

Corporate Governance Report / Declaration on Corporate Governance

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

The Management Board of the General Partner, Fresenius Medical Care Management AG, and the Supervisory Board of FMC-AG & Co. KGaA hereinafter report pursuant to section 289a of the German Commercial Code (*Handelsgesetzbuch – HGB*) and to number 3.10 of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – DCGK*) on the Company's corporate governance.

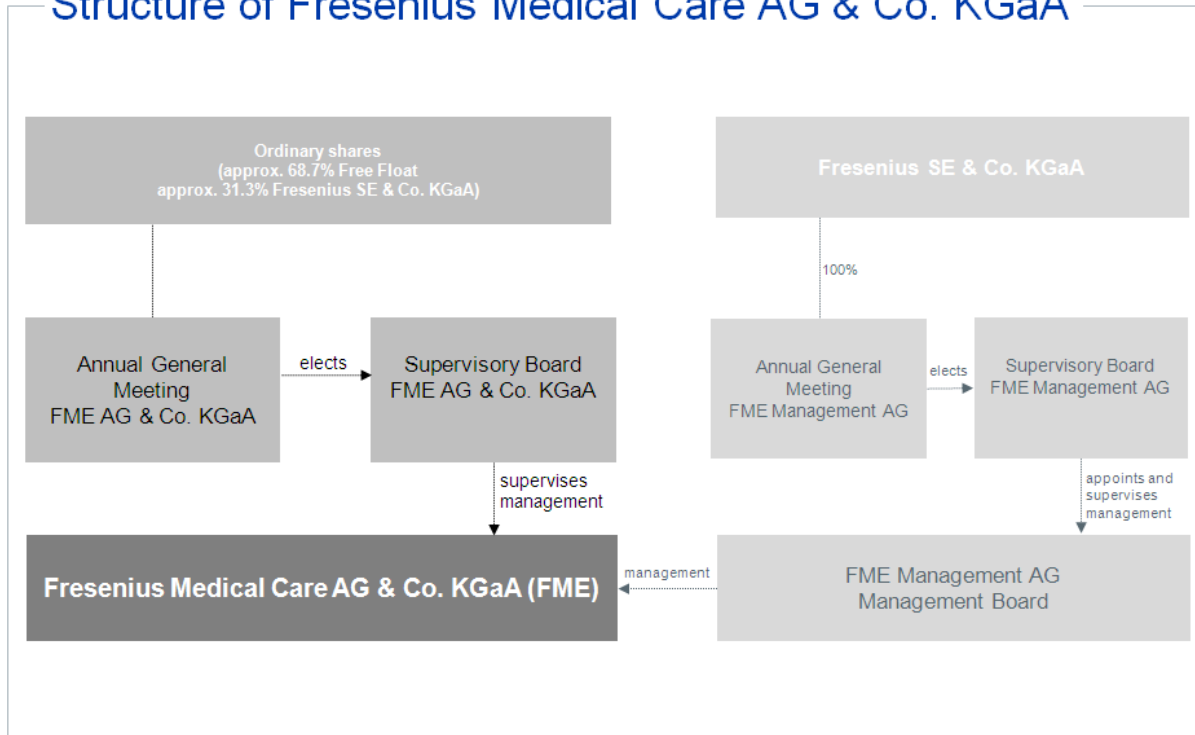
The Declaration on Corporate Governance is publicly available on the Company's website at www.fmc-ag.com in the section Investor Relations / Corporate Governance / Declaration on Corporate Governance.

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*). The statutory bodies are the General Meeting, the Supervisory Board and the General Partner, which is Fresenius Medical Care Management AG. In 2013 as the year under review, there were no significant changes to the Group's management and supervision structure. The group management and supervisory structure is also displayed in the chart below:

Structure of Fresenius Medical Care AG & Co. KGaA



The Articles of Association of FMC-AG & Co. KGaA, which also specify the responsibilities of the bodies of the Company, are available online at www.fmc-ag.com in the section Investor Relations / Corporate Governance / Articles of Association.

Fresenius Medical Care aims for a corporate governance that ensures the highest transparency possible. The Management Board of the General Partner manages the business of the Company. In addition to the Company's Supervisory Board, Fresenius Medical Care Management AG has its own Supervisory Board.

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 for stock corporations (Aktiengesellschaft) as well as for partnerships limited by shares consisting of a management body and a supervisory board. The peculiarity in the case of the legal form of a KGaA is that its business activities are conducted by a personally liable shareholder (General Partner). In the case of FMC-AG & Co. KGaA, this is Fresenius Medical Care Management AG, whose 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 it is involved in making decisions that are fundamental to the Company. The duties and responsibilities of both bodies are clearly defined by legislation and are strictly separated from one another.

The General Partner and its bodies

The General Partner – Fresenius Medical Care Management AG – represented by its Management Board is responsible for managing the Company and conducting the Company's business. Its actions and decisions are directed towards the interests of the Company. Within the scope of filling managerial positions, the Management Board considers diversity and especially female representation in terms of selection from professionally qualified candidates. About one third of the participants of the stock option programs, which are reserved for managers, are female. In the year under review, the Management Board of the General Partner was initially composed of seven and then, as of March 1, 2013, of eight members.

In addition to observing legislation, the Articles of Association and the principles as explained herein, the General Partner's Management Board conducts the business activities of the Company in accordance with the applicable rules of procedure within the meaning of section 77 para. 2 of the German Stock Corporation Act (Aktiengesetz – AktG) and number 4.2.1 Sentence 2 of the German Corporate Governance Code. These rules of procedure define the principles of cooperation and provide for the schedule of responsibilities. Matters of special significance and scope are decided by the full Management Board in accordance with the rules of procedure. In order to increase the efficiency of the Management Board's work, the General Partner's Supervisory Board by resolution of May 15, 2013 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. Apart from the Chairman of the Management Board and the Chief Financial Officer, the Management Board Committee also includes the Chief Administrative Officer and the Management Board member responsible for the respective matter either geographically or in terms of substance; the Management Board Committee decides by virtue of an unanimously resolution.

Deliberations of the Management Board are conducted by the Chairman of the Management Board or, if the latter is unavailable, by the Board member responsible for commercial matters or, if the latter is also unavailable, by the Board member who is the senior-most member in age of the Board members present. The Chairman determines the order of the agenda items and the modus of voting. Unless unanimity or the acting of all members of the Management Board is required by mandatory legal regulations or the Articles of Association, the Management Board adopts resolutions at meetings by simple majority of votes cast, and outside the meetings by simple majority of its members.

The rules of procedure determine that meetings of the Management Board are held as the circumstances require, but at least once a month.

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

The members of the Management Board and their areas of responsibility are introduced in the notes to the annual financial statements of FMC-AG & Co. KGaA for the year under review (the “notes”) under “Management Board of the General Partner Fresenius Medical Care Management AG” (www.fmc-ag.com in the section Investor Relations / Publications 2013 / Financial Statements according to German law (HGB)) and on the internet at www.fmc-ag.com in the section Our Company / Management / Management Board. As of January 1, 2013, Mr. Rice Powell assumed the office of Chairman of the Management Board and succeeded Dr. Ben Lipps in such function. At the same point in time, Mr. Ronald Kuerbitz was appointed to the Management Board, succeeding Mr. Powell in his responsibility for Fresenius Medical Care North America. With effect as of March 1, 2013, the Management Board was expanded by the Global Research & Development department which was assigned to Dr. Olaf Schermeier.



As a stock corporation, Fresenius Medical Care Management AG also has its own Supervisory Board consisting of six members, which is chaired by Dr. Ulf M. Schneider. Other members of the Supervisory Board of Fresenius Medical Care Management AG are Messrs. Dr. Dieter Schenk (Vice Chairman), Rolf A. Classon, William P. Johnston, Dr. Gerd Krick and Dr. Walter L. Weisman. As far as members of the Supervisory Board of Fresenius Medical Care Management AG are also members of the Supervisory Board of FMC-AG & Co. KGaA, further information with regard to them can be found within the scope of information provided with regard to the members of the Supervisory Board of FMC-AG & Co. KGaA in the notes under the header "Supervisory Board" (www.fmc-ag.com in the section Investor Relations / Publications 2013 / Financial Statements according to German law (HGB)) and on the internet at www.fmc-ag.com in the section Our Company / Management / Supervisory Board. In addition to this, for the year under review the following information is provided with regard to Dr. Schneider, who is not a member of the Supervisory Board of FMC-AG & Co. KGaA:

Dr. Ulf M. Schneider

Chairman of the Management Board of Fresenius Management SE

SUPERVISORY BOARD:

Fresenius Kabi AG (Chairman)

HELIOS Kliniken GmbH (Chairman)

Fresenius Medical Care Group France S.A.S., France (Chairman)

Fresenius Kabi España S.A.U., Spain

FPS Beteiligungs AG (Chairman)

OTHERS:

Fresenius Kabi USA, Inc., USA (Board of Directors)

FHC (Holdings), Ltd., Great Britain (Board of Directors)

In recognition of his extraordinary contributions to the development of the Company and his comprehensive experience in the Company, the Supervisory Board of Fresenius Medical Care Management AG appointed Dr. Ben Lipps as its honorary chairman with effect as of January 1, 2013.

