

COMPENSATION  
REPORT 2018

# CARE AND LIVE

## COMPENSATION REPORT

The Compensation Report of FMC AG & CO. KGAA summarizes the main elements of the compensation system for the members of the Management Board of Fresenius Medical Care Management AG, the General Partner of FMC AG & CO. KGAA, and in this regard notably explains the amounts and structure of the compensation paid to the Management Board. Furthermore, the principles and the amount of the compensation of the Supervisory Board of the Company are described. The Compensation Report is part of the Management Report on the annual financial statements and the annual consolidated group financial statements of FMC AG & CO. KGAA as at December 31, 2018. The Compensation Report is prepared on the basis of the recommendations of the German Corporate Governance Code. The Compensation Report also includes the disclosures as required pursuant to the applicable statutory regulations, notably in accordance with the German Commercial Code (HGB).

### COMPENSATION OF THE MANAGEMENT BOARD

The Supervisory Board of Fresenius Medical Care Management AG is responsible for determining the compensation of the Management Board members. The Supervisory Board of Fresenius Medical Care Management AG is assisted in this task by a personnel committee, the Human Resources Committee, a committee which is composed of individual members of the Supervisory Board of Fresenius Medical Care Management AG and which is also responsible for the tasks of a compensation committee. The Human Resources Committee is composed of Mr. Stephan Sturm (Chairman), Dr. Gerd

Krick (Vice Chairman), Mr. William P. Johnston, Dr. Dieter Schenk and Mr. Rolf A. Classon.

The current Management Board compensation system was approved by the General Meeting of FMC AG & CO. KGAA on May 12, 2016, and is reviewed by an independent external compensation expert on a regular basis.

The objective of the compensation system is to enable the members of the Management Board to participate reasonably in the sustainable development of the Company's business and to reward them based on their duties and performance as well as their success in managing the Company's economic and financial position giving regard to the peer environment.

The amount of the total compensation of the members of the Management Board is measured taking particular account of a horizontal comparison with the compensation of management board members of other DAX-listed companies and similar companies of comparable size and performance in a relevant peer environment. Furthermore, the relation of the overall compensation of the members of the Management Board and that of the senior management as well as the staff overall, as determined by way of a vertical comparison, is taken into account.

The compensation of the Management Board is, as a whole, performance-based and geared to promoting sustainable corporate development. It consists of three components:

1) non-performance-based compensation (base salary and fringe benefits),

- 2) short-term performance-based compensation (one-year variable compensation),
- 3) components with long-term incentive effects (multi-year variable compensation comprised of share-based compensation with cash settlement and stock options, the latter granted in previous fiscal years).

More information about the compensation components is provided in [CHART 4.8 ON PAGE 126](#).

### I. Non-performance-based compensation

The Management Board members receive a base salary. In Germany or (applicable to Mr. Harry de Wit, who is resident in Hong Kong) Hong Kong, as the case may be, the base salary is paid in twelve equal monthly instalments. To the extent the base salary is paid to members of the Management Board in the u.s., the payment is made in accordance with local customs in twenty-four equal instalments.

Moreover, the members of the Management Board received fringe benefits. These consisted mainly of payments for insurance premiums, the private use of company cars and special payments such as school fees, housing, rent and relocation supplements, reimbursement of fees for the preparation of tax returns, reimbursement of charges, compensation for forfeited compensation benefits from the previous employment relationship, anniversary payments, contributions to pension, accident, life and health insurance as well as tax burden compensation due to varying tax rates applicable in Germany and the u.s. (net compensation) and other benefits in kind and fringe benefits, also in case accruals have been set up therefore.

## C 4.8 COMPENSATION COMPONENTS GRANTED DURING THE FISCAL YEAR

COMPENSATION COMPONENTS		
NON-PERFORMANCE-BASED COMPENSATION	BASE SALARY	
	FRINGE BENEFITS	
PERFORMANCE-BASED COMPENSATION	SHORT-TERM	BONUS
	LONG-TERM	SHARE BASED AWARD
		LONG-TERM INCENTIVE PLAN 2016

## II. Performance-based compensation

Performance-based compensation is awarded as a short-term cash component (one-year variable compensation) and as components with long-term incentive effects (comprising share-based compensation with cash settlement). The one-year variable compensation consists of an amount that is payable without deferral after the end of the fiscal year (Bonus) and an amount that is converted into virtual shares of the Company as an amount to be deferred (the so-called Share Based Award, together with the Bonus the „Total Bonus“). The share-based compensation with cash settlement consists of the Share Based Award as well as of Performance Shares, which have been granted in the context of the Fresenius Medical Care Long-Term Incentive Plan 2016 (hereinafter: LTIP 2016).

More information about the performance-based compensation components is provided in [CHART 4.11 ON PAGE 127](#).

Under the Fresenius Medical Care Long-Term Incentive Program 2011 (hereinafter: LTIP 2011), individual members of the Management Board may under certain conditions also exercise stock options already granted or receive a share-based compensation with cash settlement from already granted phantom stock.

**One-year variable compensation and Share Based Award**

The amount of the one-year variable compensation and of the Share Based Award depends on the achievement of the following individual and joint targets which are derived from the corporate strategy:

- › net income growth,
- › free cash flow (net cash provided by (used in) operating activities after capital expenditures, before acquisitions and investments) in percent of revenue,
- › operating income margin.

The targets are weighted differently depending on the Management Board department or function. In the case of Messrs. Rice Powell and Michael Brosnan (both with corporate group functions) as well as Dr. Olaf Schermeier (Research and Development), the net income growth is weighted with 80 %. In the case of Dr. Katarzyna Mazur-Hofsäb (Management Board member since September 1, 2018) and Messrs. William Valle and Harry de Wit (each of them being Management Board members with regional responsibility) as well as Mr. Kent Wanzek (Global Manufacturing and Quality), the net income growth is weighted with 60 %. In the case of the members of the Management Board last named, the valuation of the operating margins contributes another 20 %. The target free cash flow as a percentage of the sales revenues is uniformly measured with 20 % for all members of the Management Board – [SEE TABLE 4.9](#).

## T 4.9 WEIGHTING OF TARGETS

	Net income growth	Free cash flow in % of revenues	Operating margin (regional)
Corporate group function and/or Research and Development	80 %	20 %	–
Regional functions and/or Global Manufacturing and Quality	60 %	20 %	20 %

The degree of the achievement of the specific targets (target achievement) is determined by comparing the actual values with the target values to be achieved. The net income growth is taken into account up to a growth rate of 10 %. The targets regarding the respective free cash flow as a percentage of revenues fall within a range of rates between 3 % and 6 % and are evaluated within the Group or, as the case may be, in the relevant regions. For the benefit of Management Board members with regional responsibilities as well as for the benefit of the Management Board member responsible for Global Manufacturing and Quality, growth of regional operating income margins is compensated within individual targets ranging between 13 % and 18.5 %, reflecting the particularities of the respective regions and responsibilities – SEE TABLE 4.10.

T 4.10 TARGET VALUES

	0 % target achievement (Minimum)	100 % target achievement	120 % target achievement (Maximum)
Net income growth	0.00 %	8.00 %	10.00 %
Free cash flow in % of revenues	3.00 %	5.71 %	6.00 %
Operating margin	Individual target corridors between 13.00 and 18.50 %, depending on the respective responsibilities		

The degree of overall target achievement of each member of the Management Board is determined by the weighted arithmetic mean of the target achievement of the individual targets. Multiplying the degree of the respective overall target achievement by the respective base salary and another fixed

## C 4.11 PERFORMANCE-BASED COMPENSATION COMPONENTS GRANTED IN THE FISCAL YEAR

PERFORMANCE-BASED COMPENSATION		
SHORT-TERM	BONUS	Annual payment in cash after lapse of the fiscal year
		Targets: Net income growth, Free cash flow in % of revenues, Operating margin
		Overall target achievement: 0 – 120 %
LONG-TERM	SHARE BASED AWARD	Deferred part of the Total Bonus converted into virtual shares of the Company
		Exercise and payment after three years at the earliest
		Payment amount in cash depends on Company's share price at exercise
	LTIP 2016	Performance Share Plan with a vesting period of four years and payment in cash
		Targets: Revenue growth, Net income growth, and ROIC level against target ROIC
Overall target achievement: 0 – 200 %		

multiplier results in the Total Bonus, of which a 75 % share is paid out in cash to the Management Board members as one-year variable compensation after approval of the annual financial statements of FMC AG & CO. KGAA for the respective fiscal year as Bonus. Since the degree of target achievement is limited to a maximum of 120 %, the Management Board's maximum achievable one-year variable compensation has maximum limits (cap).

For the fiscal year and the previous year, the amount of cash compensation payments to members of the Management Board without components with long-term incentive effects can be found in TABLE 4.12 ON PAGE 128.

