

Bylaws of the Supervisory Board and its Committees

**K+S Aktiengesellschaft
Kassel**

German version approved
on 22 August 2017.

Courtesy Translation.
Only the German version is binding.



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Bylaws
of the
Supervisory Board
of K+S Aktiengesellschaft

§ 1

Position and Responsibility

(1) The Supervisory Board performs its functions in accordance with the law, the Articles of Association, these bylaws and in accordance with the principles of responsible management. Its members are committed by the same rights and obligations for the good of the Company and are not bound by specific assignments and instructions.

(2) Amendments to the bylaws require a resolution of the Supervisory Board.

(3) The Supervisory Board regularly reviews the efficiency of its activities.

§ 2

Election of the Chairman and his Deputy

(1) Each time following its re-election, at a meeting that requires no separate invitation, the Supervisory Board elects a Chairman and a vice Chairman from among its members for the duration of its term of office with a majority of two thirds of the members of which it has to consist altogether. If the majority necessary under Sentence 1 is not reached when electing the Chairman of the Supervisory Board or its deputy, a second ballot is held to elect the Chairman of the Supervisory Board and the vice Chairman. During this ballot, the Supervisory Board members representing the shareholders elect the Chairman of the Supervisory Board and the Supervisory Board members representing the employees elect the vice Chairman, each by a majority of the votes cast.

(2) For the withdrawal of the Chairman or his deputy, Paragraph 1 applies correspondingly.

(3) The vice Chairman is only vested with the rights and obligations assumed by the Chairman if the latter is incapacitated unless the law

or the Articles of Association stipulate otherwise. The second vote may not be cast by him.

§ 3

Preparation and Convening of Meetings

(1) Supervisory Board meetings are to be prepared by the Chairman of the Supervisory Board, or by the vice Chairman if the Chairman is incapacitated. In particular, he convenes the meetings, determines their venue and draws up the agenda according to his proper discretion.

(2) At least two Supervisory Board meetings are to be held in a calendar half year. Furthermore, a meeting of the Supervisory Board has to be convened if business reasons give cause for this.

(3) Moreover, each member of the Supervisory Board or of the Board of Executive Directors, on stating the purpose and reasons, may demand that the Chairman of the Supervisory Board, or the vice Chairman if the Chairman is prevented from doing so, convene the Supervisory Board without delay. The application to convene a meeting must be addressed to the Chairman of the Supervisory Board, and to the vice Chairman if the Chairman is prevented from doing so. The meeting must take place within two weeks of being convened. If the demand is not met, the member of the Supervisory Board or of the Board of Executive Directors may convene the Supervisory Board himself, in which case he shall communicate the reason and specify an agenda.

§ 4

Time and Content of Convening, Remedy

(1) Invitations are to provide a two-week notice period; they can be transmitted in written form or by means of electronic communication. The individual agenda items shall be set out so precisely as to facilitate a written vote. In urgent cases, the notice period can be reduced.

(2) If a Supervisory Board member has attended a meeting and participated in it, he cannot raise objections to the resolutions adopted at that meeting on the basis of the circumstances of its convention.

§ 5

Chairing of Meetings

(1) Meetings of the Supervisory Board are chaired by its Chairman or by his deputy if the Chairman is incapacitated. If the Chairman and his deputy are prevented from chairing the meeting, the by age oldest Supervisory Board member present assumes the chair.

(2) The person chairing the meeting may determine an order of matters for negotiation that deviates from that indicated in the agenda. Within the framework of the legal requirements, the Articles of Association and the bylaws, he determines the course of the meeting, and in particular the type, form and order of voting.

§ 6

Adoption of Resolutions and Quorum

(1) The resolutions of the Supervisory Board are normally adopted at meetings. Supervisory Board members may, should they themselves be prevented from participating in the meeting, submit their votes in writing through other members of the Supervisory Board (proxies) at the Supervisory Board meeting. It is sufficient for this that, on the basis of an instruction orally or by telephone of the incapacitated Supervisory Board member, the proxy records the vote on a written document, which for this purpose already bears the signature of the incapacitated Supervisory Board member or which the proxy as his representative has signed with the name of the incapacitated Supervisory Board member or his own name together with an annex indicating the power of representation, and submits this vote. For the Chairman of the Supervisory Board, Sentences 2 and 3 of this Paragraph also apply in respect of his second vote.

