

# THE FOOD CHALLENGE



Jakarta 1975

# INVITATION

TO THE ORDINARY ANNUAL GENERAL MEETING  
OF K+S AKTIENGESELLSCHAFT

to be held on Wednesday, 9 May 2012, 10:00 a. m.,  
in the Kongress Palais Kassel – Stadthalle,  
Holger-Börner-Platz 1, 34119 Kassel, Germany

Entrance at 8:30 a. m.



Experience growth.

Jakarta 2010



## **AGENDA**

1. Presentation of the approved annual financial statements of K+S AKTIENGESELLSCHAFT, of the approved consolidated financial statements, of the management report, of the consolidated management report and of the Supervisory Board report, in each case for the 2011 financial year, as well as of the explanatory report of the Board of Executive Directors concerning the information under Sections 289 Paragraph 4 and 315 Paragraph 4 of the German Commercial Code (HGB)
2. Adoption of a resolution on the appropriation of profits
3. Adoption of a resolution about the ratification of the actions of the Board of Executive Directors
4. Adoption of a resolution about the ratification of the actions of the Supervisory Board
5. Election of the auditor for the 2012 financial year
6. Election to the Supervisory Board
7. Adoption of a resolution about the revision of Section 12 of the Articles of Association
8. Adoption of a resolution about the supplement of Section 15 of the Articles of Association

Dear Shareholders,

“If I had plenty of land, I should fear no man ...”, are the words of the peasant Pachom in Tolstoy’s short story “How Much Land Does a Man Need?”. Admittedly, Tolstoy’s interest here lay in man’s efforts to acquire material property, but the wording of the question, “How much land does a man need?” is indeed impressively clearly formulated and now, some 125 years later, when we consider the issue of feeding the world, it is more pertinent than ever.

At the end of October 2011, the population of the world went through the seven billion barrier. This number and in particular the two to three billion additional people expected by 2050 present all of us with a huge challenge which, despite the numerous urgent warnings of the UN, to date has not been tackled decisively enough: Just how do we provide the world with enough food? This scarcely is an issue for people in developed countries who enjoy a relatively high standard of living and only spend a fraction of their available income on food; it is the debt and real estate crisis that is currently causing them their worries. It is only in passing, if at all, that people might notice newspaper reports describing that international prices of cereals are significantly above the multi-year average. While this may be a somewhat abstract issue in these countries, for those belonging to the lower income groups in emerging and developing countries, this means in very practical terms that a significant portion of their income is being absorbed through the tangible inflation of food prices. Anyone compelled to spend the larger part of their income on feeding their families, will regard their very existence as under threat when food prices rise by 10 % per

annum, as was the case last year in some countries in South-East Asia or the Near and Middle East for example.

With population growth and the increased consumption of protein that regularly accompanies increased prosperity on the one hand, and urbanisation, desertification and soil salinisation on the other, the coming decades will see a further, continual decline in the globally available agricultural land per capita. So it is imperative that a greater focus is once again placed on agriculture. We have the potential on this earth to adequately feed even as many as ten billion people. However, this requires that agriculture, particularly in emerging and developing countries, has to become more efficient and ultimately more productive – through structural reforms and land reforms especially, but also through the use of modern agricultural technology, seed, fertilizers and plant protection products. If, for example, the global average yield per hectare for wheat is only about half of what it is in Western Europe, this then highlights the potential yields that remain untapped and the degree to which hunger and unaffordable food prices can be avoided in emerging and developing countries. As the Chairman of the Board of Executive Directors of a potash fertilizer producer, I am of course not without a certain interest in declaring my opinion, but it is almost inevitable to state that in order to achieve an optimal crop yield per hectare in China or India for example, the potash input would have to be – and can be – increased by factors of 1.7 or 2.5 respectively. These countries are in no way exceptional. In the majority of emerging and developing countries, fertilizers are still not applied in a balanced way, despite the increased use of potash witnessed in recent years.

Therefore, the theme of this year's Financial Report is quite deliberately entitled "The Food Challenge". Exemplary for the

trend in many emerging countries are our reports' cover pictures showing satellite perspectives of the Indonesian capital, Jakarta, in 1975, 1990 and 2010. During this time span, the population of this metropolis more than doubled to approximately ten million people. The dynamic and prospering development is pleasing. The effects of the concomitant rapidly progressing phenomenon of urbanisation, however, are as impressive as they are alarming. These are the key challenges we will have to overcome in the future, which we too, as a producer of potash and salt, will need to sustainably deal with – even if the capital markets routinely keep us on tenterhooks with their sometimes euphoric, sometimes anxious glance towards quarterly results.