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 number 5.1.3 of the German Corporate Governance Code, the Supervisory Board has established rules

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Chairman of Supervisory Board: Dr. Gerd Krick

General Partner: Fresenius Medical Care Management AG

Registered Office and Commercial Register: Hof an der Saale, HRB 3894

Management Board: Rice Powell (Chairman), Michael Brosnan, Roberto Fusté, Dr. Emanuele Gatti, Ronald Kuerbitz,

Dr. Rainer Runte, Dr. Olaf Schermeier, Kent Wanzek

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of procedure. Unaffected by the independence requirements according to statutory rules and to the recommendations of the German Corporate Governance Code, Fresenius Medical Care Management AG has committed itself by virtue of a so-called Pooling Agreement with Fresenius SE & Co. KGaA (inter alia) to a specific form of independence as defined therein. According to the Pooling Agreement, at least one third (and at least two) members of the Supervisory Board of the General Partner 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.

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 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 consists of the following six members: Dr. Gerd Krick (Chairman), Dr. Dieter Schenk (Vice Chairman), Rolf A. Classon, Prof. Dr. Bernd Fahrholz, William P. Johnston and Dr. Walter L. Weisman. Further information on the members of the Supervisory Board can be found in the notes under the header "Supervisory Board" (www.fmc-ag.com in the section Investor Relations / Publications 2013 / Financial Statements according to German law (HGB)) and on the internet at www.fmc-ag.com in the section Our Company / Management / Supervisory Board.

The Supervisory Board of FMC-AG & Co. KGaA also appointed Dr. Ben Lipps as its honorary chairman with effect as of January 1, 2013 in recognition of his extraordinary contributions to the Company's development and his comprehensive experience in the Company.

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. Such resolution of the General Meeting requires a majority of at least three quarters 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

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“Shareholders”). 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 an adequate number of independent Supervisory Board members and diversity. This includes the aim to establish an appropriate female representation on a long-term basis. As the composition of the Supervisory Board needs to be aligned with the interests of the enterprise and has to 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 enterprise’s interest not to limit the selection of qualified candidates in a general way, the Supervisory Board confines itself to a general declaration of intent and particularly refrains from fixed diversity quotas and from an age limit. Therefore, the Supervisory Board has overall refrained from determining and 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. Accordingly, non-compliance is declared in the declaration of compliance of the 2013 financial year insofar. The declaration of compliance is included hereinafter, and can also be viewed on the Company’s website under www.fmc-ag.com in the section Investor Relations / Corporate Governance / Declaration of Compliance.

There is a strict separation between the members of the Supervisory Board and those of the Management Board: simultaneous membership in both the Supervisory Board and the Management Board is not compatible with the law. In the year under review, the Supervisory Board did not include any members who were also members of the General Partner’s Management Board 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.

The Supervisory Board consists of what it considers an adequate number of independent members, who also do not entertain 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. 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” below.

The term of office of the members of the Supervisory Board is five years; the current term of office ends on conclusion of the General Meeting for 2016.

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 Articles 8 et seq. of the Company's Articles of Association, which can be viewed on the Company's website under www.fmc-ag.com in the section Investor Relations / Corporate Governance / Articles of Association. According to number 5.1.3 of the German Corporate Governance Code, 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. Accordingly, the Supervisory Board meets at least twice per calendar half year. The deliberations of the Supervisory Board are conducted by the Chairman or, if the latter is unavailable, by his deputy, who also determines the order of the agenda items and the type of voting. As a rule, the Supervisory Board decides by simple majority of votes cast unless other majorities are prescribed by a mandatory provision of law. The Chairman of the Supervisory Board is responsible for coordinating and directing the Supervisory Board and represents the Supervisory Board vis-à-vis third parties.

In accordance with number 5.6 of the German Corporate Governance Code, 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. 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 show that each of the Supervisory Board and the committees are efficiently organised and that the co-operation of the Supervisory and Management Boards of the General Partner works very well, too.

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 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 according to US GAAP and IFRS. 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.

In the year under review, five meetings of the Supervisory Board – partly lasting for several days – and several telephone conferences have taken place. Significant discussion topics have been the effects of the changes in the cost reimbursement system in the U.S., the expansion of the present business, possibilities to expand business activities to include adjacent business areas and with questions of research and development. In addition to other topics, the further improvement of efficiency of

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production and service and cost-saving measures were discussed. The supervisory board also considered the conversion of the remaining preference shares into ordinary shares resolved on by the shareholders in May 2013 and on the conduct of the share buy back program initiated in the financial year 2013.

Further details about the aforementioned members' memberships in other statutory supervisory boards or in comparable domestic or foreign supervisory committees of business enterprises can be found in the notes to the financial statements under "Supervisory Board" (www.fmc-ag.com in the section Investor Relations / Publications 2013 / Financial Statements according to German law (HGB)) and on the internet at www.fmc-ag.com in the section Our Company / Management / Supervisory Board.

Committees of the Supervisory Boards

A) Committees of the Supervisory Board of FMC-AG & Co. KGaA

From the midst of its members, the Supervisory Board of FMC-AG & Co. KGaA forms two standing committees, the Audit and Corporate Governance Committee and the Nomination Committee. Furthermore, there is a Joint Committee consisting of two members from each the Supervisory Board of the Company and the Supervisory Board of the General Partner. Additionally, a temporary Ad-hoc Committee was established in the year under review, which was in charge of implementing the conversion of the remaining preference shares into ordinary shares, as resolved on by the Annual General Meeting and the separate meeting of the preference shareholders in May 2013 and has met once in the year under review.

Audit and Corporate Governance Committee

The Supervisory Board of FMC-AG & Co. KGaA established an Audit and Corporate Governance Committee. During the year under review Messrs. Dr. Walter L. Weisman (Chairman), Prof. Dr. Bernd Fahrholz (Vice Chairman), Dr. William P. Johnston and Dr. Gerd Krick were members of this Committee.

The Audit and Corporate Governance Committee assists and advises the Supervisory Board and performs the duties incumbent on it by law and in accordance with the German Corporate Governance Code. Without prejudice to the responsibilities of the Supervisory Board, it also reviews the report of the General Partner on relationships with affiliated companies. In addition, the Audit and

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Corporate Governance Committee examines the report according to Form 20-F, which in addition to other disclosures includes the consolidated financial statements and the Group management report.

With the consent of the Supervisory Board, the Audit and Corporate Governance Committee adopted rules of procedure. The rules of procedure of the Audit and Corporate Governance Committees provide that between three and five members may belong to this Committee. The chairman shall not be a former member of the Management Board of the Company. All members of the Audit and Corporate Governance Committee must be independent within the meaning of the Articles of Association of the Company (section 12 para. 2 sentence 3), which means that, apart from their membership in the Supervisory Board of either the General Partner or Fresenius SE & Co. KGaA, they do not have any substantial business, professional or personal relationship with the Company or any of its affiliates. The question of independence is assessed solely by the Supervisory Board of the Company, with such independence as a rule being assumed where the member in question satisfies the requirements for independence pursuant to the New York Stock Exchange. Moreover, at least one member of the Corporate Governance Committee must be independent in terms of Section 107 para (4) in connection with Section 100 para (5) of the German Stock Corporation Act (AktG). Furthermore, members of the Audit and Corporate Governance Committee are required to possess expert knowledge in the finance and accounting sector. All members are independent within this meaning and were appointed to the Committee based on their specialist knowledge, their independence and their experience.

The Audit and Corporate Governance Committee convenes as circumstances require, but at least four times a year in any case. Meetings of the Audit and Corporate Governance Committee are lead by its chairman. A quorum of the body is constituted by at least three of its members. Subsequent to the meetings, the Audit and Corporate Governance Committee reports regularly through its chairman to the Supervisory Board of the Company and together with the latter addresses issues falling under the responsibility of the committee. In consultation with the Audit and Corporate Governance Committee, the Supervisory Board proposed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor of the annual financial statements for the year under review.

Nomination Committee

In accordance with number 5.3.3 of the German Corporate Governance Code, the Supervisory Board has furthermore established a Nomination Committee. In the year under review, the Company's Nomination Committee included Dr. Gerd Krick (Chairman), Dr. Walter L. Weisman and Dr. Dieter Schenk. The Nomination Committee prepares Supervisory Board candidate proposals, and suggests suitable candidates to the Supervisory Board for the latter's nomination proposals to the General Meeting. In the year under review, the Nomination Committee was not convened as there was no demand to do so.

Joint Committee

Since 2006, FMC-AG & Co. KGaA has established a Joint Committee whose composition and activity is provided for in Articles 13a et seq. of the Articles of Association of the Company; these provisions can be viewed on the Company's website under www.fmc-ag.com in the section Investor Relations / Corporate Governance / Articles of Association. The Joint Committee is convened only as required, namely in cases of certain legal transactions defined in the Articles of Association as substantial transactions and for which the General Partner requires the consent of this body.