The portion of the one-year variable compensation not paid out for the fiscal year in question, amounting to 25 % of the Total Bonus, is converted into virtual shares not backed by

**T 4.12 AMOUNT OF CASH PAYMENTS**  
IN € THOUS

	Non-performance-based compensation				Short-term performance based compensation		Cash compensation (without long-term incentive components)	
	Base salary		Fringe benefits		Bonus		2018	2017 <sup>1</sup>
	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>		
<b>Members of the Management Board serving as of December 31, 2018</b>								
Rice Powell	1,270	1,217	195	173	2,376	2,297	3,841	3,687
Michael Brosnan	720	735	56	134	1,300	1,315	2,076	2,184
Dr. Katarzyna Mazur-Hofsäb <sup>2</sup>	233	–	844 <sup>3</sup>	–	370	–	1,447	–
Dr. Olaf Schermeier	490	490	131	134	970	970	1,591	1,594
William Valle <sup>2</sup>	792	721	330	88	1,395	1,291	2,517	2,100
Kent Wanzek	550	575	126	85	1,076	1,085	1,752	1,745
Harry de Wit	480	480	315	321	950	950	1,745	1,751
<b>Former members of the Management Board who resigned during the fiscal year 2017<sup>4</sup></b>								
Ronald Kuerbitz	–	109	–	43	–	–	–	152
Dominik Wehner	–	425	–	38	–	732	–	1,195
<b>TOTAL</b>	<b>4,535</b>	<b>4,752</b>	<b>1,997</b>	<b>1,016</b>	<b>8,437</b>	<b>8,640</b>	<b>14,969</b>	<b>14,408</b>

<sup>1</sup> Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Katarzyna Mazur-Hofsäb as well as Messrs. Dr. Olaf Schermeier and Harry de Wit) or U.S. dollar (Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek).

<sup>2</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Katarzyna Mazur-Hofsäb has been appointed as member of the Management Board only with effect as of September 1, 2018 and Mr. William Valle with effect as of February 17, 2017 and, therefore, they have received compensation payments to be set out herein only in each case as of such date.

<sup>3</sup> The other benefits of Dr. Katarzyna Mazur-Hofsäb include a one-off special payment in the amount of € 800 THOUS by which Dr. Katarzyna Mazur-Hofsäb was compensated for forfeited compensation benefits from the previous employment relationship.

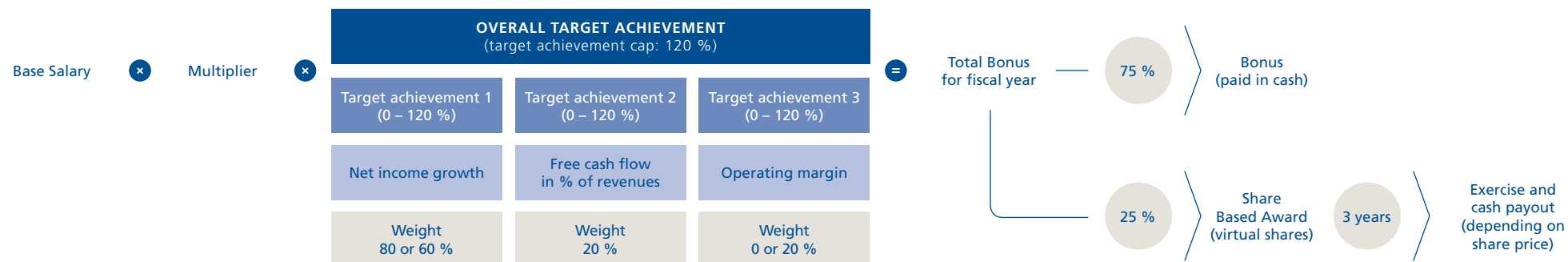
<sup>4</sup> Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017 and Mr. Ronald Kuerbitz with effect as of February 17, 2017.

equity and allocated to the members of the Management Board in the form of the so-called Share Based Award. The Share Based Award is attributed to the compensation components with long-term incentive effect and can be exercised at the earliest after a period of three years following the grant date. In special cases (e.g. occupational disability, entry into retirement, non-renewal of expired employment contracts by the Company), a shorter period may apply. The payment from the Share Based Award is made in cash and depends on the share price of FMC AG & CO. KGAA upon exercise.

In accordance with the targets achieved in the fiscal year, the members of the Management Board who were members of the Management Board on December 31 of the fiscal year acquired entitlements to Share Based Awards valued at €3,414 THOUS (2017: €3,418 THOUS). Based on the already fixed value, the allocation of the specific number of virtual shares made by the Supervisory Board in principle takes place no sooner than March of the following year on the basis of the then current price conditions of the shares of FMC AG & CO. KGAA. This number will then serve as a multiplier for the share price on the respective exercise date and, thus, as the basis for the determination of the payment amount of the respective share-based compensation.

More information about the functionality of the Total Bonus is provided in [CHART 4.13 ON PAGE 129](#).

## C 4.13 FUNCTIONALITY OF THE TOTAL BONUS (BONUS AND SHARE BASED AWARD) IN PRINCIPLE



### Personal investment from the Bonus 2018 with stock holding condition

To take adequate account of the business development in the fiscal year 2018, the Supervisory Board decided that the members of the Management Board – by mutual agreement – acquire shares in FMC AG & CO. KGAA for a portion of their Bonus. The shares acquired in this way may only be sold by the respective member of the Management Board after a period of three years from the date of acquisition has expired. The respective portion of the Bonus for which a member of the Management Board acquires shares in FMC AG & CO. KGAA depends on the respective overall target achievement.

The net amounts to be invested by the members of the Management Board can be found in [TABLE 4.14](#).

**T 4.14 PERSONAL INVESTMENT FROM THE NET BONUS AMOUNT FOR THE FISCAL YEAR 2018**

	Amount	Currency
Rice Powell	605,219	US\$
Michael Brosnan	315,434	US\$
Dr. Katarzyna Mazur-Hofsäß	80,194	€
Dr. Olaf Schermeier	224,542	€
William Valle	305,466	US\$
Kent Wanzek	344,019	US\$
Harry de Wit	164,970	€

As a consequence of this personal investment, between 51 % and 60 % of the Total Bonus for the fiscal year 2018 of the respective member of the Management Board will be invested in shares of the Company or converted into Share Based Awards, which can be sold or exercised, respectively, at the earliest after a period of three years. This calculation is based on the simplified assumption of a personal tax and duty burden of 50 % on the payout of the Bonus.

### Performance Shares

In addition to the Share Based Award, the members of the Management Board were also granted so-called "Performance Shares" on the basis of the LTIP 2016, as further performance-based component with a long-term incentive effect.

The LTIP 2016 was approved in the fiscal year 2016 by the Supervisory Board upon recommendation of the Human Resources Committee and follows on the LTIP 2011, under which, as of the end of 2015, no further stock options may be granted. Performance Shares are virtual compensation instruments not backed by equity. These may provide entitlement to a cash payment depending on the achievement of the performance targets described below and the development of FMC AG & CO. KGAA's share price. The LTIP 2016 stipulates that the Management Board members may be granted Performance Shares once or twice a year in the years 2016 to 2018. For the members of the Management Board, the Supervisory Board determines, after due consideration and taking into account the responsibilities and performances of the respective members of the Management Board, the so-called "grant value", as the initial amount for each grant to be made to members of the Management Board. This grant value is divided by the applicable fair value of a Performance Share at the grant date, in order to determine the number of Performance Shares to be granted. This number may change over a period of three years depending on the degree to which the performance targets are achieved, both the total loss of all granted Performance Shares as well as a doubling (at most) of that number being possible. The number of Performance Shares after the three-year performance period, resulting from the respective target achievement, is considered as vested four years after the date the respective allocation was made. The above-mentioned number of Performance Shares is then multiplied by the average price of the Company's shares during a thirty-day period prior to the expiration of this vesting period. The resulting amount is paid out in cash to the members of the Management Board for their respective Performance Shares.

The degree of the total target achievement during the three-year performance period is determined based on the three following performance targets which are derived from the long-term corporate strategy:

- › revenue growth,
- › annual growth of the net income attributable to the shareholders of FMC AG & CO. KGAA (net income growth) as well as
- › increase of the return on invested capital (Return on Invested Capital (hereinafter: ROIC)).

The target corridors and targets are as set out in [TABLE 4.15](#).

Upon the introduction of the LTIP 2016, the initial ROIC target for the year 2016 was set at 7.3 %. On this basis, it increases by 0.2 percentage points each year. Consequently, the ROIC target for 2017 was 7.5 % and for 2018 was 7.7 % (2018). In subsequent years, it will increase to 7.9 % (2019) and 8.1 % (2020). For each revenue growth and/or any net income growth and ROIC level within the range of the values presented above, the degree of target achievement is linearly interpolated. If the target achievement in relation to the ROIC target in the third year of an assessment period is higher than or equal to the target achievement in each of the two previous years, the ROIC target achievement for the third year applies to all years of the respective assessment period.