We will probably never get an answer to the question of whether the current sweeping uncertainty – also to be seen in the economy – was triggered by the sovereign debt crises, the real economy itself or by an overly pessimistic capital market, and if, in the latter case, the current troubles are merely the result of a “self-fulfilling prophecy”. However, it is clearly noticeable that, within a globalised and interconnected world, the so far countervailing regional economic cycles will become steadily more and more harmonised with one another, and that market players synchronously stepping on the accelerator or the brake will become an ever more frequent occurrence. The problem inherent in this trend is that it can lead to extremely exaggerated movements in either direction.

Is the capital market merely acting as a prisoner of its own, only trying to make the best of these circumstances, consequently acting or being forced to act in an even more short-termist and nervous manner? Whatever the truth is here, I find it hard to comprehend that at the end of the past year, we, K+S, were supposed to be worth almost 40% less than

just five months before, simply because investors and analysts under the influence of some kind of déjà-vu feared that, in the wake of the financial crisis, the prices of cereals would plunge, the demand for potash would decline significantly and that potash prices would collapse as a result. You will notice my continuous use of the subjunctive tense here, because in reality the prices of cereals have yet to plunge, nor are there any indications that agriculture will forego the next potash application, nor have potash prices collapsed. It is only the wholesalers who have responded to the global uncertainty with a conservative approach in managing their fertilizer stocks for the coming season, meaning that as long as the world does not stop spinning, this will only lead to a postponement of demand.

While the capital market perceived the glass to be half-empty rather than half-full, particularly towards the end of 2011, in the past year, the K+S GROUP

- + generated revenues of € 5.2 billion; this represents a year-on-year increase of 11 %;
- + increased operating earnings by 37 % to € 976 million, the second-highest earnings ever achieved in the Group's history;
- + boosted the adjusted earnings per share, including the COMPO effect, by 30 % to € 3.04;
- + commenced with the € 360 million package of measures for the Werra river so laying the cornerstone for a further significant reduction of saline waste water, thereby significantly improving the prospects for 5,000 employees in this region and
- + took a decisive strategic step forward with the acquisition of POTASH ONE and the decision to establish a new potash plant in Canada.

In view of the successful course of the year 2011, the Board of Executive Directors will propose to the Annual General Meeting that the dividend for the past year be increased by 30 % and that a dividend of € 1.30 per share be paid.

Dear Shareholders, you may rest assured also in the future that your K+S GROUP will be remaining on course. In recent years, the Board of Executive Directors and the Supervisory Board have sharpened the K+S GROUP's strategic focus on the twin pillars of potash and salt: The acquisition of the Chilean salt producer SPL in 2006, the take-over in 2009 of the US-American salt producer MORTON SALT, the acquisition of the Canadian potash exploration company POTASH ONE as well as the disposal of COMPO last year are all integral steps in this strategy.

Of major importance for the K+S GROUP as a whole is the decision to embark on the construction of a new potash production plant in Canada – the Legacy Project. This new plant in the Province of Saskatchewan is to commence operations in 2015 and, after a few years, will in two phases produce up to 2.86 million tonnes of potassium chloride per year. Following the completion of a third phase, production levels could even rise to as much as 4 million tonnes of potassium chloride per year. The estimated volume of capital expenditure for the two initial expansion phases runs to approximately 3.25 billion Canadian dollars, will be spread over a number of years and thus will not overstrain the K+S GROUP financially. The implementation of the Legacy Project will lead to an increase of our potash capacities and to an extension of the average lifetime of our potash plants. Furthermore, the combination with our existing domestic potash mines will significantly boost our international competitiveness.

Another step of equally wide-ranging importance is the aforementioned € 360 million package of measures aimed at disposing of the saline waste water produced by our Werra plant in Germany. Within the next four years, we want to achieve a 50 % reduction of saline waste water. The official starting signal was given by us in October – a significant step toward the long-term, sustainable disposal of saline waste water, which will boost the prospects not just of our sites and our employees, but also those of a great many people living in the region. As a commodities company, we are thus clearly and unambiguously committing ourselves to our German base. And of course, preparations are continuing for the approval applications for the saline waste water pipelines, regardless of the fact that the test criteria for pipelines defined in conjunction with the federal states of Hesse and Thuringia and agreed on by the Round Table, which form the basis for the investment decision, are still unfulfilled.

