

Declaration on
Corporate
Governance 2018

CARE AND LIVE

REPORT BY THE SUPERVISORY BOARD

The past fiscal year was a challenging year for Fresenius Medical Care, in which several developments had a negative impact on the business results and in which the business developments lagged behind the Company's expectations. These included the overall weaker than expected performance of health care services in North America and difficult economic conditions in certain emerging markets. As a consequence, the record results achieved in the previous fiscal year 2017 could not be surpassed again as projected, despite good results yet again. Fresenius Medical Care has already identified suitable measures to promote further sustainable, profitable growth for the Company and has begun to implement them. This also includes various investments, such as the expansion of the infrastructure for home dialysis in the u.s., which will be possible in the course of the takeover of NxStage Medical, Inc., as well as further investments in future growth markets in the product and service business, for example in China.

Significant events concerning the organization and composition of the management board of the General Partner, Fresenius Medical Care Management AG, (hereinafter the "Management Board") or the Supervisory Board of Fresenius Medical Care AG & CO. KGAA (hereinafter the "Company") were, inter alia:

› New appointment to the Management Board EMEA

Dr. Katarzyna Mazur-Hofsäb has been appointed as member of the Management Board of the General Partner with responsibility for the Europe, Middle East and Africa (EMEA)

region with effect from September 1, 2018. She is a trained physician with over 25 years of experience in the medical and pharmaceutical sectors. In the last five years prior to her appointment, she was a member of the management for the EMEA region of the medical technology company Zimmer Biomet Holdings, Inc.

› Succession in the chairmanship and the vice chairmanship of the Supervisory Board

In the past fiscal year, the Supervisory Board elected Dr. Dieter Schenk in succession to Dr. Gerd Krick, who resigned from his position as member and Chairman of the Supervisory Board following the Annual General Meeting 2018, to the new Chairman of the Supervisory Board, and Mr. Rolf A. Classon in succession to Dr. Schenk as the new Vice Chairman of the Supervisory Board.

› Replacement to the Supervisory Board

In light of Dr. Krick's resignation from the Supervisory Board, Professor Dr. Gregor Zünd was appointed by court as a member of the Supervisory Board. The appointment was made in accordance with the profile of skills and expertise that the Supervisory Board resolved for its composition in accordance with the German Corporate Governance Code. The Supervisory Board resolved to propose to the Annual General Meeting on May 16, 2019 that Professor Dr. Zünd be elected as a member of the Supervisory Board for the period until the Annual General Meeting 2021.

The Supervisory Board also in the past fiscal year observed all duties imposed on it by law, the Articles of Association and the Rules of Procedure. In this context it also took into account the recommendations of the German Corporate Governance Code. The Supervisory Board supervised the

General Partner, Fresenius Medical Care Management AG, within its responsibility and regularly advised the Management Board. The members of the Supervisory Board in their entirety are familiar with the sectors in which Fresenius Medical Care operates.

All relevant questions of the business policy, the Company's planning and the strategy were subject to the deliberations of the Supervisory Board. Reports of the Management Board on the progress of the business, the profitability and liquidity as well as on the situation and perspectives of the Company and the Group formed the basis for the work of the Supervisory Board. Further topics were the risk situation and risk management. Additional items on the agenda were discussions on acquisition and investment projects. These as well as also all further significant business events were comprehensively discussed by the Supervisory Board and its committees. Furthermore, the Supervisory Board also in the past year reviewed the development of the acquisitions of the previous years. Key benchmarks for this review were, inter alia, the planning and projections at the time of each respective transaction. The Supervisory Board passed resolutions within its competencies according to law and the Articles of Association.

MEETINGS

In the past fiscal year, five meetings of the Supervisory Board, some of which lasted several days, as well as several telephone conferences, took place. No Supervisory Board member attended only half or less than half of the meetings of the Supervisory Board and the committees he or she is a member of. [TABLE 4.1 ON PAGE 105](#) shows the participation of the

members in the meetings of the Supervisory Board as well as in the meetings and telephone conferences of the committees held in the past fiscal year.

The Supervisory Board was in regular contact with the Management Board and was always promptly and comprehensively informed by it. Between meetings, the Management Board reported to the Supervisory Board in writing. During the meetings, the Management Board also informed the Supervisory Board verbally. In addition, the Supervisory Board also last year was in contact with members of the senior management level. The members of the Management Board were further available to the Supervisory Board for fol-

low-up queries. The Chairman of the Supervisory Board – until May 17, 2018 in person of Dr. Krick, thereafter in person of Dr. Schenk – maintained continuous contact with the Management Board outside the meetings, in particular with the Chairman of the Management Board. In case of important occasions or events, the Chairman of the Management Board promptly informed the Chairman of the Supervisory Board. In such cases, the Chairman of the Supervisory Board subsequently informed the other members of the Supervisory Board in the next meeting at the latest. During the entire fiscal year, the Chairman of the Supervisory Board also was in close contact with the other members of the Supervisory Board.

FOCUS OF THE DISCUSSIONS IN THE SUPERVISORY BOARD

One of the main focus areas of the Supervisory Board's discussions in the past year were again strategic considerations. Measures discussed by the Supervisory Board related to both existing and potentially new business areas. Fresenius Medical Care intends to continue to grow strongly in the core business with dialysis products und the treatment of dialysis patients. Key elements for this are the recently completed acquisition of NxStage Medical, Inc. and the strategic global partnership entered into in the past fiscal year with the u.s. medical company Humacyte, Inc. which, after regulatory approval, makes it possible to market the human acellular vessel HUMACYL developed by Humacyte exclusively and worldwide. In addition, the Company made several acquisitions in the past fiscal year, primarily in China, where it acquired interests in various renal and dialysis center operators. These acquisitions are also important strategic steps in the business development of Fresenius Medical Care.

Fresenius Medical Care in the past fiscal year sold the majority stake in Sound Inpatient Physicians Holdings, LLC in light of the strategic development of its own offerings in the Care Coordination business area in the u.s.

The business development, the competitive situation and the Management Board's planning in the individual regions and functions were also at the centre of the Supervisory Board's discussions. Another focus of the discussions and consultations were several extensive investment projects, inter alia for the construction of a new production line in the production

T4.1 PARTICIPATION OF MEMBERS OF THE SUPERVISORY BOARD IN MEETINGS AND TELEPHONE CONFERENCES IN 2018

	Supervisory Board	Audit and Corporate Governance Committee	Nomination Committee	Joint Committee
Rolf A. Classon (since November 30, 2018 Vice Chairman of the Supervisory Board)	5/5	10/10	7/7	0/0
William P. Johnston	5/5	10/10	–	0/0
Dr. Gerd Krick (until May 17, 2018 Chairman and member of the Supervisory Board)	3/3	5/5	0/0	0/0 ¹
Deborah Doyle McWhinney (resigned as member of the Supervisory Board effective November 1, 2018)	4/4	7/9	–	–
Dr. Dieter Schenk (since May 17, 2018 Chairman of the Supervisory Board, prior to that Vice Chairman of the Supervisory Board)	5/5	–	7/7	–
Pascale Witz	4/5	–	–	–
Prof. Dr. Gregor Zünd (since October 29, 2018 member of the Supervisory Board)	1/1	–	–	–

¹ On behalf of the General Partner.

facility located in Ogden, u.s., for the product freeflux of Fresenius Kabi. In joint consultations with the Management Board, the development of the production quantities and their expansion were discussed. In the past year, the Supervisory Board also informed itself about the quality assurance systems and about the results of the product quality testing in the production facilities.

In the past fiscal year, the Supervisory Board again discussed the development of cost reimbursement in the various health care systems, in particular in the u.s. With a view to the continued aim of increasing efficiency and the corresponding measures taken by the management already in previous years, the Supervisory Board also informed itself also in the last year about the success of the measures taken to improve the cost situation.

A bond with a volume of EUR 500 M was successfully issued in the year under review.

The Supervisory Board was regularly informed about the Company's compliance. Findings of the internal audit department were also taken into account. In particular, the Supervisory Board has informed itself intensively and on an ongoing basis about the negotiations with the u.s. Department of Justice and the u.s. Securities and Exchange Commission (SEC) concerning alleged violations of provisions of the u.s. Foreign Corrupt Practices Act (FCPA) or other anti-corruption laws.

The Supervisory Board also dealt with its own composition and organisation. Dr. Schenk was elected as the new Chairman of the Supervisory Board in succession to Dr. Krick, and Mr. Classon was elected as the new Vice Chairman of the Supervisory Board in succession to Dr. Schenk. In accordance

with the profile of skills and expertise to be taken into account for its composition in accordance with the German Corporate Governance Code, the Supervisory Board has further decided that Professor Dr. Zünd shall be proposed to the competent court in succession to Dr. Krick as a member of the Supervisory Board of the Company.

The Supervisory Board has formed committees from among its members that support the Supervisory Board as a whole in its supervisory and advisory functions. The respective chairmen have regularly reported to the Supervisory Board on the work of the committees. Details of the composition of the Supervisory Board's committees can be found in the Declaration on Corporate Governance which can be found on [PAGES 111 ET SEQ.](#)

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Audit and Corporate Governance Committee convened four times in the past fiscal year. In addition, six telephone conferences were held. All members, in particular the chairman Mr. William P. Johnston, are financial experts according to Sec. 100 para. 5 of the German Stock Corporation Act. Mr. Johnston has specific knowledge and experience in applying accounting principles and internal control procedures.

In the past year, the committee dealt with the annual and consolidated financial statements, the proposal for the allocation of profit and the report according to Form 20-F for the SEC. It also discussed the quarterly reports with the Manage-

ment Board. Furthermore, it dealt with the selection and the independence of the auditor of the annual and consolidated financial statements. In doing so, it also considered additional non-audit services provided by the auditor for the Group. Also, the audit engagement for the report according to Form 20-F, which comprises the consolidated financial statements according to the International Financial Reporting Standards (IFRS), was issued by the committee. The committee further negotiated the fee agreement with the auditor. Key audit matters of the past fiscal year were the recoverability of the carrying amount of goodwill and of long-term financial assets, the measurement of tax provisions and of the provision relating to the FCPA investigations, and the divestiture of the stake in Sound Inpatient Physicians Holdings, LLC.

Furthermore, already in the last year and in accordance with the provisions of Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 ("EU Auditor Regulation"), the Audit and Corporate Governance Committee initiated a tender procedure for the audit of the financial statements for the fiscal year 2020 and subsequent fiscal years. On this basis, and in line with the committee's preference, the Supervisory Board has resolved to propose PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to the Annual General Meeting 2020 as the auditor for fiscal year 2020 and to the Annual General Meeting 2019 as auditor for the potential review of interim financial information for fiscal year 2020 that is prepared prior to the Annual General Meeting 2020. The committee declared that its recommendation was free from undue influence by third parties and that it had not been imposed with a clause restricting the selection options within the meaning of Art. 16 para. 6 of the EU Auditor Regulation.

