

## Detailed explanations on the rights of shareholders

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**Ordinary Annual General Meeting  
K+S Aktiengesellschaft**

**On Wednesday, 11 May 2011, 10:00 hours,  
in the Kongress Palais Kassel – Stadthalle,  
Holger-Börner-Platz 1, 34119 Kassel, Germany**



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## **Amending the Items of the Agenda**

Shareholders whose combined shares amount to one-twentieth of the share capital or the proportionate amount of Euro 500,000 can demand in writing and stating the purpose and the reasons that items are put on the agenda and published. Each new item must be accompanied by an explanation or a draft proposal. The demand shall be addressed to the management board. Petitioners are required to prove that they have held the shares for at least three months and that they will continue to hold the shares until a decision about the petition has been rendered. Requests to amend the items of the agenda must be received by the company at least 30 days prior to the meeting, i.e. by Sunday, 10 April 2011, 24:00 hours.

### **Underlying statutes:**

Section 122 paragraph 1 AktG:

“The shareholders’ meeting shall be called if shareholders, whose shares in aggregate amount to at least one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons for such meeting; this demand shall be addressed to the management board. The articles may provide that the right to demand a shareholders’ meeting shall require a different form or the holding of a lower proportion of the share capital. § 142 paragraph 2 sentence 2 shall apply accordingly.”

Section 122 paragraph 2 AktG:

“In the same manner, shareholders whose shares in aggregate amount to at least one-twentieth of the share capital or the proportionate amount of EUR 500,000 may demand that items are put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. The demand in the sense of sentence 1 must be received by the company at least 24 days, in case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be taken into account.”

Section 142 paragraph 2 sentence 2 AktG:

“The petitioners must furnish evidence that they have been the holders of the shares for at least three months prior to the date of the shareholders’ meeting and will continue to hold the shares until a decision on the petition is rendered.”

### **Counter-motions or, as the case may be, election proposals**

In addition, each shareholder has the right to submit a counter-motion to a proposal of the management board and supervisory board concerning a specific item of the Agenda. A counter-motion must be available on the company’s website in accordance with Section 126 paragraph 1 and 2 AktG, if it is received by the company under the address published below no later than by Tuesday, 26 April 2011, 24:00 hours.

Each shareholder may also submit an election proposal for the election of supervisory board members or auditors in accordance with Section 127 AktG. An election proposal must be available on the company’s website in accordance with Sections 127, 126 paragraph 1 and 2 AktG, if it is received by the company under the address published below no later than by Tuesday, 26 April 2011, 24:00 hours.

We will make counter-motions or election proposals received in time available on the Internet under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm), if they meet the legal requirements. Any comments by the management will also be made available under the aforementioned Internet address. We will publish motions for amendments that are received in time, if they meet the legal requirements. Demands to amend the agenda, counter-motions, and election proposals from shareholders

shall be exclusively addressed to:

K+S Aktiengesellschaft  
Investor Relations  
Bertha-von-Suttner-Straße 7  
34131 Kassel, Germany  
Fax: +49 (0) 561 / 9301 - 2425  
E-Mail: investor-relations@k-plus-s.com

### **Underlying statutes:**

Section 126 AktG:

(1) "Motions by shareholders together with the shareholder's name, the grounds, and any comments by the management shall be made available to the persons entitled pursuant to Section 125 paragraph 1 to 3 subject to the preconditions stated there, if at least 14 days prior to the meeting the shareholder has submitted to the company a substantiated motion counter to a proposal of the management board and supervisory board on a specific item of the agenda to the address stated in the notice convening the meeting. The day of receipt shall not be taken into account. In the case of listed company, access shall be provided via the company's website. Section 125 paragraph 3 applies accordingly.

(2) A counter-motion and its substantiation do not need to be made available,

1. to the extent that the management board would become criminally liable by making it available,
2. if the counter-motion would lead to a resolution of the shareholders' meeting that would be illegal or violate the articles of association,
3. if the substantiation contains statements that are manifestly false or misleading in material respects or if it contains slander,
4. if a counter-motion of the shareholder based on the same facts has already been made available with respect to a shareholders' meeting of the company pursuant to Section 125,
5. if the same counter-motion of the shareholder with essential identical substantiation was made available during the last five years to at least two shareholders' meetings of the company pursuant to Section 125 and if at the shareholders' meeting less than one-twentieth of the represented share capital had voted in favour of it,
6. if the shareholder indicates that he will not attend and not be represented at the shareholders' meeting, or
7. if the shareholder has within the past two years at two shareholders' meetings failed to propose or cause to be proposed on his behalf a counter-motion submitted by him.

The substantiation does not need to be made available, if it amounts to more than 5,000 characters overall.

(3) If several shareholders propose counter-motions in respect to the same item to be resolved, the management board may combine the counter-motions and their substantiations."

