

## REMUNERATION REPORT

This report explains the main features of the remuneration systems for the Board of Executive Directors and the Supervisory Board of K+S AKTIENGESELLSCHAFT, including the specific structure of the individual components.

### REMUNERATION OF THE BOARD OF EXECUTIVE DIRECTORS

#### REMUNERATION STRUCTURE

The criteria for the appropriateness of remuneration include, in particular, the responsibilities and performance of the Board of Executive Directors, a comparison with senior executives worldwide and the total workforce, as well as the economic situation, the success, and future prospects of the Company, considering comparable remuneration of their peer group (MDAX).

The remuneration for the members of the Board of Executive Directors consists of annual components and those with a long-term incentive character. The annual remuneration components include both those not related to performance (fixed) and performance-related components (variable). The components that are not related to performance comprise fixed remuneration, non-cash remuneration, and other benefits. The variable performance-related portion consists of two components: the bonus (STI)

as well as two variable remuneration components, based on key indicators, with a long-term incentive character (LTI I and LTI II). The members of the Board of Executive Directors also have pensions entitlements. Effective **January 1, 2020**, contracts with members of the Board of Executive Directors contain a **claw-back clause**.

Fixed, basic remuneration not related to performance is paid monthly. Additionally, the members of the Board of Executive Directors receive fringe benefits, in particular contributions to pension, health, and long-term care insurance as well as non-cash remuneration, which consists mainly of the use of company cars. In addition, the members of the Board of Executive Directors are covered by a directors' and officers' liability insurance (D&O insurance) with the legally required deductible as well as accident insurance. The Chairman of the Board of Executive Directors receives 1.5 times the remuneration of an ordinary member of the Board of Executive Directors. The maximum remuneration in accordance with section 87a (1) sentence 2 no. 1 *Aktiengesetz* (AktG – German Stock Cooperation Act) is determined by the Supervisory Board.

#### ILLUSTRATIVE CALCULATION OF THE ANNUAL REMUNERATION OF AN ORDINARY MEMBER OF THE BOARD OF EXECUTIVE DIRECTORS

**B.60**

	Relative structure annual remuneration	Relative structure total remuneration	Target achievement 100%	Target achievement 0%	Maximum target achievement
in €					
Fixed remuneration	60%	37%	550.0	550.0	550.0
Bonus <sup>10</sup>	40%	25%	380.0 <sup>1</sup>	0.0 <sup>2</sup>	912.0 <sup>3</sup>
<b>Annual remuneration</b>	<b>100%</b>		<b>930.0</b>	<b>550.0</b>	<b>1,462.0</b>
LTI I <sup>10</sup>			285.0 <sup>4</sup>	0.0 <sup>5</sup>	570.0 <sup>6</sup>
– People			95.0	0.0	190.0
– Environment			95.0	0.0	190.0
– Business ethics		38%	47.5	0.0	95.0
			47.5	0.0	95.0
LTI II <sup>10</sup>			285.0 <sup>7</sup>	0.0 <sup>8</sup>	570.0 <sup>9</sup>
<b>Total remuneration</b>		<b>100%</b>	<b>1,500.0</b>	<b>550.0</b>	<b>2,602.0</b>

<sup>1</sup> Actual EBITDA ▲ planned EBITDA; performance factor ▲ 1.0.

<sup>2</sup> Actual EBITDA ▲ 0%.

<sup>3</sup> Actual EBITDA ▲ 200%; performance factor ▲ 1.2.

<sup>4</sup> 100% target achievement sustainability KPIs.

<sup>5</sup> 0% target achievement sustainability KPIs.

<sup>6</sup> 200% target achievement sustainability KPIs.

<sup>7</sup> K+S share price (average for performance period) ▲ performance of MDAX (average benchmark).

<sup>8</sup> K+S share price (average for performance period) ▲ 0%.

<sup>9</sup> K+S share price (average for performance period) ▲ 200%.

<sup>10</sup> If applicable, pro rata up to end of appointment.

## PERFORMANCE-RELATED REMUNERATION COMPONENTS

The performance-related remuneration components have two elements: The short-term incentive (STI) relates to the current financial year and, at 40%, comprises the smaller part of variable remuneration. At 60%, the long-term incentive (LTI) comprises the more significant part and consists of two equally weighted components. Since January 1, 2020, one component (LTI I) has been measured by the achievement of sustainability targets. The second component (LTI II) is based on share price performance. Both components are measured over a three-year period.

### Short-term incentive (STI)

The **STI** is measured by the achievement of **EBITDA**<sup>1</sup> of the K+S GROUP set in the annual planning. If the EBITDA value of the annual planning approved by the Supervisory Board is achieved, the STI base amount is 100%. If the actual EBITDA exceeds or falls short of the planned EBITDA, the percentage rate of target achievement increases or decreases in a straight line by the same percentage. The maximum target achievement is 200% and the minimum achievement is 0%. The Supervisory Board has no discretion to influence target achievement.

After the end of the respective financial year, the Supervisory Board determines a **performance factor** for the entire Board of Executive Directors. This serves as a multiplier on the base amount of the STI and ranges from 0.8 to 1.2. The performance factor depends on the achievement of annual targets defined between the Supervisory Board and the entire Board of Executive Directors.

Example calculation for applying the performance factor:

STI achievement level, e.g., 100% x performance factor, e.g., 1.1 = 110% or 0.9 = 90%

### Long-term incentive I (LTI I)

Sustainable corporate governance has an increasingly significant influence on a company's performance. In 2019, the Supervisory Board therefore resolved to link a significant portion of the Board of Executive Directors' remuneration to sustainability targets. New rules have been set in this context for **LTI I**, which accounts for 50% of the long-term incentive.