Despite all the macroeconomic uncertainties, 2012 should nevertheless be another good year for our K+S GROUP: The current pricing level for agricultural raw materials offers attractive income prospects for farmers and should therefore lead to a positive development in fertilizer demand in those sales regions of relevance for K+S. However, for the Salt business, due to the weather-related unusually poor start to the de-icing business, we are anticipating significantly lower volumes of business compared to the above-average performance in 2011. In sum, we are anticipating K+S GROUP's total revenues to remain stable for 2012; operating earnings and adjusted earnings after taxes should, however, decrease moderately due primarily to the muted demand for de-icing salt. Nevertheless, without the impact of last year's disposal

of the COMPO business, there is a good chance for an at least stable dividend for the year 2012.

Also on behalf of my fellow members of the Board of Executive Directors, I would like to thank our employees wholeheartedly for their high level of commitment and their extraordinary team spirit.

I would like to thank you, dear shareholders, customers and partners of the K+S GROUP, for your trust and support once again and the constructive dialogue of the past financial year. We want to continue to shape the future with you, create new capacities for growing markets and convince you with our achievements!



NORBERT STEINER

CHAIRMAN OF THE BOARD OF EXECUTIVE DIRECTORS



**FIVE-YEAR SUMMARY K+S GROUP<sup>1</sup>****Revenues, Earnings, Cash Flow**

Revenues

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Operating earnings (EBIT I)

Earnings before taxes, adjusted<sup>2</sup>Group earnings from continued operations, adjusted<sup>2</sup>Group earnings, adjusted<sup>2,3</sup>

Gross cash flow

Capital expenditure<sup>4</sup>**Balance Sheet**

Equity

Net indebtedness

**Employees**Employees as of 31 Dec.<sup>5</sup>

– of which trainees

**Ratios**Earnings per share from continued operations, adjusted<sup>2</sup>Earnings per share, adjusted<sup>2,3</sup>Dividend per share<sup>6</sup>Dividend yield<sup>6</sup>

EBITDA margin

EBIT margin

Return on revenues<sup>2</sup>Return on Capital Employed (ROCE)<sup>7</sup>Return on equity after taxes<sup>2,8</sup>

Book value per share

**The Share**Closing price as of 31 Dec.<sup>9</sup>

Market capitalisation

Enterprise value as of 31 Dec.

Total number of shares as of 31 Dec.

<sup>1</sup> Unless stated otherwise, information for the years 2011 and 2010 refers to the continued operations of the K+S Group. Due to its disposal, the COMPO business is in accordance with IFRS disclosed as “discontinued operation”. The income statement and the cash flow statement of the previous year were adjusted accordingly, while the balance sheet and therefore the key figures net indebtedness and book value per share of 2010 were not adjusted and also include the discontinued operations.

<sup>2</sup> The adjusted key figures only include the result from operating forecast hedges of the respective reporting period reported in EBIT I, which eliminates effects from changes in the market value of the hedges. Related effects on deferred and cash taxes are also eliminated; tax rate for 2011: 28.4% (2010: 28.2%).

<sup>3</sup> Earnings from continued and discontinued operations.

<sup>4</sup> Investments in property, plant and equipment, intangible and investment properties as well as depreciation on financial assets.

	2011	2010	2009	2008	2007
	IFRS	IFRS	IFRS	IFRS	IFRS
€ million	5,150.9	4,632.7	3,573.8	4,794.4	3,344.1
€ million	1,217.7	953.0	411.8	1,484.4	413.9
€ million	975.7	714.5	238.0	1,342.7	285.7
€ million	911.8	594.5	122.6	1,349.5	250.0
€ million	673.6	453.8	—	—	—
€ million	581.8	445.3	93.6	979.3	175.3
€ million	910.6	812.7	323.9	1,177.9	372.1
€ million	294.1	188.6	177.6	197.5	171.6
€ million	3,084.6	2,651.6	2,094.6	1,718.3	931.8
€ million	610.8	732.5	1,351.3	570.0	1,085.1
number	14,496	14,186	15,208	12,368	12,033
number	636	620	642	615	614
€	3.52	2.37	—	—	—
€	3.04	2.33	0.56	5.94	1.06
€	1.30	1.00	0.20	2.40	0.50
%	3.7	1.8	0.5	6.0	1.2
%	23.6	20.6	11.5	31.0	12.4
%	18.9	15.4	6.7	28.0	8.5
%	13.1	9.8	2.6	20.4	5.2
%	27.5	22.0	9.3	64.0	15.5
%	20.2	18.7	8.4	68.6	16.1
€	16.12	13.85	10.94	10.41	5.65
XETRA, €	34.92	56.36	39.99	39.97	40.69
€ billion	6.7	10.8	7.7	6.6	6.7
€ billion	7.3	11.5	9.0	7.2	7.8
million	191.40	191.40	191.40	165.00	165.00

<sup>5</sup> FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

<sup>6</sup> The figure for 2011 corresponds to the dividend proposal; the dividend yield is based on the year-end closing price.