#### T 4.15 TARGET CORRIDORS AND TARGETS

	Growth / Increase	Target achievement	Weight
Performance target 1: Revenue growth	≤ 0 %	0 %	1/3
	7 %	100 %	
	≥ 16 %	200 %	
Performance target 2: Net income growth	≤ 0 %	0 %	1/3
	7 %	100 %	
	≥ 14 %	200 %	
Performance target 3: ROIC level against target ROIC	0.2 percentage points below target ROIC	0 %	1/3
	target ROIC	100 %	
	0.2 percentage points above target ROIC	200 %	

Each of these three performance targets accounts for one-third in the calculation of the yearly target achievement, which is calculated for each year of the three-year performance period. The overall target achievement at the end of the three-year performance period is determined by the arithmetic value of these three average yearly target achievements. The overall target achievement can lie in a corridor between 0 % and 200 % and in this respect has a maximum limit (target achievement cap).

The number of Performance Shares granted to the Management Board members at the beginning of the performance period is multiplied by the percentage of the overall target

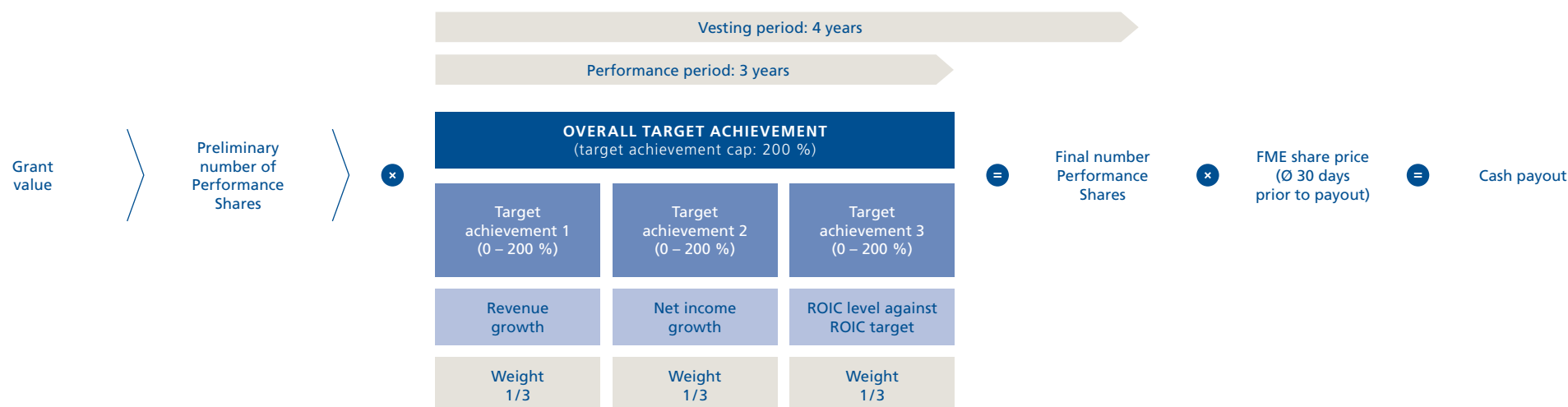
achievement in order to determine the final number of Performance Shares that form the basis of the cash compensation under the LTIP 2016 as described above.

More information about the functionality of the LTIP 2016 is provided in [CHART 4.16](#).

In the course of the fiscal year, a total of 632,804 Performance Shares (2017: 614,985) were granted to all eligible participants under the LTIP 2016. This includes 73,315 Performance Shares (2017: 73,746) with a total value of €5,783 THOUS (2017: €5,474 THOUS) which were granted to the members of the Management Board. The relevant fair value of the Perfor-

mance Shares issued in July of the fiscal year amounted on the grant date to €80.55 (2017: €75.12) for grants in euro (applies to Messrs. Dr. Olaf Schermeier and Harry de Wit) and to \$94.11 (2017: \$86.39) for grants in u.s. dollars (applies to Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek). Dr. Katarzyna Mazur-Hofsäß (member of the Management Board since September 1, 2018) was granted Performance Shares in December of the fiscal year whose fair value on the grant date was €69.05. At the end of the fiscal year, the Management Board members being in office on December 31, 2018 held a total of 204,693 Performance Shares (2017: 150,993).

#### C.4.16 FUNCTIONALITY OF THE LTIP 2016 IN PRINCIPLE





For the fiscal year, the value of the share-based compensation with cash settlement granted to the members of the Management Board in each case, is shown respectively compared to the previous year, [IN TABLE 4.17](#).

#### T 4.17 LONG-TERM INCENTIVE COMPONENTS IN € THOUS

	Share-based compensation with cash settlement <sup>1</sup>	
	2018	2017 <sup>2</sup>
<b>Members of the Management Board serving as of December 31, 2018</b>		
Rice Powell	2,391	2,247
Michael Brosnan	1,307	1,290
Dr. Katarzyna Mazur-Hofsäß <sup>3</sup>	858	–
Dr. Olaf Schermeier	1,081	1,039
William Valle <sup>3</sup>	1,402	1,265
Kent Wanzek	1,084	1,060
Harry de Wit	1,074	1,033
<b>Former members of the Management Board who resigned during the fiscal year 2017<sup>4</sup></b>		
Ronald Kuerbitz	–	–
Dominik Wehner	–	960
<b>TOTAL</b>	<b>9,197</b>	<b>8,894</b>

<sup>1</sup> This includes Performance Shares pursuant to the LTIP 2016 as well as Share Based Awards granted to the Management Board members during the fiscal year. The share-based compensation amounts are based on the fair value on the grant date.

<sup>2</sup> Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Katarzyna Mazur-Hofsäß as well as Messrs. Dr. Olaf Schermeier and Harry de Wit) or U.S. dollar (Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek).

<sup>3</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Katarzyna Mazur-Hofsäß has been appointed as member of the Management Board only with effect as of September 1, 2018 and, therefore, she has received compensation payments to be set out herein only as of such date.

<sup>4</sup> Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017 and Mr. Ronald Kuerbitz with effect as of February 17, 2017.

The Supervisory Board has agreed on a limitation option for the component with a long-term incentive effect in the event of extraordinary developments.

The components with long-term incentive effect entitle to a cash payment or can be exercised only after the expiration of the predefined waiting and/or vesting periods. Their value is

distributed over the waiting periods and is proportionally accounted for as an expense in the respective fiscal year.

The expenses pertaining to components with long-term incentive effects for the fiscal year and for the previous year are set out [IN TABLE 4.18](#).

#### T 4.18 EXPENSES FOR LONG-TERM INCENTIVE COMPONENTS IN € THOUS

	Stock Options		Share-based compensation with cash settlement <sup>1</sup>		Share-based compensation	
	2018	2017	2018	2017	2018	2017
<b>Members of the Management Board serving as of December 31, 2018</b>						
Rice Powell	659	957	391	1,960	1,050	2,917
Michael Brosnan	330	174	245	639	575	813
Dr. Katarzyna Mazur-Hofsäß <sup>2</sup>	–	–	9	–	9	–
Dr. Olaf Schermeier	236	385	229	1,058	465	1,443
William Valle <sup>2</sup>	–	–	114	121	114	121
Kent Wanzek	295	398	128	1,131	423	1,529
Harry de Wit	–	–	222	596	222	596
<b>Former members of the Management Board who resigned during the fiscal year 2017</b>						
Ronald Kuerbitz <sup>3</sup>	–	(438)	–	(852)	–	(1,290)
Dominik Wehner <sup>4</sup>	–	718	–	3,965	–	4,683
<b>TOTAL</b>	<b>1,520</b>	<b>2,194</b>	<b>1,338</b>	<b>8,618</b>	<b>2,858</b>	<b>10,812</b>

<sup>1</sup> This includes expenses for Performance Shares under the LTIP 2016, expenses for phantom stock under the LTIP 2011 and expenses for the Share Based Award.

<sup>2</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Katarzyna Mazur-Hofsäß has been appointed as member of the Management Board only with effect as of September 1, 2018 and Mr. William Valle with effect as of February 17, 2017 and, therefore, they have received compensation payments to be set out herein only in each case as of such date.

<sup>3</sup> Mr. Ronald Kuerbitz resigned from the Management Board with effect as of February 17, 2017. Following Mr. Ronald Kuerbitz's resignation from the Management Board, no further expenses arose. The negative amounts result from the cancellation, without substitution, of all Share Based Awards granted and not vested by February 17, 2017, all multi-year variable compensation components granted under the LTIP 2011 not vested by February 17, 2017 pursuant to the conditions of the LTIP 2011, and all Performance Shares granted under the LTIP 2016.

<sup>4</sup> Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017. The expenses for long-term incentive components result from the compensation components granted to Mr. Dominik Wehner under the LTIP 2011, the LTIP 2016 and the Share Based Award which are payable or can be exercised, as the case may be, by the relevant regular vesting date pursuant to the applicable conditions.

### Focus on sustainable corporate development

The compensation of the Management Board is designed to promote sustainable corporate development. This is ensured, among other things, by the fact that the portion of the long-term compensation is always greater than the portion of the short-term compensation. To the extent the portion of the performance-based components with long-term incentive effects (i.e. Performance Shares and Share Based Award) does not reach 50 % of the sum of all variable compensation components for the respective fiscal year, it has been contractually provided that the one-year variable compensation is reduced accordingly and the Share Based Award is increased correspondingly.

