



**Written Report of the General Partner
on agenda item 8 of the Annual General Meeting 2020
of Fresenius Medical Care AG & Co. KGaA**

Pursuant to section 278 (3) AktG in connection with sections 203 (2) sentence 2, 186 (4) sentence 2 AktG, the General Partner hereinafter reports on the reasons for which it shall be authorized in certain cases to exclude the shareholders' subscription rights when making use of the authorized capitals proposed for resolution under agenda item 8:

The General Partner was authorized pursuant to Article 4 (3) and Article 4 (4) of the Articles of Association to increase the Company's share capital with the approval of the Supervisory Board by up to EUR 35,000,000.00 by issuing new bearer ordinary shares for cash (Authorized Capital 2015/I) and up to EUR 25,000,000.00 by issuing new bearer ordinary shares for cash and/or contributions in kind (Authorized Capital 2015/II). These authorizations have each expired on 18 May 2020. The authorizations have not been used. To ensure that the Company will be able to satisfy future financial requirements arising in connection with the implementation of strategic decisions in a quick and adequately flexible manner and with the approval of the Supervisory Board, i.e. without a time-consuming new resolution in a General Meeting, new authorized capitals are proposed under agenda item 8. The amounts of these new authorized capitals shall be identical to the existing authorized capitals.

In total, new authorized capitals of up to EUR 60,000,000.00 shall be created. The Authorized Capital 2020/I shall authorize the General Partner until 26 August 2025 to increase the share capital of the Company with the approval of the Supervisory Board by up to a total of EUR 35,000,000.00 for cash by issuing new bearer ordinary shares on one or more occasions. The Authorized Capital 2020/II shall authorize the General Partner until 26 August 2025 to increase the share capital of the Company with the approval of the Supervisory Board by up to a total of EUR 25,000,000.00 for cash and/or contributions in kind by issuing new bearer ordinary shares on one or more occasions.

If the General Partner exercises the authorizations proposed for resolution under agenda item 8 b) and d) during their term, the shareholders have, in principle, subscription rights. In the following cases, however, the General Partner shall be authorized pursuant to these authorizations to exclude the subscription rights with the approval of the Supervisory Board:

- A. Under the Authorized Capital 2020/I as proposed for resolution under agenda item 8 b), the General Partner shall be authorized to exclude with the approval of the Supervisory Board fractional amounts from the shareholders' subscription rights. Fractional amounts can follow from the issuing volume and the determination of a



practicable subscription ratio. The exclusion of subscription rights for fractional amounts under the Authorized Capital 2020/I enables the utilization of the proposed authorization in round amounts while maintaining an even subscription rights ratio. This facilitates the processing of the subscription rights. The exclusion therefore enhances practicability of the capital increase and facilitates the processing of the issuing of shares. Also, the value of fractional amounts per shareholder is usually small. In contrast, the effort necessary for the issuance of shares without excluding subscription rights for fractional amounts is significantly higher. The shares excluded from shareholders' subscription rights as free fractional amounts will be utilized in the best possible way for the Company, either by disposal on the stock exchange or in another way. Since the exclusion of subscription rights under the authorization proposed for resolution under agenda item 8 b) is restricted to fractional amounts, a potential disadvantageous dilutive effect for shareholders resulting from an exclusion of subscription rights is small. The Management Board of the General Partner therefore considers the exclusion of subscription rights under the Authorized Capital 2020/I to the extent described necessary, appropriate, adequate and, weighting the interests of the Company against the interests of shareholders, materially justified.

The General Partner may only exercise the aforementioned authorizations to exclude subscription rights with regard to the Authorized Capital 2020/I to the extent that the proportional amount of the total shares issued under exclusion of subscription rights exceeds 10% of the share capital neither at the time of this authorization coming into effect nor at the time of the exercise of this authorization. If, during the period of validity of the Authorized Capital 2020/I until its utilization, other authorizations on the issue or on the sale of shares of the Company or the issue of rights which authorize or bind to the subscription of shares of the Company are exercised and the subscription rights are excluded, such subscription rights will be taken into account with regard to the aforementioned 10% limit.

- B. With regard to the Authorized Capital 2020/II as proposed for resolution under agenda item 8 d), the General Partner shall on the one hand be authorized to exclude the shareholders' subscription rights with the approval of the Supervisory Board in the case of capital increases for contributions in kind. This authorization to exclude subscription rights shall allow for the acquisition of companies, parts of companies, interests in companies or other assets in return for granting the Company's shares. To remain competitive especially in an international perspective, the Company must in the interest of its shareholders at any time be in a position to act quickly and flexibly on the international markets. In particular, this includes the option to acquire companies, parts of companies, interests in companies or other



assets to improve the Company's position. It can be of great interest to sellers of attractive targets to (also) be able to acquire shares of the acquiring company instead of cash. At the same time, the acquisition of such targets against the Company's shares preserves the Company's funds without affecting the Company's debt/equity ratio. Therefore, the Company shall also be enabled to grant shares as consideration in kind since the aforementioned acquisition opportunities usually only exist for a short time and for this reason the necessary issuance of new shares cannot be resolved upon by a General Meeting that would need to be convened first to be able to conduct an ordinary capital increase. Corresponding to the existing Authorized Capital 2015/II, the proposed authorization to exclude subscription rights preserves the necessary flexibility for the Company to quickly and flexibly avail itself of opportunities to acquire companies, parts of companies, interests in companies and other assets. The exclusion of subscription rights leads to a relative reduction of the proportionate interest ratio as well as the proportionate voting ratio for existing shareholders. Should, however, subscription rights be granted, the acquisition of companies, parts of companies, interests in companies or other assets in return for shares would not be possible and the advantages for the Company and the shareholders as described above would therefore not be achievable. The financial interests of the Company's shareholders in the case of capital increases against contributions in kind are, however, protected by the General Partner's legal obligation to issue the new shares at an issue price that is adequate to the proportionate value of the contribution in kind.