(2) The Supervisory Board can only have a quorum if, after all the members have been invited, at least half of the members of which it has to consist altogether participate in the adoption of a resolution. Should a Supervisory Board member abstain from voting, he is deemed to be a participant in voting on a resolution. If an unequal number of Supervisory Board members representing the shareholders and the employees participate in the adoption of a resolution, the Chairman of the Supervisory Board may postpone the adoption of the resolution. If the Chairman of the Supervisory Board does not participate, the adoption of a resolution has to be postponed if at least four Supervisory Board members demand this.

(3) Unless otherwise stipulated by law, resolutions of the Supervisory Board require a majority of votes cast. However, an abstention is not counted as a vote cast. In the event of a tied vote on the Supervisory Board, the Chairman of the Supervisory Board, although it is not required that he cast a further vote, has two votes should a second round of voting on the same issue produce a tied vote again. This second round of voting has to take place if a member of the Supervisory Board demands it. The person chairing the meeting determines whether this

second round of voting is carried out at the same or at a later meeting of the Supervisory Board.

(4) If determined accordingly by the Chairman, meetings of the Supervisory Board may also be held in the form of a video or telephone conference or individual members of the Supervisory Board may be included by way of video transmission or by phone; in these cases, the adoption of resolutions or, as the case may be, casting of votes may also be carried out by way of video conference or, as the case may be, video transmission or by telephone.

(5) The Chairman, or the deputy Chairman if the Chairman should be indisposed, can effect the adoption of Supervisory Board resolutions by obtaining declarations in writing, or by facsimile transmission, telegraph, or telephone, provided that no member lodges an objection to such procedure being employed within an appropriate period of time not exceeding one week and as determined by the Chairman, or the deputy Chairman if the Chairman should be indisposed.

§ 7

Adoption of Special Resolutions

(1) Article 31 of the Co-determination Act applies to the adoption of resolutions concerning the appointment and the revocation of the appointment of Supervisory Board members.

(2) Resolutions concerning the exercise of the participation rights defined in Article 32 of the Co-determination Act, only require a majority of votes of the Supervisory Board members of the shareholders. The Supervisory Board can, by virtue of a majority of the votes of the Supervisory Board members of the shareholders, authorise the Board of Executive Directors in advance to exercise the rights defined in Article 32 of the Co-determination Act and subsequent measures necessary under their own responsibility. An irrevocable authorisation is inadmissible.

§ 8

Adoption of Resolutions in the Event of Late Announcement

A resolution on items of the agenda, the announcement of which has not been received by all members at least three days prior to the meeting or which do not fulfil the prerequisites of Article 4 Paragraph 1 Sentence 2, can only be passed if no member present at the meeting objects to the adoption of the resolution.

§ 9

Declarations of Intent

Declarations of intent on behalf of the Supervisory Board are made by the Chairman or by the vice Chairman if the Chairman is incapacitated.

§ 10

Committees

(1) The Supervisory Board shall form a Mediation Committee in line with Article 27 Paragraph 3 of the Law on Codetermination, a Strategy Committee, an Audit Committee, a Personnel Committee and a Nomination Committee.

(2) If the Supervisory Board establishes further committees, it elects their members and determines the Chairman. Insofar as the Supervisory Board does not resolve otherwise, Article 3 Paragraph 1, Article 4, Article 5, Article 6 Paragraph 1, 3 to 5, Article 8, Article 12 and Article 15 apply accordingly.

§ 11

Information and Reporting Obligations of the Board of Executive Directors

The Board of Executive Directors informs the Supervisory Board regularly, promptly and comprehensively about

- corporate strategy
- all planning issues relevant to the Company
- business development
- opportunity and risk position
- risk management
- material changes in the organisation of the Company
- changes to its business allocation plan
- significant individual events.