In addition, on the basis of the LTIP 2016 plan conditions and in accordance with the employment contracts concluded with individual members of the Management Board as from January 1, 2018, the Company is entitled to reclaim already earned and paid compensation components (claw back). Such right to reclaim exists in particular in case of relevant violations of internal guidelines or undutiful conduct.

### Stock options and phantom stock

Until the end of the fiscal year 2015 grants under the LTIP 2011, which consisted of the Stock Option Plan 2011 and the Phantom Stock Plan 2011, constituted an essential component of the compensation system for the members of the Management Board. As of the end of the fiscal year 2015 grants under the LTIP 2011 are no longer possible. However, the members of the Management Board may exercise stock options or phantom stock which have already been granted, taking into consideration the blackout periods applicable to the exercise

of such instruments, the achievement of defined performance targets as well as, subject to deviating stipulations in the individual case, the continuation of the service and/or employment relationship.

Under the LTIP 2011, a combination of stock options and phantom stock awards was granted to the participants. The number of stock options and phantom stock awards to be granted to the members of the Management Board was determined by the Supervisory Board in its reasonable discretion. In principle, all members of the Management Board were entitled to receive the same total number of stock options and phantom stock awards, whereas the Chairman of the Management Board was entitled to receive double the granted quantity. At the time of the grant, the members of the Management Board were entitled to choose a ratio based on the value of the stock options vs. the value of phantom stock awards in a range between 75:25 and 50:50.

Stock options may be exercised within four years and phantom stock awards within one year after the expiration of the waiting period. For Management Board members who are U.S. taxpayers specific conditions apply with respect to the exercise period of phantom stock awards.

The success target for stock options and phantom stock is achieved in each case if, during the waiting period, either the adjusted basic income per share increases by at least 8 % per annum in comparison to the previous year in each case or – if this is not the case – the compounded annual growth rate of the adjusted basic income per share during the four years of the waiting period reflects an increase of at least 8 % per annum. The success target for phantom stock granted in the fiscal year 2015 is also achieved if under the global efficiency

program an amount of \$200 M has been saved until the end of the fiscal year 2015 and, until the end of the fiscal years 2016 to 2018, an amount of \$300 M has been saved, each in comparison to January 1, 2013, and the respective success target for fiscal years 2015 to 2018 – each as expected and communicated – has been achieved and confirmed by the auditor. If with regard to any reference period or more than one of the four reference periods the respectively governing success target is not achieved, the stock options and phantom stock awards are cancelled to such proportion to which the success target was not achieved, i.e. by 25 %, by 50 %, by 75 % or completely.

At the end of the fiscal year the members of the Management Board held a total of 602,389 stock options originating from the Stock Option Plan 2011. By the end of the previous fiscal year, the members of the Management Board held a total of 819,491 stock options originating from the Stock Option Plan 2011. For details regarding the conditional capital used to secure the Stock Option Plan 2011, please see the “Conditional Capital” section of the notes starting on [PAGE 206](#). Moreover, the Management Board members held, by the end of the fiscal year, a total of 54,711 phantom stock (2017: 73,432) pursuant to the Phantom Stock Plan 2011.

The development and status of stock options in the fiscal year of the members of the Management Board serving at December 31 of the fiscal year are shown in more detail [IN TABLE 4.19 ON PAGE 134](#).

T 4.19 DEVELOPMENT AND STATUS OF THE STOCK OPTIONS

		Rice Powell	Michael Brosnan	Dr. Katarzyna Mazur-Hofsäß	Dr. Olaf Schermeier	William Valle	Kent Wanzek	Harry de Wit	Total
<b>Options outstanding January 1, 2018</b>	Number	284,793	149,400	–	96,488	60,000	131,970	–	722,651
	Weighted average exercise price in €	64.73	64.23	–	63.88	64.16	65.10	–	64.53
<b>Options exercised during the fiscal year</b>	Number	28,012	–	–	–	30,000	62,250	–	120,262
	Weighted average exercise price in €	52.48	–	–	–	51.33	51.77	–	51.83
	Weighted average share price in €	90.53	–	–	–	88.74	84.21	–	86.81
	Number	256,781	149,400	–	96,488	30,000	69,720	–	602,389
<b>Options outstanding December 31, 2018</b>	Weighted average exercise price in €	66.06	64.23	–	63.88	76.99	76.99	–	67.07
	Weighted average remaining contractual life in years	3.97	3.51	–	3.99	4.57	4.57	–	3.96
	Range of exercise prices in €	49.76–76.99	49.76–76.99	–	49.76–76.99	76.99	76.99	–	49.76–76.99
<b>Options exercisable December 31, 2018</b>	Number	107,381	74,700	–	46,688	–	–	–	228,769
	Weighted average exercise price in €	50.86	51.47	–	49.90	–	–	–	50.86

### III. Total Compensation

The amount of the total compensation of the Management Board for the fiscal year and for the previous year is as shown in [TABLE 4.20 ON PAGE 135](#).

### IV. Commitments to members of the Management Board for the event of termination of their appointment

The following pension commitments and other benefits are also part of the compensation system for the members of the Management Board: Individual contractual pension commitments for the Management Board members Messrs. Rice Powell, Michael Brosnan, Dr. Olaf Schermeier and Mr. Kent Wanzek have been granted by Fresenius Medical Care Management AG. In addition, pension commitments from the participation in employee pension schemes of other Fresenius Medical Care companies exist for individual members of the Management Board.

Each of the pension commitments by Fresenius Medical Care Management AG provides for a pension and survivor benefit as of the time of conclusively ending active work, at age 65 at the earliest or upon occurrence of disability or incapacity to work (Berufs- oder Erwerbsunfähigkeit) or of reduction of earning capacity (Erwerbsminderung), calculated by reference to the amount of the recipient's most recent base salary. In deviation from this, individual members of the Management Board (Messrs. Rice Powell and Kent Wanzek) have this entitlement already upon reaching the age of the 63 if they have been members of the Management Board of Fresenius Medical Care Management AG for at least ten years at the

**T 4.20 TOTAL COMPENSATION**  
IN € THOUS

	Cash compensation (without long-term incentive components)		Components with long-term incentive effect		Total compensation (including long-term incentive components)	
	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>
<b>Members of the Management Board serving as of December 31, 2018</b>						
Rice Powell	3,841	3,687	2,391	2,247	6,232	5,934
Michael Brosnan	2,076	2,184	1,307	1,290	3,383	3,474
Dr. Katarzyna Mazur-Hofsäß <sup>2</sup>	1,447	–	858	–	2,305	–
Dr. Olaf Schermeier	1,591	1,594	1,081	1,039	2,672	2,633
William Valle <sup>2</sup>	2,517	2,100	1,402	1,265	3,919	3,365
Kent Wanzek	1,752	1,745	1,084	1,060	2,836	2,805
Harry de Wit	1,745	1,751	1,074	1,033	2,819	2,784
<b>Former members of the Management Board who resigned during the fiscal year 2017<sup>3</sup></b>						
Ronald Kuerbitz	–	152	–	–	–	152
Dominik Wehner	–	1,195	–	960	–	2,155
<b>TOTAL</b>	<b>14,969</b>	<b>14,408</b>	<b>9,197</b>	<b>8,894</b>	<b>24,166</b>	<b>23,302</b>

<sup>1</sup> Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Katarzyna Mazur-Hofsäß as well as Messrs. Dr. Olaf Schermeier and Harry de Wit) or U.S. dollar (Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek).

<sup>2</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Katarzyna Mazur-Hofsäß has been appointed as member of the Management Board only with effect as of September 1, 2018 and Mr. William Valle with effect as of February 17, 2017 and, therefore, they have received compensation payments to be set out herein only in each case as of such date.

<sup>3</sup> Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017 and Mr. Ronald Kuerbitz with effect as of February 17, 2017.

time of their final retirement from active employment (early retirement); in this case, the benefits are reduced by 0.5 % per calendar month that the member leaves active employment before reaching the age of 65.

The retirement pension will be based on 30 % of the last base salary and will increase for each complete year of service by 1.5 percentage points up to a maximum of 45 %. Current pensions increase according to legal requirements (Sec. 16 of the German Act to improve company pension plans, "BetrAVG"). 30 % of the gross amount of any post-retirement income from an activity of the Management Board member is offset against the pension obligation. Any amounts to which the Management Board members or their surviving dependents, respectively, are entitled to from other company pension rights of the Management Board member, even from service agreements with other companies, are also to be set off. If a Management Board member dies, the surviving spouse receives a pension amounting to 60 % of the resulting pension claim at that time. Furthermore, the deceased Management Board member's own legitimate children (leibliche eheliche Kinder) receive an orphan's pension amounting to 20 % of the resulting pension claim at that time, until the completion of their education or they reach 25 years of age, at the latest. All orphans' pensions and the spousal pension together reach a maximum of 90 % of the Management Board member's pension, however. If a Management Board member leaves the Management Board of Fresenius Medical Care Management AG before reaching the age of 65, the rights to the aforementioned benefits remain, although the pension to be paid is reduced – unless the Management Board member is leaving because of the occurrence of an event insured against (occupational disability, incapacity to work, pension payments to surviving dependents in case of

death or, if applicable, early retirement) – in proportion to the ratio of the actual years of service as a Management Board member to the potential years of service until reaching the age of 65.

