



Report of the Executive Board on the Annual General Meeting pursuant to sections 71(1) No 8, 186(4) sentence 2 AktG

Pursuant to sections 71(1) No 8, 186(4) sentence 2 AktG 71, the Executive Board hereby submits its report on the reasons for the extension of the authorisation granted under Agenda Item 8 of the Annual General Meeting on 18 July 2019 to acquire treasury shares excluding shareholders' subscription rights, as proposed in Agenda Item 8 of the invitation.

Use of treasury shares and exclusion of subscription rights

The resolution was adopted on Agenda Item 8 (cancellation of the existing authorisation and creation of new authorisation to acquire and use treasury shares, excluding subscription rights) at the Annual General Meeting on 18 July 2019 to grant Südzucker AG pursuant to section 71(1) No 8 AktG the authorisation to acquire treasury shares for the purposes listed in the resolution, excluding shareholders' subscription rights. This authorisation is now to be extended for the purpose of being able to use the treasury shares to service the performance-related share programme (*Share Performance Plan*) under the new remuneration system for the Executive Board established in accordance with the provisions of sections 87a, 87 AktG. In order to be able to transfer the shares acquired by the Company and earned - depending on the target being attained - to the Executive Board members following the three-year performance period (*Vesting Period*), an exclusion of the shareholders' subscription rights is required.

The performance-related share programme will strengthen the commitment of the Executive Board members to the Company and provide incentives for sustainable corporate governance and a sustainable increase in the Company's value. In accordance with its legal obligation under section 87 AktG, the Supervisory Board shall

ensure that the total remuneration (including the performance-related share programme on which the multi-year variable remuneration is based) is commensurate with the tasks and performance of the Executive Board member and the situation of the Company and does not exceed the customary remuneration without special justification.

The use of treasury shares for this purpose is permissible under section 71(1) No 8 AktG, which does not specify any precise targets in this respect. As the authorisation resolution adopted on 18 July 2019 had not yet taken this purpose into account, the authorisation must be extended to implement the new Executive Board remuneration system resolved by the Supervisory Board, excluding shareholders' subscription rights.

The other provisions of the authorisation resolution of the Annual General Meeting on 18 July 2019, in particular the provisions on the time limit and the limitation of the volume of treasury shares that the Company may acquire, shall remain unaffected.

The Executive Board shall report to the Annual General Meeting following each utilisation of the authorisation to acquire treasury shares in accordance with section 71(3) sentence 1 AktG.