<sup>1</sup> EBITDA is defined as earnings before interest, taxes, depreciation, and amortization, adjusted for the amortization amount directly recognized in equity relating to own work capitalized, the result from fluctuations in the fair value of operating anticipatory hedges still outstanding, and fluctuations in the fair value of realized operating anticipatory hedges recognized in prior periods. A reconciliation is provided on page 52.

As described in the Annual Report on page 39, the Company has defined sustainability targets in the three categories of "People," "Environment," and "Business Ethics." For the LTI I, which continues over three years, one target was selected from each category. Plan values were set as the benchmark for target achievement in each case.

For the "People" category, the "**health and safety**" target has been chosen, with a reduction in the lost time incident rate. The "Environment" category target is "**water**", with an additional reduction in saline process water from potash production in Germany, while "**sustainable supply chains**" has been chosen for the "Business Ethics" category, with the sub-targets of:

1. Maximizing the "number of critical suppliers aligned with the K+S GROUP's Supplier Code of Conduct (SCoC)"
2. increasing the "coverage of the purchasing volume by the K+S GROUP SCoC."

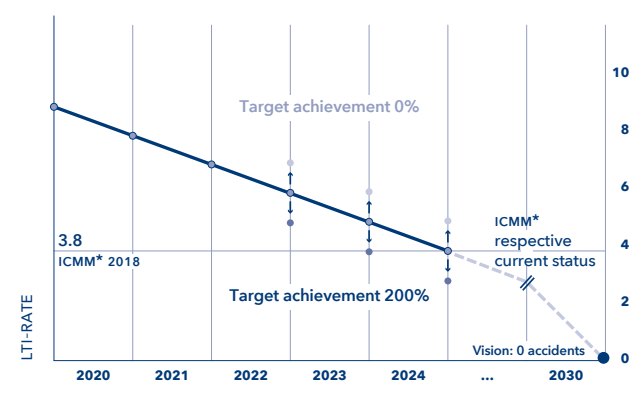
The three primary targets are ranked equally alongside each other.

#### I. People: Health & Safety – Lost Time Incident Rate (LTI Rate)

The LTI rate measures working hours lost per one million hours worked. This rate is to be reduced by three points over a three-year period in order to reach 100% target achievement. If actual performance is below or above target, the percentage increases or decreases to a maximum of 200% or a minimum of 0% on a straight-line basis. **B.61**

#### PEOPLE – LOST TIME INCIDENT RATE (UNTIL 2024)

**B.61**



Schematic illustration.

\* International Council on Mining and Metals.

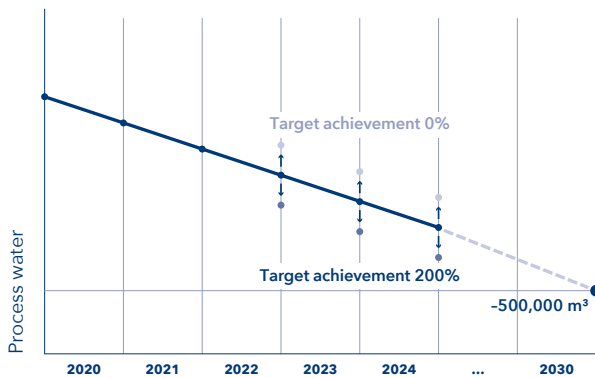
Example calculation LTI I program (2020–2022)

- LTI rate 5.8 = 100% target achievement
- LTI rate 7.3 = 0% target achievement
- LTI rate 4.3 = 200% target achievement

II. Environment: Water – Reduction of saline process water

In this category, the Company has set itself the target of generating 500,000 m<sup>3</sup> less saline process water from potash production in Germany per year from 2030 onwards than in 2017. Accordingly, a reduction of 115,385 m<sup>3</sup> of process water must be achieved in a three-year period – assuming the production volume of 2017 – in order to achieve 100% compliance with the target (plan value). If the target is exceeded or fallen short of (comparison of planned and actual value), the percentage increases or decreases to a maximum of 200% or a minimum of 0% on a straight-line basis. **B.62**

**ENVIRONMENT – PROCESS WATER (UNTIL 2024) B.62**



Schematic illustration.

Example calculation LTI I program (2020–2022)<sup>1</sup>:

- Process water reduction –115,385 m<sup>3</sup> = 100% target achievement
- Process water reduction –57,692 m<sup>3</sup> = 0% target achievement
- Process water reduction –173,078 m<sup>3</sup> = 200% target achievement

III. Business Ethics: Sustainable supply chains – Supplier Code of Conduct

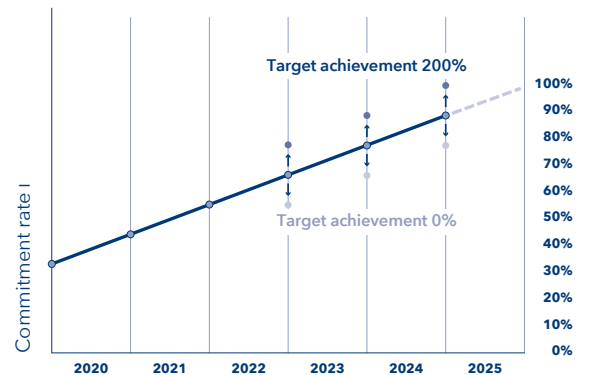
K+S calls for fair, sustainable business practices in supply chains and has established corresponding expectations and requirements

in the K+S GROUP Supplier Code of Conduct (the Code). The target is to have a commitment rate to the Code for more than 90% of our purchasing volume by 2025 (commitment rate II). Another target is that all our “critical” suppliers, in other words suppliers with a high sustainability risk, commit to the Code by 2025 (commitment rate I).

The two sub-targets in this category carry equal weight.