Representatives of the auditor participated in all meetings and telephone conferences of the committee and informed the members of the committee of their auditing activities. In addition, they provided information on any significant results of their audit and were available for additional information. In the absence of the members of the Management Board, they reported on the cooperation with them.

The Audit and Corporate Governance Committee dealt with the supervision of the accounting and its process, with the effectiveness of the internal control system, the risk management system, the internal audit system, the audit and compliance. With respect to the Company's compliance, the committee accompanied, inter alia, the already in the past fiscal year substantially concluded review triggered by the alleged violations of provisions of the FCPA. In this context, the committee also dealt with the provision recorded for this purpose as well as a review of the internal control system. In the course of its audit, the auditor audited the internal control and risk management system in relation to the financial reporting as well as the early risk recognition system. The audit showed that the General Partner has appropriately implemented the measures required under Sec. 91 para. 2 of the German Stock Corporation Act, in particular regarding the establishment of a monitoring system, and that the monitoring system is suitable for the early identification of developments that may affect the Company's ability to continue as a going concern. With a view to the internal control system over financial reporting and the implementation of the relevant provisions of the Sarbanes-Oxley Act it granted an unqualified audit opinion on February 20, 2019. The Management Board periodically reported to the committee on larger individual risks. It also regularly informed the commit-

tee on the compliance situation as well as on the audit plans and results of the internal audit.

The committee again reviewed the business relations of the Fresenius Medical Care group companies to Fresenius SE & CO. KGAA and its affiliated companies. It was confirmed in each case that these relationships corresponded to those between unrelated third parties.

The chairman of the Audit and Corporate Governance Committee has regularly reported to the Supervisory Board on the results of the discussions and resolutions in the committee.

With a view to the resignation of Dr. Krick and Ms. Deborah Doyle McWhinney from the Supervisory Board of the Company and, at the same time, from the Audit and Corporate Governance Committee, the Supervisory Board in its meeting of February 11, 2019 resolved to appoint Ms. Pascale Witz as an additional member to the Committee.

NOMINATION COMMITTEE

The Nomination Committee prepares candidate proposals and proposes to the Supervisory Board of the Company suitable candidates for its election proposals to the General Meeting. In the past fiscal year, the Nomination Committee convened seven times, also by telephone conferences, to identify suitable candidates for the succession to Dr. Krick and Ms. McWhinney and for proposal to the Supervisory Board.

The Nomination Committee has proceeded well in identifying suitable candidates for the succession to Ms. McWhinney and is already in talks with individual candidates. After completing its preparations, the Nomination Committee will submit its proposal to the Supervisory Board. The Supervisory Board intends to propose to the Annual General Meeting in succession to Ms. McWhinney again a female member or, if such a proposal is not possible before the expiration of the relevant period, to propose to the competent court a female member for appointment as a member of the Supervisory Board of the Company.

JOINT COMMITTEE

The Company has a Joint Committee which is composed of two representatives nominated by the General Partner as well as two members of the Supervisory Board. For certain matters, the Management Board requires the approval of the Joint Committee. In the past fiscal year, the Joint Committee did not convene since no meeting was required.

CORPORATE GOVERNANCE

The Supervisory Board again reviewed the efficiency of its work and also dealt with the exchange of information with the Management Board as well as between the Supervisory Board and its committees. No objections arose in the course of such review.

In some cases, members of the Supervisory Board of the Company are also members of the Supervisory Board of the General Partner. This applies to Messrs. Classon, Johnston, Dr. Krick (Chairman and member of the Supervisory Board until May 17, 2018) and Dr. Schenk. In addition, Dr. Krick is chairman and Dr. Schenk is vice chairman of the supervisory board of Fresenius Management SE. Fresenius Management SE is the general partner of Fresenius SE & CO. KGAA. As of the end of the past fiscal year, Fresenius SE & CO. KGAA held 30.66 % of the shares in the Company. It is also the sole shareholder of Fresenius Medical Care Management AG. Dr. Krick is also chairman of the supervisory board of Fresenius SE & CO. KGAA.

In the year under review, consulting or other service relationships between members of the Supervisory Board and the Company did not exist. For legal advisory services that were provided in the fourth quarter of 2017, legal fees in a total amount of approximately €219 THOUS (plus VAT) were paid in the year under review to individual companies of the internationally operating law firm Noerr, of which Dr. Schenk was a partner until December 31, 2017. The Supervisory Board approved the assignments and the payments based on the presentation of detailed information and following corresponding recommendations of the Audit and Corporate Governance Committee. The same applies to the Supervisory Board of Fresenius Medical Care Management AG. With regard to such approvals, Dr. Schenk abstained from voting. The payments were only executed after approval by the Supervisory Board.

The Supervisory Board dealt with the provisions of the German Corporate Governance Code and their application in relation to the group of companies. The Supervisory Board considers, taking into account the shareholder structure, a

number of at least three independent Supervisory Board members to be an adequate number of independent members and that the Supervisory Board and its committees comprise an adequate number of independent members. Independent within the meaning of the German Corporate Governance Code are Mr. Classon, Mr. Johnston, Ms. Witz and Professor Dr. Zünd (member of the Supervisory Board since October 29, 2018). The same applied for Ms. McWhinney (resigned as member of the Supervisory Board effective November 1, 2018). With a view to the regulations of the SEC, the Supervisory Board also considered Dr. Krick (Chairman and member of the Supervisory Board until May 17, 2018) as independent.

There were no conflicts of interest of members of the Management Board or Supervisory Board that would have been required to be disclosed to the Supervisory Board.

In its meeting on March 14, 2018, the Supervisory Board approved a profile of skills and expertise for the entire Supervisory Board. The profile of skills and expertise is available on the Company's website under www.freseniusmedicalcare.com/en in the section "About us" and there in the sub-section "Supervisory Board". The Supervisory Board will strive to make its election proposals to the Annual General Meeting in accordance with the profile of skills and expertise. The status of implementation of the profile of skills and expertise is reported in the Corporate Governance Report.

Based on its discussions, the Supervisory Board resolved on the Declaration of Compliance in relation to the German Corporate Governance Code according to Sec. 161 of the German Stock Corporation Act. The Declaration of Compliance was published in December 2018. It is permanently available to the public

on the Company's website www.freseniusmedicalcare.com/en in the section "Investors" and there in the sub-section "Corporate Governance".

The Corporate Governance Report of the General Partner and of the Supervisory Board together with the Declaration on Corporate Governance is available on [PAGES 111 ET SEQQ.](#) The Declaration on Corporate Governance was discussed by the Supervisory Board and approved in its meeting of March 12, 2019.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements and the annual management report of Fresenius Medical Care AG & CO. KGAA were prepared in accordance with the regulations of the German Commercial Code (HGB). The consolidated financial statements and consolidated management report follow Sec. 315e of the German Commercial Code in accordance with IFRS as applicable in the European Union. Accountancy, the annual financial statements, the annual management report as well as the consolidated financial statements and the consolidated annual management report for 2018 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. Said company was elected as auditor by resolution of the Annual General Meeting of May 17, 2018 and mandated by the Supervisory Board. The auditor has provided each of the aforementioned documents with an unqualified certificate. The audit reports of the auditor were made available to the Audit and Corporate Governance Committee and the Supervisory Board. The Audit

and Corporate Governance Committee reviewed the annual and consolidated financial statements as well as the management reports and included the audit reports of, and the discussions with, the auditor in its discussions. The Audit and Corporate Governance Committee reported to the Supervisory Board on this.

The Supervisory Board also reviewed the annual financial statements, the annual management report, the consolidated financial statements and the consolidated annual management report in each case for the past fiscal year. The documents were provided to it in good time. The Supervisory Board declared its agreement to the result of the audit of the annual financial statements and the consolidated financial statements by the auditor. The representatives of the auditor who signed the audit reports participated in the discussions of the Supervisory Board of the annual and consolidated financial statements. They reported to the Supervisory Board on the significant findings of their audit and were available for additional information. Also according to the final results of its own review, no objections are raised by the Supervisory Board as regards the annual financial statements, the annual management report, the consolidated financial statements and the consolidated annual management.

In its meeting on February 11, 2019 the Supervisory Board discussed the draft of the report according to Form 20-F. The report according to Form 20-F was filed with the SEC on February 20, 2019. It contains, inter alia, also the consolidated financial statements.

The annual financial statements and annual management report of Fresenius Medical Care AG & CO. KGAA as well as the consolidated financial statements and the consolidated

annual management report for the past fiscal year, as presented by the General Partner, were approved by the Supervisory Board at its meeting on March 12, 2019.

The Supervisory Board also approved the General Partner's proposal for the application of profit which provides for a dividend of € 1.17 for each share.

SEPARATE NON-FINANCIAL GROUP REPORT

The separate Non-Financial Group Report of Fresenius Medical Care AG & CO. KGAA was prepared in accordance with the regulations of the German Commercial Code (HGB) and will be published separate from the Management Report. Fresenius Medical Care reports selected non-financial information in reference to the international sustainability standard of the Global Reporting Initiative (GRI).

The Supervisory Board made use of the possibility to have the separate Non-Financial Group Report verified by an external auditor. The separate Non-Financial Group Report has been subject to a limited assurance engagement by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, in accordance with the international standard on assurance engagements ISAE 3000. KPMG AG Wirtschaftsprüfungsgesellschaft expressed a limited assurance conclusion and issued a respective assurance statement.

The Supervisory Board reviewed the separate Non-Financial Group Report. The documents were provided to it in good

time. The Supervisory Board declared its agreement with the result of the limited assurance engagement by the auditor. The representatives of the auditor who signed the note on the limited assurance engagement participated in the discussions of the Supervisory Board of the separate Non-Financial Group Report. They reported to the Supervisory Board on the significant findings of their limited assurance engagement and were available for additional information. Also according to the final results of its own review, no objections are raised by the Supervisory Board as regards the separate Non-Financial Group Report.

DEPENDENCY REPORT

The General Partner prepared a report on its relationships to Fresenius SE & CO. KGAA and the latter's affiliates in accordance with Sec. 312 of the German Stock Corporation Act for the past fiscal year. The report contains the following final declaration:

"In conjunction with the legal transactions and measures set out in the report on relationships with affiliated companies, and on the basis of the circumstances of which we were aware at the time when the legal transactions were carried out or when the measures were taken or not carried out, FMC AG & CO. KGAA has received adequate consideration for every legal transaction, and has not suffered any disadvantage as a result of the fact that measures have or have not been carried out."

Both the Audit and Corporate Governance Committee and the Supervisory Board received the dependency report in

good time and reviewed it. The auditor participated in the relevant meetings. It reported on the main results of his audit and was available for additional information. On February 19, 2019, the auditor added the following certificate to that dependency report:

“Based on our audit and the conclusions reached, we confirm that 1. the disclosures made in the report are factually correct, 2. the consideration received or paid by the Company for each legal transaction disclosed in the report was not unreasonably high, 3. there are no other circumstances relating to the transactions and measures disclosed in the report which would lead to a conclusion different to the one reached by the personally liable shareholder (General Partner).”

