

## **Agenda Item 3: Resolution on the approval of the system for the remuneration of members of the Board of Executive Directors**

---

Ordinary Annual General Meeting of K+S Aktiengesellschaft

on Tuesday, 15 May 2018, 10:00 a.m.,  
in the Kongress Palais Kassel – Stadthalle,  
Holger-Börner-Platz 1, 34119 Kassel, Germany



### **Agenda Item 3: Resolution on the approval of the system for the remuneration of members of the Board of Executive Directors**

Subject matter of the resolution proposal of the Board of Executive Directors and Supervisory Board is the remuneration system for members of the Board of Executive Directors, which is explained in the management report of K+S Aktiengesellschaft or, as the case may be, group management report for the 2017 financial year:

In addition to fixed remuneration and the previous fringe benefits which are paid out monthly, the Board of Executive Directors also continues to receive performance-related remuneration components. The performance-related remuneration components still consist of two parts. The short-term incentive (STI) relates to the ongoing financial year and, at 40%, comprises the smaller part of variable remuneration. The long-term incentive (LTI) comprises the more significant part, at 60%, and is made up of two equally weighted components. One is linked to value added (LTI I) and the second is linked to share price performance (LTI II) in relation to the M-Dax performance. Both components are measured over a three year period. Going forward, STI is measured against reaching the EBIT DA from the annual plan. If the EBIT DA figure from the annual plan approved by the Supervisory Board is reached, the STI base amount is 100%. If the actual EBIT DA exceeds or falls short of the planned EBIT DA, the percentage rate of target achievement increases or decreases in a linear fashion by the same percentage. Maximum target achievement is 200% and minimal achievement is 0%. In addition, after the financial year in question has ended, the Supervisory Board sets a performance factor for the entire team of executive directors. This serves as a multiplier on the base amount of STI and ranges from 0.8 to 1.2. The result of the performance factor depends on achievement of annual targets defined between the Supervisory Board and the entire Board of Executive Directors. For the years from 2018 to 2020, the specific target is reaching the milestones of the SHAPING 2030 strategy, e. g. reducing the net debt/EBIT DA ratio.

Kassel, 28 March 2018

Board of Executive Directors and Supervisory Board  
K+S Aktiengesellschaft  
with its registered office in Kassel