Based on individual contractual commitments, the members of the Management Board Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek additionally participated in the U.S.-based 401(k) savings plan in the fiscal year; in this regard, contributions in the amount of \$8,250 (2017: \$8,100) were earned in the fiscal year in each case and allocated in January 2019 to the Management Board members mentioned above. This plan generally allows employees in the U.S. to invest a limited portion of their gross salaries in retirement pension programs. The Company supports its

employees at this with contributions of up to 50 % of the yearly made payments.

Furthermore, the members of the Management Board Messrs. Rice Powell and Michael Brosnan have acquired non-forfeitable benefits from participation in employee pension plans of Fresenius Medical Care North America, which provide payment of pensions as of the age of 65 and the payment of reduced benefits as of the age of 55. In March 2002, the rights to receive benefits from the pension plans were frozen at the level then applicable.

Based on an individual contractual commitment, the member of the Management Board Mr. Harry de Wit additionally participated in the Hong Kong-based "Mandatory Provident

Fund Scheme" in the fiscal year. In this regard, contributions in the amount of 18,000 HKD (2017: 18,000 HKD) as per statutory requirement were made to the Trustee for Mr. de Wit in the fiscal year. This scheme requires employees to contribute a limited portion of their relevant income as per statutory requirements.

Additions to pension provisions in the fiscal year for Management Board members serving as of December 31 of the fiscal year amounted to €5,071 THOUS (2017: €212 THOUS). The pension commitments are shown in [TABLE 4.21](#).

A post-employment non-competition covenant was agreed upon with all Management Board members. If such covenant becomes applicable, the Management Board members receive compensation amounting to half of their respective annual base salary for each year of respective application of the non-competition covenant, up to a maximum of two years. The employment contracts of the Management Board members contain no express provisions that are triggered by a change of control.

The new or extended employment contracts concluded with individual members of the Management Board with effect from January 1, 2018 provide for a severance payment cap. Under this cap, payments in connection with the early termination of a Management Board activity in the event of dismissal for cause (Abberufung aus wichtigem Grund) may not exceed the value of two years' compensation and may not compensate more than the remaining term of the contract. For the calculation of the relevant annual compensation, only the non-performance-based compensation components are applied. If there is good cause for the termination of the employment contract, no severance payments are made.

#### T 4.21 DEVELOPMENT AND STATUS OF PENSION COMMITMENTS IN € THOUS

	As of January 1, 2018	Increase	As of December 31, 2018
Rice Powell	10,004	2,936	12,940
Michael Brosnan	5,653	1,381	7,034
Dr. Katarzyna Mazur-Hofsäß	–	–	–
Dr. Olaf Schermeier	764	210	974
William Valle	–	–	–
Kent Wanzek	3,043	544	3,587
Harry de Wit	–	–	–
<b>TOTAL</b>	<b>19,464</b>	<b>5,071</b>	<b>24,535</b>

## V. Miscellaneous

All members of the Management Board have received individual contractual commitments for the continuation of their compensation in cases of sickness for a maximum of twelve months, although after six months of sick leave, insurance benefits may be set off against such payments. If a Management Board member dies, the surviving dependents will be paid three more monthly instalments after the month of death, not to exceed, however, the amount due between the time of death and the scheduled expiration of the respective employment contract.

Mr. Dominik Wehner was a member of the Management Board until the end of December 31, 2017. In his termination agreement, it was agreed with respect to the compensation components he is entitled to by contract for the period from January 1, 2018 to March 31, 2022 that he will annually receive a base salary of €425 THOUS and an amount of 30 % of his base salary. In addition, Mr. Dominik Wehner is entitled to fringe benefits such as the private use of his company car, contributions to financial planning, insurance benefits and contributions to pension and health insurance in a total amount of approximately €38 THOUS per annum. The compensation components granted to Mr. Dominik Wehner under the LTIP 2011, the LTIP 2016 and the Share Based Award are payable or can be exercised, as the case may be, by the relevant regular vesting date pursuant to the applicable conditions. Except for the Share Based Award for 2017, Mr. Dominik Wehner is no longer eligible to be granted any components with long-term incentive effects as of the fiscal year 2018. As of the completion of the age of 65, Mr. Dominik Wehner will receive a Company-funded retirement pension in accordance

with the individual contractual pension commitment by Fresenius Medical Care Management AG, as described before.

In the fiscal year, Mr. Ronald Kuerbitz, who was a member of the Management Board until February 17, 2017, was granted no base salary (2017: €109 THOUS) and no fringe benefits (2017: €43 THOUS) and no one-year or multi-year variable compensation components (2017: €0 THOUS). Since February 17, 2017 and for a maximum period of two years, Mr. Ronald Kuerbitz receives annual non-compete compensation of €515 THOUS (2017: €538 THOUS) for the post-employment non-compete obligation agreed with him. In addition, Mr. Ronald Kuerbitz received one-off compensation of €852 THOUS in the fiscal year 2017 which had been agreed with him in the context of his resignation from the Management Board of the General Partner. The payment of this compensation was linked to the successful completion of various projects, part of which had not yet been completed as at the time of the agreement, and thus ensured Mr. Ronald Kuerbitz's involvement even after his resignation from the Management Board. It was also agreed with him that, after the end of his service agreement, he would act as an advisor to National Medical Care, Inc. as of August 14, 2017 until the end of August 13, 2018. The consideration to be granted for such services (including reimbursement of expenses) amounts to €212 THOUS (2017: €55 THOUS) for the fiscal year. As of the completion of the age of 65, Mr. Ronald Kuerbitz will receive a Company-funded retirement pension of €124 THOUS per year.

Mr. Roberto Fusté, who was a member of the Management Board until March 31, 2016, received pension payments in the amount of approximately €261 THOUS (2017: €239 THOUS) in the fiscal year. On the occasion of the termination of his ser-

vice agreement with effect as of December 31, 2016 as a member of the Management Board, it was agreed with Mr. Roberto Fusté that he would be subject to a post-employment non-compete obligation lasting until the end of December 31, 2018 and that he would act as an advisor to the Chairman of the Management Board. For this, he received non-compete compensation of €377 THOUS (2017: €377 THOUS) and an advisory fee in the amount of €377 THOUS (2017: €377 THOUS) in the fiscal year.

Prof. Emanuele Gatti, who was a member of the Management Board until March 31, 2014, received pension payments in the amount of €338 THOUS (2017: €338 THOUS). On the occasion of the termination of his service agreement as a member of the Management Board effective as of April 30, 2015, a two-year post-employment non-compete obligation was agreed upon with Prof. Emanuele Gatti. As compensation for this, Prof. Emanuele Gatti received annual non-compete compensation in the amount of €488 THOUS. In the fiscal year Prof. Gatti received no non-compete compensation (2017: €163 THOUS) as the non-compete obligation already expired in the course of the previous year.

A consulting agreement was entered into with Dr. Rainer Runte, who was a member of the Management Board until March 31, 2014, with effect since March 1, 2017 the term of which meanwhile was extended until December 31, 2018. By this consulting agreement, Dr. Rainer Runte provided consulting services on certain fields. The consideration (including the reimbursement of expenses) to be granted by Fresenius Medical Care Management AG for such services amounts to €226 THOUS for the fiscal year (2017: €165 THOUS).

Instead of a pension provision, a consulting agreement was entered into with Dr. Ben Lipps, the Chairman of the Management Board until December 31, 2012, for the period January 1, 2013 to December 31, 2021. By this consulting agreement, Dr. Ben Lipps will provide consulting services on certain fields and within a specified time frame and he will be subject to a non-compete covenant. The consideration to be granted by Fresenius Medical Care Management AG for such services (including reimbursement of expenses) amounts for the fiscal year to €522 THOUS (2017: €580 THOUS). The present value of this agreement (including pension payments for the surviving spouse in case of death) amounts to €1,586 THOUS (2016: €1,996 THOUS) as at December 31 of the fiscal year.

In the fiscal year, no loans or advance payments for future compensation components were made to the members of the Management Board of Fresenius Medical Care Management AG.

The payments to u.s. Management Board members Mr. Rice Powell, Mr. Michael Brosnan and Mr. Kent Wanzek were paid in part in the u.s. (in u.s. dollar) and in part in Germany (in euro). For the part paid in Germany, the Company has agreed that due to varying tax rates in both countries, the increased tax burden to such Management Board members arising from German tax rates in comparison to u.s. tax rates will be balanced (net compensation). Pursuant to a modified net compensation agreement, these Management Board members will be treated as if they were taxed in their home country, the United States, only. Therefore, the gross amounts may be retroactively changed. Since the actual tax burden can only be calculated in connection with the preparation of the Management Board members' tax returns, subsequent adjust-

ments may have to be made, which will then be retroactively covered in future compensation reports.

