compliance declaration in accordance with Section 161 AktG (German Stock Corporation Act)

The Executive Board of KWS SE, the personally liable partner of KWS SAAT SE & Co. KGaA, (hereinafter referred to as the Executive Board), and the Supervisory Board of KWS SAAT SE & Co. KGaA declare in compliance with Section 161 AktG (German Stock Corporation Act) that the company has complied with the recommendations of the German Corporate Governance Code in the version dated February 7, 2017, since the last compliance declaration in October 2018, allowing for the following special aspects specific to its legal form (which have applied since the company's change in legal form took effect on July 2, 2019), and will comply with them in the future, with the exception of the deviations presented:

Special aspects due to the legal form of a partnership limited by shares (KGaA)

The company has been a partnership limited by shares (KGaA) since its change in legal form became effective on July 2, 2019. The German Corporate Governance Code is tailored to companies with the legal form of a stock corporation or a European Company (Societas Europaea or SE) and does not take into account the special aspects of the legal form of a partnership limited by shares.

The personally liable partner is responsible for managing the business of a partnership limited by shares; the company's sole personally liable partner is KWS SE, whose Executive Board is therefore responsible for management of the company's business.

The rights and obligations of the Supervisory Board at a partnership limited by shares are limited compared to those at a stock corporation or a European Company (Societas Europaea or SE); in particular, the Supervisory Board at a partnership limited by shares does not hold personnel responsibility as regards management and in particular is not responsible for appointing or removing personally liable partners and their Executive Board members. It is therefore also not responsible for defining the contractual terms and conditions for them, enacting bylaws for management, or defining business transactions requiring its consent.

The Annual Shareholders' Meeting of a partnership limited by shares basically has the same rights as the Annual Shareholders' Meeting of a stock corporation or SE. It also adopts resolutions on whether to

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approve the company's annual financial statements and ratify the acts of the personally liable partner. Certain resolutions adopted by the Annual Shareholders' Meeting of a partnership limited by shares also require the approval of the personally liable partner.

## **Deviations from recommendations in the German Corporate Governance Code**

In accordance with Clause 4.2.2 (2) Sentence 3 of the German Corporate Governance Code, the Supervisory Board shall consider the relationship between the compensation of the Executive Board and that of senior management and the workforce overall, particularly in terms of its development over time, whereby the Supervisory Board shall determine how senior managers and the relevant staff are to be differentiated. This recommendation is not complied with, since the compensation of the Executive Board, senior management and staff is based on variable criteria that defy rigid definition. These criteria include not only generally applicable yardsticks such as degree of responsibility, tasks, personal performance, expertise and the like for the Executive Board, but also the company's economic situation, success and future prospects.

In accordance with Clause 5.4.1 (2) Sentence 2 of the German Corporate Governance Code, the Supervisory Board is to set a limit on the length of time members can serve on the Supervisory Board. This recommendation is not complied with, since in a business with a tradition of family ownership like KWS SAAT SE & Co. KGaA it would significantly restrict the rights of the family shareholders, who hold a majority stake in the company.

Clause 7.1.2 Sentence 3 of the German Corporate Governance Code states that the consolidated financial statements shall be publicly accessible within 90 days of the end of the fiscal year and interim reports within 45 days of the end of the reporting period. KWS SAAT SE & Co. KGaA publishes its consolidated financial statements and interim reports within the period of time defined in the regulations for the Prime Standard of the German Stock Exchange. The company's seasonal course of business means that it cannot ensure compliance with the recommended periods in the German Corporate Governance Code.

Einbeck, October 2019

The Supervisory Board

The Executive Board