The Joint Committee is composed of two members of the Supervisory Board of the General Partner and two members of the Supervisory Board of the Company, with the chairman of this body being appointed by the General Partner. For the General Partner, Dr. Ulf M. Schneider and Dr. Gerd Krick have been named as members of the Joint Committee. By resolution of May 12, 2011, the General Meeting of the Company furthermore appointed Dr. Walter L. Weisman and William P. Johnston as members of the Joint Committee for FMC-AG & Co. KGaA.

The Joint Committee constitutes a quorum if at least three members are attending a meeting. As a rule, resolutions are adopted by simple majority of votes. When the Joint Committee has met, it reports to the General Meeting on its work; in this regard, section 171 para. 2 sentence 1 and sentence 2 (first half-sentence) as well as section 176 para. 1 sentence 1 of the German Stock Corporation Act apply mutatis mutandis. If resolutions have been adopted by the second vote being cast by the chairman, this fact must be disclosed in the report of the Joint Committee.

In the year under review, the Joint Committee convened twice. The subject of both meetings of the Joint Committee was consideration of the approval of two contracts concluded by the Company or its group companies with group companies of

Fresenius SE & Co. KGaA. One of these contracts concerned IT services and the other the supply of various products, in particular in the area of plasma collection. The Joint Committee after detailed debate decided in each case unanimously to approve these contracts. In accordance with Article 13e para. 2 of the Articles of Association, the Joint Committee will report to the Annual General Meeting on its activity. The corresponding detailed report of the Joint Committee is available on the Company's website as of the time of the calling of the General Meeting.

Ad-hoc Committee

The Annual General Meeting of 16 May 2013 and the special meeting of the preference shareholders of the same date decided, inter alia, to convert the remaining preference shares into ordinary shares and in this connection to adjust the conditional capital pursuant to Sec. 4 ss. 5 of the Articles of Association. With regard to the registration of the conversion of the preference shares into ordinary shares and the adjustment of the conditional capital in the Commercial Register, the Annual General Meeting has authorised the Supervisory Board to up-date and/or replace, in the course of the registration notification to the Commercial Register, the figures and amounts not yet finally determined at the time of the relevant resolution. On the basis of these authorisations, the Supervisory Board formed, by resolution of 10 June 2013 passed in the circulation procedure, a temporary Ad-hoc Committee which, on 24 June 2013, conducted the above described up-dating and/or replacement including additional amendments.

The Ad-hoc Committee consisted of Dr. Dieter Schenk (chairman), Dr. Gerd Krick and Prof. Dr. Bernd Fahrholz. In the financial year, the Ad-hoc Committee held one telephone conference.

Further details on the memberships of members of the aforementioned committees in other statutory supervisory boards or in comparable domestic or foreign supervisory committees of business enterprises can be found in the notes to the financial statements under "Supervisory Board" (www.fmc-ag.com in the section Investor Relations / Publications 2013 / Financial Statements according to German law (HGB)) and on the internet at www.fmc-ag.com in the section Our Company / Management / Supervisory Board.

B) Committees of the Supervisory Board of the General Partner

Furthermore, at the level of the Supervisory Board of the General Partner, Fresenius Medical Care Management AG, further Committees have been in place. The purpose of these committees is to raise the efficiency of the Supervisory Board's work and to

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deal with special issues of a complex nature, such as the composition and compensation of the Management Board, candidate proposals of the Supervisory Board of the General Partner as well as regulatory requirements and reimbursement of services in the dialysis field. These committees act only in a consulting capacity.

In the year under review, the Human Resources Committee was composed of Dr. Ulf M. Schneider (Chairman), Dr. Gerd Krick, Mr. William P. Johnston and Dr. Walter L. Weisman.

In the year under review, members of the Regulatory and Reimbursement Assessment Committee were Messrs. William P. Johnston (Chairman), Rolf A. Classon (Vice Chairman) and Dr. Dieter Schenk.

Corresponding to number 5.3.3 of the German Corporate Governance Code, the Supervisory Board has furthermore established a Nomination Committee. In the year under review, the Nomination Committee of the General Partner's Supervisory Board included Dr. Ulf M. Schneider (Chairman), Dr. Gerd Krick (Deputy Chairman) and Dr. Walter L. Weisman. The Nomination Committee prepares Supervisory Board candidate proposals, and suggests suitable candidates to the General Partner's Supervisory Board for the latter's nomination proposals to its General Meeting. In the year under review, the Nomination Committee was not convened as there was no demand to do so.

Further details about the aforesaid members' membership in other statutory Supervisory Boards or in comparable domestic or foreign supervisory committees of business enterprises can be found in the notes to the financial statements under "Supervisory Board" (www.fmc-ag.com in the section Investor Relations / Publications 2013 / Financial Statements according to German law (HGB)) and on the internet at www.fmc-ag.com in the section Our Company / Management / Supervisory Board.

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 in the Company's interest: their joint goal is to increase the Company's value in the long term in compliance with the corporate governance principles and compliance regulations. The General Partner regularly informs the Company's Supervisory Board about all relevant issues regarding business policy, corporate planning and strategic

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enhancement, about the profitability of the Company as well as the development of business and the Group's position including an assessment of the risk situation. In the expired fiscal year, the Supervisory Board regularly advised the management, i.e. the Management Board of the General Partner, on the Company's management and supervised it in line with its responsibility as Supervisory Board of the partnership limited by shares.

Relevant information on corporate governance practices

Compliance

Global business activities result in global responsibility. As the global market leader in dialysis, Fresenius Medical Care is aware of its responsibility.

We are committed to conduct the Company's business activities in compliance with local laws and regulations. We seek to demonstrate professionalism, honesty and integrity in the business relationships with our patients, customers, suppliers and other business partners, with the public authorities and the payors within the healthcare system, with our employees, shareholders and the general public.

For us, compliance means adhering to defined ethical and legal guidelines as part of our business activities. Observing compliance guidelines is an integral part of our corporate culture. We have implemented Fresenius Medical Care's compliance program in all of our business regions. Thus, our compliance guidelines apply to all our subsidiaries.

Our compliance program comprises of a code of conduct that has been approved by the Management Board. The code of conduct applies worldwide in every business section and combines our long-term interests with those of our partners. It describes our Company's business standards and emphasizes our commitment to operate in accordance with the applicable laws and regulations and with our own company policies. The code of conduct is based on the core values of our Company: quality, honesty and integrity, innovation and improvement, respect, teamwork and dignity. Our corporate culture and policy as well as our entire business activities are guided by these values. Each employee is called on to ensure, by complying with the laws as well as the guidelines and rules of the code of conduct, that Fresenius Medical Care is appreciated as a partner of integrity and reliability in the healthcare system for patients, customers, suppliers, public authorities and the general public.

All employees have the possibility of reporting suspected violations of applicable laws or company policies. Information on violations may also be provided anonymously.

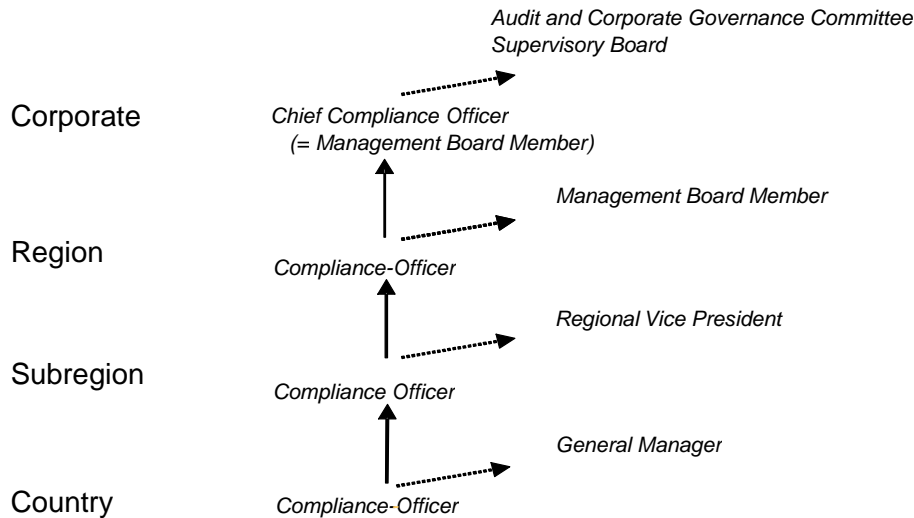
Further details can be obtained from the code of conduct published on the website of the Company at www.fmc-ag.com in the section Our Company / Compliance / Code of Conduct.

In his capacity as the Chief Compliance Officer, the member of the Management Board responsible for compliance regularly provides a compliance update to the Audit and Corporate Governance Committee of FMC-AG & Co. KGaA and to the Supervisory Board of Fresenius Medical Care Management AG.

We continued our compliance training activities in 2013. As part of this training, local compliance officers were given the opportunity at conferences to exchange their experiences with the compliance officers from their respective business regions. As the chart below shows, these officers are assigned a key role: They are responsible that each employee is informed about our code of conduct and its goals. At the same time, they are responsible for related training measures. Compliance officers act as contacts for our employees and can be reached via special telephone numbers or by e-mail. Of course, our local compliance officers can also be approached in person.

In the year under review, we strengthened the network and global cooperation within our compliance organization and promoted the exchange on company-wide compliance topics by hosting our compliance conferences in several regions.