In order to reach 100% target achievement for the commitment rate among critical suppliers, the commitment rate must be increased by 33.3 percentage points over a three-year period (plan value). If actual performance is below or above target (comparison of plan and actual value), the percentage increases or decreases to a maximum of 200% or a minimum of 0% on a straight-line basis. **B.63**

**BUSINESS ETHICS – SUSTAINABLE SUPPLY CHAINS (UNTIL 2024) CRITICAL SUPPLIERS B.63**



Schematic illustration.

Example calculation LTI I program (2020–2022)

- Commitment rate I 66.6% = 100% target achievement
- Commitment rate I 50.0% = 0% target achievement
- Commitment rate I 83.3% = 200% target achievement

In order to reach 100% target achievement for the spend coverage, the commitment rate must be raised over a three-year period according to the following diagram (plan value). Since the expectation is that the commitment rate will increase at a faster pace at the beginning than at subsequent stages, the shape of the curve is digressive. If actual performance is below or above target

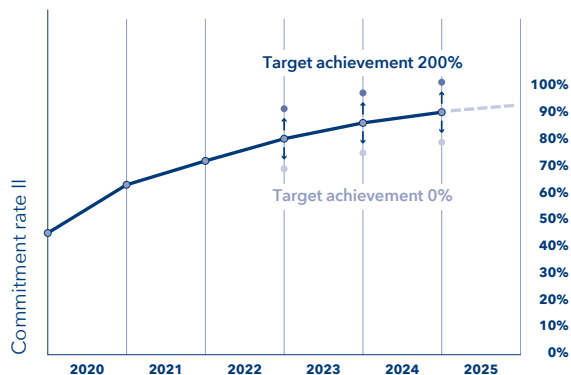
<sup>1</sup> Assumption: production volume in 2017.

(comparison of plan and actual value), the percentage increases or decreases to a maximum of 200% or a minimum of 0%. **B.64**

**BUSINESS ETHICS – SUSTAINABLE SUPPLY CHAINS**

**(UNTIL 2024) SPEND COVERAGE**

**B.64**



Schematic illustration.

Example calculation LTI I program (2020–2022)

Commitment rate II 79.0% = 100% target achievement

Commitment rate II 62.0% = 0% target achievement

Commitment rate II 96.1% = 200% target achievement

**Long-term incentive II (LTI II)**

LTI II is based on the **K+S share price performance** (incl. dividends paid) compared to the performance of the **MDAX (performance index)**. If the K+S share price performance is equal to the performance of the MDAX during the reference period, target achievement is 100%. If the price performance of the K+S share exceeds or falls short of the performance of the MDAX, the percentage rate of target achievement increases or decreases on a straight-line basis by the same percentage. The maximum target achievement is 200% and the minimum achievement is 0%. **B.65.**

Since LTI II – and therefore 50% of long-term remuneration – is linked to the performance of K+S shares, there is no special “ownership guideline.”

The Chairman of the Board of Executive Directors receives 1.5 times the remuneration of an ordinary member of the Board of Executive Directors.

**LEGACY PROGRAMS**

**LTI I program until December 31, 2019**

The Board of Executive Directors has entitlements from current LTI programs from 2018 and 2019, and the system is described below:

To determine **LTI I** for 2018 and 2019, before the performance period began, the Supervisory Board used the mid-term planning to define the **value added** for each year of the performance period. The planned value added corresponds to the arithmetical mean of the three value contribution figures of the performance

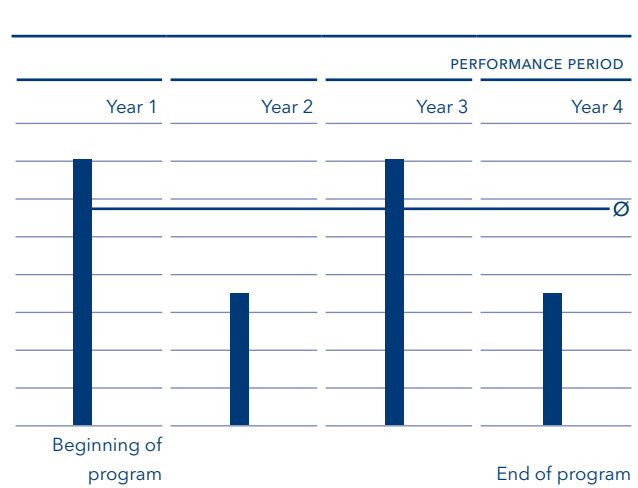
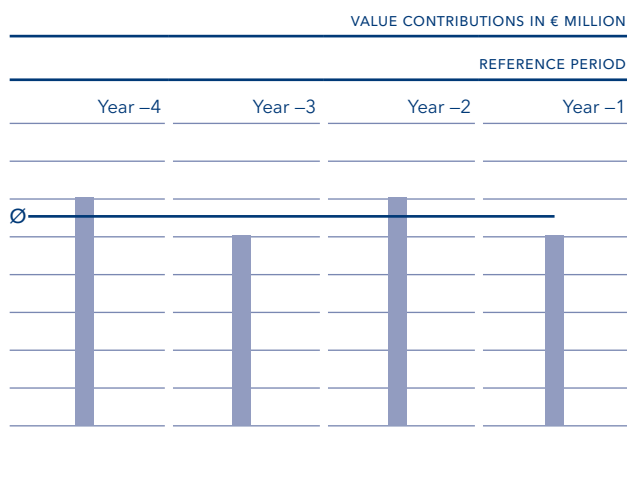
**LTI II PROGRAM**

**B.65**

Reference period		Performance period		
2019		2020	2021	2022
MDAX 2019 <sup>1</sup>				MDAX 2022 <sup>2</sup>
K+S shares 2019 <sup>1</sup>				K+S shares 2022 <sup>2</sup>
Beginning of program		End of program		

<sup>1</sup> Average for the stock market year; reference base.

<sup>2</sup> Average for the stock market year 2022; reference base for comparison of performance with 2019.