The Audit and Corporate Governance Committee and the Supervisory Board concur with the assessment of the auditor. Following the final results of the review by the Supervisory Board, it does not raise any objections against the declaration of the General Partner at the bottom of the report on the relationships to affiliates.

CHANGES IN THE SUPERVISORY BOARD AND ACKNOWLEDGEMENTS

Dr. Krick has resigned from his office as Chairman and member of the Supervisory Board after the Annual General Meeting on May 17, 2018. After the founding of the Company in 1996, Dr. Krick was initially chairman of the Management Board of Fresenius Medical Care and in this function laid the foundation for the worldwide success of the Company. Two years later, he took over as Chairman of the Supervisory Board. The Supervisory Board would like to thank him for his very valuable work and untiring commitment to the benefit of the Company.

The Supervisory Board also thanks Ms. McWhinney, who resigned from the Supervisory Board effective November 1, 2018 for personal and familial reasons. The Supervisory Board expresses its gratitude for her energetic and valuable commitment.

Finally, the Supervisory Board also thanks the members of the Management Board as well as all employees of the Group for their commitment. Thank you very much for the still successful work performed in a challenging environment in the past fiscal year!

Bad Homburg v. d. Höhe, March 12, 2019

On behalf of the Supervisory Board



DR. DIETER SCHENK

Chairman

CORPORATE GOVERNANCE REPORT AND DECLARATION ON CORPORATE GOVERNANCE

The Management Board and the Supervisory Board of Fresenius Medical Care are committed to responsible management that is focused on achieving a sustainable increase in the value of the Company. Long-term strategies, solid financial management, strict adherence to legal and ethical business standards, and a transparent communication of the Company are its key elements.

The Management Board of the General Partner, Fresenius Medical Care Management AG (hereinafter: the Management Board), and the Supervisory Board of Fresenius Medical Care AG & CO. KGAA (hereinafter: FMC AG & CO. KGAA or the Company) hereunder report on the year 2018 as the year under review (hereinafter: the year under review) pursuant to section 289f of the German Commercial Code (Handelsgesetzbuch, HGB) and to number 3.10 of the German Corporate Governance Code (Deutscher Corporate Governance Kodex, hereinafter: the Code) on the Company's corporate governance.

The Corporate Governance Report and the Declaration on Corporate Governance are publicly available on the Company's website at www.freseniusmedicalcare.com in the "Investors" section.

DECLARATION ON CORPORATE GOVERNANCE

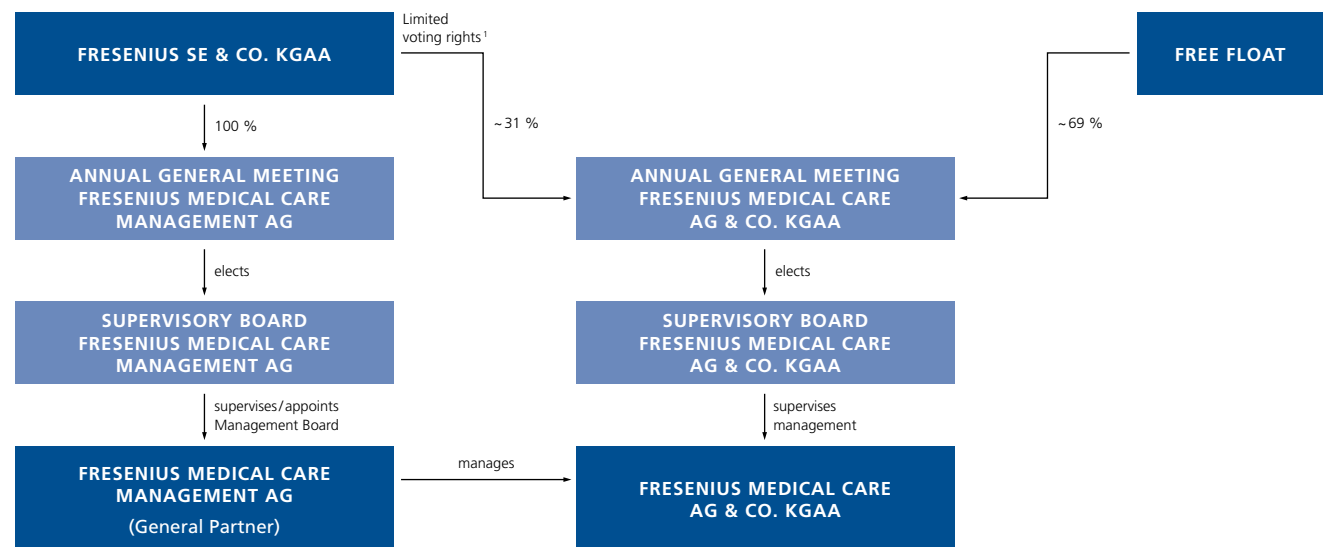
GROUP MANAGEMENT AND SUPERVISION STRUCTURE

The legal form of the Company is that of a partnership limited by shares (Kommanditgesellschaft auf Aktien – KGAA). Its corporate bodies provided for by statutory law are the Gen-

eral Meeting, the Supervisory Board and the General Partner, which is Fresenius Medical Care Management AG. In the year under review, there were no significant changes to the group's management and supervision structure – SEE CHART 4.2.

The Articles of Association of FMC AG & CO. KGAA, which also specify the responsibilities of the bodies of the Company in more detail, are available on the Company's website at www.freseniusmedicalcare.com in the "Investors" section.

C.4.2 STRUCTURE OF FRESENIUS MEDICAL CARE AG & CO. KGAA
BASED ON DATA AS OF DECEMBER 31, 2018



¹ For certain items, there are no voting rights, e. g. for the election of the Supervisory Board of Fresenius Medical Care AG & Co. KGaA, for the formal approval of the actions of the General Partner and the Supervisory Board of Fresenius Medical Care AG & Co. KGaA, for the election of the auditor of the annual financial statements.

FUNCTIONING OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS WELL AS COMPOSITION AND FUNCTIONING OF THEIR COMMITTEES

The German Stock Corporation Act prescribes a dual management system (so-called two-tier management system) for stock corporations (Aktiengesellschaft) as well as for partnerships limited by shares consisting of a management body and a supervisory board. The business activities of a partnership limited by shares are conducted by one or several personally liable shareholders (General Partner). In the case of FMC AG & CO. KGAA, this is Fresenius Medical Care Management AG. Its Management Board is also responsible for conducting the business activities of the KGAA. Within the scope of statutory allocation of competences, the Supervisory Board is responsible for supervising and advising the Management Board and is involved in making decisions that are fundamental to the Company. The duties and responsibilities of both bodies are in each case statutorily defined and are strictly separated from one another. Corresponding to FMC AG & CO. KGAA, Fresenius Medical Care Management AG has its own Supervisory Board.

THE GENERAL PARTNER AND ITS BODIES

The Management Board of Fresenius Medical Care Management AG

The General Partner – Fresenius Medical Care Management AG – represented by its Management Board, which acts on its own responsibility, manages the Company and conducts the Company's business. Its actions and decisions are directed towards the interests of the Company.

The Management Board of the General Partner manages the Company's business in accordance with the applicable laws and the Articles of Association as well as the rules of procedure within the meaning of section 77 para. 2 German Stock Corporation Act (AktG) and the recommendation pursuant to Code number 4.2.1 sentence 2. These rules of procedure stipulate the principles of the cooperation and provide for the schedule of responsibilities which determines the departmental responsibilities of the individual Management Board members. The rules of procedure determine that meetings of the Management Board are held as the circumstances require, but at least twelve times a year. The meetings and the taking of resolutions by the Management Board are led by the Chairman of the Management Board. If he is unavailable, this task resides with the Management Board member named by the Chairman, or, if no member has been named, with the participating Management Board member most senior in office. The Chairman of the meeting determines the order of the agenda items and the mode of voting. In principle, the Management Board adopts resolutions at meetings by simple majority of votes cast, and outside the meetings by simple majority of its members. In case of a voting tie, the Chairman of the Management Board has the casting vote.

In the year under review, the Management Board was composed of six members until August 31, 2018. With effect as of September 1, 2018, Dr. Katarzyna Mazur-Hofsäß was appointed as the responsible member of the Management Board for the regions of Europe, Middle East and Africa (EMEA). Since then, the Management Board is composed of seven members. The members of the Management Board and their areas of responsibility are introduced on the Company's website at www.freseniusmedicalcare.com in the "About us" section.

Irrespective of the overall responsibility of the entire Management Board, each Management Board member is responsible for his or her own area of departmental responsibility. The Management Board members keep each other informed on an ongoing basis about all relevant business occurrences in their areas of departmental responsibility. In the case of inter-departmental matters, the Management Board members concerned are requested to coordinate with each other. The Chairman of the Management Board coordinates the affairs of the individual departments.

Matters of outstanding importance and significance are resolved on by the entire Management Board pursuant to the rules of procedure. In order to increase the efficiency of the Management Board's work, the Supervisory Board of the General Partner established a Management Board Committee for certain cross departmental matters. Such Management Board Committee essentially deals with corporate matters of subsidiaries of FMC AG & CO. KGAA or acquisitions that do not reach the minimum relevance and importance level required for being referred to the entire Management Board. The Management Board Committee must be composed of at least three members, among them the Chairman of the Management Board and the Chief Financial Officer as well as the Management Board member responsible for the respective matter or another Management Board member appointed by the Chairman at his reasonable discretion exercised in each case. In its meetings the Management Board Committee decides with a simple majority of the votes cast; outside of meetings the Management Board Committee decides with the simple majority of its members.

In various relevant cases, the rules of procedure require the Management Board to obtain the prior approval of the Supervisory Board or the competent Supervisory Board committee of the General Partner.

The Supervisory Board of Fresenius Medical Care Management AG

As a stock corporation, Fresenius Medical Care Management AG has its own Supervisory Board, which according to its Articles of Association consists of six members. In the year under review, the Supervisory Board was composed of six members. Mr. Stephan Sturm has been appointed as Chairman. Other members of the Supervisory Board of Fresenius Medical Care Management AG in the year under review were Dr. Dieter Schenk (Vice Chairman), Mr. Rolf A. Classon, Ms. Rachel Empey, Mr. William P. Johnston and Dr. Gerd Krick.