In addition, we have leveraged current resources to strategically strengthen our compliance program through initiatives like online employee training and increased communication within the Company.



Index : ———▶ reports to
▶ informs

Our compliance program is also an integral part of our risk and opportunity management.

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. Our risk management is therefore an important component of the corporate management of Fresenius Medical Care. The adequateness and effectiveness of our internal control systems for the financial reporting are reviewed on a regular basis by the Management Board and by our auditor.

Further information about the risk and opportunity management system, our internal control system for the financial reporting and the compliance program can be found in the risk management section of the management report as well as on the internet under www.fmc-ag.com in the section Investor Relations / Publications 2013 / Financial Statements according to German law (HGB).

Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg, Germany, T +49 6172 609-0, F +49 6172 609-2422
 Registered Office and Commercial Register: Hof an der Saale, HRB 4019
 Chairman of Supervisory Board: Dr. Gerd Krick
 General Partner: Fresenius Medical Care Management AG
 Registered Office and Commercial Register: Hof an der Saale, HRB 3894
 Management Board: Rice Powell (Chairman), Michael Brosnan, Roberto Fusté, Dr. Emanuele Gatti, Ronald Kuerbitz, Dr. Rainer Runte, Dr. Olaf Schermeier, Kent Wanzek
 Chairman of Supervisory Board: Dr. Ulf M. Schneider
 Bank Account: Commerzbank AG, Frankfurt/Main, IBAN: DE23 5008 0000 0711 6731 00, SWIFT/BIC: DRES DE FF 501

German Corporate Governance Code and Declaration of Compliance

The German Corporate Governance Code includes key recommendations for the management and supervision of companies listed on a German stock exchange with the aim of making the rules for managing and supervising companies in Germany more transparent for investors. The code is also intended to enhance the trust of the public as well as that of employees and customers in the management and supervision of listed stock corporations.

The Management Board of Fresenius Medical Care Management AG and the Supervisory Board of FMC-AG & Co. KGaA endorse the principles set forth in the German Corporate Governance Code. The majority of the guidelines, 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. Comprehensive information regarding corporate governance is available on our website at www.fmc-ag.com in the Investor Relations section.

The 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 2013 as well as previous Declarations of Compliance are made permanently available to shareholders according to section 161 para. 2 of the German Stock Corporation Act and number 3.10 of the German Corporate Governance Code among other extensive information on corporate governance on the Company's website at www.fmc-ag.com in the section Investor Relations / Corporate Governance / Declaration of Compliance.



**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 & Co. KGaA declare that since issuance of the previous declaration of compliance in December 2012 the recommendations of the “German Corporate Governance Code Government Commission” published by the Federal Ministry of Justice in the official section of the Federal Gazette (hereafter the Code) in the version of May 15, 2012 as well as in the version of May 13, 2013 since publication thereof in the Federal Gazette have been met and that the recommendations of the Code in the version of May 13, 2013 will be met in the future. Only the following recommendations of the Code in its versions of May 15, 2012 and May 13, 2013 have not been met and will not be met:

**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 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 since this would unduly limit the selection of qualified candidates.

**Code number 5.4.1 paragraph 2 and paragraph 3:
Specification of concrete objectives regarding the composition of the Supervisory Board and their consideration when making recommendations to the competent election bodies**

Pursuant to Code number 5.4.1 paragraph 2 and paragraph 3, the Supervisory Board shall specify concrete objectives regarding its composition and, when making recommendations to the competent election bodies, take these objectives into account. The objectives specified by the Supervisory Board and the status of the implementation shall be published in the Corporate Governance Report. These recommendations are not met.

As 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, it is a matter of principle and of prime importance that each member is suitably qualified. When discussing its recommendations to the competent election bodies, 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. This includes the aim to establish an appropriate female representation on a long-term basis.

In the enterprise's interest not to limit the selection of qualified candidates in a general way, the Supervisory Board confines itself to a general declaration of intent and particularly refrains from fixed diversity quotas and from an age limit. As the next regular elections of the Supervisory Board will take place in the year



2016, reasonably a report on implementation of the general declaration of intent cannot be made till then.

Furthermore, the following recommendations of the Code in its version of May 13, 2013 have not been met and will not be met:

**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 in the version of May 13, 2013, the amount of compensation 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 and phantom stocks as compensation elements 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 elements 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 4.2.5 paragraph 3:
Presentation in the compensation report**

Pursuant to Code number 4.2.5 paragraph 3 in the version of May 13, 2013, the presentation of the compensation for each individual member of the Management Board in the compensation report shall for fiscal years starting after 31 December 2013 inter alia present the maximum and minimum achievable compensation by using corresponding model tables.



Since 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 compensation elements and, therefore, does not provide for caps regarding specific amounts for the overall compensation, the compensation report cannot meet all recommendations of the Code in the future. 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 in the future. This will also include the maximum and minimum achievable variable bonus.

Bad Homburg v.d.H., in December 2013

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

Company shareholders exercise their rights and voting powers in the General Meeting. Since the registration of the conversion of the preference shares into ordinary shares in the year under review, the share capital of FMC-AG & Co. KGaA is exclusively divided into ordinary shares. Each share of FMC-AG & Co. KGaA entitles the holder to one vote at the General Meeting. Shares with multiple or preference 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 it holds 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 shareholders in the partnership limited by

shares (KGaA) can solely decide on these matters, particularly those concerning the control of the Management.

General Meeting

According to the principles of the German Stock Corporation Act (*Aktiengesetz*), shareholders can exercise their voting rights at the Annual General Meeting themselves, 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 open discussion period.

In the year under review, the Annual General Meeting of FMC-AG & Co. KGaA took place on May 16, 2013 in Frankfurt/Main (Germany). Approximately 75% of the ordinary share capital and 3.5% of the preference share capital, in each case in relation to the entire share capital, were represented. In 2012, about 78% of the ordinary share capital and about 2% of the preference share capital were represented at the Annual General Meeting. All shareholders who were not able to participate had the possibility to follow the speech of the Chairman of the Management Board live on the internet. At the Annual General Meeting, resolutions were passed on the following topics:

- approval of the annual financial statements for the fiscal year 2012,
- allocation of distributable profit,
- approval of the actions of the General Partner and the Supervisory Board,
- election of the auditors and consolidated group auditors for the fiscal year 2013,
- conversion of the non-voting preference bearer shares into voting ordinary bearer shares, eliminating the preferential right to profits, and corresponding adjustments of the Company's Articles of Association,
- adjustment of the International Employee Participation Program of 2001 and adjustment of the conditional capital pursuant to section 4 para. 5 of the Company's Articles of Association,
- special resolution of the ordinary shareholders on the consent to the resolution on the conversion of the non-voting preference bearer shares into voting ordinary bearer shares and corresponding adjustments of the Company's Articles of Association and on the consent to the resolutions on the adjustment of the International Employee Participation Program of 2001 and the conditional capital pursuant to Article 4 para. 5 of the Company's Articles of Association, and
- amendment to section 15 of the Company's Articles of Association (participation in the General Meeting and exercise of voting rights).

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General Partner: Fresenius Medical Care Management AG

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Dr. Rainer Runte, Dr. Olaf Schermeier, Kent Wanzek

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Subsequent to the Annual General Meeting, a separate meeting of the Company's preference shareholders was held in Frankfurt am Main on May 16, 2013; about 81% of the preference share capital was represented in this separate meeting. The separate meeting of the preference shareholders passed resolutions on the following agenda items:

- consent to the resolutions passed by the Company's Annual General Meeting on May 16, 2013 on the conversion of the non-voting preference bearer shares into voting ordinary bearer shares and corresponding adjustments of the Company's Articles of Association.
- consent to the resolutions passed by the Company's Annual General Meeting on May 16, 2013 on the adjustment of the International Employee Participation Program of 2001 and the conditional capital pursuant to Article 4 para. 5 of the Company's Articles of Association.

All documents and information about the Annual General Meeting and about the separate meeting of the preference shareholders as well as the respective voting results and the speech of the Chairman of the Management Board are available on our website at www.fmc-ag.com in the section Investor Relations / Annual General Meeting.

