

## **2019/2020 Declaration of Compliance in Accordance with Section 161 of the German Stock Corporation Act (AktG)**

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 of the German Stock Corporation Act (AktG) that the company has complied with the recommendations of the German Corporate Governance Code in the version dated February 7, 2017, since the last declaration of compliance was issued in October 2019, has complied with the recommendations in the new version of the German Corporate Governance Code dated December 16, 2019, since it came into effect on March 20, 2020, and will comply with them in the future, with the exception of the deviations presented and allowing for the following special aspects specific to its legal form.

### **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 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. The Supervisory Board at a partnership limited by shares is therefore 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, such as in particular their compensation or considering the relationship between the compensation of the Executive Board and that of senior management and the workforce; the Supervisory Board at a partnership limited by shares is likewise not responsible for setting an age limit for members of the Executive Board or the term they are appointed to serve, succession planning, enacting bylaws for management, or defining business transactions requiring its consent. These tasks are discharged by the Supervisory Board of KWS SE. However, if the German Corporate Governance Code contains recommendations on a Supervisory Board's tasks that are discharged by the Supervisory Board of KWS SE due to its legal form, these recommendations of the German Corporate Governance Code (recommendations B.1 to B.5, G.1 to G.13, G.5 and G.16) shall apply accordingly to the Supervisory Board of KWS SE.

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 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**

#### **a) Deviations from recommendations in the German Corporate Governance Code in the version dated February 7, 2017**

In accordance with Clause 5.4.1 (2) Sentence 2 of the German Corporate Governance Code in the version dated February 7, 2017, the Supervisory Board is to set a regular limit to Supervisory Board members'

term of office. This recommendation, which applied until the new version of the German Corporate Governance Code dated December 16, 2019, came into effect on March 20, 2020, was 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 in the version dated February 7, 2017, states that the consolidated financial statements shall be made publicly accessible within 90 days from the end of the fiscal year and mandatory interim financial information within 45 days from 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.

**b) Deviations from recommendations in the German Corporate Governance Code in the version dated December 16, 2019**

Recommendation F.2 of the German Corporate Governance Code in the version dated December 16, 2019, states that the consolidated financial statements shall be made publicly accessible within 90 days from the end of the fiscal year and mandatory interim financial information within 45 days from the end of the reporting period. We refer you to the reasons for the deviation from Clause 7.1.2 Sentence 3 of the German Corporate Governance Code in the version dated February 7, 2017, for an explanation of why the company deviates from this recommendation, since said Clause 7.1.2 Sentence 3 and the new recommendation F.2 are identical in content.

Einbeck, October 2020

The Supervisory Board

The Executive Board