

Corporate Governance Report and Declaration on Corporate Governance

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

The Management Board of the General Partner, Fresenius Medical Care Management AG (hereinafter: the Management Board), and the Supervisory Board of Fresenius Medical Care AG & Co. KGaA (hereinafter: FMC-AG & Co. KGaA or the Company) hereunder report on the year 2017 as the year under review (hereinafter: the year under review) pursuant to section 289f of the German Commercial Code (*Handelsgesetzbuch – HGB*) and to number 3.10 of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, hereinafter: the Code) on the Company's corporate governance.

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

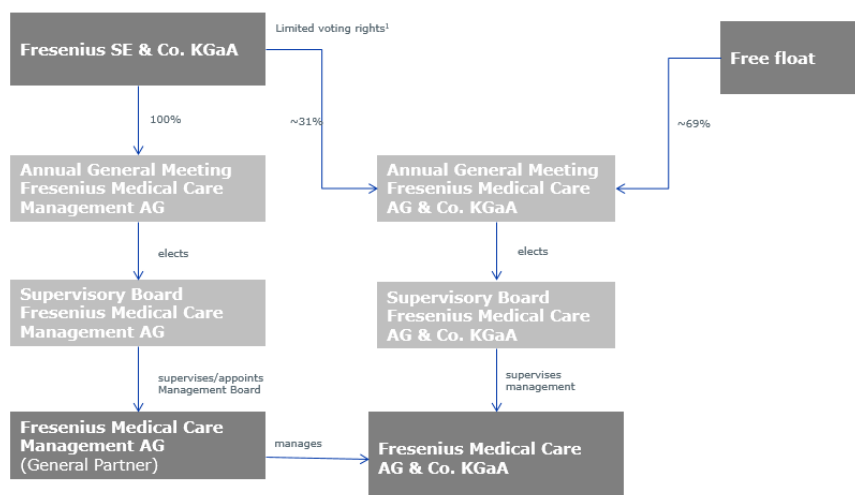
DECLARATION ON CORPORATE GOVERNANCE

Group management and supervision structure

The legal form of the Company is that of a partnership limited by shares (*Kommanditgesellschaft auf Aktien – KGaA*). Its corporate bodies provided for by statutory law are the General Meeting, the Supervisory Board and the General Partner, which is Fresenius Medical Care Management AG. In the year under review, there were no significant changes to the Group's management and supervision structure - see the chart below.

Structure of Fresenius Medical Care AG & Co. KGaA

based on data as of December 31, 2017



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

The Articles of Association of FMC-AG & Co. KGaA, which also specify the responsibilities of the bodies of the Company in more detail, are available on our website at www.freseniusmedicalcare.com in the "Investors" section.

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. Its Management Board is also responsible for conducting the business activities of the KGaA. Within the scope of statutory allocation of competences, the Supervisory Board is responsible for supervising and advising the Management Board and is involved in making decisions that are fundamental to the Company. The duties and responsibilities of both bodies are in each case clearly defined by legislation and are strictly separated from one another. Corresponding to FMC-AG & Co. KGaA, Fresenius Medical Care Management AG has its own Supervisory Board.

The General Partner and its bodies

The Management Board of Fresenius Medical Care Management AG

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

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

In the year under review, the Management Board was composed of seven members. In the first quarter, a change of personnel occurred: With effect as of February 17, 2017, Mr. Ronald Kuerbitz, member of the Management Board for the region of North America, resigned from the Management Board; with effect as per February 17, 2017, Mr. William

Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg, Germany, T +49 6172 609-0, Registered Office and Commercial Register: Hof an der Saale, HRB 4019, VAT-ID No.: DE 811127677, 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, Dr. Olaf Schermeier, William Valle, Kent Wanzek, Harry de Wit, Chairman of Supervisory Board: Stephan Sturm
Bank Account: Commerzbank AG, Frankfurt/Main, IBAN: DE23 5008 0000 0711 6731 00, SWIFT/BIC: DRESDEFF501

Valle was appointed as the responsible member of the Management Board for the region of North America. An additional change took place at the end of the fourth quarter: With effect as of December 31, 2017, Mr. Dominik Wehner, member of the Management Board for the regions of Europe, Middle East and Africa (EMEA) as well as employment director for Germany, resigned from the Management Board. The members of the Management Board and their areas of responsibility are introduced on the Company's website at www.freseniusmedicalcare.com in the "About us" section.

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

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

The Supervisory Board of Fresenius Medical Care Management AG

As a stock corporation, Fresenius Medical Care Management AG also has its own Supervisory Board. According to the Articles of Association the Supervisory Board consists of six members. In the year under review, initially five members were in office following the resignation of the former Chairman of the Supervisory Board; as of September 1, 2017, the Supervisory Board was composed of six members. Mr. Stephan Sturm has been appointed as Chairman. Other members of the Supervisory Board of Fresenius Medical Care Management AG were in the year under review Dr. Dieter Schenk (Vice Chairman), Mr. Rolf A. Classon, Mr. William P. Johnston and Dr. Gerd Krick as well as, as of September 1, 2017, Ms. Rachel Empey. Prior to the Supervisory Board's proposal of Ms. Rachel Empey as a candidate to the Annual General Meeting of Fresenius Medical Care Management AG, the Supervisory Board has ensured that she would be able to meet the time requirements for this position.

