

/Guideline

Core Values and Principles of the K+S Group

Contents

1	Introduction	3
2	Area of application	3
3	Regulatory responsibility	4
4	Core Values and Principles	4
4.1	Sustainability	4
4.2	Integrity	4
4.3	Respect, Fairness and Trust	4
4.4	Competence and Creativity	4
4.5	Transparency	5
5	Entry into Force	5

1 Introduction

The high degree of entrepreneurial expertise the K+S Group shows in its business segments is recognized by business partners and other stakeholders alike. We consider it a great challenge to maintain and to continuously develop this reputation. In order to do this we rely on the integrity and responsibility of each individual employee.

In case of non-compliance with legal regulations not only the individual employee is threatened with legal consequences, but the company and its organs may also be held responsible and may be heftily fined, or threatened with the payment of substantial damages. Unlawful and/or irresponsible conduct with also damage the company's good reputation.

In paragraph 4 of this Guideline we have therefore listed our core values and principles, as a foundation for the entrepreneurial activities of the K+S group. Observation and active implementation of these core values and principles is expected of all K+S organs and employees.

These core values and principles cannot be worded in a way as to include all conceivable situations that may arise in everyday work. It is therefore necessary for all employees to familiarize themselves with the legal provisions and with the K+S-internal regulations relevant to his or her work, and to comply with them. It is the responsibility of all superiors to safeguard such compliance.

Whenever an employee is not sure whether his own conduct or the conduct of another individual within his professional sphere complies with applicable law, the core values and principles set forth in this guideline or with other K+S-internal regulations, he is expected to contact his superior, the Compliance-Officer in charge, or any other competent authority within the company. If need be, this contact may be done anonymously, and may also include the corresponding external ombudsman offered by the appropriate hotline.

2 Area of application

This guideline is valid for the entire K+S Group, i.e. for K+S Aktiengesellschaft (K+S AG) and all companies, in which the K+S AG directly or indirectly holds a participatory interest, as well as all joint ventures, in which the K+S AG indirectly or directly exerts (joint) management, or is

entitled by a partnership agreement or statutes to exert influence on decisions in the sense of this guideline.

3 Regulatory responsibility

The unit Legal, GRC, Corporate Secretary (C-LC) is responsible for developing, up-dating and communicating this guideline.

4 Core Values and Principles

4.1 Sustainability

We know that a sustainable successful economy is based not only on rules and laws, but also requires people's basic trust.

In order to achieve our principal goal, which is sustainable economic success, we also consider the connected ecological and social aspects of our activities.

We act upon opportunities which arise while handling risks with care.

4.2 Integrity

We support the compliance with internationally recognised human rights and act in accordance with the laws of the countries in which we operate. We reject any form of forced and child labour.

We respect free competition. We do not tolerate any form of corruption. We avoid conflicts of interest, and protect company property against any misuse. We respect trade union freedom of association and the right to engage in collective wage bargaining.

4.3 Respect, Fairness and Trust

We treat our business partners, employees, and other stakeholders with respect and fairness. Providing an environment of equal opportunities and rejecting of any kind of discrimination is a matter of course for us. We create a workplace atmosphere that facilitates the open exchange of ideas and an approach to dealing with one another characterized by confidence.

4.4 Competence and Creativity

We take actions to maintain and increase specialist competencies, commitment and motivation of our employees. We encourage our employees to contribute their creativity to the success of

the company. We reward our employees in line with the market and in relation to performance on the basis of salary structures which are oriented towards economic success.

As a global company, we recognize that intercultural competence is an important factor of our continued success. We develop intercultural competences in a targeted way.

4.5 Transparency

We provide our employees, shareholders, the capital market, the media and other stakeholders with comprehensive, truthful and intelligible information.

5 Entry into Force

This guideline will enter into force on 1 July 2013, and replaces the previously valid “Core Values” as well as the “Principles of Conduct”.