<sup>7</sup> Information for the years 2010 and 2011 refers to the continued operations of the K+S Group. Taking into account the discontinued operations of COMPO, ROCE in 2011 amounts to 24.1% (2010: 20.9%).

<sup>8</sup> Information refers to the continued and discontinued operations of the K+S Group.

<sup>9</sup> The price of the K+S share since the capital increase in December 2009 has been traded ex subscription right. Historical values were not adjusted.

## I. AGENDA

**1. PRESENTATION OF THE APPROVED ANNUAL FINANCIAL STATEMENTS OF K+S AKTIENGESELLSCHAFT, OF THE APPROVED CONSOLIDATED FINANCIAL STATEMENTS, OF THE MANAGEMENT REPORT, OF THE CONSOLIDATED MANAGEMENT REPORT AND OF THE SUPERVISORY BOARD REPORT, IN EACH CASE FOR THE 2011 FINANCIAL YEAR, AS WELL AS OF THE EXPLANATORY REPORT OF THE BOARD OF EXECUTIVE DIRECTORS CONCERNING THE INFORMATION UNDER SECTIONS 289 PARAGRAPH 4 AND 315 PARAGRAPH 4 OF THE GERMAN COMMERCIAL CODE (HGB)**

These documents can be found on the Internet under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm). They are also available for inspection in the offices of K+S AKTIENGESELLSCHAFT, Bertha-von-Suttner-Strasse 7, 34131 Kassel, Germany. The documents will furthermore be available during the Annual General Meeting. The Supervisory Board has approved the annual and consolidated financial statements. In accordance with legal requirements, no resolution is adopted concerning this item of the Agenda. You will find a related explanation on the Internet under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm).

## 2. ADOPTION OF A RESOLUTION ON THE APPROPRIATION OF PROFITS

The Board of Executive Directors and the Supervisory Board propose that the following resolution be adopted: The accumulated profit of the 2011 financial year shall be appropriated as follows:

	2011
in €	
Distribution of a dividend of € 1.30 on 191,400,000 no-par value shares entitled to dividends	248,820,000.00
Profit carried forward	11,231,126.11
<b>Accumulated profit</b>	<b>260,051,126.11</b>

## 3. ADOPTION OF A RESOLUTION ABOUT THE RATIFICATION OF THE ACTIONS OF THE BOARD OF EXECUTIVE DIRECTORS

The Supervisory Board and the Board of Executive Directors propose that the actions of the members of the Board of Executive Directors be ratified for the 2011 financial year.

## 4. ADOPTION OF A RESOLUTION ABOUT THE RATIFICATION OF THE ACTIONS OF THE SUPERVISORY BOARD

The Board of Executive Directors and the Supervisory Board propose that the actions of the members of the Supervisory Board be ratified for the 2011 financial year.

## 5. ELECTION OF THE AUDITOR FOR THE 2012 FINANCIAL YEAR

Upon recommendation of its Audit Committee, the Supervisory Board proposes to elect DELOITTE & TOUCHE GMBH, Hanover, Germany, as auditor for the financial statements and consolidated financial statements for the 2012 financial year.

## 6. ELECTION TO THE SUPERVISORY BOARD

The office of the Supervisory Board Chairman Dr. Bethke ends upon the end of the Annual General Meeting on 9 May 2012.

Upon recommendation of its Nomination Committee, the Supervisory Board proposes to elect

Dr. Ralf Bethke (69), business administration graduate, entrepreneur (as a member of the supervisory boards named below), Deidesheim, Germany (you will find the curriculum vitae on the Internet under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm)) to the Supervisory Board again for the period from the end of the Annual General Meeting on 9 May 2012 until the end of the Annual General Meeting, which decides about the ratification of actions for the 2016 financial year.

The Supervisory Board intends to confirm Dr. Bethke as Chairman.

Dr. Bethke is a member of the supervisory boards of BENTELER INTERNATIONAL AG, Salzburg, Austria (deputy chairman), of DR. JENS EHRHARDT KAPITAL AG, Pullach, Germany (chairman), of SÜDDEUTSCHE ZUCKERRÜBENVERWERTUNGSGENOSSENSCHAFT EG, Stuttgart-Ochsenfurt, Germany, and of SÜDZUCKER AG MANNHEIM/OCHSENFURT, Mannheim, Germany.

