Report of the Board of Executive Directors on item 9 of the Agenda pursuant to Section 71 (1) No. 8 in conjunction with Section 186 (3) Sentence 4, (4) Sentence 2 of the German Stock Corporation Act (AktG)

Agenda item 9 includes the proposal to authorize the Company pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) to acquire own shares representing up to 10% of the share capital before May 13, 2029. The proposed authorization will enable the Company to continue using the instrument of acquiring own shares, following the partial utilization of the previous permit, to take advantage of the associated benefits with the acquisition of own shares in the interests of the Company and its shareholders. This authorization exists within the legal limits of Section 71 (2) of the German Stock Corporation Act (AktG).

The proposed authorization provides for acquisition on the stock exchange, which also includes multilateral trading facilities within the meaning of Section 2 (6) of the German Stock Exchange Act. Furthermore, the Company shall also be authorized to acquire own shares by means of a public purchase offer (tender procedure) or an invitation to shareholders to submit offers to sell. With these alternatives, each shareholder who is willing to sell can decide how many shares and, if a price range is set, at what price he wants to offer these shares. If the quantity offered at the set price exceeds the number of shares requested, the offers for sale must be accepted on the basis of allocations. The option should exist here to provide for preferential acceptance of small offers or of small parts of offers of up to a maximum of 100 shares. The purpose of this option is to avoid fractional amounts during the determination of allocations and small residual holdings and thereby facilitate technical implementation. In this way, factual impairment of small shareholders can also be avoided. Furthermore, the shares can be sold in proportion to the shares offered (tender ratio) instead of the percentage of shares held, as this allows the acquisition procedure to be technically completed within an economically reasonable framework. Finally, it should be possible to provide for rounding according to commercial principles to avoid arithmetical fractions of shares. To this extent, the acquisition ratio and the number of shares to be acquired from individual tendering shareholders may be rounded in such a way as it is necessary to ensure that the acquisition of entire shares is technically feasible. The Board of Executive Directors considers the exclusion of any further tender rights of shareholders to be objectively justified and appropriate for shareholders.

The proposed authorization provides for a sale via the stock exchange. In the event of a sale of own shares by means of a public offer to all shareholders, the Board of Executive Directors shall be entitled to exclude shareholders' subscription rights for fractional amounts. The exclusion of the subscription right for fractional amounts is necessary to make it technically feasible to sell acquired own shares by means of an offer for sale to the shareholders. The own shares excluded from the shareholders' subscription right as free fractions will be realized either by sale on the stock exchange or in another manner in the best interest of the Company.

The proposed authorization also allows the Board of Executive Directors, with the consent of the Supervisory Board, to dispose of acquired own shares in a different manner than on a stock exchange or through an offer to all shareholders, if acquired own shares are sold at a price, which is not substantially lower than the stock exchange price of the Company's shares at the time of the disposal.

The option provided by the authorization to exclude the right to subscribe in corresponding application of Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) serves the interest of the Company in selling own shares to long-term oriented investors, for example, or to secure new groups of shareholders both in Germany and abroad. The option to exclude the right to subscribe places the management in a position to take advantage of opportunities for rapid and cost-effective placement offered by the respective stock market without offering a right to subscribe that involves significant efforts in terms of time and cost.

Based on the proposed authorization resolution, the acquisition of own shares will also enable the Company to act flexibly and cost-effectively when acquiring undertakings in the context of its intended acquisition policy, for example, to use own shares in certain cases as a consideration when purchasing undertakings.

Moreover, it will also enable the Company to use shares for servicing convertible and warrant-linked bonds. It may be advisable to use own shares in full or in part instead of new shares from a capital increase to fulfil conversion rights or warrants. When deciding whether to provide own shares or to utilize conditional capital, the Board of Executive Directors will carefully balance the interests of the Company and of the shareholders.

The financial and voting right interests of shareholders are protected appropriately during a disposal of own shares to a third party when the shareholders’ right to subscribe is excluded based on the provision in Section 71 (1) No. 8 of the German Stock Corporation Act (AktG). If, in the case of No. 3 lit. a) of the authorization, the acquired own shares are to be sold in a way other than via the stock exchange or by offer to all shareholders, they may only be sold at a price that is not significantly lower than the relevant stock exchange price of the Company's shares at the time of the sale, which can keep the dilution of assets very low. The authorization to exclude the right to subscribe is limited in all cases to a maximum of 10% of the Company’s share capital. Shares will be charged against the maximum limit of 10% of the share capital, which have been issued during this authorization period in connection with a capital increase using authorized capital or conditional capital where the shareholders’ right to subscribe is excluded. Such charging takes place in the interests of shareholders in the smallest possible dilution of their investment.

Kassel, Germany, April 2024

K+S Aktiengesellschaft
with registered seat in Kassel, Germany

The Board of Executive Directors

Dr Burkhard Lohr   Christina Daske   Dr Christian H. Meyer   Dr Carin-Martina Tröltzsch