**LTI I PROGRAM (2018–2019)****B.66**

period. After the performance period has ended, the actual value contribution is compared to the planned value contribution. If the actual and planned value contribution are the same, the target achievement is 100%. If the actual EBITDA exceeds or falls short of the planned EBITDA, the percentage rate of target achievement increases or decreases in a straight line by the same percentage. The maximum target achievement is 200% and the minimum achievement is 0% **B.66**.

The Chairman of the Board of Executive Directors receives 1.5 times the remuneration of an ordinary member of the Board of Executive Directors.

**LTI program until December 31, 2017**

The Board of Executive Directors has entitlements from an ongoing LTI program from 2017; the system is described below:

The system is based on a multi-year assessment in accordance with the value contributions (LTI until 2017) achieved. The value contribution (LTI until 2017) is derived as follows:

Earnings before operating hedges

+	interest income for the financial year
-	capital costs (before tax) for the financial year
=	value contribution (LTI until 2017)

The Company's success is thereby determined on the basis of two four-year periods. The value contribution (LTI until 2017) is capped at €±500 million per financial year.

Two four-year periods (a "reference period" and a "performance period") are compared to determine the result for an LTI tranche. The reference period covers the four years prior to commencement of the respective LTI, while the performance period covers the four years of the respective LTI term.

The average of the four value contributions (LTI until 2017) for the reference period is calculated at the beginning of an LTI period and the average of the four value contributions (LTI until 2017) for the performance period at the end of the program. The difference between these average value contributions (LTI until 2017) is reflected as a percentage on a scale from €-200 million to €+200 million. If the value contributions (LTI until 2017) in the reference and performance period are the same, 100% of the LTI is paid out. In the case of underperformance, the payment decreases on a straight-line basis to 0% in line with the percentage deviation. In the case of out-performance, the payment increases accordingly up to an upper limit of 200%. The Chairman of the Board of Executive Directors receives 1.5 times the remuneration of an ordinary member of the Board of Executive Directors.

Payment is made in April of the year following the end of the program. In the event of termination of a service contract or reaching retirement age, a discounted pro-rata payment for all current tranches is generally made in April of the following year.

As shown in **B.67**, the value contributions generated in the four-year performance period were below those generated in the reference period.

**OLD SYSTEM OF LTI PROGRAM 2017****B.67**

in € million	2013	2014	2015	2016	2017	2018	2019	2020	Result
				Ø 39				Ø: -929	
									Difference = €-968 million
LTI 2017	222	102	226	-396	-437	-502	-576	-2,200	Disbursement <sup>1</sup> = €0.0 thousand

Reference period  
 Performance period

<sup>1</sup> For an ordinary member of the Board of Executive Directors, payment is made in April of the year following the end of the program.

**AMOUNTS OF REMUNERATION**

Details of the individual remuneration of the Board of Executive Directors in the 2020 financial year are shown in the tables below **B.68, B.69**. The difference between the "Benefits granted" and "Benefits received" tables merely relates to the variable remuneration elements. The "Benefits granted" table shows amounts that have been envisaged in the event of 100% target achievement. An exception to this is the share-based payment of LTI II. The "Benefits granted" table shows the amounts committed to the members of the Board of Executive Directors for the entire remaining contract period. The "Benefits received" table, on the other hand, shows amounts that will be paid in the following year based on the targets that have actually been achieved.

The maximum remuneration in accordance with Section 87a (1) sentence 2 No. 1 AktG is calculated by adding together all maximum remuneration components; it comprises the fixed salary, the cap on fringe benefits, the cap on the bonus (STI), the cap on long-term variable remuneration components (LTI I and LTI II), as well as estimated service costs. It amounts to €3,500,000 for an ordinary member of the Board of Executive Directors and €5,250,000 for a Chairman of the Board of Executive Directors.

Mark Roberts receives his remuneration in euros. In order to limit exchange rate risks, a clause has been agreed according to which compensation is paid for exchange rate movements at the end of each year, in the event that the actual rate of the respective transfers differs from the rate upon signing the contract (EUR 1.00 = USD 1.30) by more than 10% in individual cases or by more than 5% on average for the whole year.

As a precautionary measure, K+S AKTIENGESELLSCHAFT has applied for the granting of an additional revolving syndicated loan facility as part of the "Direct Participation for Syndicated Financing" special program of KfW due to the COVID-19 pandemic. In this context, the Board of Executive Directors has complied with KfW's request and has agreed to waive the part of its entitlement to the bonus (STI) for the 2020 financial year that exceeds 50% of the target achievement.

The average salary of the Board of Executive Directors in the past financial year was 6.7 times (2019: 6.0 times) that of senior executives worldwide and 27.2 times (2019: 27.0 times) that of the total workforce. The calculation was based on the continuing and discontinued operations of the K+S GROUP.

The total remuneration of the Board of Executive Directors related to three members, all of whom were in office for the whole year. In the previous year, the Board of Executive Directors also had three members, all of whom were in office for the whole year.