(2) About his intention to make a so called non-binding offer for the acquisition of a company, shares or of company parts with an offer price of more than 50 million Euro, the Board of Executive Directors should provide information to the Supervisory Board in a timely manner so that the matter can still be discussed if necessary during a meeting prior to the bidding.

§ 12

Transactions and measures requiring consent

(1) The implementation of the following transactions and measures by the Company requires the consent of the Supervisory Board:

- a) The company strategy;
- b) The annual planning including the financial and capital expenditure planning;
- c) Investments in fixed assets, which exceed 50 million Euro in an individual case, unless the Supervisory Board has also consented to them already in connection with its approval of the annual planning;
- d) Acquisition and disposal of enterprises, parts of enterprises, and participations in enterprises, if the acquisition or disposal price exceeds 50 million Euro in the individual case. This does not apply to acquisitions and disposals within the corporate Group;
- e) Taking up new and discontinuing existing business areas, to the extent this is of material importance for the corporate Group;
- f) Issuance of bonds and comparable financial instruments as well as taking up and granting long-term loans, which exceed 50 million Euro in the individual case, unless the Supervisory Board has already consented to this in connection with its approval of the annual planning. This does not apply to taking up and granting loans within the corporate Group;
- g) Consenting to the implementation of transactions pursuant to lit. c) – f) above at a participation Company.

(2) The required consent of the Supervisory Board may also be issued in the form of a general authorization for certain kinds of transactions described in Paragraph 1. Such authorizations must precisely state the considered transactions as well as their and the time period during which they must have been purpose carried out.

§ 13

Participation of Members of the Board of Executive Directors

Members of the Board of Executive Directors may attend the meetings of the Supervisory Board with an advisory capacity; this applies not, if personal matters of the members of the Board of Executive Directors are to be advised. They are under an obligation to participate or excluded from participation if the Supervisory Board resolves this.

§ 14

Minutes

(1) Minutes are to be prepared for the meetings of the Supervisory Board and are to be signed by the respective person chairing the meeting. The minutes have to specify the venue and time of the meeting, the participants, the items of the agenda, the main contents of the negotiations and the resolutions of the Supervisory Board. Each member of the Supervisory Board may demand that his voting be recorded in the minutes. The minutes must be distributed among all Supervisory Board members.

(2) In the case of votes cast in writing, or by facsimile transmission, telegraph, or telephone, the minutes are to be done taking into consideration the aforementioned viewpoints and the special features arising from the respective procedure. The person in charge of voting ensures that the minutes are kept and the result of voting is communicated to the members of the Supervisory Board.

(3) The minutes of a meeting or a voting are regarded as approved if no objection is raised by Supervisory Board members at the next meeting of the Supervisory Board. If an objection is raised and the person chairing the meeting does not succeed in revoking that objection, the objection must be decided on by the adoption of a resolution.

§ 15

Confidentiality

(1) Supervisory Board members are required to keep secret all confidential information and Company secrets, by name business and commercial secrets, of which they have become apprised during their activity as a member of the Supervisory Board.

(2) If a member of the Supervisory Board intends to pass on information on matters that he does not regard as confidential but of which he has knowledge or has to assume under the circumstances that it is regarded as confidential by the Company, its associated companies or affiliated companies, he is under the obligation to first inform the Chairman of the Supervisory Board, or his deputy if the Chairman is incapacitated, about his intention and, if the former considers an opinion of the Supervisory Board to be necessary, must await this.

(3) Upon termination of office, every Supervisory Board member in the possession of confidential documents of the Company has to return those to the Company.

§ 16

Conflicts of interest

(1) Each member of the Supervisory Board shall disclose to the Supervisory Board conflicts of interest, in particular those that may arise on the basis of a consulting or corporate body capacity held on behalf of customers, suppliers, lenders or other business partners. In the case of material conflicts of interest and those that are not only temporary in the person of a Supervisory Board member, this member shall resign from office.

