

**Report of the Board of Management to the Annual Stockholders' Meeting in accordance with
Section 71 Para. 1 No. 8 Sentence 5 AktG in conjunction with Section 186 Para. 4 Sentence 2
AktG
(Agenda item 7)**

The Board of Management submits to the company's Annual Stockholders' Meeting convened for May 24, 2024, the following written report pursuant to Section 71 Para. 1 No. 8 Sentence 5 AktG in conjunction with Section 186 Para. 4 Sentence 2 AktG regarding the resolution to be adopted under agenda item 7 proposing authorization for the purchase and utilization of own shares in accordance with Section 71 Para. 1 No. 8 AktG, also with subscription rights disappplied:

Pursuant to Section 71 Para. 1 No. 8 AktG, the Annual Stockholders' Meeting on May 23, 2019, authorized the company for a limited term until May 22, 2024, to purchase and utilize own shares in a total amount not exceeding 10% of the capital stock. The Board of Management partially utilized this authorization in the spring of 2020 and bought back 1,101,549 own shares via Xetra trading on the Frankfurt Stock Exchange, which corresponded to 1.26% of the company's outstanding capital stock at that time. The shares bought back were canceled on September 22, 2021, thereby reducing the capital stock.

Since the current authorization from 2019 expires on May 22, 2024, a new authorization is to be issued. The term is to be limited to a period of three years from the date of the resolution. The content of the new authorization largely corresponds to that of the existing authorization. The issuing of a new authorization will ensure that the company continues to have full flexibility to realize the benefits associated with a stock repurchase for the company and its stockholders.

Creation of a new authorization to purchase own shares

The Board of Management and Supervisory Board therefore propose that the Board of Management be authorized, until May 23, 2027, to purchase and utilize the company's own shares up to an amount not exceeding a notional share of 10% of the company's capital stock. The amount of capital stock at the time that the Annual Stockholders' Meeting passes the resolution on the authorization is definitive or – if this amount is lower – the amount of capital stock at the time that the authorization is exercised.

In accordance with mandatory statutory regulations, the shares purchased on the basis of the proposed new authorization together with other own shares that the company has already purchased and still possesses may not exceed 10% of the company's capital stock. At the time of the notice convening the Annual Stockholders' Meeting, the company held no own shares.

The principle of equal treatment of stockholders in accordance with Section 53a AktG must be observed when purchasing own shares. This principle shall be duly taken into account if the share purchase, as provided for, is carried out – at the Board of Management's discretion – via the stock exchange or via a public tender offer or public invitation to submit an offer to sell directed at all stockholders. In the case of a public invitation to submit an offer, the parties addressed by the invitation may decide how many shares they would like to offer the company and, if a price range is specified, the price at which they would like to offer these shares. If a public tender offer is oversubscribed or not all of several equivalent offers of shares for purchase made by stockholders can be accepted, offers must be accepted on a pro rata basis. For reasons of practicability and equal treatment, acceptance in this case must be based on the proportion of shares offered (offer ratio). The option of rounding serves to avoid fractional amounts when determining the proportions to be purchased. The number of shares to be purchased from individual stockholders offering shares may be rounded in such a way as to ensure that the purchase of whole shares is technically possible. This simplifies the technical execution of the purchase and is therefore in the interests of the company and its stockholders.

The possibility of own shares also being purchased and utilized by dependent companies of the company or by third parties on behalf of the company or its dependent companies provides the company greater flexibility in the use of its own shares.

Utilization of own shares

The shares may be purchased and utilized for any legally permissible purpose. The authorization may also be exercised for the following purposes:

In the event that own shares are sold by offering them to all stockholders, the stockholders' subscription rights are respected; it shall be possible to disapply subscription rights in this case only for fractional amounts. This is intended to facilitate the sale of own shares by means of an offer to all stockholders. Fractional amounts can result from the respective sale volume and from the fact that it is necessary to present a technically feasible subscription ratio. For the individual stockholder, such fractional amounts are typically of low value. The potential dilutive effect is also negligible due to the limit on fractional amounts. On the other hand, the complexity of selling own shares by offering them to all stockholders without such disapplication is much greater for the company, which leads to additional costs. The shares that are excluded from subscription rights due to fractional amounts shall be liquidated in the manner that is most beneficial for the company. The disapplication of subscription rights thus serves the purpose of practicability and cost efficiency and simplifies the implementation of a sale of own shares by means of an offer to all stockholders.