The composition of the Supervisory Board is determined by Sections 96 Paragraph 1 and 101 Paragraph 1 of the German Stock Corporation Act (AktG) and by Section 7 Paragraph 1 No. 2 of the Co-Determination Act. The Annual General Meeting is not bound to election proposals.

## **7. ADOPTION OF A RESOLUTION ABOUT THE REVISION OF SECTION 12 OF THE ARTICLES OF ASSOCIATION**

The Board of Executive Directors and the Supervisory Board consider that an exclusively fixed remuneration of the members of the Supervisory Board better takes account of the consulting and supervising functions of the Supervisory Board, which generally exists independently of the success of the Company, than the existing form of remuneration, which also includes a variable component. Furthermore, it appears reasonable to adjust the remuneration for the activity in the committees of the Supervisory Board to the greater workload and complexity. The proposed change to the Supervisory Board remuneration is intended to ensure that in future too, members can be found for the Supervisory Board who have a high level of competence and long-term as well as international experience in the governance of and in providing advice to companies or business-related institutions.

The Board of Executive Directors and the Supervisory Board therefore propose that Section 12 of the Articles of Association be revised as follows:

**“SECTION 12  
SUPERVISORY BOARD REMUNERATION, REIMBURSE-  
MENT OF OUT-OF-POCKET EXPENSES**

- (1) A member of the Supervisory Board receives annual remuneration of € 100,000. The chairman of the Supervisory Board receives twice this amount and the deputy chairman receives one and a half times the remuneration pursuant to sentence 1.

- (2) A member of the Audit Committee of the Supervisory Board receives further remuneration of € 15,000 per year. The chairman of this committee receives twice this amount and the deputy chairman receives one and a half times the amount of such additional remuneration.
- (3) A member of the Personnel Committee of the Supervisory Board receives further remuneration of € 7,500 per year. The chairman of this committee receives twice this amount and the deputy chairman receives one and a half times the amount of such additional remuneration.
- (4) A member of the Nomination Committee of the Supervisory Board receives further remuneration of € 7,500 per year, if at least two meetings were held in that year. The chairman of this committee receives twice this amount and the deputy chairman receives one and a half times the amount of such additional remuneration.
- (5) A member of the Supervisory Board, who has been a member of the Supervisory Board or, as the case may be, of one of its committees only for part of a year, receives one twelfth of the respective annual remuneration pursuant to paragraphs 1 to 4 for each commenced month of such membership.
- (6) The Company pays an attendance fee of € 750 to each member of the Supervisory Board for attending a meeting of the Supervisory Board or of one of its committees of which he is a member, however, in the case of several meetings per day a maximum of € 1,500 per day.
- (7) The members of the Supervisory Board are entitled to the reimbursement from the Company of any expenses

necessary and reasonable for the performance of their duties. Furthermore, they are entitled to the reimbursement of any value added tax to be paid by them as a consequence of their Supervisory Board activity.

- (8) The provisions of this Section 12 will apply for the first time to the remuneration to be paid for the 2012 financial year.”

#### **8. ADOPTION OF A RESOLUTION ABOUT THE SUPPLEMENT OF SECTION 15 OF THE ARTICLES OF ASSOCIATION**

The Board of Executive Directors and the Supervisory Board propose to decide to supplement Section 15 of the Articles of Association by the following Paragraph 2, whereby the previous text under Section 15 becomes Paragraph 1:

- “(2) The Board of Executive Directors may stipulate that shareholders are permitted to cast their votes, even without participating in the Annual General Meeting, in writing or by way of electronic communication (postal vote). The Board of Executive Directors also determines the further details of the procedure, which it will announce when it convenes the Annual General Meeting.”

## II. FURTHER INFORMATION AND INSTRUCTIONS REGARDING THE ANNUAL GENERAL MEETING

### 1. PRECONDITIONS FOR THE ATTENDANCE AT THE ANNUAL GENERAL MEETING AND THE EXERCISE OF THE VOTING RIGHT

Only those shareholders of the Company, who register with the Company no later than by 2 May 2012, 12:00 p.m. and are entered in the share register for the registered shares, are entitled to attend the Annual General Meeting and exercise the voting right in person or by a proxy.

The registration may be submitted via the Company's website under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm). Shareholders, who are entered in the share register, receive their shareholder number and a related access code together with the invitation letter to the Annual General Meeting by mail. The registration may also be sent to the address

K+S AKTIENGESELLSCHAFT  
C/O COMPUTERSHARE HV-SERVICES AG  
Prannerstrasse 8  
80333 München, Germany  
fax: +49 89/30903-74675  
e-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

A form that can be used for this purpose will be sent to shareholders, who are entered in the share register, together with the invitation letter to the Annual General Meeting by mail. You will find more detailed instructions regarding the registration process in the information on the registration form or on the website [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm).