(2) Consultancy and other service and specific task agreements between a member of the Supervisory Board and the Company require the approval of the Supervisory Board.

§ 17

Entry into Force

This version of the bylaws enters into force on being adopted by the Supervisory Board. All previous resolutions of the Supervisory Board concerning the bylaws are revoked.

Bylaws
of the Mediation Committee
of the Supervisory Board
of K+S Aktiengesellschaft

§ 1

Position and Responsibility

(1) The Mediation Committee performs its functions in accordance with the law, the Articles of Association of K+S Aktiengesellschaft, the bylaws and resolutions of the Supervisory Board, these bylaws and in accordance with the principles of responsible management. Its members are committed by the same rights and obligations for the good of the Company and are not bound by specific assignments and instructions.

(2) Amendments to the bylaws require a resolution of the Supervisory Board.

§ 2

Composition and Chair

(1) The Mediation Committee comprises the Chairman of the Supervisory Board, its deputy and one member each elected with the majority of votes of the employee representatives of the Supervisory Board and of the shareholder representatives of the Supervisory Board.

(2) The Mediation Committee is chaired by the Chairman of the Supervisory Board.

§ 3

Tasks and Responsibilities of the Mediation Committee

(1) If the appointment of members of the Board of Executive Directors is not carried out by the Supervisory Board in accordance with Section 31 (2) of the Codetermination Act with the necessary majority of two thirds of the votes of the Supervisory Board members, the Mediation Committee shall put forward a proposal for the appointment to the Supervisory Board within one month after the vote in which the prescribed majority was not reached for the appointment members of the Board of Executive Directors. This proposal does not preclude further

proposals. Sentence 1 applies accordingly to the revocation of appointments of members of the Board of Executive Directors.

§4
Report

The Chairman of the Committee gives a regular report of the Committee's work to the Supervisory Board.

§ 5
Entry into Force

This version of the bylaws of the Mediation Committee enters into force on being adopted by the Supervisory Board. All previous resolutions of the Supervisory Board concerning the bylaws are revoked.

§ 6
Final Provisions

Unless otherwise agreed herein, the provisions of the bylaws of the Supervisory Board apply in accordance to their current version.

Bylaws
of the Strategy Committee
of the Supervisory Board
of K+S Aktiengesellschaft

§ 1

Position and Responsibility

(1) The Strategy Committee performs its functions in accordance with the law, the Articles of Association of K+S Aktiengesellschaft, the by-laws and resolutions of the Supervisory Board, these bylaws and in accordance with the principles of responsible management. Its members are committed by the same rights and obligations for the good of the Company and are not bound by specific assignments and instructions.

(2) Amendments to the bylaws require a resolution of the Supervisory Board.

§ 2

Composition and Chair

(1) The Strategy Committee comprises the Chairman of the Supervisory Board and two other members who are elected by a majority vote.

(2) The Strategy Committee is chaired by the Chairman of the Supervisory Board.

§ 3

Tasks and Responsibilities of the Strategy Committee

The Strategy Committee is responsible for

- a) the advice of the Board of Executive Directors on and the audit of the strategic development of the company and the report thereof to the Supervisory Board;
- b) the preparation of decisions of the Supervisory Board about acquisitions, divestitures and investments that require approval, organisational changes and restructuring;

- c) the advice of the Board of Executive Directors with regard to the corporate strategy and projects with strategic relevance.

§ 4

Report

The Chairman of the Committee gives a regular report of the Committee's work to the Supervisory Board.

§ 5

Entry into Force

This version of the bylaws of the Strategy Committee enters into force on being adopted by the Supervisory Board. All previous resolutions of the Supervisory Board concerning the bylaws are revoked.

§ 6

Final Provisions

Unless otherwise agreed herein, the provisions of the bylaws of the Supervisory Board apply in accordance to their current version.

