



Report of the General Partner to the General Meeting on agenda item 7

Hereinafter the General Partner reports on the renewal of the authorization to purchase and use treasury shares with the possibility to exclude subscription rights as proposed under agenda item 7 of this convening:

The General Meeting on 12 May 2016 authorized the Company to acquire and use treasury shares of up to 10% of the share capital. On the basis of this authorization, the General Partner – in each case with the consent of the Supervisory Board – executed share buybacks in several tranches: In the period from 11 December 2017 until and including 21 December 2017, the Company repurchased a total of 660,000 shares with a value of just under EUR 58 million and in the period from 28 May 2018 until and including 8 June 2018 a total of 431,000 shares with a value of around EUR 37 million. In the period from 12 March 2019 until and including 10 May 2019, the Company repurchased a total of about 3.77 million shares worth about EUR 270 million and in the period from 17 June 2019 until and including 1 April 2020 a total of about 10.8 million shares worth about EUR 659 million.

Further information on these share buy-backs is published under <https://www.freseniusmedicalcare.com/en/investors/shares/share-buy-back/>.

The current authorization to purchase and use treasury shares ends upon the expiration of 11 May 2021.

To ensure that the General Partner will be able to purchase and use treasury shares in the interest of the Company and its shareholders also in the future, the General Partner and the Supervisory Board propose to the General Meeting under agenda item 7 to grant a new authorization to purchase and use treasury shares. In order to ensure maximum flexibility in the handling of treasury shares, this authorization shall again be granted for a period of five years, i.e. until 19 May 2026.

The acquisition of treasury shares can be executed by way of a purchase via the stock exchange, by means of a public tender offer by the Company addressed to all its shareholders or an invitation to all shareholders to submit offers for sale. In the event of the last two acquisition scenarios, the shareholders can decide themselves how many



shares – and in case a price range is fixed also at what price – they want to offer to the Company. In any case, the General Partner will respect the principle of equal treatment of all shareholders provided for under German stock corporation law in accordance with section 53a AktG when acquiring treasury shares. The proposed acquisition scenarios via the stock exchange, by way of a public tender offer made to all shareholders or by means of an invitation to submit offers for sale all take account of that principle.

In the event of an acquisition by way of a public tender offer or a public invitation to submit offers for sale, the purchase price offered or the limit values of the purchase price range per share (excluding incidental acquisition expenses (*Erwerbsnebenkosten*)) must not exceed or fall below the average trading price of shares of the Company in the Xetra trading system (or a comparable successor system) by more than 10% on the three exchange trading days preceding the date of the publication of the offer or public invitation to submit an offer for sale. If significant changes from the relevant price occur after the publication of a tender offer or public invitation to submit an offer for sale, it will be possible to adjust the offer or invitation to submit such an offer, with such adjustment being based on the relevant average price on the three exchange trading days prior to the publication of any such adjustment. The tender offer or invitation to submit such an offer may be subject to further conditions.

If in the event of a public tender offer or an invitation to submit offers for sale the total volume of shares offered or tendered exceeds the volume of shares intended to be bought back, the Company will accept those shares on a pro-rata basis. However, it is possible to provide for a preferential acceptance of smaller numbers of shares of up to 100 shares per offering shareholder. This option is designed on the one hand to avoid having small numbers of residual shares, which tend to be uneconomical and may lead to de facto discrimination against small shareholders. It also helps simplify the technical execution of the purchase process. Finally, provision is to be made in all instances to allow rounding off in accordance with proven commercial practice to avoid arithmetical fractional shares. In this respect, the purchase quota and/or the number of shares to be purchased by the individual shareholder accepting the offer can be rounded off, in accordance with commercial practice, as necessary to represent the purchase of whole shares in the processing system. In the aforementioned cases, it is necessary to exclude any further right to tender shares, and the General Partner is convinced that such exclusion is justified and reasonable vis-à-vis shareholders, for the reasons specified above.



The shares acquired on the basis of this or a prior authorization may be used for all purposes permitted by law, in particular for the following purposes:

The proposed authorization entitles the General Partner to partially or entirely redeem treasury shares bought back, in accordance with common practice among large, listed German companies, without a further resolution of the General Meeting being required. In this respect, it shall also be possible to redeem the shares without a capital reduction pursuant to section 237 (3) no. 3 AktG (so called simplified procedure). If the shares are redeemed without a capital reduction, the pro-rata amount of the remaining shares in terms of their share in the Company's share capital increases (section 8 (3) AktG). In this case the General Partner shall be authorized to amend the Company's Articles of Association to account for the modified number of non-par value shares.