To the extent permitted by law, Fresenius Medical Care Management AG undertook to indemnify the members of the Management Board from claims against them arising out of their work for the Company and its affiliates, to the extent such claims exceed their liability under German law. To secure such obligations, a Directors & Officers liability insurance exists with a deductible that corresponds to the specifications according to the German Stock Corporation Act.

Former members of the Management Board did not receive any compensation in the fiscal year other than mentioned herein. As of December 31 of the fiscal year, pension obligations towards this group of persons exist in an amount of €25,163 THOUS (2017: €21,930 THOUS).

## VI. Adjustments to the compensation system for the Management Board

The compensation system for the Management Board of the General Partner shall be adjusted. It is intended to submit the adjusted compensation system to the general meeting of the Company.

## VII. Tables of the value of benefits granted and received

The German Corporate Governance Code provides that the Compensation Report shall include information for each member of the Management Board on the benefits granted and received as well as on the pension expenses for the fiscal

year. The model tables provided in the appendix to the German Corporate Governance Code shall be used to present this information. TABLES 4.22 TO 4.24 starting on PAGE 139 include information on the value of benefits granted and received. They adhere to the structure and, to the greatest extent possible, the standards of the model tables of the German Corporate Governance Code.

**T4.22 BENEFITS GRANTED TO SERVING MEMBERS OF THE MANAGEMENT BOARD AS OF DECEMBER 31, 2018 (CONTINUATION SEE NEXT PAGE)**  
IN € THOUS

	<b>Rice Powell</b> Chairman of the Management Board Member of the Management Board since December 21, 2005 <sup>1</sup>				<b>Michael Brosnan</b> Chief Financial Officer Member of the Management Board since January 1, 2010				<b>Dr. Katarzyna Mazur-Hofsäß</b> Member of the Management Board for EMEA Member of the Management Board since September 1, 2018				<b>Dr. Olaf Schermeier</b> Member of the Management Board for Global Research and Development Member of the Management Board since March 1, 2013			
	2018	2018 Minimum	2018 Maximum	2017 <sup>2</sup>	2018	2018 Minimum	2018 Maximum	2017 <sup>2</sup>	2018	2018 Minimum	2018 Maximum	2017 <sup>2</sup>	2018	2018 Minimum	2018 Maximum	2017 <sup>2</sup>
Base salary	1,270	1,270	1,270	1,217	720	720	720	735	233	233	233	–	490	490	490	490
Fringe benefits	195	195	195	173	56	56	56	134	844	844	844	–	131	131	131	134
<b>TOTAL NON-PERFORMANCE-BASED COMPENSATION</b>	<b>1,465</b>	<b>1,465</b>	<b>1,465</b>	<b>1,390</b>	<b>776</b>	<b>776</b>	<b>776</b>	<b>869</b>	<b>1,077</b>	<b>1,077</b>	<b>1,077</b>	<b>–</b>	<b>621</b>	<b>621</b>	<b>621</b>	<b>624</b>
One-year variable compensation	2,096	191	2,515	2,008	1,188	108	1,425	1,212	386	105	463	–	809	74	970	809
Multi-year variable compensation/components with long-term incentive effects	2,390	–	n.a.	2,247	1,307	–	n.a.	1,289	857	–	n.a.	–	1,080	–	n.a.	1,039
thereof Share Based Award – New Incentive Bonus Plan 2010 (3-year term/3-year vesting period)	977	–	n.a.	916	600	–	n.a.	624	123	–	n.a.	–	323	–	n.a.	323
thereof Performance Shares – LTIP 2016 (4-year term/4-year vesting period)	1,413	–	n.a.	1,331	707	–	n.a.	665	734	–	n.a.	–	757	–	n.a.	716
<b>TOTAL NON-PERFORMANCE-BASED COMPENSATION AND PERFORMANCE-BASED COMPENSATION</b>	<b>5,951</b>	<b>1,656</b>	<b>n.a.</b>	<b>5,645</b>	<b>3,271</b>	<b>884</b>	<b>n.a.</b>	<b>3,370</b>	<b>2,320</b>	<b>1,182</b>	<b>n.a.</b>	<b>–</b>	<b>2,510</b>	<b>695</b>	<b>n.a.</b>	<b>2,472</b>
Pension expense	674	674	674	773	667	667	667	694	–	–	–	–	189	189	189	204
<b>VALUE OF BENEFITS GRANTED</b>	<b>6,625</b>	<b>2,330</b>	<b>n.a.</b>	<b>6,418</b>	<b>3,938</b>	<b>1,551</b>	<b>n.a.</b>	<b>4,064</b>	<b>2,320</b>	<b>1,182</b>	<b>n.a.</b>	<b>–</b>	<b>2,699</b>	<b>884</b>	<b>n.a.</b>	<b>2,676</b>

<sup>1</sup> The indicated date refers to the appointment as member of the Management Board of the General Partner.<sup>2</sup> Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Katarzyna Mazur-Hofsäß as well as Messrs. Dr. Olaf Schermeier and Harry de Wit) or U.S. dollar (Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek).



**BENEFITS GRANTED TO SERVING MEMBERS OF THE MANAGEMENT BOARD AS OF DECEMBER 31, 2018 (CONTINUATION OF THE PREVIOUS PAGE)**

IN € THOUS

	<b>William Valle</b> Member of the Management Board for North America Member of the Management Board since February 17, 2017				<b>Kent Wanzek</b> Member of the Management Board for Global Manufacturing and Quality Member of the Management Board since January 1, 2010				<b>Harry de Wit</b> Member of the Management Board for Asia-Pacific Member of the Management Board since April 1, 2016			
	2018	2018 Minimum	2018 Maximum	2017 <sup>1</sup>	2018	2018 Minimum	2018 Maximum	2017 <sup>1</sup>	2018	2018 Minimum	2018 Maximum	2017 <sup>1</sup>
Base salary	792	792	792	721	550	550	550	575	480	480	480	480
Fringe benefits	330	330	330	88	126	126	126	85	315	315	315	321
<b>TOTAL NON-PERFORMANCE-BASED COMPENSATION</b>	<b>1,122</b>	<b>1,122</b>	<b>1,122</b>	<b>809</b>	<b>676</b>	<b>676</b>	<b>676</b>	<b>660</b>	<b>795</b>	<b>795</b>	<b>795</b>	<b>801</b>
One-year variable compensation	1,306	119	1,568	1,190	908	83	1,090	949	792	72	950	792
Multi-year variable compensation/components with long-term incentive effects	1,403	–	n.a.	1,265	1,084	–	n.a.	1,059	1,074	–	n.a.	1,033
thereof Share Based Award – New Incentive Bonus Plan 2010 (3-year term/3-year vesting period)	696	–	n.a.	600	377	–	n.a.	394	317	–	n.a.	317
thereof Performance Shares – LTIP 2016 (4-year term/4-year vesting period)	707	–	n.a.	665	707	–	n.a.	665	757	–	n.a.	716
<b>TOTAL NON-PERFORMANCE-BASED COMPENSATION AND PERFORMANCE-BASED COMPENSATION</b>	<b>3,831</b>	<b>1,241</b>	<b>n.a.</b>	<b>3,264</b>	<b>2,668</b>	<b>759</b>	<b>n.a.</b>	<b>2,668</b>	<b>2,661</b>	<b>867</b>	<b>n.a.</b>	<b>2,626</b>
Pension expense	–	–	–	–	369	369	369	402	–	–	–	–
<b>VALUE OF BENEFITS GRANTED</b>	<b>3,831</b>	<b>1,241</b>	<b>n.a.</b>	<b>3,264</b>	<b>3,037</b>	<b>1,128</b>	<b>n.a.</b>	<b>3,070</b>	<b>2,661</b>	<b>867</b>	<b>n.a.</b>	<b>2,626</b>

<sup>1</sup> Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Katarzyna Mazur-Hofsäß as well as Messrs. Dr. Olaf Schermeier and Harry de Wit) or U.S. dollar (Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek).