Bylaws
of the Audit Committee
of the Supervisory Board
of K+S Aktiengesellschaft

§ 1

Position and Responsibility

(1) The Audit Committee performs its functions in accordance with the law, the Articles of Association of K+S Aktiengesellschaft, the bylaws and resolutions of the Supervisory Board, these bylaws and in accordance with the principles of responsible management. Its members are committed by the same rights and obligations for the good of the Company and are not bound by specific assignments and instructions.

(2) Amendments to the bylaws require a resolution of the Supervisory Board.

§ 2

Composition and Election of the Chairman

(1) The Audit Committee is equally composed and consists of at least four members elected by a majority vote. The members of the Audit Committee taken together shall in their entirety be familiar with the industry in which the company operates. At least one member of the Audit Committee must have expert proficiency in the area of accounting and auditing. The Chairman of the Audit Committee should have expert proficiency and experience in the application of accounting principles and internal control procedures. He should be independent and not be a member of the Board of Executive Directors of the Company whose term ended less than two years ago.

(2) The members of the Audit Committee elect a Chairman from among its members. The Chairman of the Supervisory Board does not act as Chairman of the Audit Committee.

§ 3

Tasks and Responsibilities of the Audit Committee

(1) The Audit Committee supervises the monitoring of the accounting, the accounting process, the effectiveness of the internal control sys-

tem, the risk management system, the internal audit system, the statutory audit and compliance and can provide the Supervisory Board with recommendations or suggestions for ensuring the integrity of this process.

(2) The Audit Committee is responsible for the preliminary examination of the annual financial statements and consolidated financial statements, and the management reports of K+S AG and the K+S Group. The Audit Committee receives the audit report that must be submitted at the latest together with the auditor's opinion and discusses it with the statutory auditor.

(3) The Audit Committee prepares the decisions of the Supervisory Board concerning the approval of the annual financial statements and the endorsement of the consolidated financial statements, as well as the resolution for the appropriation of profit, and submits corresponding recommendations to the Supervisory Board.

(4) The Audit Committee prepares the Supervisory Board proposal to the Annual General Meeting for the appointment of the statutory auditor and submits a reasoned recommendation for the election of the statutory auditor to the Supervisory Board, which has to include at least two candidates in the case of the competition of auditing mandate. Before submitting the proposal, the Audit Committee shall examine the specific suitability, qualification and independence of the statutory auditor on an annual basis and obtain an appropriate written declaration from the prospective statutory auditor.

(5) The Audit Committee is authorized by the Supervisory Board to engage the statutory auditor appointed by the Annual General Meeting on behalf of the Supervisory Board for the audit of the annual financial statements and consolidated financial statements and the management reports of the Company and the Group, to determine the main areas of audit emphasis and to agree the audit fees with the annual auditor. The Chairman of the Audit Committee can be authorized by the Audit Committee, to sign the auditor's engagement alone.

(6) The Audit Committee approves in advance the performance of permitted non-auditing services by the annual auditor and ensures that the total fees for these services do not exceed legal limits. The Audit Committee can give its approval for certain permitted non-auditing services beforehand; in this case the Board of Executive Directors shall report at least once per year to the Audit Committee on the performed non-auditing services and their cost. The Audit Committee can approve permitted non-auditing services in advance up to a specific limited fee similarly.

(7) The Audit Committee shall monitor the activities of the statutory auditor in the framework of the annual audit and will obtain information on the activities of the audit procedures on a regular basis to this end. The Audit Committee shall obligate the annual auditor to inform the Chairman of the Audit Committee without delay about any possible grounds for exclusion or bias that arise during the audit or audit review and all findings and incidents significant to the duties of the Supervisory Board and the Audit Committee, in particular suspected irregularities in the accounting that arise during the annual audit or audit review.

(8) In the framework of the audit of the annual financial statements and consolidated financial statements the external auditor undertakes to inform the Audit Committee of, and record in the audit report, any facts discovered during the audit that indicate any inaccuracy in the declaration submitted by the Board of Executive Directors and the Supervisory Board concerning the German Corporate Governance Code.

(9) The Audit Committee shall discuss half-year and quarterly reports with the Board of Executive Directors.