Further information on the members of the Supervisory Board of Fresenius Medical Care Management AG who are at the same time members of the Supervisory Board of Fresenius Medical Care AG & CO. KGAA are available on the Company's website at www.freseniusmedicalcare.com in the "About us" section. In addition, the following information is provided for the year under review with regard to the mandates exercised by the Chairman of the Supervisory Board of Fresenius Medical Care Management AG, Mr. Stephan Sturm, and with regard to the mandates exercised by the additional members of the Supervisory Board of Fresenius Medical Care Management AG, Ms. Rachel Empey and Dr. Gerd Krick who are not at the same time members of the Supervisory Board of Fresenius Medical Care AG & CO. KGAA:

Stephan Sturm

Chairman of the Management Board of Fresenius Management SE, the General Partner of Fresenius SE & CO. KGAA

Supervisory Board

Fresenius Kabi AG (Chairman)
Deutsche Lufthansa AG

Comparable foreign body

VAMED AG, Austria (Vice Chairman)

Rachel Empey

Member of the Management Board of Fresenius Management SE (Chief Financial Officer), the General Partner of Fresenius SE & CO. KGAA

Supervisory Board

Fresenius Kabi AG (Vice Chairman)

Comparable foreign body

Inchcape plc, United Kingdom (Non-executive director)

Dr. Gerd Krick

Member of Supervisory Boards

Supervisory Board

Fresenius SE & CO. KGAA (Chairman)
Fresenius Management SE (Chairman)

Comparable foreign body

VAMED AG, Austria (Chairman)

Because of his extraordinary contributions to the development of the Company and his comprehensive experience, Dr. Ben Lipps is honorary chairman of the Supervisory Board of Fresenius Medical Care Management AG.

The Supervisory Board of Fresenius Medical Care Management AG appoints the members of the Management Board

and supervises and advises the Management Board in its management responsibilities. In accordance with the recommendation in Code number 5.1.3, the Supervisory Board has established rules of procedure. Irrespective of the independence requirements according to statutory rules and of the recommendations of the Code, the so-called Pooling Agreement entered into, among others, between Fresenius Medical Care Management AG and Fresenius SE & CO. KGAA provides that at least one third (and at least two) of the members of the Supervisory Board of Fresenius Medical Care Management AG must be independent members. Pursuant to the Pooling Agreement, an "independent member" is a member of the Supervisory Board with no substantial business or professional relationship with FMC AG & CO. KGAA, with its General Partner, with Fresenius SE & CO. KGAA, or with its General Partner, Fresenius Management SE, or with any affiliates of these companies.

COMMITTEES OF THE SUPERVISORY BOARD OF FRESENIUS MEDICAL CARE MANAGEMENT AG

From the midst of its members, the Supervisory Board forms qualified committees for the efficient exercise of its responsibilities, which prepare the matters for deliberation and resolutions of the Supervisory Board. The Supervisory Board regularly and timely receives briefings on the committees' work – [SEE TABLE 4.3 ON PAGE 114.](#)

SUPERVISORY BOARD OF THE COMPANY

The Supervisory Board of FMC AG & CO. KGAA advises and supervises the business activities as conducted by the General Partner and performs the other duties assigned to it by law and

T 4.3 COMMITTEES OF THE SUPERVISORY BOARD OF FRESENIUS MEDICAL CARE MANAGEMENT AG

Supervisory Board committee	Responsibility	Number of meetings
Human Resources Committee Chairman Mr. Stephan Sturm Vice Chairman Dr. Gerd Krick Other members Mr. William P. Johnston, Dr. Dieter Schenk, Mr. Rolf A. Classon	Advice on complex special matters such as the appointment of Management Board members and their compensation	As required
Regulatory and Reimbursement Assessment Committee Chairman Mr. Rolf A. Classon Vice Chairman Mr. William P. Johnston Other member Dr. Dieter Schenk	Advice on complex special matters such as regulatory provisions and reimbursement in the dialysis segment	As required
Nomination Committee Chairman Mr. Stephan Sturm Other members Dr. Gerd Krick, Dr. Dieter Schenk	Preparing recommendations on suitable candidates for an election to the Supervisory Board, who are to be presented to the Supervisory Board for the purpose of its proposal to the General Meeting	As required

by the Articles of Association. It is involved in strategy and planning as well as all matters of fundamental importance for the Company.

The Supervisory Board of FMC AG & CO. KGAA consisted in the year under review of the following members: Dr. Gerd Krick (until May 17, 2018, until then at the same time Chairman), Dr. Dieter Schenk (until May 17, 2018 Vice Chairman, since then Chairman), Mr. Rolf A. Classon (since November 30, 2018 Vice Chairman), Mr. William P. Johnston, Ms. Deborah Doyle McWhinney (resigned effective November 1, 2018); Ms. Pascale Witz and Professor Dr. Gregor Zünd (since October 29, 2018).

Because of his extraordinary contributions to the Company's development and his comprehensive experience, Dr. Ben Lipps is also honorary chairman of the Supervisory Board of FMC AG & CO. KGAA.

All members of the Supervisory Board are elected by the General Meeting of FMC AG & CO. KGAA as the competent election body according to the provisions of the German Stock Corporation Act by a simple majority of the votes cast. Fresenius SE & CO. KGAA is excluded from voting on this issue. Further explanations on this matter can be found under "Further

information regarding Corporate Governance" in the section titled "Shareholders" on [PAGE 122](#).

When discussing its recommendations for the election of members of the Supervisory Board to the General Meeting, the Supervisory Board will take into account the international activities of the enterprise, potential conflicts of interest, what it considers to be an adequate number of independent Supervisory Board members and diversity. As the composition of the Supervisory Board needs to be aligned with the interests of the enterprise and must ensure the effective supervision and consultation of the Management Board, it is a matter of principle and of prime importance that each member is suitably qualified. In the Company's interest not to limit the selection of qualified candidates in a general way, the Supervisory Board confines itself in compliance with its statutory obligations (section 111 para. 5 German Stock Corporation Act) to pursue self-defined targets for the representation of female Supervisory Board members (see also section "Gender diversity and definition of targets" starting on [PAGE 118](#)) and refrains from an age limit for its members and from a duration limit on the term of membership of the Supervisory Board. Instead, the Supervisory Board shall also consist of members with long-term experience and thus individuals who are generally older in order to ensure a balanced ratio of Supervisory Board members of diverse age and various terms of membership. Therefore, with the exception of the determination of target figures for women's proportion on the Supervisory Board, the Supervisory Board has refrained from determining, and from taking into account, specific objectives with respect to its composition when proposing candidates and from publishing the state of their implementation in the Corporate Governance Report.

The Supervisory Board is – in its own initiative – paying attention to the requirement to have in its entirety the knowledge, capabilities and professional expertise required for the due observation of the duties of the Supervisory Board of a listed company operating internationally in the dialysis business. Following the necessary detailed preparation, the Supervisory Board has resolved a profile of competence (skills and expertise) for the entire Supervisory Board in the first quarter of the fiscal year 2018. The profile of competence (skills and expertise) contains requirements for the individual Supervisory Board members as well as requirements for the entire Supervisory Board and is available on the Company's website at www.freseniusmedicalcare.com in the "About us" section. The Supervisory Board will take into consideration such profile of competence (skills and expertise) when discussing its election proposals to the General Meeting.

As a consequence of the resignation of Ms. Deborah Doyle McWhinney with effect to November 1, 2018 only one of the current five Supervisory Board members is female. The share of female Supervisory Board members hence, at the end of the year under view, falls short of the target of 30 % as set by the Supervisory Board for its composition. Apart from that, the current composition of the Supervisory Board meets the aims designated for the composition of the board and corresponds to the resolved profile of competence (skills and expertise). The Supervisory Board intends to propose to the Annual General Meeting in succession to Ms. Deborah Doyle McWhinney again a female member or, if such a proposal is not possible before the expiration of the relevant period, to propose to the competent court a female member for appointment as a member of the Supervisory Board of the Company. Upon a corresponding election by the Annual General Meeting, or of a court appointment in accordance

with the application, respectively, again two out of six members will be female and the target of 30 % female Supervisory Board members, as set by the Supervisory Board, will be surpassed again.

Simultaneous membership in both the Supervisory Board and the Management Board is not permissible. In the year under review, the Supervisory Board did not include any members who were also members of the Management Board of the General Partner during the previous two years. The members of the Company's Supervisory Board are independent in their decisions and are not bound by requirements or instructions of third parties.

A member of the Supervisory Board is not to be considered independent pursuant to the recommendation in Code number 5.4.2 in particular if it entertains any personal or business relations with the Company, its corporate bodies, a controlling shareholder or an enterprise associated with the latter which may cause a substantial and not merely temporary conflict of interests. Taking into account the shareholder structure, the Supervisory Board has determined that it considers three independent Supervisory Board members to be an adequate number of independent members and that the Supervisory Board and its committees comprise an adequate number of independent members. Independent within the meaning of Code number 5.4.2 are, in the view of the Supervisory Board, Mr. Rolf A. Classon, Mr. William P. Johnston, Ms. Deborah Doyle McWhinney (until her resignation), Ms. Pascale Witz and Professor Dr. Gregor Zünd (since his appointment). Details on the treatment of potential conflicts of interests are set out in the section "Legal relationships with members of the Company's corporate bodies" starting on [PAGE 123](#).

The term of office of the members of the Supervisory Board is in principle five years. The current term of office of all members of the Supervisory Board of FMC AG & CO. KGAA ends on conclusion of the General Meeting for 2021. The term of office of Professor Dr. Gregor Zünd, who was judicially appointed by the local court of Hof as a member of the Supervisory Board, is limited until the end of the next Annual General Meeting, as requested. The Supervisory Board has resolved to propose to the Annual General Meeting 2019 to elect Professor Dr. Gregor Zünd as a member of the Supervisory Board until the end of the Annual General Meeting of the year 2021.

Details on the election, constitution and term of office of the Supervisory Board, its meetings and the adoption of resolutions, as well as its rights and obligations, are set out in the Company's Articles of Association available on the Company's website at www.freseniusmedicalcare.com in the "Investors" section. In accordance with the recommendation in Code number 5.1.3, the Supervisory Board has furthermore adopted rules of procedure which set out, among other things, the modalities for convening meetings and the manner in which resolutions are adopted. In accordance with these, the Supervisory Board meets regularly at least twice per calendar half year. The convocation period for meetings of the Supervisory Board is generally two weeks. The deliberations of the Supervisory Board are conducted by the Chairman or, if the latter is unavailable, by the Vice Chairman. The Chairman of the meeting also determines the order of the agenda items and the mode of voting. As a rule, the Supervisory Board decides by simple majority of votes cast if decisions are taken in physical meetings and otherwise with the simple majority of its members, unless other majorities are prescribed by a mandatory provision of law in the individual case. The provisions of

the rules of procedure for the Supervisory Board of the Company also apply to its committees, unless their rules of procedure contain deviating provisions. The Chairman of the Supervisory Board coordinates the work and direction of the Supervisory Board; he also represents the Supervisory Board vis-à-vis third parties.

In accordance with the recommendation in Code number 5.6, the members of the Supervisory Board regularly carry out efficiency evaluations with regard to their work. These take place in the form of open discussions in plenary meetings, based on a corresponding questionnaire. On these occasions, also the complexity and the design of the presentations, as well as the meetings' procedure and structuring are discussed. The results of the evaluations carried out have shown that each of the Supervisory Board and its committees are efficiently organized and that the co-operation of the Supervisory Board and the Management Boards works very well.

