

## **DISCLOSURES IN ACCORDANCE WITH SECTION 289 A (1) AND SECTION 315 A (1) HGB AS WELL AS THE EXPLANATORY REPORT OF THE BOARD OF EXECUTIVE DIRECTORS IN ACCORDANCE WITH SECTION 176 (1) SENTENCE 1 AKTG**

### **ITEM 1: COMPOSITION OF THE SUBSCRIBED CAPITAL**

The share capital amounts to €179,100,000 and is divided into 179,100,000 shares. The registered shares of the Company are no-par value shares. There are no other classes of shares.

### **ITEM 2: RESTRICTIONS ON VOTING RIGHTS OR THE TRANSFER OF SHARES**

Each share entitles the holder to one vote; there are no restrictions on voting rights or on the transfer of shares. The Board of Executive Directors is not aware of any corresponding stockholders' agreements.

### **ITEM 3: DIRECT OR INDIRECT SHAREHOLDINGS EXCEEDING 10% OF THE CAPITAL**

No direct or indirect interests in the share capital of more than 10% were reported to us.

### **ITEM 4: HOLDERS OF SHARES WITH SPECIAL RIGHTS CONFERRING POWERS OF CONTROL**

There are no shares with special rights conferring control powers.

### **ITEM 5: VOTING RIGHTS CONTROL IN THE EVENT OF EMPLOYEE PARTICIPATION IN THE CAPITAL**

No voting right controls apply.

### **ITEM 6: STATUTORY PROVISIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE BOARD OF EXECUTIVE DIRECTORS AND CONCERNING AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The appointment and dismissal of members of the Board of Executive Directors are governed by Section 84 AktG. Accordingly, the members of the Board of Executive Directors are appointed by the Supervisory Board for a maximum term of five years. In accordance with Section 5 of the Articles of Association, the Board of Executive Directors of K+S Aktiengesellschaft has at least two members. The number of members is determined by the Supervisory Board. The Supervisory Board may appoint a member of the Board of Executive Directors as Chairman of the Board of Executive Directors. The Supervisory Board may rescind the appointment of a member of the Board of Executive Directors or the appointment of the Chairman of the Board of Executive Directors for good cause.

The Annual General Meeting may pass amendments to the Articles of Association with a simple majority of the share capital represented (Section 179 (2) AktG in conjunction with Section 17 (2) of the Articles of Association), unless mandatory statutory provisions require a larger majority.

### **ITEM 7: POWERS OF THE BOARD OF EXECUTIVE DIRECTORS CONCERNING THE POSSIBILITY OF ISSUING OR REPURCHASING SHARES**

**AUTHORITIES TO GENERATE NEW AUTHORIZED CAPITAL OR AUTHORIZED CAPITAL II WITH THE POSSIBILITY OF EXCLUDING THE SUBSCRIPTION RIGHT OF THE SHAREHOLDERS**

The Board of Executive Directors was authorized by the Annual General Meeting on June 10, 2020, to increase the Company's share capital, with the consent of the Supervisory Board, by a total of €38,280,000.00 in one lump sum or several partial amounts at different times, by issuing a maximum of 38,280,000.00 new registered shares (authorized capital) in return for cash and/or non-cash contributions during the period to June 9, 2025. On May 12, 2021, the Board of Executive Directors was authorized, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions on or before May 11, 2026, against cash or non-cash contributions, but by a maximum total of €38,280,000.00 by issuing a maximum of 38,280,000 new registered no-par value

shares (authorize capital II). When implementing a capital increase from authorized capital with the obligation to offer them to the shareholders (indirect subscription right). The new shares can be acquired by a financial institution designated by the Board of Executive Directors with the obligation to offer them to the shareholders (indirect subscription right).