**T 4.23 BENEFITS GRANTED TO FORMER MEMBERS OF THE MANAGEMENT BOARD WHO RETIRED  
IN FISCAL YEAR 2017 OR WITH END OF THE FISCAL YEAR 2017**  
IN € THOUS

	Ronald Kuerbitz Member of the Management Board for North America Member of the Management Board until February 17, 2017			Dominik Wehner Member of the Management Board for EMEA Member of the Management Board until the end of December 31, 2017			2017
	2018	2018 Minimum	2018 Maximum	2018	2018 Minimum	2018 Maximum	
Base salary	–	–	–	109	–	–	425
Fringe benefits	–	–	–	43	–	–	38
<b>TOTAL NON- PERFORMANCE-BASED COMPENSATION</b>	–	–	–	<b>152</b>	–	–	<b>463</b>
One-year variable compensation	–	–	–	1,366	–	–	701
Multi-year variable compensation/components with long-term incentive effects	–	–	n.a.	–	–	–	960
thereof Share Based Award – New Incentive Bonus Plan 2010 (3-year term/3-year vesting period)	–	–	n.a.	–	–	–	244
thereof Performance Shares – LTIP 2016 (4-year term/4-year vesting period)	–	–	n.a.	–	–	–	716
<b>TOTAL NON- PERFORMANCE-BASED COMPENSATION AND PERFORMANCE-BASED COMPENSATION</b>	–	–	n.a.	<b>1,518</b>	–	–	<b>2,124</b>
Pension expense	–	–	–	797	–	–	146
<b>VALUE OF BENEFITS GRANTED</b>	–	–	n.a.	<b>2,315</b>	–	–	<b>2,270</b>

T 4.24 ALLOCATIONS (CONTINUATION SEE NEXT PAGE)  
IN € THOUS

## Serving members of the Management Board as of December 31, 2018

	Rice Powell Chairman of the Management Board Member of the Management Board since December 21, 2005 <sup>1</sup>		Michael Brosnan Chief Financial Officer Member of the Management Board since January 1, 2010		Dr. Katarzyna Mazur-Hofsäb Member of the Management Board for EMEA Member of the Management Board since September 1, 2018		Dr. Olaf Schermeier Member of the Management Board for Global Research and Development Member of the Management Board since March 1, 2013	
	2018	2017 <sup>2</sup>	2018	2017 <sup>2</sup>	2018	2017 <sup>2</sup>	2018	2017 <sup>2</sup>
Base salary	1,270	1,217	720	735	233	–	490	490
Fringe benefits	195	173	56	134	844	–	131	134
<b>TOTAL NON-PERFORMANCE BASED COMPENSATION</b>	<b>1,465</b>	<b>1,390</b>	<b>776</b>	<b>869</b>	<b>1,077</b>	<b>–</b>	<b>621</b>	<b>624</b>
One-year variable compensation	2,376	2,297	1,300	1,315	370	–	970	970
Multi-year variable compensation/components with long-term incentive effects	2,777	2,787	131	2,288	–	–	277	130
thereof Share Based Award – New Incentive Bonus Plan 2010 (3-year term/3-year vesting period)								
Grant 2013	–	205	–	126	–	–	–	72
Grant 2014	131	–	76	–	–	–	55	–
thereof Stock Option Plan 2006 (7-year term/3-year vesting period)								
Grant 2010	–	2,506	–	2,111	–	–	–	–
thereof LTIP 2011 – Stock Option Plan 2011 (8-year term/4-year vesting period)								
Grant 2011	2,536	–	–	–	–	–	–	–
Grant 2012	–	–	–	–	–	–	–	–
Grant 2013	–	–	–	–	–	–	–	–
Grant 2014	–	–	–	–	–	–	–	–
thereof LTIP 2011 – Phantom Stock Plan 2011 (5-year term/4-year vesting period)								
Grant 2012	–	76	–	51	–	–	–	–
Grant 2013	110	–	55	–	–	–	–	58
Grant 2014	–	–	–	–	–	–	222	–
Other	–	–	–	–	–	–	–	–
<b>TOTAL NON-PERFORMANCE-BASED AND PERFORMANCE-BASED COMPENSATION</b>	<b>6,618</b>	<b>6,474</b>	<b>2,207</b>	<b>4,472</b>	<b>1,447</b>	<b>–</b>	<b>1,868</b>	<b>1,724</b>
Pension expense	674	773	667	694	–	–	189	204
<b>ALLOCATION</b>	<b>7,292</b>	<b>7,247</b>	<b>2,874</b>	<b>5,166</b>	<b>1,447</b>	<b>–</b>	<b>2,057</b>	<b>1,928</b>

## ALLOCATIONS (CONTINUATION OF THE PREVIOUS PAGE)

IN € THOUS

## Serving members of the Management Board as of December 31, 2018

	William Valle Member of the Management Board for North America Member of the Management Board since February 17, 2017		Kent Wanzek Member of the Management Board for Global Manufacturing and Quality Member of the Management Board since January 1, 2010		Harry de Wit Member of the Management Board for Asia-Pacific Member of the Management Board since April 1, 2016	
	2018	2017 <sup>2</sup>	2018	2017 <sup>2</sup>	2018	2017 <sup>2</sup>
Base salary	792	721	550	575	480	480
Fringe benefits	330	88	126	85	315	321
<b>TOTAL NON-PERFORMANCE BASED COMPENSATION</b>	<b>1,122</b>	<b>809</b>	<b>676</b>	<b>660</b>	<b>795</b>	<b>801</b>
One-year variable compensation	1,395	1,291	1,076	1,085	950	950
Multi-year variable compensation/components with long-term incentive effects	2,693	20	5,401	218	–	–
thereof Share Based Award – New Incentive Bonus Plan 2010 (3-year term/3-year vesting period)						
Grant 2013	–	–	–	167	–	–
Grant 2014	–	–	104	–	–	–
thereof Stock Option Plan 2006 (7-year term/3-year vesting period)						
Grant 2010	–	–	–	–	–	–
thereof LTIP 2011 – Stock Option Plan 2011 (8-year term/4-year vesting period)						
Grant 2011	532 <sup>3</sup>	–	1,573	–	–	–
Grant 2012	333 <sup>3</sup>	–	786	–	–	–
Grant 2013	466 <sup>3</sup>	–	786	–	–	–
Grant 2014	1,331 <sup>3</sup>	–	2,097	–	–	–
thereof LTIP 2011 – Phantom Stock Plan 2011 (5-year term/4-year vesting period)						
Grant 2012	–	20	–	51	–	–
Grant 2013	31	–	55	–	–	–
Grant 2014	–	–	–	–	–	–
Other	–	–	–	–	–	–
<b>TOTAL NON-PERFORMANCE-BASED AND PERFORMANCE-BASED COMPENSATION</b>	<b>5,210</b>	<b>2,120</b>	<b>7,153</b>	<b>1,963</b>	<b>1,745</b>	<b>1,751</b>
Pension expense	–	–	369	402	–	–
<b>ALLOCATION</b>	<b>5,210</b>	<b>2,120</b>	<b>7,522</b>	<b>2,365</b>	<b>1,745</b>	<b>1,751</b>

<sup>1</sup> The indicated date refers to the appointment as member of the Management Board of the General Partner.<sup>2</sup> Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Katarzyna Mazur-Hofsäß as well as Messrs. Dr. Olaf Schermeier and Harry de Wit) or U.S. dollar (Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek).<sup>3</sup> The indicated amounts are allocations from multi-year variable compensation which have been granted to the member of the Management Board William Valle prior to his appointment to the Management Board: LTIP 2011 – Phantom Stock Plan 2011 – Grant 2011 – fair value at grant €81, LTIP 2011 – Phantom Stock Plan 2011 – Grant 2012 – fair value at grant €48, LTIP 2011 – Phantom Stock Plan 2011 – Grant 2013 – fair value at grant €47, LTIP 2011 – Phantom Stock Plan 2011 – Grant 2014 – fair value at grant €135.

## COMPENSATION OF THE SUPERVISORY BOARD

The compensation of the FMC AG & CO. KGAA Supervisory Board is set out in section 13 of the Articles of Association.

Each Supervisory Board member receives a base salary of \$88 THOUS (2017: \$88 THOUS) for each full fiscal year, payable in four equal instalments at the end of a calendar quarter. The Chairman of the Supervisory Board receives additional compensation of \$88 THOUS (2017: \$88 THOUS) and the Vice Chairman receives additional compensation of \$44 THOUS (2017: \$44 THOUS) per respective full fiscal year.

In addition, each member of the Supervisory Board receives as a variable performance-based compensation component (hereinafter also: "performance-based compensation") an additional remuneration which is based upon the respective average growth in basic earnings per share of the Company (EPS) during the period of the last three fiscal years prior to the payment date (3-year average EPS growth). The amount of the performance-based compensation is \$60 THOUS in case of achieving a 3-year average EPS growth corridor from 8.00 to 8.99 %, \$70 THOUS in the corridor from 9.00 to 9.99 % and \$80 THOUS in case of a 3-year average EPS growth of 10.00 % or more. If the aforementioned targets are reached, the respective variable remuneration amounts of the performance-based compensation are earned to their full extent, i.e., within these margins there is no pro rata remuneration. In any case, this component is limited to a maximum of \$80 THOUS per annum. Reciprocally, the members of the Supervisory Board are entitled to the remuneration component only if the 3-year average EPS growth of at least 8.00 % is reached. Provided that the relevant targets have been

achieved, the remuneration is, in principle, disbursed on a yearly basis following the approval of the annual financial statements for the respective fiscal year. For the fiscal year 2018, the 3-year average EPS growth for the fiscal years 2016, 2017 and 2018 was relevant.

In application of the principles above, for the fiscal year the entitlement to a payment of performance-based compensation of \$641 THOUS was achieved (2017: \$587 THOUS).