All members of the Supervisory Board have the capabilities as well as the knowledge required for the proper exercise of their duties. The Supervisory Board members are in their entirety familiar with the sector FMC AG & CO. KGAA operates in. The members of the Supervisory Board regularly update themselves via in-house sources and via external sources about the current status of supervisory requirements. In addition to the information provided to them by several external experts, also experts of the Company's departments regularly provide reports about relevant developments, such as – for example – relevant new developments in the revision of legal rules or in jurisprudence and also about recent developments in regulations on accounting and annual auditing. In this way, the Supervisory Board, with the Company's reasonable assistance, ensures an ongoing qualification of its members

and also a further development and updating of their expertise, power of judgment and experience, which is required for the Supervisory Board including its committees to duly perform their tasks.

Details of the key activities of the Supervisory Board's consultations in the year under review can be found in the Report by the Supervisory Board starting on [PAGE 104](#).

COMMITTEES OF THE SUPERVISORY BOARD OF FMC AG & CO. KGAA

From the midst of its members, the Supervisory Board forms qualified committees for the efficient exercise of its responsibilities, which prepare the matters for deliberation and

resolutions of the Supervisory Board – [SEE TABLE 4.4](#). The Supervisory Board regularly and timely receives briefings on the committees' work.

Information on the Audit and Corporate Governance Committee

With the consent of the Supervisory Board, the Audit and Corporate Governance Committee adopted rules of procedure. On the basis of the relevant provisions of the Articles of Association of the Company (section 12 para. 2) they define the composition, work and tasks of the Audit and Corporate Governance Committee. According to these, the Audit and Corporate Governance Committee shall consist of at least three and not more than five exclusively independent mem-

T 4.4 COMMITTEES OF THE SUPERVISORY BOARD OF FMC AG & CO. KGAA

Supervisory Board committee	Responsibility	Number of meetings
Audit and Corporate Governance Committee Chairman Mr. William P. Johnston Vice Chairman Mr. Rolf A. Classon Other members Dr. Gerd Krick (until May 17, 2018), Ms. Deborah Doyle McWhinney (until her resignation effective November 1, 2018), Ms. Pascale Witz (since February 11, 2019)	<ul style="list-style-type: none"> › Supervision of the accounting, the accounting process, the effectiveness of the internal control system, of the risk management system, of the internal audit system, the annual audit and of compliance, › Supervision of the annual auditing, in particular with regard to the independence of the auditor and the additional services provided by it, issuing the auditing mandate, determining the focus areas of the auditing and the fee agreement, › Addressing the report pursuant to Form 20-F, which contains, inter alia, the consolidated group financial statements and the consolidated group financial report, › Assessment of the General Partner's report on relations to affiliated companies. 	At least four times per year and additionally as required
Nomination Committee Chairman Dr. Gerd Krick (until May 17, 2018) Vice Chairman Dr. Dieter Schenk Other members Mr. Rolf A. Classon	<ul style="list-style-type: none"> › Preparing recommendations on suitable candidates for an election to the Supervisory Board, who are to be presented to the Supervisory Board for the purpose of its proposal to the General Meeting 	As required

bers who, in particular, are to meet the criteria of independence pursuant to section 12 para. 2 sentence 3 of the Articles of Association as well as pursuant to the rules of the New York Stock Exchange. In addition, pursuant to section 107 para. 4 in connection with section 100 para. 5 of the German Stock Corporation Act at least one member must have expertise in the fields of accounting or auditing. Moreover, in accordance with the recommendations of the Code, the Chairman of the Audit and Corporate Governance Committee shall neither act as Chairman of the Supervisory Board of the Company at the same time nor be a former member of the Management Board whose appointment has ended less than two years ago. In the opinion of the Supervisory Board, the composition of the Audit and Corporate Governance Committee meets these requirements.

Joint Committee

FMC AG & CO. KGAA also has established a Joint Committee whose composition and activity is provided for in Articles 13a et seqq. of the Articles of Association of the Company. The Joint Committee is convened only as required, namely in certain legal transactions defined in the Articles of Association

to be qualified as substantial transactions and for which the General Partner requires the consent of the Joint Committee – SEE TABLE 4.5.

CO-OPERATION OF GENERAL PARTNER AND SUPERVISORY BOARD OF THE COMPANY

Good corporate governance requires an efficient co-operation between the management and the Supervisory Board on the basis of mutual trust. The General Partner and the Supervisory Board of the Company work together closely and in a trusting manner in the Company's interest. Their joint goal is to increase the Company's value in the long term in compliance with good corporate governance principles and compliance regulations.

In the expired fiscal year, the Supervisory Board regularly supervised the General Partner and advised its Management Board. The deliberations of the Supervisory Board covered all significant questions of business policy, the Company planning and the strategy. Further subjects were the risk situation and risk management.

DIVERSITY AND DEFINITION OF TARGETS

Diversity Concept for governance bodies

Fresenius Medical Care highly values diversity, both for its governance bodies as well as its overall workforce, and considers diversity as a strength of the enterprise. It is one of the core aims of Fresenius Medical Care and in the Company's interest to have diverse governance bodies and a diverse overall workforce as this supports an inclusive work environment and builds the foundation for successful personal and organizational achievements. Diversity at Fresenius Medical Care is defined in a broad way, including – but not limited to – age, gender, nationality, educational background and work experience.

Based on this, the Company and the General Partner have adopted a diversity concept for the composition of the Management Board of the General Partner and the Supervisory Board of the Company reflecting this understanding. The goal of this concept is the inclusion of differing perspectives and various aspects in the cooperation and decision-making in order to increase the understanding for the manifold requirements on a globally active company with heterogeneous groups of customers. The individual qualification, e.g. expertise, skills and experience, however, continues to be the core selection criterion for the election proposals for new members of the Supervisory Board to the General Meeting; diversity aspects are considered to ensure a comprehensive and balanced decision process. For preparation of any nomination proposal, the respective competent governance body or the competent committee, as the case may be, thoroughly evaluates the current composition of the governance body to be filled and carefully analyzes each potential candidate's profile with regard to these criteria, aspects and in consider-

T 4.5 JOINT COMMITTEE

Joint Committee	Responsibility	Number of meetings
Members Fresenius Medical Care Management AG Mr. Stephan Sturm, Dr. Gerd Krick	Approval of certain legal transactions as defined in the Articles of Association, such as material acquisitions or divestments	As required
Members Fresenius Medical Care AG & Co. KGaA Mr. Rolf A. Classon, Mr. William P. Johnston		

ation of the findings of the evaluation. When finally consulting and making a decision for any nomination proposal, the respective competent governance body then comprehensively takes these criteria, aspects and the findings of the evaluation and the candidates' analysis into account.

The Company has further decided to actively manage diversity in senior management levels below the Management Board. To this end, diversity aspects such as gender are particularly taken into account in the evaluation of the "talent pipelines". Additional reports, for example on the number and proportion of female junior talents in talent evaluation and the succession planning process, support the focus on diversity in development planning and the preparation for filling vacancies. This serves to strengthen the pursued diversity concept and to identify suitable talents at an early stage.

The current diversity level of the Management Board of the General Partner and Supervisory Board of the Company across selected aspects is displayed in the TABLES 4.6 AND 4.7.

Gender diversity and definition of targets

The Supervisory Board of FMC AG & CO. KGAA is obliged to define targets for the representation of female members in the Supervisory Board as well as an implementation period and to report on the defined targets and their achievement during the relevant reference period or in the event of a failure to meet these targets, on the reasons for this, as part of the declaration on corporate governance. The definition of targets for the composition of the Management Board is for companies which, like Fresenius Medical Care, are organized in the legal form of a partnership limited by shares, is by contrast expressly not required. Likewise, also the Supervisory

T 4.6 DIVERSITY LEVEL OF THE MANAGEMENT BOARD

Management Board	Gender	Nationality	Education	Age
Rice Powell	Male	U.S.-American	Biology	63
Michael Brosnan	Male	U.S.-American	Business	63
Dr. Katarzyna Mazur-Hofsäß ¹	Female	Polish/German	Medicine	55
Dr. Olaf Schermeier	Male	German	Engineering	46
William Valle	Male	U.S.-American	Business	58
Kent Wanzek	Male	U.S.-American	Business	59
Harry de Wit	Male	Dutch	Medicine and Physiotherapy	56

¹ Dr. Katarzyna Mazur-Hofsäß has been appointed to the Management Board of the General Partner with effect as of September 1, 2018.

T 4.7 DIVERSITY LEVEL OF THE SUPERVISORY BOARD

Supervisory Board of the Company	Gender	Nationality	Education	Age
Dr. Gerd Krick ¹	Male	Austrian	Engineering	80
Dr. Dieter Schenk	Male	German	Law	66
Rolf A. Classon	Male	U.S.-American/Swedish	Political Science	73
William P. Johnston	Male	U.S.-American	Law	74
Deborah Doyle McWhinney ²	Female	U.S.-American	Communication	63
Pascale Witz	Female	French	Biochemistry	52
Prof. Dr. Gregor Zünd ³	Male	Swiss	Medicine	59

¹ Dr. Gerd Krick has resigned on May 17, 2018 from the Supervisory Board of the Company.

² Ms. Deborah Doyle McWhinney has resigned effective as of November 1, 2018 from the Supervisory Board of the Company.

³ Professor Dr. Gregor Zünd has been appointed as a member of Supervisory Board of the Company with effect as of October 29, 2018.

Board of Fresenius Medical Care Management AG is not required to define targets for the Management Board, because Fresenius Medical Care Management AG is not in the scope of the relevant legal provisions.

The Supervisory Board of FMC AG & CO. KGAA has resolved on May 10, 2017 to set the target for the representation of female Supervisory Board members at 30 % and has set an implementation period ending on May 9, 2022. With two female members (33 %) in the year under review, the composition of the Supervisory Board was in line with this target until the resignation of Ms. Deborah Doyle McWhinney effective from November 1, 2018. The Supervisory Board intends to propose to the Annual General Meeting in succession to Ms. Deborah Doyle McWhinney again a female member or, if such a proposal is not possible before the expiration of the relevant period, to propose to the competent court a female member for appointment as a member of the Supervisory Board of the Company. Upon a corresponding election by the Annual General Meeting, or of a court appointment in accordance with the application, respectively, again two out of six members will be female and the target of 30 % female Supervisory Board members, as set by the Supervisory Board, will be surpassed again.

Pursuant to the Act on Equal Participation of Women and Men in Leadership Positions, the Management Board is obliged to define targets for female representation in the two top management levels below the Management Board as well as an appropriate implementation period. In a first step, the Management Board on September 28, 2015, had resolved to define the two top management levels below the Management Board in relation to the participation of executives in the group-wide Long-Term Incentive Program ("LTIP"). In a second step, the Management Board resolved on January 13,

2016 upon targets for female representation for the two top management levels below the Management Board and upon the implementation period to end on December 31, 2020. Notwithstanding the determination of these two management levels, the best indicator for Fresenius Medical Care for women holding management positions worldwide is the total number of participants in the group-wide LTIP. Compared with 2017, the proportion of women in these management positions slightly increased and continues to amount to around 33 % at the end of the year under review.