The company may also sell purchased own shares through channels other than the stock exchange and without making an offer to all stockholders, provided that the shares are sold against cash payment and at a price that is not significantly lower than the stock market price at the time of the sale. This authorization utilizes the option for the simplified disapplication of subscription rights provided for in Section 71 Para. 1 No. 8 AktG in analogous application of Section 186 Para. 3 Sentence 4 AktG. In the interests of expanding the stockholder base, this option is intended in particular to give the company the opportunity to offer company shares to institutional investors. The authorization also allows shares to be issued at short notice. The proposed authorization is thus intended to ensure that the company has an adequate equity base in the long term. This authorization may be exercised only with the proviso that the proportion of shares issued with subscription rights disapplied in accordance with Section 186 Para. 3 Sentence 4 AktG does not exceed 10% of the capital stock either at the date that the resolution on this authorization is passed by the Annual Stockholders' Meeting or at the date that this authorization is exercised. This upper limit for the simplified disapplication of subscription rights is reduced by the pro rata amount of the capital stock attributable to the shares issued during the term of this authorization with subscription rights disapplied in direct or analogous application of Section 186 Para. 3 Sentence 4 AktG. Furthermore, this limit is decreased by shares that have been or will be issued in order to satisfy warrants or conversion rights, if the associated bonds were issued with subscription rights disapplied in accordance with Section 186 Para. 3 Sentence 4 AktG during the term of this authorization. Associated bonds in this respect are warrant or convertible bonds or income bonds, or combinations of these instruments. Warrants and conversion rights as defined in the proposed authorization shall also be served if shares are issued to satisfy claims for the subscription of shares under conversion obligations or to avoid any claims for a reduction of the option or conversion price for the purpose of protection against dilution by issuing additional shares.

Stockholders' financial interests and voting rights will be appropriately protected in the event of the disapplication of subscription rights in analogous application of Section 186 Para. 3 Sentence 4 AktG. By setting the upper limit at 10% of capital stock, the company is safeguarding its stockholders' interests by remaining below the upper limit of 20% of capital stock permitted under the new law. Concerns regarding protection against dilution are addressed by the fact that shares may only be sold at a price that is not significantly lower than the prevailing stock exchange price. Stockholders also have the option to maintain their share in the company's capital stock by acquiring additional shares on the stock market at any time. The Board of Management will strive to obtain the highest possible sale proceeds and minimize any discount on the stock exchange price, giving due consideration to the current market

conditions. Any discount on the stock exchange price in the sale is expected to be less than 3%, and in any case no higher than 5%.

The company shall also have the option of offering the purchased own shares as consideration instead of cash payments in connection with business combinations or the acquisition of companies, parts of companies or interests in companies, as well as in connection with the acquisition of other assets, including rights and receivables. This provides the company with the necessary flexibility to take advantage of opportunities that arise to acquire other companies, equity interests in companies or parts of companies, to carry out business combinations and to acquire other assets, including rights or receivables, quickly, flexibly and in a manner that protects liquidity in order to improve its competitive position and to strengthen its profitability. In particular, it allows the company to do this without having to submit the matter to the Annual Stockholders' Meeting, which is often not possible due to time constraints. Own shares are an important acquisition currency in business practice today. The owners of attractive companies or other attractive assets frequently request shares from the buyer as consideration instead of cash payment. So that the company can also acquire companies or other assets of this kind, it must be able to offer shares as consideration. Without the disapplication of subscription rights, it would not be possible to achieve the associated benefits for the company and its stockholders. In such event, the Board of Management will ensure when determining the pricing ratios that stockholders' interests are appropriately protected, taking into account the stock exchange price of the company's share. However, a systematic link to a certain stock exchange price is not provided for here, in particular so as to prevent subsequent fluctuations in the stock market price from jeopardizing negotiation outcomes once they have been achieved. The Board of Management will make use of this authorization on a case-by-case basis only when disapplication of subscription rights is in the best interests of the company and its stockholders. In the event that own shares are used for acquisitions, this will not result in the voting rights of existing stockholders being diluted compared to the situation prior to the company's purchase of own shares.