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The Board of Executive Directors is authorized, both for the authorized capital and for the authorized capital II, with the consent of the Supervisory Board, to exclude the shareholders' statutory right to subscribe up to a proportionate amount of the share capital of €19,140,000.00 (corresponding to 19,140,000 no-par value shares) in the following cases:

- + For fractional amounts arising as a consequence of the right to subscribe.
- + In the case of capital increases in return for cash contributions up to a proportionate amount of the share capital of €19,140,000.00 (corresponding to 19,140,000 no-par value shares), if the issue price of the new shares is not significantly less than the stock exchange price of already listed shares of the same type and structure on the date when the issue price is finally agreed.
- + In the case of capital increases in return for assets up to a proportionate amount of the share capital of €19,140,000.00 (corresponding to 19,140,000 no-par value shares), if the new shares are to be used as consideration in the acquisition of a company, parts of a company or an equity interest in a company by the Company.
- + For the authorized capital for the implementation of a so-called scrip dividend, whereby shareholders are offered to contribute all or part of their dividend entitlement to the Company as a contribution in kind in return for the granting of new shares.
- + For authorized capital II, to the extent necessary to grant holders of conversion or option rights or those obliged to exercise conversion or option rights under bonds issued or to be issued by the Company or one of its Group companies subscription rights to new shares to the extent to which they would be entitled as shareholders after exercising the option or conversion rights or fulfilling their option or conversion obligation.

The Board of Executive Directors may only make use of the authorizations described above to exclude the right to subscribe insofar as the proportionate amount of the total shares issued with exclusion of the right to subscribe does not exceed 10% of the share capital (10% ceiling), neither on the date of the resolution regarding these authorizations nor on the date they

are respectively exercised. If other authorizations to issue or sell Company shares or to issue rights are exercised, which enable or obligate the acquisition of Company shares, during the term of the authorized capital or authorized capital II until their respective utilization therefore excluding the right to subscribe, this must be credited against the 10% ceiling referred to above.

The Board of Executive Directors is authorized to determine the further details of capital increases from the authorized capital or the authorized capital II with the consent of the Supervisory Board.

As a result of the option granted by the Board of Executive Directors to implement a capital increase with limited exclusion of the right to subscribe with the approval of the Supervisory Board until June 9, 2025 (authorized capital) or May 11, 2026 (authorized capital II), the Company will be given a widespread instrument with the help of which, for example, fast and flexible use can be made of the opportunities that present themselves to make acquisitions. The Board of Executive Directors will only make use of this option if there is an appropriate ratio between the value of the new shares and the value of the consideration.

#### **AUTHORIZATION TO ISSUE CONVERTIBLE BONDS AND OPTION BONDS WITH THE OPTION TO EXCLUDE SHAREHOLDERS' SUBSCRIPTION RIGHTS TOGETHER WITH THE SIMULTANEOUS CREATION OF CONDITIONAL CAPITAL** **Authorization to issue convertible bonds and bonds with warrants**

The Board of Executive Directors is authorized until June 9, 2025, with the consent of the Supervisory Board, to issue bearer and/or registered convertible bonds and/or warrant-linked bonds (bonds) on one or more occasions, with an aggregate nominal value of up to €600,000,000.00 with or without a limited term, and to issue or impose conversion rights or obligations on the holders or creditors of bonds or warrants on shares in the Company with a proportionate amount of the share capital of up to a total of €19,140,000.00, as set out in greater detail in the terms and conditions of the convertible or warrant-linked bonds. The proportionate amount of the share capital represented by the shares to be issued upon conversion may not exceed the nominal amount of the bonds.

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In addition to euros, bonds may also be issued in the legal tender of any OECD country, limited to the corresponding euro counter-value at the time of issuing the bond. Bonds may also be issued by Group companies of the Company; in this case, the Board of Executive Directors is authorized to act as guarantor for the bonds on behalf of the Company and to grant or impose conversion rights or obligations or warrants on shares in the Company to/upon the holders or creditors of such bonds. The bond issues may be subdivided into equivalent debentures in each case.

The Company's shareholders are generally entitled to subscription rights to bonds. The bonds can also be acquired by one or more financial institutions with the obligation that they must be offered to the Company's shareholders for subscription.