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 outside activities or business dealings with the Company by members of the corporate bodies are to be disclosed to the Supervisory Board immediately and are subject to its approval, if necessary. The Supervisory Board reports to the General Meeting about possible conflicts of interests and how to deal with them. Furthermore, Mr. Rice Powell as the Chairman of Fresenius Medical Care Management AG's Management Board, in the year under review, with the approval of Fresenius Medical Care Management AG's Supervisory Board, was at the same time a member of the Management Board of Fresenius Management SE. The members of the Supervisory Board of FMC-AG & Co. KGaA Dr. Krick (Chairman) and Dr. Schenk (Vice Chairman) were, in the year under report, also members of the Supervisory Board of Fresenius Medical Care Management AG (Dr. Schenk as Vice Chairman) and of the Supervisory Board of Fresenius

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Management SE (Dr. Krick as Chairman, Dr. Schenk as Deputy Chairman), the general partner of Fresenius SE & Co. KGaA. Furthermore, Dr. Krick is the Chairman of the Supervisory Board of Fresenius SE & Co. KGaA. Dr. Schenk continues to be chairman of the administrative 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 co-executor of the estate of Mrs. Else Kröner. Dr. Krick receives a pension from Fresenius SE & Co. KGaA due to his previous work on the Management Board of the company. During the year under review, consulting or other service relationships between members of the Supervisory Board and the Company existed only in the case of Dr. Schenk, who was in the year under review a member of the Supervisory Board of the Company and of the Supervisory Board of Fresenius Medical Care Management AG, a member of the Supervisory Board of Fresenius Management SE and, at the same time, a partner of the law firm Noerr LLP. In the year under review, the companies of the internationally operating law firm Noerr acted for FMC-AG & Co. KGaA and affiliated companies as legal advisor. The Supervisory Board of Fresenius Medical Care Management AG and the Supervisory Board of FMC-AG & Co. KGaA have concerned themselves with each of the assignments in a detailed manner; moreover, the Supervisory Board dealt with the fee volume for the legal advice rendered by the law firm Noerr in proportion to the fee volume for other law firms. As regards specific mandates for future services to be provided by law firm Noerr and as regards the first three quarters of the year under review, the Supervisory Board of Fresenius Medical Care Management AG and the Supervisory Board of FMC-AG & Co. KGaA have already given their consent to such activity, with Dr. Schenk abstaining from the vote. The resolutions were in each case passed on the basis of a written document for the Supervisory Board specifically stating each single mandate and the invoices rendered for each mandate. All payments rendered to the law firm Noerr in the year under review were made only after the approval of both Supervisory Boards. Any services rendered in the fourth quarter of the year under review will be topic of the Supervisory Board's Meeting in March 2014 and will also be compensated only after approval has been obtained.

In the year under review, an amount of approximately EURO 1 Mio. (plus VAT) was paid or processed for payment in December 2013 by Fresenius Medical Care to law firm Noerr (2012: about EURO 1.4 Mio.). This represents less than 2% of the legal and other consultancy fees paid by Fresenius Medical Care on a global scale. Concerning the amount paid or processed for payment in the year under review, it does not include payments which have been executed in the year under review, but had been instructed for payment in 2012 and had therefore been reported for fiscal year 2012 already.

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Information on Directors' Dealings and Shareholding

According to section 15a of the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*), members of the Management and Supervisory Boards or other employees in management positions are required to inform the Company when buying or selling shares in Fresenius Medical Care and related financial instruments if the volume exceeds EURO 5,000 within a single year. During fiscal year 2013, we received a total of eight disclosures according to section 15a of the German Securities Trading Act, on which further information is provided in the chart below:

Director's Dealings 2013



Notifying Date	Issuer	Notifying Party	Transaction
May 29, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Dr. Emanuele Gatti, Member of the Management Board of Fresenius Medical Care Management AG	Date of Transaction: May 24, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Exercise of stock options against cash settlement Quotation / Price per Share: Euro 53.222369 Quantity: 40,269 Amount: Euro 2,143,211.58 Place: XETRA Comments: Exercise of stock options on Fresenius Medical Care shares of the stock option plan and sale of the shares (cash settlement)
May 29, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Dr. Rainer Runte, Member of the Management Board of Fresenius Medical Care Management AG	Date of Transaction: May 24, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Exercise of stock options against cash settlement Quotation / Price per Share: Euro 53.285919 Quantity: 99,600 Amount: Euro 5,307,277.53 Place: XETRA Comments: Exercise of stock options on Fresenius Medical Care shares of the stock option plan and sale of the shares (cash settlement)

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Director's Dealings 2013

Notifying Date	Issuer	Notifying Party	Transaction
June 7, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Michael Brosnan, Member of the Management Board of Fresenius Medical Care Management AG	Date of Transaction: June 4, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Exercise of stock options against cash settlement Quotation / Price per Share: Euro 52.2065 Quantity: 47,244 Amount: Euro 2,466,443.89 Place: XETRA Comments: Exercise of stock options on Fresenius Medical Care shares of the stock option plan and sale of the shares (cash settlement)
June 7, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Roberto Fusté, Member of the Management Board of Fresenius Medical Care Management AG	Date of Transaction: June 6, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Exercise of stock options against cash settlement Quotation / Price per Share: Euro 52.18456 Quantity: 49,800 Amount: Euro 2,598,791.09 Place: XETRA Comments: Exercise of stock options on Fresenius Medical Care shares of the stock option plan and sale of the shares (cash settlement)
August 1, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Dr. Ulf M. Schneider, Chairman of the Supervisory Board of the general partner (Fresenius Medical Care Management AG) of the company	Date of Transaction: July 31, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Purchase Quotation / Price per Share: Euro 46.8795 Quantity: 2,130 Amount: Euro 99,853.34 Place: XETRA Comments: Purchase of ordinary shares

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Director's Dealings 2013

Notifying Date	Issuer	Notifying Party	Transaction
November 22, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Dr. Emanuele Gatti, Member of the Management Board of Fresenius Medical Care Management AG	Date of Transaction: November 18, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Exercise of stock options against cash settlement Quotation / Price per Share: Euro 48.05 Quantity: 49,800 Amount: Euro 2,392,890.00 Place: XETRA Comments: Exercise of stock options on Fresenius Medical Care shares of the stock option plan and sale of the shares (cash settlement)
November 22, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Dr. Emanuele Gatti, Member of the Management Board of Fresenius Medical Care Management AG	Date of Transaction: November 19, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Exercise of stock options against cash settlement Quotation / Price per Share: Euro 48.20 Quantity: 35,469 Amount: Euro 1,709,605.80 Place: XETRA Comments: Exercise of stock options on Fresenius Medical Care shares of the stock option plan and sale of the shares (cash settlement)
December 13, 2013	Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg v.d.H.	Rice Powell, Member of the Management Board of Fresenius Medical Care Management AG	Date of Transaction: December 10, 2013 Title of Security / Right: Fresenius Medical Care AG & Co. KGaA Ordinary Share (ISIN DE 0005785802) Type of Transaction: Exercise of stock options against cash settlement Quotation / Price per Share: Euro 51.085 Quantity: 49,800 Amount: Euro 2,544,033.00 Place: XETRA Comments: Exercise of stock options on Fresenius Medical Care shares of the stock option plan and sale of the shares (cash settlement)

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In accordance with applicable regulation, we have published these disclosures on our website at www.fmc-ag.com in the section Investor Relations / Corporate Governance / Directors' Dealings / Single Dealings.

Transparency of our Reporting

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

All ad hoc releases as well as other news are published on our website at www.fmc-ag.com in the section Investor Relations / News. We keep our shareholders informed of key dates on the website of Fresenius Medical Care at www.fmc-ag.com in the section Investor Relations / Financial Calendar.

Financial Accounting and Audit, Stock Exchange Listing

Fresenius Medical Care prepares its consolidated financial statements in accordance with the United States Generally Accepted Accounting Principles (US-GAAP) and in U.S. dollars. In line with this, the consolidated financial statements as well as the interim consolidated quarterly reports are also prepared in accordance with these principles. The consolidated financial statements are published within the first 90 days of the end of each fiscal year, and the quarterly reports within the first 45 days of the end of each quarter.

As required by law, consolidated financial statements and a Group management report as well as quarterly reports continue to be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The annual financial statements and the management report of FMC-AG & Co. KGaA are prepared in accordance with the German Commercial Code (*Handelsgesetzbuch, HGB*). The annual financial statements are decisive for the distribution of the annual profit.

Moreover, an annual report of Fresenius Medical Care, which equally reflects the requirements of US GAAP and the German Commercial Code, is published each year.

Fresenius Medical Care shares are listed on the stock exchange in the U.S. (as American Depositary Receipts) and in Germany. We are therefore subject to a number of regulations and recommendations regarding the management, administration and monitoring of our Company. On the one hand, in addition to mandatory requirements under stock corporation and commercial law, we comply 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 “foreign private issuer”) we are subject to the regulations connected to our 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. We fully meet all of the current requirements applicable to our Company.

Fresenius Medical Care’s declaration concerning significant differences between the systems of corporate governance in Germany and the U.S. – which is based on the listing standards of the New York Stock Exchange – can be accessed on the internet under www.fmc-ag.com in the section Investor Relations / Corporate Governance / NYSE-Declaration.

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 as 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 remuneration of the Supervisory Board are described. The compensation report is part of the management report of the annual financial statements and the annual consolidated group financial statements of FMC-AG & Co. KGaA as of December 31, 2013. The compensation report is prepared on the basis of the recommendations of the German Corporate Governance Code and 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 entire Supervisory Board of Fresenius Medical Care Management AG is responsible for determining the compensation of the Management Board. The Supervisory Board is assisted in this task by a personnel committee, the Human Resources Committee. In the fiscal year, the Human Resources Committee was composed of Dr. Ulf M. Schneider (Chairman), Dr. Gerd Krick (Vice Chairman), Mr. William P. Johnston and Dr. Walter L. Weisman.

I. Structure and Amount of Compensation

The current Management Board compensation system was last approved by resolution of the General Meeting of FMC-AG & Co. KGaA on May 12, 2011 with a majority of 99.71% of the votes cast. Furthermore, this compensation system is reviewed by an independent external compensation expert at the beginning of each fiscal year.