For the exercise of attendance and voting rights, the shareholdings entered in the share register on 3 May 2012, 0:00 a.m. shall be decisive, since no transfers will be registered in the share register between that date and the end of the day of the Annual General Meeting.

Together with the registration, the shareholder may request an admission ticket to the Annual General Meeting. Shareholders who use the online service for registration have the option to print their admission ticket themselves directly.

Unlike the registration to the Annual General Meeting, the admission ticket is not a precondition for attendance, but merely serves to facilitate the procedure at the admission control points for access to the Annual General Meeting.

If a bank is entered in the share register, it may exercise the voting rights for shares that do not belong to it only based on a power of attorney from the shareholder. The same applies to shareholders' associations and other equivalent persons pursuant to Section 135 Paragraph 8 of the German Stock Corporation Act (AktG) accordingly.

The shares are not blocked by the registration to the Annual General Meeting; shareholders can therefore continue to dispose freely over their shares after completing the registration.

Holders of AMERICAN DEPOSITARY RECEIPTS (ADRS) will please direct any questions they may have to BANK OF NEW YORK MELLON, New York, Phone: +1 888/269-2377, or to their bank or their broker.

## 2. PROXY VOTING PROCEDURE

Shareholders, who are entered in the share register, may also have their voting right exercised by a proxy, e.g. a bank or shareholders' association, in the Annual General Meeting. A timely registration is also required in this case.

Granting the power of attorney, revoking it, and proof of authorization vis-à-vis the Company require the text form and may be transmitted to the Company under the Internet address **[www.k-plus-s.com/agm](http://www.k-plus-s.com/agm)** in accordance with the procedure determined by the Company. Transmission may also be effected to the address

K+S AKTIENGESELLSCHAFT  
C/O COMPUTERSHARE HV-SERVICES AG  
Prannerstrasse 8  
80333 München, Germany  
fax: +49 89/30903-74675  
e-mail: [k-plus-s-hv2012@computershare.de](mailto:k-plus-s-hv2012@computershare.de)

A form, which may be used to grant power of attorney, will be sent to the shareholders together with the invitation letter or, as the case may be, the admission ticket to the Annual General Meeting together with additional information on granting power of attorney.

On the day of the Annual General Meeting, the power of attorney may be granted, revoked, and the proof of authorization may be documented electronically under **[www.k-plus-s.com/agm](http://www.k-plus-s.com/agm)**, under fax no. +49 89/30903-74675, or at the admission points to the Annual General Meeting.

Exemptions from the text form requirement may exist for banks, shareholders' associations, or equivalent persons or

institutions (compare Section 135 and Section 125 Paragraph 5 of the German Stock Corporation Act (AktG)).

We offer our shareholders to have themselves represented in the Annual General Meeting by proxies appointed by the Company. Granting the power of attorney and its revocation require the text form and may be transmitted under the Internet address [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm) or to the above-mentioned address. The proxies appointed by the Company exercise the voting right exclusively based on the instructions issued by the shareholder. Please note that the proxies appointed by the Company will not accept any mandates to make speeches, enter objections against resolutions of the Annual General Meeting, or to ask questions or submit motions.

Shareholders, who would like to authorize the proxies appointed by the Company or the banks and shareholders' associations participating in the online service over the Internet, require their shareholder number and the related access password for this.

We would like to point out that powers of attorney and instructions issued via the Internet-based system can only be changed using this system and may be revoked only there or by attending the Annual General Meeting in person and issuing a declaration in text form.

If a shareholder authorizes more than one person, the Company may reject one or several of them.

### **3. SHAREHOLDER RIGHTS**

Shareholders, whose shares together amount to one-twentieth of the share capital or the proportionate amount of

€ 500,000, may demand pursuant to Section 122 Paragraph 2 of the German Stock Corporation Act (AktG) that items are placed on the Agenda and announced. Requests to amend the Agenda must be received by the Company at least 30 days prior to the meeting, i.e. by 8 April 2012, 12:00 p.m. We ask that requests to amend the Agenda be sent to the following address:

K+S AKTIENGESELLSCHAFT  
Investor Relations  
Bertha-von-Suttner-Strasse 7  
34131 Kassel, Germany

Each shareholder has the right to submit a counter-motion to any proposal of the Board of Executive Directors and/or the Supervisory Board concerning a specific item of the Agenda. A counter-motion must be made available on the Company's website as set forth in more detail in Section 126 Paragraph 1 and 2 of the German Stock Corporation Act (AktG), if it is received by the Company under the address specified below no later than on 24 April 2012, 12:00 p.m.