The Board of Executive Directors is, however, authorized with the approval of the Supervisory Board to exclude subscription rights, in full or in part, in the following cases:

- + If bonds are issued against cash and if the issue price is not substantially lower than the theoretical market value of the bonds calculated in accordance with recognized actuarial methods. However, the exclusion of subscription rights only applies to bonds with conversion rights or obligations or warrants on shares representing up to 10% of the share capital at the time the resolution is adopted or – if this amount is lower – at the time the authorization is exercised. For calculating the 10% limit, the pro-rata amount of share capital attributable to new or repurchased shares issued or sold during the term of this authorization with exclusion of subscription rights in direct or indirect application of Section 186 (3) sentence 4 AktG shall be deducted.
- + If and insofar it is necessary to grant the bearers of convertible bonds or warrants in respect of shares in the Company or the creditors of convertible bonds provided with conversion obligations, a right to subscribe to the extent to which they would be entitled following the exercising of these rights or the fulfillment of the conversion obligations.
- + For the purpose of exempting fractional amounts from the shareholders' right to subscribe, which are a consequence of the subscription ratio.

- + Insofar as the bonds are issued in connection with the acquisition of undertakings, interests in undertakings, or parts of undertakings in exchange for non-cash considerations, provided the value of the consideration is adequate in relation to the value of the bonds.

The authorizations to exclude subscription rights described above apply in total only to bonds with conversion rights or obligations or warrants on shares representing up to 10% of the share capital at the time the resolution is adopted or – if this amount is lower – at the time the authorization is exercised. If, during the term of the authorization until its exercise, other authorizations to issue or sell shares in the Company are exercised and subscription rights are excluded, this shall be counted towards the aforementioned 10% limit.

If bonds with conversion rights are issued, the creditors may exchange their bonds for shares in the Company in accordance with the bond terms and conditions. The conversion ratio is calculated by dividing the nominal amount of a bond by the fixed conversion price for a new share in the Company. The conversion ratio may also be calculated by dividing the issue price of a bond, which is lower than the nominal amount, by the fixed conversion price for a new share in the Company. The exchange ratio may in any case be rounded up or down to the next whole number; in addition, a premium to be paid in cash may be stipulated. Furthermore, provision may be made for fractional amounts to be combined and/or settled in cash. The proportionate amount of the share capital represented by the shares to be issued per bond may not exceed the nominal amount of the bond. The bond terms and conditions may also establish a conversion obligation at the end of the term (or at an earlier point in time) or provide for the right of the Company to grant the bond creditors shares in the Company, in whole or in part, instead of payment of the cash amount due upon final maturity of the bonds associated with a conversion or option right (this also includes maturity due to termination).

If warrant-linked bonds are issued, one or more warrants will be attached to each bond, which authorize the holder to subscribe to shares in the Company, as set out in greater detail in the warrant terms and conditions to be defined by the Board of Executive Directors. The proportionate amount of the share capital represented by the shares to be issued per bond may not exceed the nominal amount of the warrant-linked bond.

The respective conversion or option price for a share in the Company (subscription price) must, with the exception of cases in which a right to substitute or a conversion obligation is provided for, correspond to either (a) at least 80% of the weighted average stock exchange price of the Company's shares in the Xetra computer trading system (or any functionally comparable successor system replacing it) at the Frankfurt Stock Exchange during the last ten trading days prior to the day on which the Board of Executive Directors adopts the resolution to issue the convertible or warrant-linked bonds or – in the event that a subscription right is granted – (b) at least 80% of the volume-weighted average stock exchange price of the Company's shares in the Xetra computer trading system (or any functionally comparable successor system replacing it) at the Frankfurt Stock Exchange during the days on which subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the stock exchange trading days required for the timely announcement of the conversion and option price in accordance with Section 186 (2) sentence 2 of the German Stock Corporation Act (AktG). In cases of the right to substitute and the conversion obligation, the conversion or option price must, in accordance with the more detailed provisions of the bond terms and conditions, be at least either the above-mentioned minimum price or the volume-weighted average stock exchange price of the Company's share in the Xetra computer trading system (or any functionally comparable successor system replacing it) of the Frankfurt Stock Exchange during the last ten trading days prior to the final maturity date or the other specified date, even if this average price is below the above-mentioned minimum price (80%). Sections 9 (1), 199 of the German Stock Corporation Act (AktG) remain unaffected.