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 due regard to the peer environment.

The amount of the total compensation of the members of the Management Board is measured taking particular account of relevant reference values of other DAX-listed companies and similar companies of comparable size and performance in the relevant industry sector.

The compensation of the Management Board is, as a whole, performance-based and consisted of three components in the fiscal year:

- non-performance-based compensation (fixed compensation and fringe benefits)
- short-term performance-based compensation (one-year variable compensation)
- components with long-term incentive effects (multi-year variable compensation, consisting of stock options and share-based compensations with cash settlement)

The individual components are designed on the basis of the following criteria:

In the fiscal year, the fixed compensation paid in Germany was divided in twelve instalments, while the fixed compensation paid in the U.S. was divided in twenty-four instalments as base salary. Moreover, the members of the Management Board received additional benefits consisting mainly of payment for insurance premiums, the private use of company cars, special payments such as foreign supplements, rent supplements, reimbursement of fees for the preparation of tax returns and reimbursement of certain other charges and additional contributions to pension and health insurance.

Performance-based compensation will also be awarded for the fiscal year as a short-term cash component (one-year variable compensation) and as components with long-term incentive effects (stock options and share-based compensations with cash settlement). The share-based compensations with cash settlement consist of phantom stocks and of the 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 common targets:

- 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 level of achievement of these targets is derived from the comparison of target amounts and actual results. Furthermore, targets are divided into Group level targets and those to be achieved in individual regions. Lastly, the various target parameters are weighted differently by their relative share in the aggregate amount of variable compensation depending on the respective (regional and/or sectoral) areas of responsibility assumed by the members of the Management Board.

The respective minimum level of Net income growth to be achieved was at least 6% in the fiscal year, with the maximum bonus payable upon achievement of Net income growth of 15%. Furthermore, the members of the Management Board assuming Group functions and the members of the Management Board with regional responsibilities were also evaluated by reference to the development of free cash flow within the Group or in the relevant regions, respectively, during the fiscal year, with the targets being within a range of rates between 3% and 6% of the respective free cash flow in % of revenue. For Board members without Group functions, growth of regional operating income margins within the fiscal year was compensated within

individual targets ranging between 13% and 18.5%, reflecting the particularities of the respective Board responsibilities.

The targets are, as a rule, weighted differently depending on whether the Management Board member exercises Group functions – these are Mr. Rice Powell, Mr. Michael Brosnan and Dr. Rainer Runte – or whether the Management Board member is responsible for regional earnings – these are Mr. Roberto Fusté, Dr. Emanuele Gatti and Mr. Ronald Kuerbitz – or takes on specific Management Board responsibilities without Group functions – these are Mr. Kent Wanzek for Global Manufacturing Operations and Dr. Olaf Schermeier for Research & Development. For members of the Management Board with Group functions, Net income growth accounts for 80% and is thus weighted higher than for the other Board members, where Net income growth accounts for 60%. For members of the Management Board without Group functions, a further 20% is based upon the evaluation of the operating income margin. Achievement of the target for free cash flow in percent of revenue is weighted at 20% for all members of the Management Board equally.

Multiplying the level of target achievement by the respective fixed compensation and another fixed multiplier provides a total amount, of which a 75% share is paid out in cash to the Management Board members (one-year variable compensation) after approval of the annual financial statements for the fiscal year. Since the maximum level of target achievement is set at 120%, the Management Board's maximum achievable one-year variable compensation is limited. The Management Board's maximum achievable and minimum one-year variable compensation in the fiscal year are as follows:

Minimum and Maximum Amounts of the Short-term Performance-related Cash Compensation (Annual Bonus)

in € THOUS	Minimum 2013	Maximum 2013
Rice Powell	212	1.864
Michael Brosnan	123	1.081
Roberto Fusté	124	1.089
Dr. Emanuele Gatti	162	1.452
Ronald Kuerbitz	144	1.267
Dr. Rainer Runte	96	871
Dr. Olaf Schermeier ¹⁾	70	660
Kent Wanzek	88	775

¹⁾ pro rata temporis

The remaining share, amounting to 25% of the total amount calculated according to the key data above, is granted to the members of the Management Board in the form of the Share Based Award, which is included in components with long-term incentive effects. The Share Based Award is subject to a three- or four-year waiting period, although a shorter period may apply in special cases (e.g. professional incapacity, entry into retirement, non-renewal by the Company of expired service agreements). The amount of the cash payment of the Share Based Award is based on the share price of FMC-AG & Co. KGaA ordinary shares upon exercise after the three- or four-year waiting period.

In determining the variable compensation, it is ensured that performance-based components with long-term incentive effects (i.e. the Share Based Award as well as the stock option and phantom stock components described below) are granted in amounts which constitute at least 50% of the sum of one- and multi-year variable components. Should this turn out not to be the case mathematically, the Management Board members' contracts provide that the portion of variable compensation payable as one-year variable compensation shall be reduced and the portion payable as the Share Based Award correspondingly increased, in order to meet this requirement. The components with long-term incentive effects also contain a limitation possibility for cases of extraordinary developments. The Supervisory Board may also grant a discretionary bonus for extraordinary performance.

In addition, a special bonus component applied in some cases for fiscal years 2006, 2007 and 2008 which was linked to the achievement of targets measured only over this three-year period but whose payment was also subject, in part, to a waiting period of several years through 2012. This bonus component also included special components linked to the achievement of extraordinary financial targets related to special integration measures (e.g. in connection with the acquisition of Renal Care Group in the U.S.) and thus required the achievement of an extraordinary increase in earnings. The present report also reflects those payments based on this earlier bonus component but exercised and paid only in the previous fiscal year (see table "Expenses for Long-term Incentive Components").

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 consisted of the following:

Amount of Cash Payments

	Non-Performance Related Compensation				Performance Related Compensation		Cash Compensation (without long-term Incentive Components)	
	Salary		Other ¹⁾		Bonus			
	in € THOUS		in € THOUS		in € THOUS		in € THOUS	
	2013	2012	2013	2012	2013	2012	2013	2012
Rice Powell	941	771	169	31	373	1,235	1,483	2,037
Michael Brosnan	546	525	145	247	216	776	907	1,548
Roberto Fusté	550	550	301	251	278	692	1,129	1,493
Dr. Emanuele Gatti	733	700	124	115	529	937	1,386	1,752
Ronald Kuerbitz	640	0	26	0	503	0	1,169	0
Dr. Ben Lipps ²⁾	0	973	0	302	0	1,438	0	2,713
Dr. Rainer Runte	440	440	44	41	174	650	658	1,131
Dr. Olaf Schermeier	333	0	69	0	132	0	534	0
Kent Wanzek	392	405	53	29	303	649	748	1,083
Total:	4,575	4,364	931	1,016	2,508	6,377	8,014	11,757

¹⁾ Includes insurance premiums, private use of company cars, rent supplements, contributions to pension and health insurance and other benefits.

²⁾ Chairman of the Management Board until December 31, 2012

In addition to the Share Based Award, stock options under the Company's Stock Option Plan 2011 and phantom stock awards under the Phantom Stock Plan 2011 were granted to members of the Management Board as additional components with long-term incentive effects in the fiscal year. These stock-option and phantom-stock components are granted during the course of each fiscal year. The Stock Option Plan 2011, together with the Phantom Stock Plan 2011, forms the Long Term Incentive Program 2011 (LTIP 2011).

In addition to the Members of the management boards of affiliated companies, managerial staff members of the Company and of certain affiliated companies the members of the Management Board are entitled to participate in LTIP 2011. Under LTIP 2011 a combination of stock options and phantom stock awards are granted to

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the participants. Stock options and phantom stock awards will be granted on specified grant days during a period of five years. The number of stock options and phantom stock awards to be granted to the members of the Management Board is determined by the Supervisory Board in its discretion. In principle all members of the Management Board are entitled to receive the same number of stock options and phantom stock awards, with the exception of the Chairman of the Management Board, who is entitled to receive double the granted quantity. At the time of the grant participants can 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. The exercise of stock options and phantom stock awards is subject to several conditions, including the expiration of a four year waiting period, the consideration of black-out periods, the achievement of a defined success target and the existence of a service or employment relationship. 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. tax payers specific conditions apply with respect to the exercise period of phantom stock awards. The success target is achieved in each case if, during the waiting period, either the adjusted basic income per share increases by at least eight per cent 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 eight per cent per annum. If with regard to any reference year or more than one of the four reference years within the waiting period neither the adjusted basic income per share increases by at least eight per cent per annum in comparison to the previous year nor 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 eight per cent per annum, the stock options and phantom stock awards subject to such waiting period are cancelled to such proportion to which the success target was not achieved within the waiting period, i.e. in the proportion of 25% for each year in which the target is not achieved within the waiting period, up to 100%.

Additional information regarding the basic principles of the LTIP 2011 and of the other employee participation programs in place at the beginning of the fiscal year and secured by conditional capital, which entitled their participants to convertible bonds or stock options (from which, however, in the past fiscal year no further options could be issued), are described in more detail in the notes to annual financial statements and the consolidated financial statements in the section “Conditional Capital”.