Each shareholder may also submit an election proposal for the election of Supervisory Board members or of auditors to the Company as set forth in more detail in Section 127 of the German Stock Corporation Act (AktG). An election proposal must be made available on the Company's website as set forth in more detail in Sections 127, 126 Paragraph 1 and 2 of the German Stock Corporation Act (AktG), if it is received by the Company under the address specified below no later than on 24 April 2012, 12:00 p.m.

We will make counter-motions or election proposals, which we have received in time, available on the Internet under

**www.k-plus-s.com/agm**, if they meet the legal requirements. We will also make any comments by the management available under the aforementioned Internet address. We will announce motions for amendments received in time, if they meet the legal requirements. 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: +49 561/9301-2425  
e-mail: [investor-relations@k-plus-s.com](mailto:investor-relations@k-plus-s.com)

Upon request, the Board of Executive Directors shall provide information to any shareholder or shareholders' representative during the Annual General Meeting about matters of the Company, if it is necessary for a proper assessment of the item of the Agenda. The information obligation also extends to the legal and commercial relationships of the Company with affiliated companies.

In order to facilitate a proper reply, shareholders and shareholders' representatives, who intend to submit questions during the Annual General Meeting, are requested to transmit these questions as early as possible to the aforementioned address. This transmission is not a prerequisite for a reply. The information right is not affected by this.

More detailed explanations and information on the rights of shareholders under Sections 122 Paragraph 2, 126 Paragraph 1, 127 and 131 Paragraph 1 of the German Stock Corporation

Act (AktG) are available to shareholders on the Company's website under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm).

#### **4. TOTAL NUMBER OF SHARES AND VOTING RIGHTS**

At the time the Annual General Meeting is convened, the Company's share capital is divided into 191,400,000 no-par value registered shares with the same number of voting rights.

#### **5. INFORMATION ON THE COMPANY'S WEBSITE**

The information according to Section 124a of the German Stock Corporation Act (AktG) as well as additional explanations regarding the aforementioned shareholder rights are available on the Company's website under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm). The recorded voting results will also be published there after the Annual General Meeting.

Information over the telephone is available under +49 561/9301-1100.

#### **6. TRANSMISSION OF THE ANNUAL GENERAL MEETING ON THE INTERNET**

The Annual General Meeting will be transmitted on the Internet until the end of the speech of the Chairman of the Board of Executive Directors under [www.k-plus-s.com/agm](http://www.k-plus-s.com/agm).

Kassel, March 2012

THE BOARD OF EXECUTIVE DIRECTORS  
K+S AKTIENGESELLSCHAFT  
WITH REGISTERED SEAT IN KASSEL, GERMANY

## TRAVEL DIRECTIONS

### KONGRESS PALAIS KASSEL – STADTHALLE

Holger-Börner-Platz 1  
34119 Kassel, Germany

#### BY CAR

**From the direction of Frankfurt am Main/Würzburg or Hamburg/Hanover** travelling via the A7 motorway, drive until the junction Kassel-Mitte (79). From there continue on the A49 motorway in the direction of Kassel-Zentrum until the Kassel-Auestadion exit (5).