The first management level includes all managers worldwide who directly report to a member of the Management Board and in addition participate in the LTIP. The target that shall be achieved by end of the implementation period on December 31, 2020 is 18.8 %. The proportion of female executives (as of December 31, 2018) was 21.1 % (2017: 19.2 %) and has risen with a slight reduction in the total number of persons of the first management level. The target of 18.8 % that shall be achieved by end of the implementation period on December 31, 2020, hence, has at present already been surpassed by the Company.

The second management level includes all managers worldwide who directly report to a management executive of the first management level and in addition participate in the LTIP. The target (until December 31, 2020) is 28.2 %. While the absolute number of female managers at the second management level could be increased, their percentage share decreased slightly as the total number of persons at the second management level increased. The share of female managers as of December 31, 2018 was 27.4 % (2017: 28.3 %).

Overall, the recruiting and staffing practice of Fresenius Medical Care as well as the selection decisions regarding the

hiring and promotion to top management levels will also in the future be taken with a focus on the specific qualifications of the individual. For this reason, the Management Board will select candidates for the top management of Fresenius Medical Care according to the candidate's excellence and suitability for the specific role and function in such management positions, regardless of their race, gender or other non-performance related attributes. However, the increased focus on diversity in Fresenius Medical Care's talent pipelines will further support an inclusive work environment and ensure that Fresenius Medical Care's employees continue to have equal career opportunities.

RELEVANT INFORMATION ABOUT CORPORATE GOVERNANCE PRACTICES

COMPLIANCE

Global business activities mean having global responsibility. As the global market leader in providing dialysis services and products, Fresenius Medical Care is aware of its responsibility. Every day, Fresenius Medical Care strives to improve the lives of its patients world-wide with high-quality products and services.

Fresenius Medical Care takes the highest medical standards as benchmark for quality. Fresenius Medical Care is committed to conducting its business activities in compliance with all relevant legal standards as well as internal and external provisions and requirements. The patients, customers, payors,

investors and regulators of Fresenius Medical Care as well as all other stakeholders expect Fresenius Medical Care's business to be conducted based on responsible management, taking into account integrity, sound corporate governance and adherence to compliance principles.

Fresenius Medical Care's Code of Ethics and Business Conduct

Fresenius Medical Care's Code of Ethics and Business Conduct is the basis for everything Fresenius Medical Care and its employees do, whether in their dealings with patients, colleagues, suppliers or communities. The Code of Ethics and Business Conduct defines corporate governance practices beyond the legal requirements. It covers Fresenius Medical Care's material non-financial topics such as patient care, quality and innovation, anti-corruption, worker protection, environment, health and safety, as well as non-discrimination. The Code of Ethics and Business Conduct together with the underlying corporate core values also includes Fresenius Medical Care's commitment to respecting human rights. It applies to every function and division worldwide, to every employee of Fresenius Medical Care, and to the Company's direct and indirect majority-owned or controlled affiliates anywhere in the world. Employees must adhere to the principles in the Code of Ethics and Business Conduct. The Code of Ethics and Business Conduct is publicly available on the Company's website at www.freseniusmedicalcare.com in the section "About us" in the sub-section "Compliance".

Ensuring compliance

Compliance with the rules is essential for the long-term success of Fresenius Medical Care as it determines the corporate

culture and is an integral part of day-to-day work. Specialized functions at a global, regional and local level ensure that these principles and core values are implemented and communicated within the organization. Code of Ethics and Business Conduct training programs increase awareness and an understanding of the applicable rules and help employees comply with these rules. These are held regularly and are mandatory for all relevant employees. There are processes in place to ensure that all of these employees take part in the courses.

All employees of Fresenius Medical Care are encouraged to report any potential cases of non-compliance with laws, regulations, internal policies, as well as actual or suspected misconduct that violates the Code of Ethics and Business Conduct. Several options are available for this: For example, they can report actual and potential misconduct to their superiors or to the compliance function. Non-compliance may also be reported anonymously via the so-called Compliance Action Line or e-mail addresses set up for this purpose.

RISK AND OPPORTUNITY MANAGEMENT

At Fresenius Medical Care, an integrated management system is in place to ensure that risks and opportunities are already identified at an early stage, optimizing the risk profile and minimizing the costs potentially related to the occurrence of risks through timely intervention. Fresenius Medical Care's risk management is therefore an important component of the corporate management of Fresenius Medical Care. The adequateness and effectiveness of the internal control systems of Fresenius Medical Care for the financial reporting are reviewed on a regular basis by the Management Board and by Fresenius Medical Care's auditor.

Further information about the risk and opportunity management system can be found in the "Risks and Opportunities Report" starting on [PAGE 63](#).

GERMAN CORPORATE GOVERNANCE CODE AND DECLARATION OF COMPLIANCE

The German Corporate Governance Code includes nationally and internationally accepted standards of good and responsible corporate governance in the form of recommendations and suggestions. The Code aims for making the rules for managing and supervising companies in Germany more transparent and comprehensible. The Code is also intended to enhance the confidence of international and national investors and of the public as well as of employees and customers in the management and supervision of German listed stock corporations.

The Management Board of Fresenius Medical Care Management AG and the Supervisory Board of FMC AG & CO. KGAA endorse the standards set forth in the German Corporate Governance Code. The vast majority of the recommendations and suggestions in the Code have been an integral and active part of Fresenius Medical Care's day-to-day operations since the founding of the Company.

The current annually required Declaration of Compliance according to section 161 of the German Stock Corporation Act issued by the Management Board of Fresenius Medical Care Management AG and the Supervisory Board of FMC AG &

CO. KGAA as of December 2018 is reported hereinafter. The current and previous Declarations of Compliance and other extensive information on corporate governance are permanently made publicly available on the Company's website at www.freseniusmedicalcare.com in the "Investors" section.

DECLARATION BY THE MANAGEMENT BOARD OF THE GENERAL PARTNER OF FRESENIUS MEDICAL CARE AG & CO. KGAA, FRESENIUS MEDICAL CARE MANAGEMENT AG, AND BY THE SUPERVISORY BOARD OF FRESENIUS MEDICAL CARE AG & CO. KGAA ON THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 GERMAN STOCK CORPORATION ACT (AKTIENGESETZ)

The Management Board of the General Partner of Fresenius Medical Care AG & CO. KGAA, Fresenius Medical Care Management AG, (hereafter: the Management Board) and the Supervisory Board of Fresenius Medical Care AG & CO. KGAA declare that since issuance of the previous declaration of compliance in December 2017 the recommendations of the "German Corporate Governance Code Government Commission" published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (hereafter: the Code) in the version of February 7, 2017 since publication thereof in the Federal Gazette have been met and will be met in the future. Only the following recommendations of the Code in its version of February 7, 2017 have not been met and will not be met to the extent described below:

Code number 4.2.3 paragraph 2 sentence 6: Caps regarding specific compensation amounts

Pursuant to Code number 4.2.3 paragraph 2 sentence 6, the amount of compensation for Management Board members shall be capped, both overall and for variable compensation components.

This recommendation is not met. The service agreements with members of the Management Board do not provide for caps regarding specific amounts for all compensation components and accordingly not for caps regarding specific amounts for the overall compensation. The performance-oriented short-term compensation (the variable bonus) is capped. As regards stock options, phantom stock and performance shares as compensation components with long-term incentives, the service agreements with members of the Management Board do provide for a possibility of limitation but not for caps regarding specific amounts. Introducing caps regarding specific amounts in relation to such stock-based compensation components would contradict the basic idea of the members of the Management Board participating appropriately in the economic risks and opportunities of the Company. Instead of that, Fresenius Medical Care pursues a flexible concept considering each individual case. In situations of extraordinary developments in relation to the stock-based compensation which are not related to the performance of the Management Board, the Supervisory Board may cap the stock-based compensation.

Code number 4.2.3 paragraph 4: Severance payment cap

Pursuant to Code number 4.2.3 paragraph 4, in concluding Management Board contracts, care shall be taken to ensure

that payments made to a Management Board member on premature termination of his/her contract, including fringe benefits, do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the employment contract. The severance payment cap shall be calculated on the basis of the total compensation for the past full financial year and if appropriate also the expected total compensation for the current financial year.

These recommendations are not met insofar as the employment contracts of the members of the Management Board do not contain severance payment arrangements for the case of premature termination of the contract and consequentially do not contain a limitation of any severance payment amount insofar. Uniform severance payment arrangements of this kind would contradict the concept practiced by Fresenius Medical Care in accordance with the German Stock Corporation Act according to which employment contracts of the members of the Management Board are, in principle, concluded for the period of their appointment. They would also not allow for a well-balanced assessment in the individual case.

Code number 4.2.5 paragraph 3: Presentation in the Compensation Report

Pursuant to Code number 4.2.5 paragraph 3, the presentation of the compensation for each individual member of the Management Board in the Compensation Report shall inter alia present the maximum and minimum achievable compensation for variable compensation components by using corresponding model tables.

Fresenius Medical Care, in deviation from Code number 4.2.3 paragraph 2 sentence 6, does not provide for caps regarding specific amounts for all variable compensation components and, therefore, does not provide for caps regarding specific amounts for the overall compensation. In this respect, the compensation report cannot meet the recommendations of the code. Irrespective thereof, Fresenius Medical Care will continue to present its compensation system and the amounts paid to members of the Management Board in its compensation report in a comprehensive and transparent manner. The compensation report will include tables relating to the value of the benefits granted as well as to the allocation in the year under review which follow the structure and largely also the specifications of the model tables.

Code number 5.1.2 paragraph 2 sentence 3: Age limit for members of the Management Board

Pursuant to Code number 5.1.2 paragraph 2 sentence 3 an age limit shall be specified for members of the Management Board. As in the past, Fresenius Medical Care will refrain from determining an age limit for members of the Management Board in the future. Complying with this recommendation would unduly limit the selection of qualified candidates.

Code number 5.4.1 paragraph 2 and paragraph 4: Specification of concrete objectives regarding the composition of the Supervisory Board and their consideration when making election proposals

Pursuant to Code number 5.4.1 paragraph 2 and paragraph 4, the Supervisory Board shall specify concrete objectives regarding its composition and shall prepare a profile of competence

for the entire Supervisory Board. Within the Company-specific situation the composition of the Supervisory Board shall reflect appropriately the international activities of the Company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Code number 5.4.2, an age limit and a regular limit to Supervisory Board members' term of office, both to be specified, as well as diversity. Proposals by the Supervisory Board to the General Meeting shall take these targets into account, while simultaneously aiming at fulfilling the profile of competence of the entire Supervisory Board. The status of the implementation shall be published in the Corporate Governance Report. These recommendations are partly not met.