Section 127 AktG:

"Section 126 applies analogously to a shareholder's proposal for the election of supervisory board members or auditors. The election proposal does not need to be substantiated. The management board also not need make the election proposal available, if the proposal does not contain the statements information pursuant to Section 124 paragraph 3 sentence 3 and Section 125 paragraph 1 sentence 5."

Section 124 paragraph 3 sentence 4 AktG:

“The proposal for the election of supervisory board members or auditors must state their name, practiced profession, and place of residence.”

Section 125 paragraph 1 sentence 5 AktG:

“In the case of listed companies, a proposal for the election of supervisory board members must be accompanied by information concerning their membership in other supervisory boards that to be established by law; information on their membership in comparable domestic and foreign controlling bodies of commercial enterprises should be added.”

### **Information right**

The management board shall provide information to each shareholder upon request during the shareholders’ meeting about the affairs of the company, to the extent it is necessary to properly assess the item of the agenda. The information obligation also extends to the legal and commercial relationships of the company with an affiliated company. If a company makes use of the facilitations pursuant to Section 266 paragraph 1 sentence 2, Section 276 or Section 288 of the German Commercial Code, each shareholder may demand that in the shareholders’ meeting about the annual financial statements the annual financial statements be submitted him in the form they would be in without application of these provisions. The information obligation of the management board of a parent company (Section 290 paragraph 1, 2 of the German Commercial Code) in the shareholders’ meeting to which the consolidated financial statements and the group management report are submitted also extends to the situation of the corporate group and of the companies included in the consolidated financial statements.

In order to facilitate the appropriate response, shareholders and shareholder representatives, who want to submit questions during the shareholders’ meeting, are requested to submit these questions as early as possible to the address stated above. This submission is no formal requirement for the answer. It leaves the information right unaffected.

### **Underlying statutes:**

Section 131 AktG:

“(1) Each shareholder shall upon request be provided with information by the management board during the shareholders’ meeting about the affairs of the company to the extent it is necessary to properly assess the item of the agenda. The information obligation also extends to the legal and commercial relationships of the company with an affiliated company. If a company makes use of the facilitations pursuant to Section 266 paragraph 1 sentence 2, Section 276 or Section 288 of the German Commercial Code, each shareholder may demand that in the shareholders’ meeting about the annual financial statements the annual financial statements be submitted him in the form they would be in without application of these provisions. The information obligation of the management board of a parent company (Section 290 paragraph 1, 2 of the German Commercial Code) in the shareholders’ meeting to which the consolidated financial statements and the group management report are submitted also extends to the situation of the corporate group and of the companies included in the consolidated financial statements.

(2) The information shall correspond to the principles of diligent and faithful accounting. The articles of association or the rules of internal procedure pursuant to Section 129 may authorize the chairman of the meeting to reasonably limit the time for the shareholder’s right to submit questions and speak as well as to determine further details.

- (3) The management board may refuse to provide information,
1. if based on a reasonable commercial assessment providing the information is suitable to cause not insignificant disadvantages to the company or an affiliated enterprise;
  2. to the extent it relates to valuations for tax purposes or the amount of individual taxes;
  3. about the difference between the value with which items are reported in the annual balance sheet and a higher value of these items, unless the shareholders' meeting approves the annual financial statements;
  4. about the accounting and valuation methods, to the extent that stating these methods in the notes is sufficient in order to provide an image of the asset, financial, and earnings situation of the company in the sense of Section 264 paragraph 2 of the German Commercial Code that corresponds to the actual situation; this does not apply if the shareholders' meeting approves the annual financial statements;
  5. to the extent that the management board would commit a criminal offense by providing the information;
  6. to the extent it is not required in the case of a bank or a financial services institution about applied accounting and valuation methods as well as nettings made in the annual financial statements, management report, consolidated financial statements, or group management report;
  7. to the extent that the information is constantly available on the company's website for at least seven days prior to and during the shareholders' meeting.
- Information may not be refused for any other reasons.

(4) If information was provided to a shareholder outside of the shareholders' meeting in his capacity as shareholder, it must be provided to every other shareholder upon request during the shareholders' meeting, even if it is not necessary to properly assess the item of the agenda. The management board must not refuse to provide information pursuant to paragraph 3 sentence 1 No. 1 to 4. Sentences 1 and 2 do not apply, if a subsidiary (Section 290 paragraph 1, 2 of the German Commercial Code), a joint venture company (Section 310 paragraph 1 of the German Commercial Code), or an associated company (Section 311 paragraph 1 of the German Commercial Code) provides the information to a parent company (Section 290 paragraph 1, 2 of the German Commercial Code) for purposes of including the company in the consolidated financial statements of the parent company and if the information is required for this purpose.

(5) If information is refused to a shareholder, he may demand that his question and the reason because of which the information was refused be recorded in the minutes of the meeting."

Kassel, 30 March 2011

The Board of Executive Directors  
K+S Aktiengesellschaft  
with registered seat in Kassel, Germany