Furthermore, it is intended to enable the General Partner by way of the authorization to sell treasury shares of the Company also in ways other than via the stock exchange or by means of an offer made to all shareholders, against payment in cash and with the exclusion of subscription rights. Thus, the Company will be enabled to react swiftly and flexibly to favorable market situations. Moreover, it will be possible to attract additional domestic and foreign investors by selling shares, for example to institutional investors. To account for the protection of the shareholders from dilution, the aforementioned use pursuant to section 186 (3) sentence 4 AktG is subject to the condition that treasury shares may only be sold at a price which is not significantly lower than the relevant stock exchange price at the time when the shares are sold; in this respect, the price of sale will be finally determined immediately prior to the disposal itself. Additionally, the permitted sales volume in this case is limited to 10% of the Company's share capital at the effective date of the authorization or – if the share capital is lower – at the time when the authorization is exercised. The shareholders in principle have the opportunity to maintain their shareholding quota by way of a parallel acquisition of shares in the Company via the stock exchange at comparable conditions. For the purpose of dilution protection, this authorized volume shall be reduced insofar as, during the term of this authorization, other authorizations regarding the issuance or the sale of the Company's shares or regarding the issuance of rights that allow for or oblige to subscribe the Company's shares are exercised and thereby subscription rights are excluded in direct or analogous application of section 186 (3) sentence 4 AktG.



Furthermore, it will also be possible to use treasury shares as a contribution in kind in the context of mergers and the acquisition of companies and other assets, excluding shareholders' subscription rights. In particular in the course of mergers and acquisitions, it is not uncommon that existing shares serve as a consideration. The Company shall be enabled to benefit quickly and flexibly also from such acquisition opportunities, conserving liquidity and without having to consult the General Meeting, which is often not possible due to time constraints. Therefore, such an option of using treasury shares lies in the overall interest of the Company and its shareholders. In determining the valuation ratios, the General Partner will furthermore ensure that the interests of shareholders are reasonably safeguarded.

The authorization further provides that treasury shares can also be issued in lieu of the utilization of a conditional capital of the Company, excluding the subscription right of shareholders, to employees of the Company and its affiliates, including members of the management of affiliates, and by doing so service options or obligations to purchase shares of the Company granted or to be granted to employees of the Company or its affiliates as well as members of the management of affiliates. This authorization creates the possibility to offer the respective beneficiaries shares of the Company within the scope of share option programs or employee benefit schemes without having to resort to conditional capital. The issue of treasury shares to employees and officers of the Company, in particular in view of long-term compensation components having the purpose of securing the Company's sustainable success, can be in the best interest of the Company and its shareholders, since it may promote the identification of employees and officers with their company as well as the Company's value substantially. The use of existing treasury shares instead of having to recourse to conditional capital can constitute an economically viable alternative.

The aforementioned option to use treasury shares in order to service long-term share-based compensation components excluding the subscription right of shareholders shall also be available in favor of the members of the General Partner's Management Board. In order to take reasonable account of potential conflicts of interest resulting from the Company's legal form as well as the securing of the allocation of competences according to stock corporation law, the corresponding authorization to use treasury shares will, however, not be granted to the General Partner (represented by the Management Board), but to its Supervisory Board.



The General Partner shall further be authorized to use treasury shares to service bonds carrying warrant or conversion rights or conversion obligations issued by the Company or companies affiliated with the Company as defined in section 17 AktG that exclude subscription rights according to section 186 (3) sentence 4 AktG. In order to comply with the rights resulting therefrom, it may be appropriate, considering the Company's interests, to partially or entirely use treasury shares instead of shares resulting from a corresponding capital increase, which requires the subscription right of shareholders to be excluded.

Finally, the General Partner shall be authorized to exclude potential fractional amounts, if any, in an offer made to all shareholders. This is necessary for the technical processing of such an offer, in order to avoid the issue of fractions of shares. The General Partner will dispose of the shares excluded from the shareholders' subscription right, called unassigned fractions (*freie Spitzen*), either by selling them via the stock exchange or otherwise at the best possible conditions for the Company.

To further restrict the issue of shares excluded from the shareholders' subscription right and with the intention to limit the dilution of shareholders' influence in the best possible way, the General Partner may exercise the right to exclude subscription rights in the context of the use of treasury shares only to the extent that the pro-rata amount of these shares does not exceed 10% of the share capital at the time of effectiveness or at the time of exercise of these authorizations. If, during the term of this authorization to use treasury shares, other authorizations regarding the issuance or the sale of the Company's shares or regarding the issuance of rights that allow for or oblige to subscribe the Company's shares are exercised and thereby subscription rights are excluded, such exclusion of subscription rights will be taken into account when calculating the aforementioned limit.

The possible uses mentioned above are not limited to the Company's treasury shares acquired on the basis of this or prior authorizing resolutions; they also apply to shares of the Company acquired pursuant to section 71d sentence 5 AktG. In this way, additional flexibility is for precautionary reasons created in accordance with this authorizing resolution, in the best interest of the Company, also with a view to using such treasury shares which have been acquired by a subsidiary or by third parties on behalf of the Company or a subsidiary.

The Management Board of the General Partner will also report on every use of this new authorization.



Fresenius Medical Care AG & Co. KGaA
The General Partner
Fresenius Medical Care Management AG
The Management Board

Hof an der Saale, March 2021

sgd. Dr. Katarzyna Mazur-Hofsäß
Member of the Management Board

sgd. Dr. Olaf Schermeier
Member of the Management Board