The composition of the Supervisory Board needs to be aligned to the enterprise's interest and has to ensure the effective supervision and consultation of the Management Board. Hence, it is a matter of principle and of prime importance that each member is suitably qualified. When discussing its election proposals to the General Meeting, the Supervisory Board will take into account the international activities of the enterprise, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Code number 5.4.2, and diversity, while simultaneously aiming at fulfilling the profile of competence of the entire Supervisory Board.

In the enterprise's interest not to limit the selection of qualified candidates in a general way, the Supervisory Board, however, confines itself to pursue self-defined targets for the representation of female Supervisory Board members and particularly refrains from an age limit and from a duration limit on the term of membership. Instead, the Supervisory Board shall also consist of members with long-term experi-

ence and thus individuals who are generally older in order to ensure a balanced ratio of Supervisory Board members of diverse age and various terms of membership.

Following the necessary detailed preparation, the Supervisory Board has developed the profile of competence for the entire Supervisory Board and resolved upon it on March 14, 2018. Since then, the Supervisory Board takes into consideration such profile of competence when discussing its election proposals to the General Meeting, and the respective recommendations pursuant to Code number 5.4.1 paragraph 2 sentence 1 and paragraph 4 sentence 1 are thus met.

Bad Homburg v.d.H., December 2018

Management Board of the General Partner of
Fresenius Medical Care AG & CO. KGAA,
Fresenius Medical Care Management AG and
Supervisory Board of Fresenius Medical Care AG & CO. KGAA

FURTHER INFORMATION REGARDING CORPORATE GOVERNANCE

SHAREHOLDERS

The shareholders of the Company exercise their rights and voting powers in the General Meeting. The share capital of FMC AG & CO. KGAA is divided exclusively into ordinary shares. Each share of FMC AG & CO. KGAA entitles the holder to one vote at the General Meeting. Shares with multiple or prefer-

ence voting rights do not exist. As a matter of principle, the General Partner (as far as it would be a shareholder in the Company, which was not the case in the year under review) respectively, its sole shareholder, Fresenius SE & CO. KGAA, can exercise at the General Meeting the voting rights connected with the shares they hold in FMC AG & CO. KGAA. However, the General Partner and its sole shareholder are subject to various rules preventing them by law from voting on certain resolutions. These include, among others, the election of the Supervisory Board, formal approval of the actions of the General Partner and the members of the Supervisory Board of FMC AG & CO. KGAA, as well as the election of the auditor of the annual financial statements. This is to guarantee that the other shareholders in the partnership limited by shares (KGAA) can solely decide on these matters, particularly those concerning the control of the management.

GENERAL MEETING

Shareholders can exercise their voting rights at the General Meeting, by proxy via a representative of their choice or by a Company-nominated proxy acting on their instructions. Proxy voting instructions to a Company nominee can be issued before and during the Annual General Meeting until the end of the general debate.

The Annual General Meeting of FMC AG & CO. KGAA took place on May 17, 2018 in Frankfurt/Main (Germany). Approximately 80 % of the share capital was represented at the Annual General Meeting. At the Annual General Meeting, resolutions were passed on the following topics:

- › approval of the annual financial statements for the fiscal year 2017,

- › allocation of distributable profit,
- › approval of the actions of the General Partner for the fiscal year 2017,
- › approval of the actions of the Supervisory Board for the fiscal year 2017,
- › election of the auditors and consolidated group auditors for the fiscal year 2018,
- › modernization and revision of various provisions of the Company's Articles of Association.

All documents and information on the Annual General Meeting are available on the Company's website at www.freseniusmedicalcare.com in the "Investors" section.

LEGAL RELATIONSHIPS WITH MEMBERS OF THE COMPANY'S CORPORATE BODIES

When making decisions and in connection with the tasks and activities performed by them, the members of the Management Board of the General Partner and of the Supervisory Board of FMC AG & CO. KGAA, as well as the Supervisory Board of Fresenius Medical Care Management AG, do not pursue personal interests or give unjustified advantages to other people. Any business dealings with the Company by members of the corporate bodies are to be disclosed to the Supervisory Board of FMC AG & CO. KGAA immediately and are subject to its approval, if necessary. The Supervisory Board reports to the General Meeting on possible conflicts of interests of its members and on the treatment of such conflicts.

Mr. Rice Powell as the Chairman of Fresenius Medical Care Management AG's Management Board is, with the approval of Fresenius Medical Care Management AG's Supervisory

Board, at the same time a member of the Management Board of Fresenius Management SE.

The member of the Supervisory Board of FMC AG & CO. KGAA Dr. Dieter Schenk (until May 17, 2018 Vice Chairman, since then Chairman) is also member and Vice Chairman of the Supervisory Board of Fresenius Medical Care Management AG and of the Supervisory Board of Fresenius Management SE, the General Partner of Fresenius SE & CO. KGAA.

Dr. Dieter Schenk continues to be Chairman of the foundation board of the Else Kröner-Fresenius-Stiftung, the sole shareholder of Fresenius Management SE as well as limited shareholder of Fresenius SE & CO. KGAA and, in addition, member and chairman of the foundation board's steering committee, which, since the termination of the execution of the estate of Mrs. Else Kröner in June 2018, carries out the tasks previously performed by the executors and which include the administration of the Else Kröner-Fresenius-Stiftung's participation in Fresenius SE & CO. KGAA and the exercise of the voting rights attached thereto.

Dr. Gerd Krick, who resigned from office as member and Chairman of the Supervisory Board of FMC AG & CO. KGAA on May 17, 2018, is also member of the Supervisory Board of Fresenius Medical Care Management AG. Dr. Gerd Krick is also member and Chairman of the Supervisory Board of Fresenius Management SE as well as of the Supervisory Board of Fresenius SE & CO. KGAA. Dr. Gerd Krick receives a pension from Fresenius SE & CO. KGAA with a view to his previous work on its Management Board.

The members of the Supervisory Board of FMC AG & CO. KGAA Mr. William P. Johnston and Mr. Rolf A. Classon are also members of the Supervisory Board of Fresenius Medical Care Management AG.

During the year under review, consulting or other service relationships between members of the Supervisory Board and the Company did not exist. With a view to Code number 5.4.6 para. 3 sentence 2, it is noted that for legal advisory services that were provided in the fourth quarter of 2017, legal fees in a total amount of approximately €219 THOUS (plus VAT) were paid in the year under review to individual companies of the internationally operating law firm Noerr, of which Dr. Dieter Schenk was a partner until December 31, 2017.

There were no conflicts of interest of board members that would have been required to be disclosed to the Supervisory Board and of which the Supervisory Board would inform the General Meeting.

MANAGERS' TRANSACTIONS

According to Article 19 of the Regulation (EU) No 596/2014 (Market Abuse Regulation), the members of the Management Board and the Supervisory Board as well as other persons discharging managerial responsibilities and all persons who are closely associated with the aforementioned persons shall notify FMC AG & CO. KGAA of any subsequent transaction with shares in Fresenius Medical Care and additional related financial instruments conducted on their own account once a total amount of € 5,000 has been reached within a calendar year. FMC AG & CO. KGAA is required to publish the respective information.

The managers' transactions undertaken in the year under review are, inter alia, published on the Company's website at www.freseniusmedicalcare.com in the "Investors" section.

TRANSPARENCY OF REPORTING

Fresenius Medical Care meets all transparency requirements imposed by number 6 of the Code. Fresenius Medical Care attaches special importance to informing its shareholders simultaneously and uniformly about the Company in its regular financial reporting events. Ad hoc releases and the website of Fresenius Medical Care play an essential role in these efforts. They provide investors and other interested persons equally with direct and timely access to the information Fresenius Medical Care releases.

FINANCIAL ACCOUNTING AND AUDIT, STOCK EXCHANGE LISTING

Fresenius Medical Care prepares Consolidated Financial Statements and a Group Management Report as well as Interim Consolidated Quarterly Reports in accordance with the "International Financial Reporting Standards" (IFRS) as adopted by the EU as well as in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch, HGB). The financial reporting is based on these statements. The Consolidated Financial Statements are published within the first 90 days of the end of each fiscal year, and the Consolidated Quarterly Reports within the first 45 days of the end of each quarter.

The Annual Financial Statements and the Management Report of FMC AG & CO. KGAA are prepared in accordance with the legal requirements of the German Commercial Code. The

Annual Financial Statements are decisive for the distribution of the annual profit.

Moreover, an Annual Report of Fresenius Medical Care, which includes the Consolidated Financial Statements and the Group Management Report in accordance with IFRS and the German Commercial Code, is published each year.

Fresenius Medical Care's shares are listed on the stock exchange in the U.S. (as so-called American Depositary Receipts) and in Germany. Fresenius Medical Care is therefore subject to a number of regulations and recommendations regarding the management, administration and monitoring of the Company. On the one hand, in addition to mandatory requirements under stock corporation and commercial law, Fresenius Medical Care complies with the regulations of Deutsche Börse and adhere to most of the recommendations of the German Corporate Governance Code. On the other hand, being a non-U.S. company (a so-called "foreign private issuer") Fresenius Medical Care is subject to the regulations connected to Fresenius Medical Care's listing in the U.S. Observance of the Sarbanes-Oxley Act (SOX) and portions of the Corporate Governance Rules of the New York Stock Exchange in particular is required. The Sarbanes-Oxley Act includes provisions governing companies and their auditors and is aimed at improving financial reporting, ensuring auditor independence and implementing other matters. The extension of regulations for financial reporting and internal control systems is intended to increase the trust of investors and other parties interested in the Company. Fresenius Medical Care fully complies with the current requirements applicable to the Company.

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 ¹
	2018	2017 ¹	2018	2017 ¹	2018	2017 ¹		
Members of the Management Board serving as of December 31, 2018								
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 ²	233	–	844 ³	–	370	–	1,447	–
Dr. Olaf Schermeier	490	490	131	134	970	970	1,591	1,594
William Valle ²	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
Former members of the Management Board who resigned during the fiscal year 2017⁴								
Ronald Kuerbitz	–	109	–	43	–	–	–	152
Dominik Wehner	–	425	–	38	–	732	–	1,195
TOTAL	4,535	4,752	1,997	1,016	8,437	8,640	14,969	14,408

¹ 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).

² 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.

³ 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.

