

## **Explanation of Items of the Agenda on which no resolution will be adopted**

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Ordinary Annual General Meeting of K+S Aktiengesellschaft

on Wednesday, 15 May 2019, 10:00 a.m.,  
in the Kongress Palais Kassel – Stadthalle,  
Holger-Börner-Platz 1, 34119 Kassel, Germany



## Item 1

Item 1 of the Agenda – Presentation of the approved annual financial statements of K+S Aktiengesellschaft, of the approved consolidated financial statements, of the combined management report and of the Supervisory Board report, in each case for the 2018 financial year, as well as the explanatory report of the Board of Executive Directors concerning the information under Sections 289a paragraph 1, 315a paragraph 1 of the German Commercial Code (HGB) – does not have to be approved by the Annual General Meeting, as on 13 March 2019 the Supervisory Board approved the annual financial statements of K+S Aktiengesellschaft as well as the consolidated financial statements of the K+S Group prepared by the Board of Executive Directors. According to Section 172 Paragraph 1 of the German Stock Corporation Act (hereinafter AktG), the Financial Statements have thus been approved. Therefore, the approval by the Annual Meeting pursuant to Section 173 paragraph 1 AktG of the annual financial statements and the consolidated financial statements is not necessary. Moreover, the approval by the Annual Meeting of the additional documents referred to under Item 1 which have to be presented to the Annual Meeting, is not required by law.

The resolution about the appropriation of the balance sheet profit is adopted under Item 2 of the Agenda.

### Underlying statutes:

#### **Section 172 sentence 1 AktG:**

“When the Supervisory Board approves the annual financial statements, they are then approved, unless the Board of Directors and the Supervisory Board decide to submit the approval of the annual financial statements to the Annual General Meeting.”

#### **Section 173 (1) AktG:**

“When the Board of Directors and the Supervisory Board have decided to submit the approval of the annual financial statements to the Annual General Meeting, or when the Supervisory Board has not approved the annual financial statements, the Annual General Meeting shall approve the annual financial statements. When the Supervisory Board of a parent company (sec. 290, para. 1, 2 of the Commercial Companies Code) has not approved the consolidated financial statements, the Annual General Meeting shall then decide on the approval.”

#### **Section 175 (1) AktG:**

“Without undue delay after receipt of the supervisory board’s report, the management board shall give notice of a shareholders’ meeting to receive the approved annual financial statements and the management report, individual accounts approved by the supervisory board pursuant to Section 325 paragraph 2a of the German Commercial Code, and to adopt a resolution on the appropriation of a balance sheet profit, in the case of a parent company (Section 290 paragraph 1, 2 of the German Commercial Code) also to receive the consolidated financial statements and group management report approved by the supervisory board. The shareholders meeting shall be held within the first eight months of the financial year.”

#### **Section 175 (2) AktG:**

“The annual financial statements, individual account approved by the supervisory board pursu-

ant to Section 325 paragraph 2a of the German Commercial Code, the management report, the supervisory board's report and the Board of Executive Directors' proposal for the appropriation of the balance sheet profit shall be displayed for inspection by the shareholders in the offices of the company from the date of notice of the meeting. Upon request, a copy of the presentation shall be issued to each shareholder without undue delay. In the case of a parent company (Section 290 paragraph 1, 2 of the German Commercial Code), sentences 1 and 2 also apply to the consolidated financial statements, the group management report, and the supervisory board's report about these. The obligations pursuant to sentences 1 to 3 do not apply, if the documents referred to there are available over the company's website for throughout the same period."

**Section 176 (1) AktG:**

"The Board of Executive Directors shall make the documents specified in Section 175 paragraph 2 and, in the case of listed companies, an explanatory report on the statements pursuant to Section 289a paragraph 1 and Section 315a paragraph 1 of the German Commercial Code available to the annual general meeting. At the beginning of the meeting, the management board shall comment on the documents that have been presented by it and the chairman of the supervisory board shall comment on the report of the supervisory board. In this context, the Board of Executive Directors shall also comment on any annual net loss or any loss that has materially adversely affected the annual result. Sentence 3 shall not apply to credit institutions."

**Section 174 AktG:**

(1) The annual general meeting shall decide about the appropriation of distributable profits. In this context, the annual financial statements as approved shall be binding on the annual general meeting.

(2) The resolution shall specify in detail the appropriation of the balance sheet profit, including in particular the following

1. the balance sheet profit;
2. the amount or value of the property to be distributed to the shareholders;
3. the amounts to be transferred to the profit reserves;
4. any profit carried forward;
5. any additional expense resulting from such resolution.

(3) The resolution does not result in a change of the approved annual financial statements."

Kassel, March 2019

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