## REMUNERATION OF THE BOARD OF EXECUTIVE DIRECTORS (BENEFITS GRANTED)

B.68

in € thousand	Dr. Burkhard Lohr Chairman Board member since June 2012				Thorsten Boeckers Chief Financial Officer Board member since May 2017				Mark Roberts <sup>2</sup> Board member since October 2012			
	2019	2020	2020 (min.)	2020 (max.)	2019	2020	2020 (min.)	2020 (max.)	2019	2020	2020 (min.)	2020 (max.)
Fixed remuneration	825.0	825.0	825.0	825.0	550.0	550.0	550.0	550.0	550.0	641.7 <sup>5</sup>	641.7 <sup>5</sup>	641.7 <sup>5</sup>
Fringe benefit <sup>1</sup>	42.8	46.1	46.1	46.1	20.8	18.2	18.2	18.2	60.0	65.3	65.3	65.3
<b>Total</b>	<b>867.8</b>	<b>871.1</b>	<b>871.1</b>	<b>871.1</b>	<b>570.8</b>	<b>568.2</b>	<b>568.2</b>	<b>568.2</b>	<b>610.0</b>	<b>707.0</b>	<b>707.0</b>	<b>707.0</b>
One-year variable remuneration <sup>3</sup>	570.0	570.0	0.0	1,368.0	380.0	380.0	0.0	912.0	380.0	380.0	0.0	912.0
Multi-year variable remuneration <sup>3</sup>	2,565.0	427.5	0.0	855.0	1,710.0	285.0	0.0	570.0	1,140.0	285.0	0.0	570.0
– LTI I (from 2018 onward)	427.5	427.5	0.0	855.0	285.0	285.0	0.0	570.0	285.0	285.0	0.0	570.0
– LTI II (2018–2020)	83.1	0.0	0.0	0.0	60.4	0.0	0.0	0.0	23.7	0.0	0.0	0.0
– LTI II (2019–2021)	225.6	0.0	0.0	0.0	155.4	0.0	0.0	0.0	118.7	0.0	0.0	0.0
– LTI II (2020–2022)	368.1	0.0	0.0	0.0	250.4	0.0	0.0	0.0	213.7	0.0	0.0	0.0
– LTI II (2021–2023)	427.5	0.0	0.0	0.0	285.0	0.0	0.0	0.0	261.3	0.0	0.0	0.0
– LTI II (2022–2024)	427.5	0.0	0.0	0.0	285.0	0.0	0.0	0.0	166.3	0.0	0.0	0.0
– LTI II (2023–2025)	344.4	0.0	0.0	0.0	224.6	0.0	0.0	0.0	71.3	0.0	0.0	0.0
– LTI II (2024–2026)	201.9	0.0	0.0	0.0	129.6	0.0	0.0	0.0	0.0 <sup>4</sup>	0.0 <sup>4</sup>	0.0 <sup>4</sup>	0.0 <sup>4</sup>
– LTI II (2025–2027)	59.4	0.0	0.0	0.0	34.6	0.0	0.0	0.0	0.0 <sup>4</sup>	0.0 <sup>4</sup>	0.0 <sup>4</sup>	0.0 <sup>4</sup>
Other <sup>6</sup>	–	–	–	–	–	–	–	–	–	500.0	500.0	500.0
<b>Total</b>	<b>4,002.8</b>	<b>1,868.6</b>	<b>871.1</b>	<b>3,094.1</b>	<b>2,660.8</b>	<b>1,233.2</b>	<b>568.2</b>	<b>2,050.2</b>	<b>2,130.0</b>	<b>1,872.0</b>	<b>1,207.0</b>	<b>2,689.0</b>
– Service costs	957.1	1,124.9	1,124.9	1,124.9	936.6	1,255.9	1,255.9	1,255.9	717.1	870.9	870.9	870.9
<b>Total remuneration</b>	<b>4,959.9</b>	<b>2,993.5</b>	<b>1,996.0</b>	<b>4,219.0</b>	<b>3,597.4</b>	<b>2,489.1</b>	<b>1,824.1</b>	<b>3,306.1</b>	<b>2,847.1</b>	<b>2,742.9</b>	<b>2,077.9</b>	<b>3,559.9</b>

<sup>1</sup> Fringe benefits are capped at €75,000.<sup>2</sup> Before compensation for exchange rates: a US dollar rate is stipulated for the translation of remuneration. Since payments are initially converted using current rates, any difference may have to be compensated for after the end of the year.<sup>3</sup> If applicable, pro rata up to end of appointment.<sup>4</sup> Appointment ends September 30, 2023.<sup>5</sup> Since March 1, 2020, additional compensation (€110,000 p.a.) due to the additional function as CEO of Morton Salt, Inc. and the associated dual responsibility.<sup>6</sup> Special compensation for the sale of the Americas operating unit.

## REMUNERATION OF THE BOARD OF EXECUTIVE DIRECTORS (BENEFITS RECEIVED)

B.69

in € thousand	Dr. Burkhard Lohr Chairman Board member since June 2012		Thorsten Boeckers Chief Financial Officer Board member since May 2017		Mark Roberts <sup>1</sup> Board member since October 2012	
	2020	2019	2020 <sup>2</sup>	2019 <sup>2</sup>	2020	2019
Fixed remuneration	825.0	825.0	550.0	550.0	732.4 <sup>5</sup>	649.4
Fringe benefits	46.1	42.8	18.2	20.8	65.3	60.0
<b>Total</b>	<b>871.1</b>	<b>867.8</b>	<b>568.2</b>	<b>570.8</b>	<b>797.7</b>	<b>709.4</b>
One-year variable remuneration	285.0 <sup>6</sup>	383.7	190.0 <sup>6</sup>	255.9	216.9 <sup>6</sup>	302.3
Multi-year variable remuneration	133.4	0.0	88.9	0.0	101.5	0.0
– LTI until 2017	0.0 <sup>3</sup>	0.0 <sup>4</sup>	0.0 <sup>3</sup>	0.0 <sup>4</sup>	0.0 <sup>3</sup>	0.0 <sup>4</sup>
– LTI I from 2018 onward	133.4	–	88.9	–	101.5	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>1,289.5</b>	<b>1,251.5</b>	<b>847.1</b>	<b>826.7</b>	<b>1,116.1</b>	<b>1,011.7</b>
– Pension cost	1,124.9	957.1	1,255.9	936.6	870.9	717.1
<b>Total remuneration</b>	<b>2,414.4</b>	<b>2,208.6</b>	<b>2,103.0</b>	<b>1,763.3</b>	<b>1,987.0</b>	<b>1,728.8</b>

<sup>1</sup> Including exchange rate compensation.<sup>2</sup> Transfer of the remaining periods of the LTI entitlements that Mr. Boeckers received as the Head of Investor Relations of K+S Aktiengesellschaft.<sup>3</sup> 2017–2020 term.<sup>4</sup> 2016–2019 term.<sup>5</sup> Since March 1, 2020, additional compensation (€110,000 p.a.) due to the additional function as CEO of Morton Salt, Inc. and the associated dual responsibility.<sup>6</sup> In 2020, the Board of Executive Directors waived the portion of its entitlement to the bonus (STI) under the KfW loan that exceeds 50% of the target achievement.