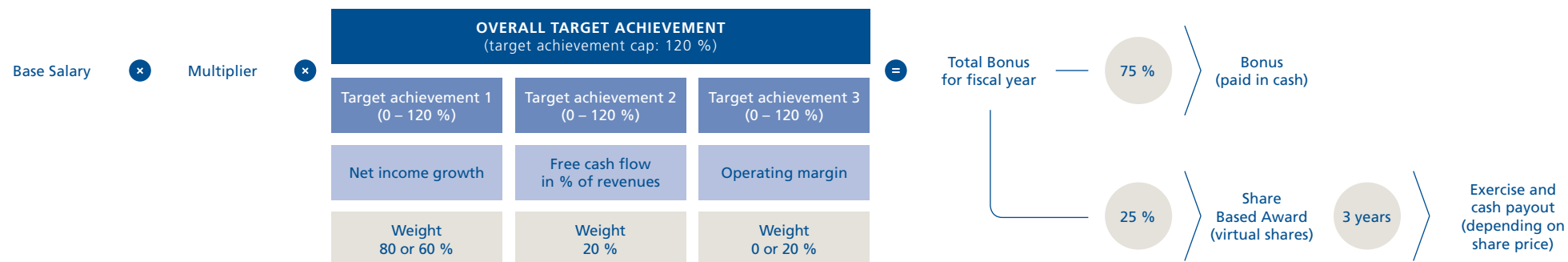
⁴ Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017 and Mr. Ronald Kuerbitz with effect as of February 17, 2017.

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

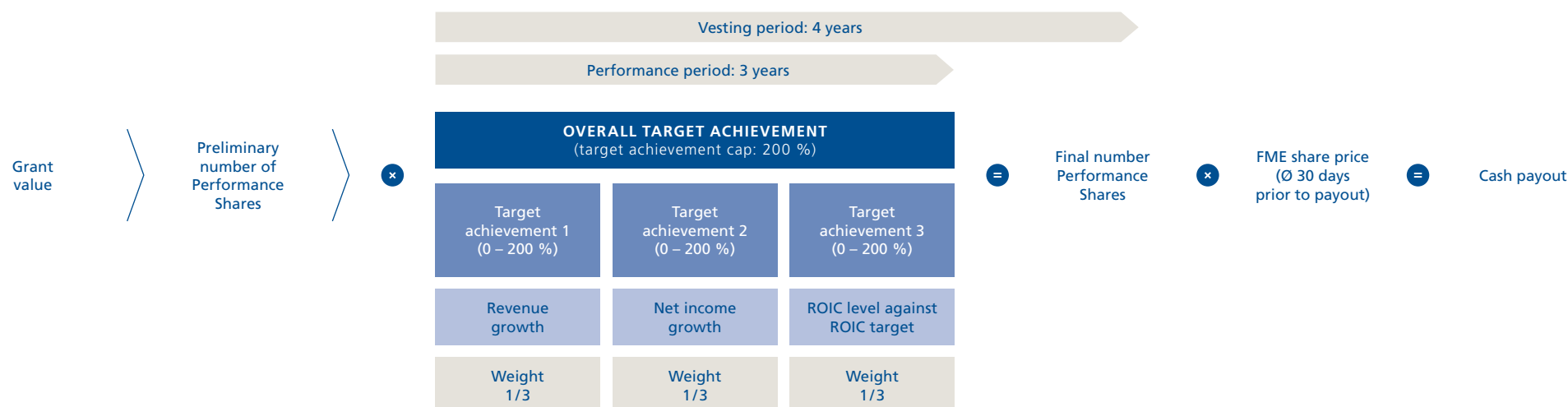
achievement in order to determine the final number of Performance Shares that form the basis of the cash compensation under the LTIP 2016 as described above.

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 ¹	
	2018	2017 ²
Members of the Management Board serving as of December 31, 2018		
Rice Powell	2,391	2,247
Michael Brosnan	1,307	1,290
Dr. Katarzyna Mazur-Hofsäb ³	858	–
Dr. Olaf Schermeier	1,081	1,039
William Valle ³	1,402	1,265
Kent Wanzek	1,084	1,060
Harry de Wit	1,074	1,033
Former members of the Management Board who resigned during the fiscal year 2017⁴		
Ronald Kuerbitz	–	–
Dominik Wehner	–	960
TOTAL	9,197	8,894

¹ 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.

² 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).

³ 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, therefore, she has received compensation payments to be set out herein only as of such date.

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

¹ 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.

² 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.

³ 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.

⁴ 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
Options outstanding January 1, 2018	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
Options exercised during the fiscal year	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
Options outstanding December 31, 2018	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
Options exercisable December 31, 2018	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 ¹	2018	2017 ¹	2018	2017 ¹
Members of the Management Board serving as of December 31, 2018						
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 ²	1,447	–	858	–	2,305	–
Dr. Olaf Schermeier	1,591	1,594	1,081	1,039	2,672	2,633
William Valle ²	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
Former members of the Management Board who resigned during the fiscal year 2017³						
Ronald Kuerbitz	–	152	–	–	–	152
Dominik Wehner	–	1,195	–	960	–	2,155
TOTAL	14,969	14,408	9,197	8,894	24,166	23,302

¹ 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).

² 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.

³ 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	–	–	–
TOTAL	19,464	5,071	24,535

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.

T 4.22 BENEFITS GRANTED TO SERVING MEMBERS OF THE MANAGEMENT BOARD AS OF DECEMBER 31, 2018 (CONTINUATION SEE NEXT PAGE)
IN € THOUS

	Rice Powell Chairman of the Management Board Member of the Management Board since December 21, 2005 ¹				Michael Brosnan Chief Financial Officer Member of the Management Board since January 1, 2010				Dr. Katarzyna Mazur-Hofsäß 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	2018 Minimum	2018 Maximum	2017 ²	2018	2018 Minimum	2018 Maximum	2017 ²	2018	2018 Minimum	2018 Maximum	2017 ²	2018	2018 Minimum	2018 Maximum	2017 ²
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
TOTAL NON-PERFORMANCE-BASED COMPENSATION	1,465	1,465	1,465	1,390	776	776	776	869	1,077	1,077	1,077	–	621	621	621	624
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
TOTAL NON-PERFORMANCE-BASED COMPENSATION AND PERFORMANCE-BASED COMPENSATION	5,951	1,656	n.a.	5,645	3,271	884	n.a.	3,370	2,320	1,182	n.a.	–	2,510	695	n.a.	2,472
Pension expense	674	674	674	773	667	667	667	694	–	–	–	–	189	189	189	204
VALUE OF BENEFITS GRANTED	6,625	2,330	n.a.	6,418	3,938	1,551	n.a.	4,064	2,320	1,182	n.a.	–	2,699	884	n.a.	2,676

¹ The indicated date refers to the appointment as member of the Management Board of the General Partner.² 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

	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	2018 Minimum	2018 Maximum	2017 ¹	2018	2018 Minimum	2018 Maximum	2017 ¹	2018	2018 Minimum	2018 Maximum	2017 ¹
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
TOTAL NON-PERFORMANCE-BASED COMPENSATION	1,122	1,122	1,122	809	676	676	676	660	795	795	795	801
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
TOTAL NON-PERFORMANCE-BASED COMPENSATION AND PERFORMANCE-BASED COMPENSATION	3,831	1,241	n.a.	3,264	2,668	759	n.a.	2,668	2,661	867	n.a.	2,626
Pension expense	–	–	–	–	369	369	369	402	–	–	–	–
VALUE OF BENEFITS GRANTED	3,831	1,241	n.a.	3,264	3,037	1,128	n.a.	3,070	2,661	867	n.a.	2,626

¹ 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
TOTAL NON- PERFORMANCE-BASED COMPENSATION	–	–	–	152	–	–	463
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
TOTAL NON- PERFORMANCE-BASED COMPENSATION AND PERFORMANCE-BASED COMPENSATION	–	–	n.a.	1,518	–	–	2,124
Pension expense	–	–	–	797	–	–	146
VALUE OF BENEFITS GRANTED	–	–	n.a.	2,315	–	–	2,270

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 ¹		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 ²	2018	2017 ²	2018	2017 ²	2018	2017 ²
Base salary	1,270	1,217	720	735	233	–	490	490
Fringe benefits	195	173	56	134	844	–	131	134
TOTAL NON-PERFORMANCE BASED COMPENSATION	1,465	1,390	776	869	1,077	–	621	624
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	–	–	–	–	–	–	–	–
TOTAL NON-PERFORMANCE-BASED AND PERFORMANCE-BASED COMPENSATION	6,618	6,474	2,207	4,472	1,447	–	1,868	1,724
Pension expense	674	773	667	694	–	–	189	204
ALLOCATION	7,292	7,247	2,874	5,166	1,447	–	2,057	1,928

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 ²	2018	2017 ²	2018	2017 ²
Base salary	792	721	550	575	480	480
Fringe benefits	330	88	126	85	315	321
TOTAL NON-PERFORMANCE BASED COMPENSATION	1,122	809	676	660	795	801
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 ³	–	1,573	–	–	–
Grant 2012	333 ³	–	786	–	–	–
Grant 2013	466 ³	–	786	–	–	–
Grant 2014	1,331 ³	–	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	–	–	–	–	–	–
TOTAL NON-PERFORMANCE-BASED AND PERFORMANCE-BASED COMPENSATION	5,210	2,120	7,153	1,963	1,745	1,751
Pension expense	–	–	369	402	–	–
ALLOCATION	5,210	2,120	7,522	2,365	1,745	1,751

¹ The indicated date refers to the appointment as member of the Management Board of the General Partner.² 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).³ 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 € THOUS¹

	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 ²	44	58	91	58	93	97	–	–	228	213
Stephan Sturm ³	149	156	–	–	65	68	–	–	214	224
Rolf A. Classon ⁴	37	39	41	39	112	117	47	49	237	244
Rachel Empey ⁵	75	26	–	–	–	–	–	–	75	26
William P. Johnston	37	39	37	39	102	107	56	58	232	243
Dr. Gerd Krick ⁶	60	39	42	117	56	58	14	39	172	253
Pascale Witz ⁷	–	–	75	78	–	–	–	–	75	78
Prof. Dr. Gregor Zünd ⁸	–	–	13	–	–	–	–	–	13	–
Deborah Doyle McWhinney ⁹	–	–	62	78	–	–	31	39	93	117
TOTAL	402	357	361	409	428	447	148	185	1,339	1,398

¹ Shown without VAT and withholding tax; translation of U.S. dollar amounts at respective average exchange rates for the respective year.² 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, 2018.³ 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.⁴ 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, 2018.⁵ 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.⁶ 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.⁷ 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.⁸ 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.⁹ 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 € THOUS¹

	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 ²	34	35	34	35	68	70	296	283
Stephan Sturm ³	68	71	–	–	68	71	282	295
Rolf A. Classon ⁴	34	35	34	35	68	70	305	314
Rachel Empey ⁵	68	24	–	–	68	24	143	50
William P. Johnston	34	35	34	35	68	70	300	313
Dr. Gerd Krick ⁶	42	35	25	35	67	70	239	323
Pascale Witz ⁷	–	–	68	71	68	71	143	149
Prof. Dr. Gregor Zünd ⁸	–	–	12	–	12	–	25	–
Deborah Doyle McWhinney ⁹	–	–	57	71	57	71	150	188
TOTAL	280	235	264	282	544	517	1,883	1,915

¹ Shown without VAT and withholding tax; translation of U.S. dollar amounts at respective average exchange rates for the respective year.² 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, 2018.³ 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.⁴ 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, 2018.⁵ 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.⁶ 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.⁷ 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.⁸ 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.⁹ 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.