For warrant-linked bonds or bonds with conversion rights, or obligations, the warrants or conversion rights, or obligations, can be adjusted to preserve value in the event of a dilution in the value of the warrants or conversion rights, or obligations, in accordance with the bond terms and conditions, notwithstanding Section 9 (1) AktG, insofar as the adjustment is not already stipulated by law. Moreover, the bond terms and conditions may make provisions for a value-preserving adjustment of the warrants or conversion rights/obligations in the event of a capital reduction or other extraordinary measures or events (such as a third party obtaining control).

The terms and conditions of the bonds may also stipulate that the bonds with warrants or convertible bonds may, at the Company's discretion, be converted into existing shares of the Company instead of into new shares from conditional capital, or that the option right may be fulfilled by delivering such shares. Finally, the bond terms and conditions may make the provision that in the event of a conversion, the Company will not grant shares in the Company to the party entitled to the conversion, but will make a payment, which for the number of shares to be supplied alternatively, corresponds to the weighted average stock exchange price of Company's shares in the Xetra computer trading system (or any functionally comparable successor system replacing it) at the Frankfurt Stock Exchange during the ten trading days following the declaration of the conversion or exercise of the warrant.

The Board of Executive Directors is authorized, in the context of the requirements described above, with the approval of the Supervisory Board, to define the further details of the issue and structure of the convertible and/or warrant-linked bonds, particularly interest rate, issue price, term, denomination, dilution protection, and the conversion or warrant period, or to define these in consultation with the corporate bodies of the holding companies issuing the convertible and/or warrant-linked bonds.

#### Conditional capital increase

The share capital is increased by up to €19,140,000.00 by issuing up to 19,140,000 registered shares with no par value (conditional capital). The purpose of the conditional capital increase is to grant no-par value shares to the holders or creditors of bonds, which are issued by the Company or Group companies of the Company in accordance with the above authorization before June 9, 2025. New no-par value shares will be issued at the conversion or option price to be determined in each case as described above.

The conditional capital increase will be implemented only insofar as the holders or creditors of conversion rights or warrants from bonds, which were issued by the Company or a Group company before June 9, 2025, based on the authorizing resolution of the Annual General Meeting held on June 10, 2020, exercise their conversion rights or warrants; or as the holders or creditors of the convertible bonds with conversion obligation, which were issued by the Company or a Group company before June 9, 2025, based on the authorizing resolution of the Annual General Meeting held on June 10, 2020, who are required to convert, fulfill their conversion obligation; or if the Company elects before June 9, 2025, based on the authorizing resolution of June 10, 2020, to grant shares in the Company, in full or in part, in lieu of payment of the amount due; and if no cash settlement is made or

own shares are used to settle such claims. New no-par value shares are eligible to participate in the profits from the beginning of the financial year during which they are created through the exercise of conversion rights or warrants or through the fulfillment of conversion obligations; in deviation from this, the Board of Executive Directors may determine, with the consent of the Supervisory Board, that new no-par value shares are eligible to participate in the profits from the beginning of the financial year, in respect of which the Annual General Meeting has not yet adopted a resolution regarding the appropriation of the balance sheet profit at the time when the conversion rights or warrants are exercised or the conversion obligations are fulfilled. The Board of Executive Directors is authorized with the consent of the Supervisory Board to determine the additional content of share rights and further details of the implementation of a conditional capital increase.

In addition to the traditional options for raising outside and equity capital, issuing convertible bonds and/or warrant-linked bonds can also provide an opportunity to take advantage of attractive financing alternatives on the capital markets depending on the market situation. The Board of Executive Directors believes that it is in the Company's interests that this financing option is also available to the Company. Issuing convertible bonds and/or warrant-linked bonds makes it possible to raise capital under attractive conditions. The conversion and/or option premiums achieved benefit the Company's capital base, thereby enabling it to take advantage of more favorable financing opportunities. The other possibility provided for, in addition to the granting of conversion rights and/or warrants, to create conversion obligations, widens the scope for structuring this financing instrument. The authorization provides the Company with the necessary flexibility to place the bonds itself or through direct or indirect holding companies. The option to exclude the right to subscribe allows the Company to make rapid use of advantageous stock exchange situations and to place bonds on the market quickly and flexibly under attractive conditions.