(10) The Audit Committee shall at least annually discuss with the Board of Executive Directors the effectiveness and functionality of the internal control and risk management system, the corporate audit system and the compliance management system. The Audit Committee receives also regularly reports from the Board of Executive Directors about handling and control of the financial reporting process and also on measures for the elimination of potential system deficiencies or weaknesses and for the implementation of meaningful adjustments.

(11) The report of the Supervisory Board to the Annual General Meeting on the result of the audit of the annual financial statements, the audit of the consolidated financial statements, and the management reports of the Company and the Group, as well as the type and scope of the audit of the Company during the year shall be prepared by the Audit Committee.

§ 4

Report

The Chairman of the Committee gives a regular report of the Committee's work to the Supervisory Board.

§ 5

Entry into Force

This version of the bylaws of the Audit Committee enters into force on being adopted by the Supervisory Board. All previous resolutions of the Supervisory Board concerning the bylaws are revoked.

§ 6

Final Provisions

Unless otherwise agreed herein, the provisions of the bylaws of the Supervisory Board apply in accordance to their current version.

Bylaws
of the Personnel Committee
of the Supervisory Board
of K+S Aktiengesellschaft

§ 1

Position and Responsibility

(1) The Personnel Committee performs its functions in accordance with the law, the Articles of Association of K+S Aktiengesellschaft, the by-laws and resolutions of the Supervisory Board, these bylaws and in accordance with the principles of responsible management. Its members are committed by the same rights and obligations for the good of the Company and are not bound by specific assignments and instructions.

(2) Amendments to the bylaws require a resolution of the Supervisory Board.

§ 2

Composition and Election of the Chairman

(1) The Personnel Committee is equally composed and consists of four members elected by a majority vote.

(2) The members of the Personnel Committee elect a Chairman from among its members.

§ 3

Tasks and Responsibilities of the Personnel Committee

The Personnel Committee is responsible for preparing the appointment of members of the Board of Executive Directors (including long-term succession planning) as well as determining the terms of the service contracts. In respect to the overall remuneration of individual members of the Board of Executive Directors, the committee submits resolution proposals to the plenary assembly of the Supervisory Board.

§ 4

Report

The Chairman of the Committee gives a regular report of the Committee's work to the Supervisory Board.

§ 5

Entry into Force

This version of the bylaws of the Personnel Committee enters into force on being adopted by the Supervisory Board. All previous resolutions of the Supervisory Board concerning the bylaws are revoked.

§ 6

Final Provisions

Unless otherwise agreed herein, the provisions of the bylaws of the Supervisory Board apply in accordance to their current version.

Bylaws
of the Nomination Committee
of the Supervisory Board
of K+S Aktiengesellschaft

§ 1

Position and Responsibility

(1) The Nomination Committee performs its functions in accordance with the law, the Articles of Association of K+S Aktiengesellschaft, the bylaws and resolutions of the Supervisory Board, these bylaws and in accordance with the principles of responsible management. Its members are committed by the same rights and obligations for the good of the Company and are not bound by specific assignments and instructions.

(2) Amendments to the bylaws require a resolution of the Supervisory Board.

§ 2

Composition and Chair

(1) The Nomination Committee consists of the Chairman of the Supervisory Board and three other members of the shareholders, who are elected by a majority vote of the shareholder representatives of the Supervisory Board.

(2) The Nomination Committee is chaired by the Chairman of the Supervisory Board.

§ 3

Tasks and Responsibilities of the Nomination Committee

The Nomination Committee proposes suitable candidates to the Supervisory Board for its recommendations to the Annual General Meeting according to legal regulations and the German Corporate Governance Code.

§ 4

Report

The Chairman of the Committee gives a regular report of the Committee's work to the Supervisory Board.

§ 5

Entry into Force

This version of the bylaws of the Nomination Committee enters into force on being adopted by the Supervisory Board. All previous resolutions of the Supervisory Board concerning the bylaws are revoked.

§ 6

Final Provisions

Unless otherwise agreed herein, the provisions of the bylaws of the Supervisory Board apply in accordance to their current version.