## DISCLOSURES IN ACCORDANCE WITH SECTION 314 (1) NO. 6A) HGB

B.70

	Fixed remuneration <sup>1</sup>	STI	LTI until 2017	LTI I from 2018 onward	LTI II from 2018 onward	Total
Dr. Burkhard Lohr	871.1	285.0	0.0	133.4	0.0	1,289.5
Thorsten Boeckers	568.2	190.0	0.0	88.9	0.0	847.1
Mark Roberts	797.7 <sup>2</sup>	216.9 <sup>2</sup>	0.0	101.5 <sup>2</sup>	0.0	1,116.1

<sup>1</sup> Including fringe benefits.<sup>2</sup> Including exchange rate compensation.

## DISCLOSURES IN ACCORDANCE WITH IFRS 2

B.71

	Expenses for LTI II	Provisions for LTI II
Dr. Burkhard Lohr	165.1	740.3
Thorsten Boeckers	107.4	487.5
Mark Roberts	81.6	374.6
<b>Total</b>	<b>354.1</b>	<b>1,602.4</b>

## PENSION COMMITMENTS

The pensions of the active members of the Board of Executive Directors are based on a modular system, i.e., a pension module is created for each year of service as a member of the Board of Executive Directors.

The pension modules are calculated on the basis of 20% of the fixed annual remuneration of the respective member of the Board of Executive Directors. For the current members of the Board of Executive Directors in office, they are calculated on the basis of 40% of fixed annual remuneration. The amount is calculated in accordance with actuarial principles and set aside for retirement; the factors for the creation of the 2020 modules for the members of the Board of Executive Directors are between 10.0% and 17.0%, depending on their age. These factors decline with increasing age. The individual pension modules earned during the respective financial years are totaled and, when the insured event occurs, the respective member of the Board of Executive Directors or, if applicable, his or her surviving dependents, receive the benefit to which they are entitled. There is an upper limit on the total annual pension under this modular system, to avoid disproportionately high pensions resulting from long periods of service (> 15 years). The upper limit for the Chairman of the Board of Executive Directors is €340,000 following a regular review in 2019, and for an ordinary member of the Board of Executive Directors it is €255,000. These amounts are reviewed every three years and adjusted if necessary – the next review is scheduled for 2022. Pension benefits are only adjusted in line with the change in the “Consumer Price Index for Germany” upon payment.

Pension agreements are subject to the legal provisions on the vesting of pension entitlements. Accordingly, pension entitlements do not vest until after five years of service. A fixed conversion rate between the euro and the us dollar was agreed for the Board of Executive Directors member Mark Roberts.

For pension entitlements not covered by the Pension Protection Association, the Company maintains reinsurance policies in favor of the member of the Board of Executive Directors concerned, which are pledged to them for their protection.

If the term of office of a member of the Board of Executive Directors ends, the retirement pension starts upon reaching the age of 65 unless it is to be paid on the basis of an occupational or general disability or as a surviving dependent's pension in the event of death. In the event of an occupational or general disability of a member of the Board of Executive Directors prior to reaching pension age, the respective member receives a disability pension commensurate with the pension modules created up to the time the disability occurs. If disability occurs before the age of 55, modules are notionally created on the basis of a minimum value for the years missing up to the age of 55. In the event of the death of a serving or former member of the Board of Executive Directors, the surviving spouse receives 60%, each orphan 30%, and each half-orphan 15% of the benefit. The maximum amount of the benefits awarded to surviving dependents may not exceed 100% of the pension payment. If this amount is reached, the benefit is reduced proportionately. If a member of the Board of Executive Directors retires at the age of 60, entitlements can already be claimed in accordance with the pension commitment at that time.

In 2020, the amounts shown in B.72 were allocated to pension provisions for members of the Board of Executive Directors.

The pension module earned by each of the members of the Board of Executive Directors in 2020 gives rise to pension expenses, which are calculated in accordance with actuarial principles. The increase in present values compared to the prior-year value is due to the fact that the period until the assumed start of the pension is one year shorter.



PENSIONS OF THE MEMBERS OF THE BOARD OF EXECUTIVE DIRECTORS<sup>1</sup>

B.72

in € thousand		Age	Fair value as of Jan. 1	Pension expense <sup>2</sup>	Fair value as of Dec. 31
Dr. Burkhard Lohr	2020	57	6,799.0	1,192.9	8,666.6
	2019		4,515.9	1,047.4	6,799.0
Thorsten Boeckers <sup>3</sup>	2020	45	3,494.3	1,290.8	5,373.4
	2019		1,621.2	969.0	3,494.3
Mark Roberts	2020	57	5,940.1	930.3	7,060.0
	2019		3,907.8	795.2	5,940.1
<b>Total</b>	<b>2020</b>		<b>16,233.4</b>	<b>3,414.0</b>	<b>21,100.0</b>
	<b>2019</b>		<b>10,044.9</b>	<b>2,811.6</b>	<b>16,233.4</b>

<sup>1</sup> Information provided in accordance with IFRS.

<sup>2</sup> Including interest expense.

<sup>3</sup> Includes pension entitlements from his time as the Head of Investor Relations of K+S Aktiengesellschaft.