Under Stock Option Plan 2011 in the fiscal year 2,141,076 stock options were granted in total (previous year: 2,166,035), with 328,680 stock options (previous year: 310,005) granted to the Management Board members. Moreover, in the fiscal year 186,392 (previous year: 178,729) phantom stock awards were granted under the

Phantom Stock Plan 2011, of which 25,006 awards (previous year: 23,407) were granted to Management Board members.

For the fiscal year the number and value of stock options issued to members of the Management Board and the value of the share-based compensations with cash settlement paid to them, each as compared to the previous year, are shown individually in the following table.

Long-term Incentive Components

	Components with Long-term Incentive Effect							
	Stock Options				Share-based Compensation with Cash Settlement ¹⁾		Total	
	Number		in € THOUS		in € THOUS		in € THOUS	
	2013	2012	2013	2012	2013	2012	2013	2012
Rice Powell	74,700	56,025	666	710	358	628	1,024	1,338
Michael Brosnan	37,350	37,350	333	474	189	403	522	877
Roberto Fusté	37,350	37,350	333	474	210	375	543	849
Dr. Emanuele Gatti	29,880	29,880	267	379	363	558	630	937
Ronald Kuerbitz	37,350	0	333	0	285	0	618	0
Dr. Ben Lipps ²⁾	0	74,700	0	947	0	768	0	1,715
Dr. Rainer Runte	37,350	37,350	333	474	175	361	508	835
Dr. Olaf Schermeier	37,350	0	333	0	161	0	494	0
Kent Wanzek	37,350	37,350	333	474	218	361	551	835
Total:	328,680	310,005	2,931	3,932	1,959	3,454	4,890	7,386

¹⁾ This includes Phantom Stocks granted to Board Members during the fiscal year. The share-based compensation amounts are based on the grant date fair value.

²⁾ Chairman of the Management Board until December 31, 2012

The stated values of the stock options granted to the members of the Management Board in the fiscal year correspond to their fair value at the time of grant, namely a

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value of € 8.92 (previous year: € 12.68) per stock option. The exercise price for the stock options granted is € 49.76 (previous year: € 57.30).

At the end of the fiscal year, the members of the Management Board held a total of 1,993,305 stock options and convertible bonds (collectively referred to as stock options; previous year: 2,201,205 stock options).

The development and status of stock options of the members of the Management Board in the fiscal year are shown in more detail in the following table:

Development and status of the stock options

		Rice Powell	Michael Brosnan	Roberto Fusté	Dr. Emanuele Gatti	Ronald Kuerbitz	Dr. Rainer Runte	Dr. Olaf Schermeier	Kent Wanzek	Total
Options outstanding January 1, 2013	Number	336,150	340,878	359,169	334,698	184,002	321,210	0	160,500	2,036,607
	Weighted average exercise price in €	42.80	36.37	37.62	36.55	42.75	39.42	0	46.36	39.53
Options granted during the fiscal year	Number	74,700	37,350	37,350	29,880	37,350	37,350	37,350	37,350	328,680
	Weighted average exercise price in €	49.76	49.76	49.76	49.76	49.76	49.76	49.76	49.76	49.76
Options exercised during the fiscal year	Number	49,800	47,244	49,800	125,538	0	99,600	0	0	371,982
	Weighted average exercise price in €	33.91	25.66	30.49	27.62	0	32.20	0	0	29.82
	Weighted average share price in €	51.09	52.21	52.18	49.75	0	53.29	0	0	51.51
Options outstanding December 31, 2013	Number	361,050	330,984	346,719	239,040	221,352	258,960	37,350	197,850	1,993,305
	Weighted average exercise price in €	45.47	39.41	39.95	42.89	43.93	43.69	49.76	47.00	43.02
	Weighted average remaining contractual life in years	4.76	3.50	3.37	4.07	4.10	4.28	7.58	5.00	4.17
	Range of exercise prices in €	31.97 - 57.30	20.26 - 57.30	20.26 - 57.30	31.97 - 57.30	31.97 - 57.30	31.97 - 57.30	49.76 - 49.76	31.97 - 57.30	20.26 - 57.30
Options exercisable December 31, 2013	Number	174,300	218,934	234,669	149,400	124,002	149,400	0	85,800	1,136,505
	Weighted average exercise price in €	37.57	32.37	33.63	36.71	36.88	36.71	0.00	38.92	35.56

Based on the targets achieved in the fiscal year, members of the Management Board also earned entitlements to Share Based Awards totaling € 836 thsd. (previous year: € 2,141 thsd.). On the basis of that value, determination of the specific number of virtual shares will not be made by the Supervisory Board until March of the following year, based on the then current price of the ordinary shares of FMC-AG & Co. KGaA. This number will then serve as a multiplier for the share price and as a base for calculation of the payment of this respective share-based compensation after the three-year waiting period.

Phantom stocks with a total value of € 1,123 thsd. (previous year: € 1,313 thsd.) were granted to the Management Board members under the Company's Phantom Stock Plan 2011 in July of the fiscal year as further share-based compensation components with cash settlement.

Therefore, the amount of the total compensation of the Management Board for the fiscal year and for the previous year is as shown in the following table:

Total Compensation

	Cash Compensation (without long-term Incentive components)		Components with long-term Incentive Effect		Total Compensation (including long-term Incentive Components)	
	in € THOUS		in € THOUS		in € THOUS	
	2013	2012	2013	2012	2013	2012
Rice Powell	1,483	2,037	1,024	1,338	2,507	3,375
Michael Brosnan	907	1,548	522	877	1,429	2,425
Roberto Fusté	1,129	1,493	543	849	1,672	2,342
Dr. Emanuele Gatti	1,386	1,752	630	937	2,016	2,689
Ronald Kuerbitz	1,169	0	618	0	1,787	0
Dr. Ben Lipps ¹⁾	0	2,713	0	1,715	0	4,428
Dr. Rainer Runte	658	1,131	508	835	1,166	1,966
Dr. Olaf Schermeier	534	0	494	0	1,028	0
Kent Wanzek	748	1,083	551	835	1,299	1,918
Total:	8,014	11,757	4,890	7,386	12,904	19,143

¹⁾ Chairman of the Management Board until December 31, 2012

Components with long-term incentive effects, i.e. stock options and share-based compensation components with cash settlement, can be exercised only after the expiration of the specified vesting period. Their value is allocated over the vesting

period recognized as an expense in the respective fiscal year of the vesting period. Compensation expenses attributable to the fiscal year and for the previous year are shown in the following table:

Expenses for Long-term Incentive Components

	Stock Options		Share-based Compensation with Cash Settlement		Share-based Compensation	
	in € THOUS		in € THOUS		in € THOUS	
	2013	2012	2013	2012	2013	2012
Rice Powell	325	537	441	439	766	976
Michael Brosnan	205	309	251	186	456	495
Roberto Fusté	205	383	232	221	437	604
Dr. Emanuele Gatti	180	348	373	469	553	817
Ronald Kuerbitz	35	0	13	0	48	0
Dr. Ben Lipps ¹⁾	0	2,136	0	1,681	0	3,817
Dr. Rainer Runte	207	374	266	188	473	562
Dr. Olaf Schermeier	35	0	13	0	48	0
Kent Wanzek	205	309	216	164	421	473
Total:	1,397	4,396	1,805	3,348	3,202	7,744

¹⁾ Chairman of the Management Board until December 31, 2012

II. Commitments to Members of the Management Board for the Event of the 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: there are individual contractual pension commitments for the Management Board members Mr. Rice Powell, Mr. Roberto Fusté, Dr. Emanuele Gatti, Dr. Rainer Runte, Mr. Michael Brosnan and Mr. Kent Wanzek. Under all of these commitments, Fresenius Medical Care Management AG as of the end of the fiscal year has aggregate pension obligations of € 18,280 thsd. (previous year: € 14,775 thsd.).

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Each of the pension commitments provides for a pension and survivor benefit as of the time of conclusively ending active work, at age 65 at the earliest (at age 60 at the earliest with respect to Dr. Emanuele Gatti) or upon occurrence of disability or incapacity to work (*Berufs- oder Erwerbsunfähigkeit*), however, calculated by reference to the amount of the recipient's most recent base salary.

The retirement pension will be based on 30% of the last fixed compensation 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 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 he reaches 65 or (in the case of Dr. Gatti) 60, except in the event of a disability or incapacity to work (*Berufs- oder Erwerbsunfähigkeit*), the rights to the aforementioned benefits remain, although the pension to be paid is reduced in proportion to the ratio of the actual years of service as a Management Board member to the potential years of service until reaching 65 or (in the case of Dr. Gatti) 60 years of age.

Management Board members Mr. Rice Powell, Mr. Michael Brosnan, Mr. Ronald Kuerbitz and Mr. Kent Wanzek participated in the U.S.-based 401(k) savings plan in the fiscal year. This plan generally allows employees in the U.S. to invest a portion of their gross salaries in retirement pension programs. The Company supports this investment, for full-time employees with at least one year of service, with a contribution of 50% of the investment made, up to a limit of 6% of income - whereupon the allowance paid by the Company is limited to 3% of the income - or a maximum of U.S. \$17,500 (U.S. \$23,000 for employees 50 years of age or older). The aforementioned Management Board members were each contractually enabled

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to participate in this plan; in the past fiscal year the Company paid out U.S.\$ 8,800.00 (previous year: U.S.\$9,239.50) respectively in this regard.