The Board of Management shall further be authorized to cancel the own shares purchased. The cancellation of shares generally results in a capital reduction without the need for a further resolution by the Annual Stockholders' Meeting. In deviation from this, the Board of Management shall also be able to determine that the capital stock remains unchanged in the event of cancellation and that the cancellation instead increases the share of the remaining shares in the capital stock in accordance with Section 8 Para. 3 AktG. The Board of Management shall therefore also be authorized to make the necessary amendment to the Articles of Association with respect to the change in the number of no-par shares following such a cancellation.

The Board of Management shall also be authorized to use the own shares purchased to fulfill obligations from conversion rights or warrants or conversion obligations from convertible, warrant or income bonds (or combinations of these instruments) issued by the company or its dependent companies that grant a conversion right or warrant or create a conversion obligation. It is in the company's interests to acquire borrowed capital using the financing instruments specified above because this form of financing is available at particularly attractive conditions. It is also possible to convert the borrowed capital into equity at a later date or at least recognize it as near equity and thus strengthen the company's capital base. However, such financing is possible only if sufficient company shares can be allocated to the holders or creditors of such instruments upon the exercise of the conversion right or warrant or the fulfillment of a conversion obligation. It can be useful to fully or partially satisfy the associated rights for the subscription of shares using own shares rather than by increasing capital. The authorization therefore provides for the use of own shares in this manner, with subscription rights disapplied. When deciding whether to deliver own shares or to increase capital, the Board of Management will carefully consider the interests of the company and the stockholders.

The Board of Management shall further be authorized to use the own shares purchased to grant holders of convertible or warrant bonds or income bonds (or combinations of these instruments) issued by the company or its dependent companies that grant a conversion right or warrant or create a conversion obligation own shares to the extent to which they would be entitled to subscription rights to shares of the company after exercising the conversion right or warrant or after fulfilling the conversion obligation.

To facilitate the placement of bonds on the capital market, the corresponding issue terms typically provide for protection against dilution. One possibility for protecting against dilution is to likewise grant the holders of bonds a right to subscribe to the shares in a share issue in which the stockholders have a subscription right. They are thus treated as if they had already utilized their warrant or conversion right or had already fulfilled their conversion obligation. As in this case the dilution protection does not have to be guaranteed by a reduction of the warrant or conversion price, a higher issue price can be achieved for the shares to be issued upon conversion or exercise of the warrant. This strengthens the company's liquidity. However, this approach is only possible if stockholders' subscription rights are disapproved.

In addition, the Board of Management shall be authorized to offer the purchased own shares for purchase to the employees or former employees of the company or of affiliated companies. This constitutes authorization to issue employee shares. The proposed disapplication of subscription rights is necessary in order to issue such employee shares. The use of own shares for issuing employee shares is also permitted in accordance with the German Stock Corporation Act (AktG) without authorization from the Annual Stockholders' Meeting (Section 71 Para. 1 No. 2 AktG), but only if issuing such shares to employees within one year following their purchase (Section 71 Para. 3 Sentence 2 AktG). By contrast, this authorization permits the Board of Management to use own shares as employee shares without being restricted by a time limit. Where appropriate and within the bounds of normal practice, the Board of Management may offer the shares for purchase below the current stock exchange price to create an incentive for the purchase. It is in the company's and stockholders' interests to issue own shares for this purpose because doing so promotes the beneficiaries' identification with the company and encourages them to take joint responsibility, thus increasing the value of the company. The authorization is intended to increase the company's flexibility.

In each individual case that would result in the stockholders' subscription rights being disapproved, the Board of Management will carefully review whether this disapplication of subscription rights is in the company's – and therefore the stockholders' – interests.

Utilization of the new authorization

The company does not currently have any specific plans to buy back or utilize own shares. The authorization described in this report is an advance resolution. Such advance resolutions with the option to disapply subscription rights are customary nationally and internationally. In each of the individual cases mentioned in this authorization, the Board of Management will carefully review whether it will use the authorization to utilize own shares with stockholders' subscription rights disapproved. It will only do so if the Board of Management and the Supervisory Board judge the disapplication of subscription rights to be in the interest of the company and thus its stockholders. As in the past, the Board of Management will also treat this authorization responsibly.

The Board of Management will inform the Annual Stockholders' Meeting of any utilization of the above authorization.

Cologne, March 2024

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