On the other hand, the management shall in the case of capital increases for cash from the Authorized Capital 2020/II be authorized to exclude subscription rights pursuant to section 278 (3) AktG in connection with sections 203 (1) sentence 1, 203 (2), 186 (3) sentence 4 AktG if the new shares are issued at a price which does not fall significantly below the stock exchange price of shares of the Company already issued at the time of the final determination of the issue price and the proportionate amount attributable in total to the issued shares exceeds 10% of the share capital existing on the first exercise of the authorization neither at the time of the coming into effect nor at the time of the first exercise of the authorization. The possibility to exclude subscription rights in analogous application of section 186 (3) sentence 4 AktG enables the Company to use favorable stock exchange conditions effectively and close to the current stock exchange price at the relevant time and to achieve the highest issue price possible and a substantial strengthening of the equity funds by fixing the issue price close to the market. The authorization therefore allows the Company to cover any capital requirements even at short notice and to use the corresponding stock exchange price of the Company's shares



to strengthen its equity funds. By avoiding a time-consuming and expensive processing of subscription rights, the equity capital requirements can be covered within a very short time from short-term market opportunities and additional new shareholder groups can be acquired at home and abroad. The flexibility inherent in the exclusion of subscription rights is an important instrument for the Company to be able to use the opportunities offered in rapidly changing markets. The issue price for the new shares must be geared to the stock exchange price of the shares already listed and must not differ significantly from the respective current stock exchange price in each case and, in particular, must not fall significantly below it. This ensures that the compensation received for new shares is always adequate to the market, which is in the interest of both the Company and all its shareholders.

The utilization of the Authorized Capital 2020/II with the exclusion of subscription rights results in a reduction of the proportionate interest ratio as well as the proportionate voting ratio of existing shareholders. As far as the new shares are issued for cash, this dilution will – in conformity with the statutory rationale in section 186 (3) sentence 4 AktG – be adequately limited by the fact that the proportionate amount of share capital attributable to shares issued for cash with exclusion of subscription rights from the Authorized Capital 2020/II must not exceed 10% of the share capital in total. Also to be set off against this limitation is the proportionate amount of share capital attributable to new shares or treasury shares previously acquired by the Company which are issued or sold during the period of validity of this authorization with exclusion of subscription rights in direct, analogous or corresponding application of section 186 (3) sentence 4 AktG and the proportionate amount of the share capital attributable to shares issued or to be issued to satisfy option or conversion rights or discharge option or conversion obligations from bonds, if the bonds are issued during the period of validity of this authorization with exclusion of subscription rights in analogous application of section 186 (3) sentence 4 AktG. This ensures that the upper limit of 10% mentioned above will not be not exceeded and the financial and voting right interests of the shareholders will be reasonably preserved when exercising the Authorized Capital 2020/II with the exclusion of subscription rights. In the case of the utilization of the Authorized Capital 2020/II with the exclusion of subscription rights according to section 186 (3) sentence 4 AktG, shareholders interested in fully maintaining their proportionate interest can always make use of the option to acquire shares of the Company via stock exchanges and therefore at market conditions.

The General Partner may only exercise the aforementioned authorizations to exclude subscription rights with regard to the Authorized Capital 2020/II to the



extent that the proportional amount of the total shares issued under exclusion of subscription rights exceeds 10% of the share capital neither at the time of these authorizations coming into effect nor at the time of the exercise of these authorizations. If, during the period of validity of the Authorized Capital 2020/II until its utilization, other authorizations on the issue or on the sale of shares of the Company or the issue of rights which authorize or bind to the subscription of shares of the Company are exercised and the subscription rights are excluded, such subscription rights will be taken into account with regard to the aforementioned 10% limit.

Duly taking all circumstances stated herein into account, the Management Board of the General Partner considers the exclusion of subscription rights under the Authorized Capital 2020/II appropriate, necessary, adequate as well as materially justified weighting the interests of the Company and the interests of shareholders for the stated reasons and in consideration of the potential dilutive effect to the disadvantage of the shareholders.

Currently, there are no specific plans for the utilization of the Authorized Capital 2020/I and the Authorized Capital 2020/II. The Management Board of the General Partner will in each case carefully assess whether it should exercise the authorizations to use the authorized capitals and, where necessary, the authorizations to exclude subscription rights. It will only do so if it is in the well-understood interests of the Company and all its shareholders and is reasonable and adequate.

The Management Board of the General Partner will report on every utilization of the authorizations granted under agenda item 8 b) and d) at the respective following General Meeting.

Fresenius Medical Care AG & Co. KGaA

The General Partner

Fresenius Medical Care Management AG

The Management Board

Hof an der Saale, June 2020

sgd. Rice Powell
Member of the Management Board

sgd. Helen Giza
Member of the Management Board