As a member of a committee, a Supervisory Board member of FMC AG & CO. KGAA additionally annually receives \$44 THOUS (2017: \$44 THOUS). A member of a committee who serves as chairman or vice chairman of a committee additionally receives \$22 THOUS and \$11 THOUS a year, respectively (2017: \$22 THOUS and \$11 THOUS, respectively), payable in identical instalments at the end of a calendar quarter. For memberships in the Nomination Committee of the Supervisory Board and in the Joint Committee of the Company as well as in the capacity of their respective chairmen and vice chairmen, no separate remuneration shall be granted to the members of the Supervisory Board. In accordance with section 13e para. 3 of the Articles of Association of FMC AG & CO. KGAA, the members of the Joint Committee are, however, entitled to receive an attendance fee in the amount of \$3.5 THOUS.

Should a member of the FMC AG & CO. KGAA Supervisory Board at the same time be a member of the Supervisory Board of the General Partner Fresenius Medical Care Management AG and receive compensation for his/her work on the Supervisory Board of Fresenius Medical Care Management AG, the compensation for the work as a FMC AG & CO. KGAA Supervisory Board member shall be reduced by half. The same applies to the additional compensation for the Chairman of the FMC

AG & CO. KGAA Supervisory Board and the Vice Chairman, to the extent that they are at the same time chairman and vice chairman, respectively, of the Supervisory Board of Fresenius Medical Care Management AG. If the vice chairman of the FMC AG & CO. KGAA Supervisory Board is at the same time chairman of the Supervisory Board at Fresenius Medical Care Management AG, he shall receive no additional compensation for his work as vice chairman of the FMC AG & CO. KGAA Supervisory Board to this extent.

The compensation of the members of the Supervisory Board of Fresenius Medical Care Management AG and the compensation of the members of its committees were charged to FMC AG & CO. KGAA in accordance with section 7 para. 3 of the Articles of Association of FMC AG & CO. KGAA.

The members of the Supervisory Board of FMC AG & CO. KGAA are to be reimbursed for the expenses incurred in their exercise of their office, which also include the applicable VAT.

The total compensation of the Supervisory Board of FMC AG & CO. KGAA, including the amount charged by Fresenius Medical Care Management AG to FMC AG & CO. KGAA, is stated in [TABLES 4.25 AND 4.26](#) starting on [PAGE 145](#).

## T 4.25 COMPENSATION OF THE SUPERVISORY BOARD

IN € THOUS<sup>1</sup>

	Base salary for Supervisory Board at FMC Management AG		Base salary for Supervisory Board at FMC AG & Co. KGaA		Compensation for committee services at FMC Management AG		Compensation for committee services at FMC AG & Co. KGaA		Total amount of non- performance-based compensation	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Dr. Dieter Schenk <sup>2</sup>	44	58	91	58	93	97	–	–	228	213
Stephan Sturm <sup>3</sup>	149	156	–	–	65	68	–	–	214	224
Rolf A. Classon <sup>4</sup>	37	39	41	39	112	117	47	49	237	244
Rachel Empey <sup>5</sup>	75	26	–	–	–	–	–	–	75	26
William P. Johnston	37	39	37	39	102	107	56	58	232	243
Dr. Gerd Krick <sup>6</sup>	60	39	42	117	56	58	14	39	172	253
Pascale Witz <sup>7</sup>	–	–	75	78	–	–	–	–	75	78
Prof. Dr. Gregor Zünd <sup>8</sup>	–	–	13	–	–	–	–	–	13	–
Deborah Doyle McWhinney <sup>9</sup>	–	–	62	78	–	–	31	39	93	117
<b>TOTAL</b>	<b>402</b>	<b>357</b>	<b>361</b>	<b>409</b>	<b>428</b>	<b>447</b>	<b>148</b>	<b>185</b>	<b>1,339</b>	<b>1,398</b>

<sup>1</sup> Shown without VAT and withholding tax; translation of U.S. dollar amounts at respective average exchange rates for the respective year.<sup>2</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Dieter Schenk was appointed at the same time as vice chairman of the Supervisory Board until May 17, 2018 and as chairman of the Supervisory Board of FMC AG & Co. KGaA since May 17, 2018.<sup>3</sup> Chairman of the Supervisory Board of FMC Management AG, but not a member of the Supervisory Board of FMC AG & Co. KGaA; compensation paid by FMC Management AG.<sup>4</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Mr. Rolf A. Classon was appointed at the same time as vice chairman of the Supervisory Board of FMC AG & Co. KGaA since November 30, 2018.<sup>5</sup> Member of the Supervisory Board of FMC Management AG, but not a member of the Supervisory Board of FMC AG & Co. KGaA; compensation paid by FMC Management AG.<sup>6</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Gerd Krick was appointed as a member of the Supervisory Board of FMC Management AG until May 17, 2018, and, therefore, received compensation payments to be set out herein until this date. Dr. Gerd Krick is a member of the Supervisory Board of FMC Management AG. The compensation was paid out by FMC Management AG.<sup>7</sup> Member of the Supervisory Board of FMC AG & Co. KGaA, but not a member of the Supervisory Board of FMC Management AG; compensation paid by FMC AG & Co. KGaA.<sup>8</sup> Member of the Supervisory Board of FMC AG & Co. KGaA, but not a member of the Supervisory Board of FMC Management AG; compensation paid by FMC AG & Co. KGaA. Please note for purposes of comparison of the amounts indicated for the fiscal year that Prof. Dr. Gregor Zünd was appointed as a member of the Supervisory Board of FMC AG & Co. KGaA as of October 29, 2018, and, therefore, received compensation payments to be set out herein as of this date.<sup>9</sup> Former member of the Supervisory Board of FMC AG & Co. KGaA, but not a member of the Supervisory Board of FMC Management AG; compensation paid out by FMC AG & Co. KGaA. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Deborah Doyle McWhinney resigned as a member of the Supervisory Board of FMC AG & Co. KGaA effective November 1, 2018, and, therefore, received compensation payments to be set out herein until then.

**T 4.26 COMPENSATION OF THE SUPERVISORY BOARD**  
IN € THOUS<sup>1</sup>

	Performance-based compensation in FMC Management AG		Performance-based compensation in FMC AG & Co. KGaA		Performance-based compensation		Total compensation	
	2018	2017	2018	2017	2018	2017	2018	2017
Dr. Dieter Schenk <sup>2</sup>	34	35	34	35	68	70	296	283
Stephan Sturm <sup>3</sup>	68	71	–	–	68	71	282	295
Rolf A. Classon <sup>4</sup>	34	35	34	35	68	70	305	314
Rachel Empey <sup>5</sup>	68	24	–	–	68	24	143	50
William P. Johnston	34	35	34	35	68	70	300	313
Dr. Gerd Krick <sup>6</sup>	42	35	25	35	67	70	239	323
Pascale Witz <sup>7</sup>	–	–	68	71	68	71	143	149
Prof. Dr. Gregor Zünd <sup>8</sup>	–	–	12	–	12	–	25	–
Deborah Doyle McWhinney <sup>9</sup>	–	–	57	71	57	71	150	188
<b>TOTAL</b>	<b>280</b>	<b>235</b>	<b>264</b>	<b>282</b>	<b>544</b>	<b>517</b>	<b>1,883</b>	<b>1,915</b>

<sup>1</sup> Shown without VAT and withholding tax; translation of U.S. dollar amounts at respective average exchange rates for the respective year.<sup>2</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Dieter Schenk was appointed at the same time as vice chairman of the Supervisory Board until May 17, 2018 and as chairman of the Supervisory Board of FMC AG & Co. KGaA since May 17, 2018.<sup>3</sup> Chairman of the Supervisory Board of FMC Management AG, but not a member of the Supervisory Board of FMC AG & Co. KGaA; compensation paid by FMC Management AG.<sup>4</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Mr. Rolf A. Classon was appointed at the same time as vice chairman of the Supervisory Board of FMC AG & Co. KGaA since November 30, 2018.<sup>5</sup> Member of the Supervisory Board of FMC Management AG, but not a member of the Supervisory Board of FMC AG & Co. KGaA; compensation paid by FMC Management AG.<sup>6</sup> Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Gerd Krick was appointed as a member of the Supervisory Board of FMC Management AG until May 17, 2018, and, therefore, received compensation payments to be set out herein until this date. Dr. Gerd Krick is a member of the Supervisory Board of FMC Management AG. The compensation was paid out by FMC Management AG.<sup>7</sup> Member of the Supervisory Board of FMC AG & Co. KGaA, but not a member of the Supervisory Board of FMC Management AG; compensation paid by FMC AG & Co. KGaA.<sup>8</sup> Member of the Supervisory Board of FMC AG & Co. KGaA, but not a member of the Supervisory Board of FMC Management AG; compensation paid by FMC AG & Co. KGaA. Please note for purposes of comparison of the amounts indicated for the fiscal year that Prof. Dr. Gregor Zünd was appointed as a member of the Supervisory Board of FMC AG & Co. KGaA as of October 29, 2018, and, therefore, received compensation payments to be set out herein as of this date.<sup>9</sup> Former member of the Supervisory Board of FMC AG & Co. KGaA, but not a member of the Supervisory Board of FMC Management AG; compensation paid out by FMC AG & Co. KGaA. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Deborah Doyle McWhinney resigned as a member of the Supervisory Board of FMC AG & Co. KGaA effective November 1, 2018, and, therefore, received compensation payments to be set out herein until then.