Furthermore, the Management Board members Mr. Rice Powell, Mr. Michael Brosnan and Mr. Ronald Kuerbitz 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.

Additions to pension provisions in the fiscal year amounted to € 3,463 thsd. (previous year: € 8,109 thsd.). The pension commitments are shown in the following table:

Development and status of pension commitments

in € THOUS	As of January 1, 2013	increase	As of December 31, 2013
Rice Powell	3,826	667	4,493
Michael Brosnan	1,320	417	1,737
Roberto Fusté	3,015	547	3,562
Dr. Emanuele Gatti	5,000	1,274	6,274
Ronald Kuerbitz	158	- 21	137
Dr. Rainer Runte	1,267	304	1,571
Dr. Olaf Schermeier	-	-	-
Kent Wanzek	578	275	853
Total:	15,164	3,463	18,627

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 their annual base salaries 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 of the Company.

III. 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 12 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 agreement.

With Dr. Ben Lipps, the Chairman of the Management Board until December 31, 2012, there is an individual agreement instead of a pension provision, to the effect that, upon termination of his employment contract/service agreement with Fresenius Medical Care Management AG, he will be retained to render consulting services to the Company for a period of ten years. Accordingly, Fresenius Medical Care Management AG and Dr. Ben Lipps entered into a consulting agreement for the period January 1, 2013 to December 31, 2022. By this consulting agreement Dr. Ben Lipps will provide consulting services on certain fields and within a specified time frame as well as complying with a non-compete covenant. The annual consideration to be granted by Fresenius Medical Care Management AG for such services amounts for the fiscal year € 550 thsd. (including reimbursement of expenses, temporary reimbursement of property expenses, company car provided temporarily). The present value of this agreement (including pension payments for the surviving spouse in case of death) amounted to € 3,533 thsd. as at 31 December of the fiscal year.

In the fiscal year, no loans or advance payments of future compensation components were made to 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.\$) and in part in Germany (in €). 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 Board members' tax returns, subsequent adjustments 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 against claims against them arising out of their work for the Company and its affiliates, if such claims exceed their

liability under German law. To secure such obligations, the Company has obtained Directors & Officers liability insurance carrying a deductible which complies with the requirements of the German Stock Corporation Act (*AktG*). The indemnity applies for the time in which each member of the Management Board is in office and for claims in this connection after termination of membership on the Management Board in each case.

Former members of the Management Board did not receive any compensation in the fiscal year other than that mentioned under section II. above and in the present section III. As of December 31 of the fiscal year, pension obligations to these members exist in an amount of € 1,450 thsd. (previous year: € 646 thsd.).

Compensation of the FMC AG & Co. KGaA Supervisory Board

The compensation of the FMC-AG & Co. KGaA Supervisory Board is set out in clause 13 of the Articles of Association.

In accordance with this provision, the members of the Supervisory Board are to be reimbursed for the expenses incurred in the exercise of their offices, which also include the applicable VAT.

As compensation, each Supervisory Board member receives in the first instance a fixed salary of US-\$ 80,000 per respective complete fiscal year, payable in four equal instalments at the end of a calendar quarter. Should the General Meeting resolve on a higher compensation, with a majority of three-fourths of the votes cast and taking the annual results into account, such compensation shall apply.

The chairman of the Supervisory Board receives additional compensation of US-\$ 80,000 and his deputy additional compensation of US-\$ 40,000 per respective complete fiscal year. In addition, each member of the Supervisory Board receives a variable performance related compensation as 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 variable remuneration component is US-\$ 60,000 in case of achieving a 3-year average EPS growth corridor from 8.00 to 8.99 %, US-\$ 70,000 in the corridor from 9.00 to 9.99 % and US-\$ 80,000 in case of a growth of 10.00 % or more. If the aforementioned targets are reached, the respective variable remuneration amounts are earned to their full extent, i.e. within these margins there is no pro rata remuneration. In any case, this variable component is limited to a maximum of US-\$ 80,000 per annum. Reciprocally, the members of the

supervisory board are only entitled to the variable remuneration component if the 3 year average EPS growth of at least 8.00 % is reached. The variable remuneration component, based on the target achievement, is in principle disbursed on a yearly basis, namely following approval of the Company's annual financial statements, this for the fiscal year 2013 based on the 3-year average EPS growth for the fiscal years 2011, 2012 and 2013.

As a member of a committee, a Supervisory Board member of FMC-AG & Co. KGaA additionally annually receives US-\$ 40,000, or, as chairman or vice chairman of a committee, US-\$ 60,000 or US-\$ 50,000, respectively payable in identical instalments at the end of a calendar quarter. For memberships in the Nomination Committee and in the Joint Committee as well as in the capacity of their respective chairmen and deputy chairmen, no separate remuneration shall be granted; the same applies for a membership in the temporary Ad-hoc committee.

Should a member of the FMC-AG & Co. KGaA Supervisory Board be a member of the Supervisory Board of the General Partner Fresenius Medical Care Management AG at the same time, and receive compensation for his 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 his deputy, to the extent that they are at the same time chairman and deputy, respectively, of the Supervisory Board of Fresenius Medical Care Management AG. If the deputy 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 deputy chairman of the FMC-AG & Co. KGaA Supervisory Board to this extent.

The compensation for the Supervisory Board of Fresenius Medical Care Management AG and the compensation for 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 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 listed in the following tables, with the table immediately positioned hereinafter displaying the fixed compensation, whilst the subsequent table sets out the performance related compensation:

in € THOUS	¹⁾	Fixed compensation for Supervisory Board at FMC Management AG		Fixed compensation 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		Non-Performance Related Compensation	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Dr. Gerd Krick		30	31	90	93	45	47	35	31	200	202
Dr. Dieter Schenk		45	47	45	47	38	39	0	0	128	133
Dr. Ulf M. Schneider	²⁾	120	125	0	0	53	54	5	0	178	179
Dr. Walter L. Weisman		30	31	30	31	38	39	50	47	148	148
William P. Johnston		30	31	30	31	90	93	35	31	185	186
Prof. Dr. Bernd Fahrholz	³⁾	0	0	60	62	0	0	38	39	98	101
Rolf A. Classon		30	31	30	31	45	47	0	0	105	109
TOTAL		285	296	285	295	309	319	163	148	1.042	1.058

¹⁾ Show n without VAT and withholding tax; translation of U.S. dollar amounts at respective average exchange rates for the respective year

²⁾ Chairman of the supervisory board of FMC Management AG, but not member of the supervisory board of FMC-AG & Co. KGaA; compensation paid by FMC Management AG

³⁾ Member of the supervisory board of FMC-AG & Co. KGaA, but not member of the supervisory board of FMC Management AG; compensation paid by FMC-AG & Co. KGaA

in € THOUS	¹⁾	Performance Related Compensation in FMC Management AG		Performance Related Compensation in FMC-AG & Co. KGaA		Performance Related Compensation		Total compensation	
		2013	2012	2013	2012	2013	2012	2013	2012
Dr. Gerd Krick		0	27	0	27	0	54	200	256
Dr. Dieter Schenk		0	27	0	27	0	54	128	187
Dr. Ulf M. Schneider	²⁾	0	54	0	0	0	54	178	233
Dr. Walter L. Weisman		0	27	0	27	0	54	148	202
William P. Johnston		0	27	0	27	0	54	185	240
Prof. Dr. Bernd Fahrholz	³⁾	0	0	0	54	0	54	98	155
Rolf A. Classon		0	27	0	27	0	54	105	163
TOTAL		0	189	0	189	0	378	1.042	1.436

¹⁾ Show n without VAT and withholding tax; translation of U.S. dollar amounts at respective average exchange rates for the respective year

²⁾ Chairman of the supervisory board of FMC Management AG, but not member of the supervisory board of FMC-AG & Co. KGaA;

³⁾ Member of the supervisory board of FMC-AG & Co. KGaA, but not member of the supervisory board of FMC Management AG

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Chairman of Supervisory Board: Dr. Gerd Krick
General Partner: Fresenius Medical Care Management AG
Registered Office and Commercial Register: Hof an der Saale, HRB 3894
Management Board: Rice Powell (Chairman), Michael Brosnan, Roberto Fusté, Dr. Emanuele Gatti, Ronald Kuerbitz,
Dr. Rainer Runte, Dr. Olaf Schermeier, Kent Wanzek
Chairman of Supervisory Board: Dr. Ulf M. Schneider
Bank Account: Commerzbank AG, Frankfurt/Main, IBAN: DE23 5008 0000 0711 6731 00, SWIFT/BIC: DRES DE FF 501

Hof an der Saale, February 2014

Fresenius Medical Care AG & Co. KGaA,

represented by its general partner **Fresenius Medical Care Management AG**

sgd.
Michael Brosnan
Member of the Management Board

sgd.
Dr. Rainer Runte
Member of the Management Board

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