#### AUTHORIZATION TO ACQUIRE AND USE OWN SHARES WITH THE OPTION TO EXCLUDE SHAREHOLDERS' SUBSCRIPTION RIGHTS

The Board of Executive Directors is authorized to acquire own shares representing no more than 10% of the total no-par value shares comprising the share capital of K+S Aktiengesellschaft until June 9, 2025. At no time may the Company hold more than 10% of the total number of no-par value shares comprising its share capital. Acquisition will be made via the stock exchange by means of a public offer to buy addressed to all shareholders or by way of a public call to shareholders to submit offers for sale. In the event of a purchase effected on a stock exchange, the purchase price per share paid by the Company (excluding acquisition costs) must not exceed or undercut the relevant stock exchange price by more than 10%; the relevant stock exchange price will be the price of the K+S share in the Xetra computerized trading system (or any functionally comparable successor system replacing it) at the Frankfurt Stock Exchange, determined by the opening auction on the day of purchase. In the event of a purchase by means of an offer to buy addressed to all shareholders, the purchase price offered per share (excluding acquisition costs) must not exceed or undercut the relevant stock exchange price by more than 10%; the relevant stock exchange price will be the weighted average stock exchange price of Company's shares in the Xetra computer trading system (or any functionally comparable successor system replacing it) at the Frankfurt Stock Exchange during the last ten trading days prior to the publication of the offer to buy. If, after publication of a public purchase offer, there are significant price deviations from the purchase price offered or the limits of the purchase price range offered, the offer may be adjusted. In this case, the relevant amount shall be determined based on the corresponding price on the last trading day prior to the publication of the adjustment; the 10% limit for exceeding or falling short shall be applied to this amount. The volume of the offer may be limited. If, in the case of a public purchase offer, the volume of shares offered exceeds the existing repurchase volume, the shares may be purchased in proportion to the shares tendered (tender ratio) instead of in proportion to the shareholding of the tendering shareholders in the Company (shareholding ratio), to the partial exclusion of any right to tender. In addition, the partial exclusion of a possible right to tender may provide for the preferential acceptance of small numbers of up to 100 tendered shares per shareholder and for rounding according to commercial principles in order to avoid fractional shares. In the event of a call to shareholders to submit offers for sale, the purchase price offered per share (excluding incidental acquisition costs) may not be more than 10% higher or lower than the relevant stock exchange price; the relevant stock exchange price is the weighted average stock exchange price of the Company's share in the Xetra computer

trading system (or a functionally comparable successor system replacing it) of the Frankfurt Stock Exchange during the last ten stock exchange trading days prior to publication of the call to shareholders to submit offers for sale. The purchase price or the purchase price range may be adjusted if, during the offer period, there are significant price deviations from the price at the time of publication of the call for submission of offers to sell. In this case, the relevant amount shall be determined based on the corresponding price on the last trading day prior to publication of the adjustment; the 10% limit for exceeding or falling short shall be applied to this amount. The volume of the call may be limited. If not all several similar offers to sell can be accepted due to the volume limit, the acquisition may be made in proportion to the tender quotas instead of in proportion to the shareholdings, to the partial exclusion of any right to tender. In addition, the partial exclusion of any right to tender may provide for preferential acceptance of smaller numbers of up to 100 tendered shares per shareholder and for rounding in accordance with commercial principles to avoid fractional shares.

