

Explanatory Report of the Board of Executive Directors on the information in accordance with Sec. 289 Para. 4 and Sec. 315 Para. 4 German Commercial Code (HGB)

As the information to be disclosed in respect of items 1 to 6 of Sec. 289 Para. 4 and Sec. 315 Para. 4 of the German Commercial Code (HGB) in the Management Report of the K+S AKTIENGESELLSCHAFT and in the Group Management Report (page 21) speaks for itself, we limit ourselves here to providing the following explanations in accordance with Sec. 176 Para. 1 Sent. 1 AktG:

Item 7: Board of Executive Directors' authorisations concerning the possibility of issuing or buying back shares

The authorisation granted by the Annual General Meeting to the Board of Executive Directors to purchase own shares of the Company to a limited extent is a common instrument available in many companies. By being able to resell own shares, the Company is in a position to, for example, gain long-term investors in Germany and abroad or to finance acquisitions flexibly. The further existing possibility of cancelling own shares is also a common alternative use that lies in the interest of the Company and its shareholders.

Item 8: Significant agreements that apply in the event of a change of control resulting from a takeover bid

The provisions that credit agreements and bond conditions contain for the event of a change of control are customary for comparable transactions and reasonable from the perspective of protecting the legitimate interests of the creditors.

Item 9: Agreements concluded with the Board of Executive Directors or employees concerning compensation in the event of a takeover bid

The existing compensation agreements with the members of the Board of Executive Directors and the special time window of exercise governed by the share option programme for the Board of Executive Directors and for senior management in the event of a takeover bid, which was granted for the last time in 2009, take into appropriate consideration both the legitimate interests of those concerned and of the Company and its shareholders.