### TERMINATION OF CONTRACTS WITH THE BOARD OF EXECUTIVE DIRECTORS

If the appointment as a Board member is revoked, the member of the Board of Executive Directors receives, at the time of termination, a severance payment of 1.5 times the fixed remuneration, up to a maximum of the total remuneration for the remaining term of the service contract.

In the event of early termination of a contract with a member of the Board of Executive Directors as the result of a takeover ("**change of control**"), the fixed remuneration and bonuses outstanding until the end of the original term of the appointment will be paid plus a compensatory payment, unless there are reasons justifying a termination of the respective contract without giving notice. The bonus is calculated on the basis of the average of the preceding two years. The compensatory payment is 1.5 times the annual fixed remuneration. In addition, there is an upper limit for severance payments, which specifies that entitlements arising from the "change of control" clause in existing service contracts may not exceed the value of the combined annual remuneration for three years. This arrangement was amended for new service contracts to be entered into, by setting the upper limit at the value of the combined annual remuneration for two years. In the event of a change of control, members of the Board of Executive Directors enjoy no extraordinary right to terminate their contract.

For the term of the service contract and the subsequent two years after its termination, the member of the Board of Executive Directors undertakes, without the consent of K+S, not to work in any way for a competitor company of K+S or a company affiliated with K+S or to participate directly or indirectly in such a company or to conduct business for his own account or for the account of third parties in the business fields of K+S. The **post-contractual**

**prohibition of competition** does not apply to subordinate activities for a competitor company without reference to the previous position on the Board of Executive Directors. The post-contractual non-competition clause shall be remunerated; income from self-employed, employed, or other gainful employment shall be offset. K+S may waive the non-competition clause prior to the expiry of the contract with a notice period of six months.

### CLAW-BACK CLAUSE

The service contracts of all members of the Board of Executive Directors contain claw-back clauses. If there is a serious violation of legal requirements or of obligations arising from the Company's Articles of Association or from the Board member's contract of service, the Company has the right to demand back or retain any LTI tranches (LTI I and LTI II) that are current at the time of the violation. The claw-back option was not used in the 2020 financial year.

### OTHER

The Supervisory Board has introduced an age limit of 65 years for members of the Board of Executive Directors.

The members of the Board of Executive Directors were not promised or granted benefits by third parties for their work as executive directors during the reporting period – nor did they receive any loans. Apart from the service contracts mentioned, there are no contractual relationships between the Company or its Group companies and members of the Board of Executive Directors or persons closely related to them.

The total remuneration of previous members of the Board of Executive Directors and their surviving dependents amounted to €2.3 million in the year under review (2019: €2.4 million).

## REMUNERATION OF THE SUPERVISORY BOARD

### REMUNERATION STRUCTURE

The remuneration of the Supervisory Board is governed by Article 12 of the Articles of Association. A member of the Supervisory Board receives fixed annual remuneration of €100,000. The Chairman of the Supervisory Board receives twice this amount and the Deputy Chairman 1.5 times this amount.

The members of the Audit Committee each receive annual remuneration of €15,000 and the members of the Personnel Committee €7,500. Each member of the Nomination Committee receives annual remuneration of €7,500 if at least two meetings have taken place during the respective year. The members of the Strategy Committee each receive annual remuneration of €10,000. Each committee chair receives twice this amount and a deputy chair 1.5 times this amount. Finally, each member of the Supervisory Board receives a fee of €750 for attending a meeting of the Supervisory Board or one of its committees; however, if more than one meeting is held on the same day, members will receive a maximum of €1,500 per day. The members of the Supervisory Board are entitled to reimbursement by the Company of any expenses that are necessary and reasonable for the performance of their duties, as well as to the reimbursement of any value added tax (VAT) to be paid as a consequence of their activities in their capacity as Supervisory Board members.

The Supervisory Board will propose to the ordinary Annual General Meeting to be held in May 2021 the introduction of an amended remuneration system for the Supervisory Board, which will be based on the new dimensioning of K+S, as follows:

An ordinary member of the Supervisory Board will receive fixed annual remuneration of €65,000. No additional attendance fees will be paid. A chair will receive twice this amount and a deputy chair 1.5 times this amount. The members of the Audit Committee will receive additional annual remuneration of €20,000. Remuneration for membership of the Personnel Committee will be €5,000. The members of the Nomination Committee will receive additional annual remuneration of €2,500. Remuneration for membership of the Strategy Committee will be €15,000. Each committee chair will receive twice this amount and a deputy chair 1.5 times this amount.

This remuneration structure is intended to apply as early as January 1, 2021. The remuneration of the Supervisory Board is paid at the end of the first month following the close of the financial year.

### AMOUNTS OF REMUNERATION

Details of the individual remuneration of the Supervisory Board for the 2020 financial year are shown in the table below. **B.73**

Members of the Supervisory Board were reimbursed expenses totaling €31.8 thousand for 2020 (2019: €48.9 thousand). In 2020, no remuneration was paid to members of the Supervisory Board for services rendered personally, particularly consultancy or brokerage services, nor were any benefits granted.

In addition to the Supervisory Board remuneration, employee representatives who are employees of the K+S GROUP receive remuneration that is not related to activities performed for the Supervisory Board.

A member of the family of a Supervisory Board member is employed by the K+S GROUP. Remuneration is paid in accordance with the internal remuneration guidelines of the K+S GROUP and corresponds to the usual remuneration of individuals in comparable positions.

### AGE LIMIT AND MAXIMUM TERMS OF OFFICE

Candidates for the Supervisory Board may not be older than 70 when elected. In addition, members may serve on the Supervisory Board for a maximum of two terms of office – three in exceptional cases. This does not affect the statutory co-determination rules.

### ATTENDANCE TO MEETINGS

The following table **B.74** provides an individualized overview of members' attendance of meetings of the Supervisory Board and its committees in 2020.