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Furthermore, the Board of Executive Directors is authorized, with the consent of the Supervisory Board, to sell shares in the Company, which are or were acquired based on the authorization above or authorization previously granted by the Annual General Meeting pursuant to Section 71 (1) (8) AktG, on the stock exchange or via a public offer addressed to all shareholders. In the event of the sale of the Company's own shares by offer to all shareholders, the Board of Executive Directors is authorized to exclude shareholders' subscription rights for fractional amounts. In the following cases, shares may be disposed of by other means and, therefore, with the exclusion of the shareholders' right to subscribe:

- + Disposal against payment of a cash sum that is not significantly below the relevant stock exchange price,
- + Issue of shares as consideration for the purpose of acquiring undertakings, parts of undertakings, or interests in undertakings,
- + Servicing of convertible bonds and bonds with warrants, which have been issued based on authorization given by the Annual General Meeting.

The authorization to exclude the right to subscribe applies to all shares representing proportionate amount of the share capital of up to 10% of the share capital when the resolution is adopted or if the amount of the share capital is lower at that time, on the date when the authorization is exercised. If use is made of other authorizations to issue or sell Company shares or to issue rights, which enable or obligate the acquisition of Company shares, during the term of this authorization to acquire own shares, therefore excluding the right to subscribe, the total number of shares issued or sold where the right to subscribe is excluded must not exceed 10% of the share capital.

Finally, the Board of Executive Directors is authorized, with the consent of the Supervisory Board, to withdraw shares in the Company from circulation, which are or were acquired based on the authorization above or authorization previously granted by the Annual General Meeting pursuant to Section 71 (1) (8) AktG, without the Annual General Meeting having to pass a further resolution on such withdrawal. Shares must be withdrawn from circulation in accordance with Section 237 (3) (3) AktG without a capital reduction in such a way that withdrawal results in an increase in the proportion of remaining no-par value shares in the share capital pursuant to Section 8 (3) AktG. The Board of Executive Directors is authorized pursuant to Section 237 (3) (3) clause 2 AktG to adjust the number of shares indicated in the Articles of Association. The withdrawal may also be combined with a capital reduction; in this case, the Board of Executive Directors is authorized to reduce the share capital by the proportionate amount of the share capital attributable to the withdrawn shares and to adjust the number of shares and share capital stated in the Articles of Association accordingly.

The authorizations to purchase own shares as well as to dispose of them and withdraw them from circulation may be exercised in full or in part each time and on several occasions in the latter case. The authorization granted by the Annual General Meeting to the Board of Executive Directors to purchase a limited number of own shares in the Company is a common instrument available in many companies. The ability to resell own shares, puts the Company in a position to, for example, gain long-term investors in Germany and abroad or to finance acquisitions flexibly. 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 fulfill conversion rights or warrants. Using own shares rules out any dilution of shareholder interests that would occur if conditional capital were used. The continued option to withdraw own shares from circulation is also a common alternative, the use of which is in the interest of the Company and its shareholders.

As part of a share buyback program from May 16, 2023, to November 17, 2023, a total of 12.3 million own shares were bought back for just under €200 million using the authorization granted by the Annual General Meeting on June 10, 2020. This corresponds to 6.4% of the Company's share capital. The shares were canceled and the Company's share capital was reduced from €191,400,000 to €179,100,000.

#### **ITEM 8: MATERIAL AGREEMENTS SUBJECT TO A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID**

K+S currently has a syndicated credit line of €400 million. Under the terms of the agreement, all loans drawn under the credit facility will become immediately due and payable and the credit facility as a whole will be terminable in the event that a person acting alone or several persons acting jointly obtain control of K+S Aktiengesellschaft. In the case of the bonds issued by K+S Aktiengesellschaft and the promissory note loans issued, the respective creditors also have the right, in the event of a change of control, to call the bonds or promissory note loans that have not yet been repaid.

The provisions in credit agreements and bond conditions agreed in the event of a change of control are routine 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 REMUNERATION IN THE EVENT OF A TAKEOVER BID**

Agreements of this type exist with the members of the Board of Executive Directors of K+S Aktiengesellschaft and are explained in detail in the "Remuneration report" on page 177. The existing compensation agreements with the members of the Board of Executive Directors take into appropriate consideration both the legitimate interests of those concerned and of the Company and its shareholders.