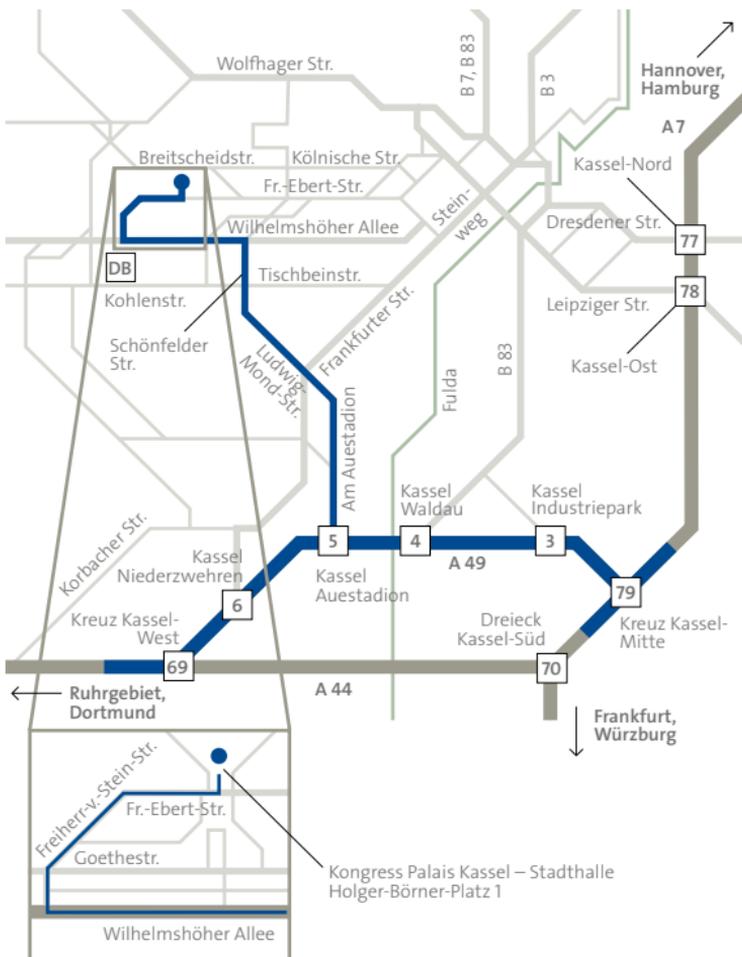
**From the direction of Dortmund** drive along the A44 motorway until the junction Kassel-West (69). There turn onto the A49 motorway in the direction of Kassel-Zentrum/Marburg/Fritzlar/Baunatal until the Kassel-Auestadion exit (5).

From the exit Kassel-Auestadion continue straight on via Ludwig-Mond-Strasse and Schönfelder Strasse. After a good 3.5 km, turn off to the left at the Wilhelmshöher Allee crossroads and follow the course of the road in the direction of the railway station Kassel-Wilhelmshöhe. After approx. 1.2 km, turn right into Freiherr-vom-Stein-Strasse.

Follow the main road. The Kongress Palais Kassel – Stadthalle is located about another 800 metres on the left-hand side.

/ **A LOCATION MAP** can be found on page 26.

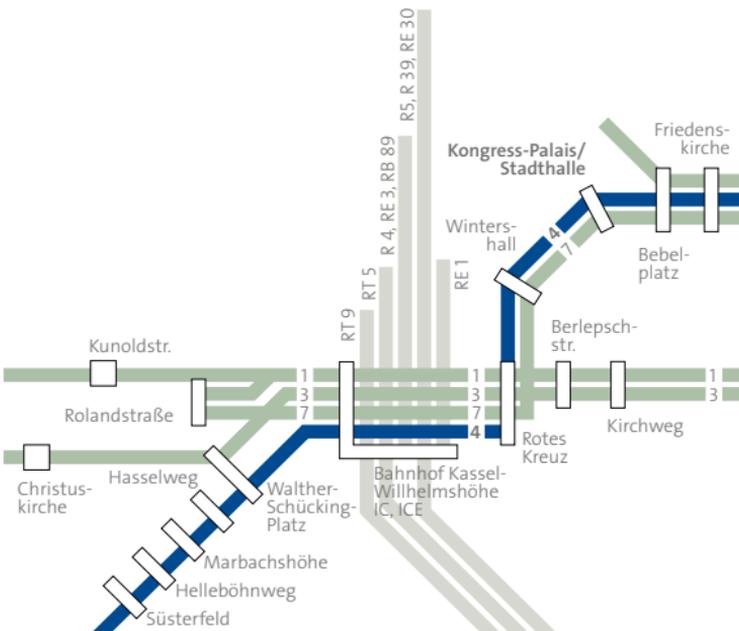
Please note that only a limited number of parking spaces are available at the venue of our Annual General Meeting. We urge you to arrive by public transport.



## BY PUBLIC TRANSPORT

The venue is easy to reach by public transport. The Kongress Palais Kassel – Stadthalle is located about 1.3 km away from the railway station Kassel-Wilhelmshöhe and can be reached by tram in a few minutes. From the Kassel-Wilhelmshöhe railway station, please take tram number 4 (direction: “Papierfabrik”, “Kaufungen”, “Helsa” or “Hessisch Lichtenau”) to the third stop, “Kongress Palais / Stadthalle”.

For shareholders of K+S AKTIENGESELLSCHAFT, the use of public transport to/from the venue Kongress Palais Kassel – Stadthalle is free of charge on 9 May 2012 within the network area of the NORDHESSISCHER VERKEHRSVERBUND. A special ticket, enclosed with your admission ticket, allows you to travel.





K+S AKTIENGESELLSCHAFT  
WITH REGISTERED SEAT IN KASSEL, GERMANY  
ISIN: DE000KSAG888  
WKN: KSAG88



Experience growth.