REMUNERATION OF THE SUPERVISORY BOARD<sup>1</sup>

B.73

in €		Fixed remuneration	Audit Committee	Personnel Committee	Nomination Committee**	Strategy Committee <sup>2</sup>	Attendance fees <sup>3</sup>	Total
Dr. Andreas Kreimeyer	2020	200,000	15,000	15,000	0	20,000	23,250	273,250
	2019	160,000*	15,000	15,000	15,000	0	16,500	221,500
Ralf Becker	2020	150,000	15,000	7,500	–	10,000	22,500	205,000
	2019	120,000*	15,000	7,500	–	0	15,000	157,500
Petra Adolph	2020	100,000	15,000	–	–	–	13,500	128,500
	2019	80,000*	15,000	–	–	–	8,250	103,250
André Bahn	2020	100,000	–	–	–	10,000	15,000	125,000
	2019	80,000*	–	–	–	0	3,750	83,750
Jella S. Benner-Heinacher	2020	100,000	15,000	–	0	–	15,750	130,750
	2019	80,000*	15,000	–	7,500	–	11,250	113,750
Peter Bleckmann (until June 30, 2020)	2020	50,000	–	–	–	–	5,250	55,250
	2019	80,000*	–	–	–	–	3,750	83,750
George Cardona (until June 10, 2020)	2020	50,000	–	–	0	–	3,750	53,750
	2019	80,000*	–	–	7,500	–	6,000	93,500
Dr. Elke Eller	2020	100,000	–	7,500	–	–	12,750	120,250
	2019	80,000*	–	7,500	–	–	9,000	96,500
Gerd Grimmig	2020	100,000	–	–	–	–	9,750	109,750
	2019	80,000*	–	–	–	–	3,750	83,750
Axel Hartmann	2020	100,000	15,000	–	–	–	14,250	129,250
	2019	80,000*	15,000	–	–	–	7,500	102,500
Michael Knackmuß	2020	100,000	–	7,500	–	–	14,250	121,750
	2019	80,000*	–	7,500	–	–	8,250	95,750
Thomas Kölbl	2020	100,000	30,000	–	–	–	14,250	144,250
	2019	80,000*	30,000	–	–	–	8,250	118,250
Gerd Kübler	2020	100,000	–	–	–	–	9,750	109,750
	2019	100,000	–	–	–	–	3,750	103,750
Nevin McDougall	2020	100,000	–	–	–	–	9,000	109,000
	2019	80,000*	–	–	–	–	3,750	83,750
Anke Roehr	2020	100,000	–	–	–	–	9,000	109,000
	2019	80,000*	–	–	–	–	3,000	83,000
Dr. Rainier van Roessel (since June 10, 2020)	2020	58,333	–	–	–	–	5,250	63,583
	2019	–	–	–	–	–	–	–
Philip Freiherr von dem Bussche	2020	100,000	–	–	0	10,000	15,750	125,750
	2019	80,000*	–	–	7,500	0	7,500	95,000
Brigitte Weitz (since August 26, 2020)	2020	41,667	–	–	–	–	3,750	45,417
	2019	–	–	–	–	–	–	–
<b>Total</b>	<b>2020</b>	<b>1,750,000</b>	<b>105,000</b>	<b>37,500</b>	<b>0</b>	<b>50,000</b>	<b>216,750</b>	<b>2,159,250</b>
	<b>2019</b>	<b>1,420,000*</b>	<b>105,000</b>	<b>37,500</b>	<b>37,500</b>	<b>0</b>	<b>119,250</b>	<b>1,719,250</b>

\* Waiver of 20% of fixed remuneration for 2019 to benefit charitable purposes.

\*\* No remuneration paid in 2020 since only one meeting was held.

<sup>1</sup> Figures exclude compensation for value added tax payable by Supervisory Board members for their work.

<sup>2</sup> Remuneration introduced after 2019.

<sup>3</sup> On February 28, 2019 and June 30, 2020, joint meetings of the Audit Committee and Strategy Committee were held, but only one attendance fee was paid to members of both committees. On August 21, 2020 and October 15, 2020, meetings of the Personnel Committee extended to include the Strategy Committee were held, but only one attendance fee was paid to members of both committees. In addition, the members of the Personnel Committee waived their attendance fee because of the short duration of the meeting on December 14, 2020.

**ATTENDANCE OF MEETINGS BY MEMBERS OF THE SUPERVISORY BOARD  
OF K+S AKTIENGESELLSCHAFT IN THE 2020 FINANCIAL YEAR****B.74**

Supervisory Board members	Meetings, incl. committee meetings	Total number of full Board meetings	Attendance of full Board meetings	Total number of committee meetings	Attendance of committee meetings	Attendance as a percentage of total
Dr. Andreas Kreimeyer	35	13	13	22	22	100%
Ralf Becker	34	13	13	21	21	100%
Petra Adolph	20	13	12	7	6	90%
André Bahn	20	13	13	7	7	100%
Jella S. Benner-Heinacher	21	13	13	8	8	100%
Peter Bleckmann (until June 30)	7	7	7	–	–	100%
George Cardona (until June 10)	5	5	5	0	0	100%
Dr. Elke Eller	20	13	12	7	6	90%
Gerd Grimmig	14	13	12	1	1	93%
Axel Hartmann	20	13	12	7	7	95%
Michael Knackmuß	20	13	13	7	7	100%
Thomas Kölbl	20	13	12	7	7	95%
Gerd Kübler	13	13	13	–	–	100%
Nevin McDougall	13	13	12	–	–	92%
Anke Roehr	13	13	12	–	–	92%
Rainier van Roessel (since June 10)	8	8	7	–	–	88%
Philip Freiherr von dem Bussche	21	13	13	8	8	100%
Brigitte Weitz (since August 26)	5	5	5	–	–	100%
<b>Total</b>	<b>309</b>	<b>207</b>	<b>96%</b>	<b>102</b>	<b>98%</b>	<b>96%</b>