Further information on the members of the Supervisory Board of Fresenius Medical Care Management AG are available on the Company's website at www.freseniusmedicalcare.com in the "About us" section. In addition, the following information is provided for the year under review with regard to the mandates exercised by the Chairman of the Supervisory Board of Fresenius Medical Care Management AG, Mr. Stephan Sturm, and with regard to the mandates exercised by the additional member of the Supervisory Board of Fresenius Medical Care Management AG Ms. Rachel Empey:

Stephan Sturm

Chairman of the Management Board of Fresenius Management SE, General Partner of Fresenius SE & Co. KGaA, and until July 31, 2017 Chief Financial Officer of Fresenius Management SE

SUPERVISORY BOARD

Fresenius Kabi AG (Chairman)
VAMED AG, Austria (Deputy chairman)
Deutsche Lufthansa AG

Rachel Empey

Member of the Management Board of Fresenius Management SE (Chief Financial Officer), General Partner of Fresenius SE & Co. KGaA (since August 1, 2017)

SUPERVISORY BOARD

Fresenius Kabi AG (since October 1, 2017; Deputy chairman)

COMPARABLE FOREIGN BODY

Inchcape plc, United Kingdom (Non-executive director)

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

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

Committees of the Supervisory Board of Fresenius Medical Care Management AG

From the midst of its members, the Supervisory Board forms qualified committees for the efficient exercise of its responsibilities, which prepare the matters for deliberation and resolutions of the Supervisory Board. The Supervisory Board regularly and timely receives briefings on the committees' work.

Supervisory Board Committee	Responsibility	Number of meetings
Human Resources Committee 5 members Chairman Mr. Stephan Sturm Vice Chairman Dr. Gerd Krick Other members Mr. William P. Johnston, Dr. Dieter Schenk, Mr. Rolf A. Classon	<ul style="list-style-type: none"> • Advice on complex special matters such as the appointment of Management Board members and their compensation 	As required
Regulatory and Reimbursement Assessment Committee 3 members Chairman Mr. Rolf A. Classon Vice Chairman Mr. William P. Johnston Other members Dr. Dieter Schenk	<ul style="list-style-type: none"> • Advice on complex special matters such as regulatory provisions and reimbursement in the dialysis segment 	As required
Nomination Committee 3 members Chairman Mr. Stephan Sturm Other members Dr. Gerd Krick, Dr. Dieter Schenk	<ul style="list-style-type: none"> • Preparing recommendations on suitable candidates for an election to the Supervisory Board, who are to be presented to the Supervisory Board for the purpose of its proposal to the General Meeting 	As required

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 consisted in the year under review of the following six members: Dr. Gerd Krick (Chairman), Dr. Dieter Schenk (Vice Chairman), Mr. Rolf A. Classon, Mr. William P. Johnston, Ms. Deborah Doyle McWhinney and Ms. Pascale Witz.

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

All members of the Supervisory Board are elected by the General Meeting of FMC-AG & Co. KGaA as the competent election body according to the provisions of the German Stock Corporation Act by a simple majority of the votes cast. Fresenius SE & Co. KGaA is excluded from voting on this issue (further explanations on this matter can be found under "Further Information regarding Corporate Governance" in the section titled "Shareholders"). When discussing its recommendations for the election of members of the Supervisory Board to the General Meeting, the Supervisory Board will take into account the international activities of the enterprise, potential conflicts of interest, what it considers to be an adequate number of independent Supervisory Board members and diversity. As the composition of the Supervisory Board needs to be aligned with the interests of the enterprise and must ensure the effective supervision and consultation of the Management Board, it is a matter of principle and of prime importance that each member is suitably qualified. In the company's interest not to limit the selection of qualified candidates in a general way, the Supervisory Board confines itself in compliance with its statutory obligations (section 111 para. 5 German Stock Corporation Act) to pursue self-defined targets for the representation of female Supervisory Board members (see also section "Gender diversity and definition of targets") and particularly refrains from an age limit for its members and from a duration limit on the term of membership of the Supervisory Board. Therefore, with the exception of the determination of target figures for women's proportion on the Supervisory Board, the Supervisory Board has refrained from determining, and from taking into account, specific objectives with respect to its composition when proposing candidates and from publishing the state of their implementation in the Corporate Governance Report. In the course of the past year, the Supervisory Board has also initiated the preparation of a profile of required skills and expertise for the entire body. The Supervisory Board is – in its own initiative – already today paying attention to the requirement to have in its entirety the knowledge, capabilities and professional expertise required for the due observation of the duties of the Supervisory Board of a listed company operating internationally in the dialysis business. Following the necessary detailed preparation, the Supervisory Board has resolved a profile of competence for the entire Supervisory Board in the first quarter of the financial year 2018. The Supervisory Board will take into consideration such profile of competence when discussing its election proposals to the General Meeting. Accordingly, non-compliance was still declared in the Declaration of Compliance for the year under review.

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

A member of the Supervisory Board is not to be considered independent pursuant to the recommendation in Code number 5.4.2 if it entertains any personal or business relations with the Company, its corporate bodies, a controlling shareholder or an enterprise asso-

ciated with the latter which may cause a substantial and not merely temporary conflict of interests. Taking into account the shareholder structure, the Supervisory Board has determined that it considers three independent Supervisory Board members to be an adequate number of independent members and that the Supervisory Board and its committees comprise an adequate number of independent members. Independent within the meaning of Code number 5.4.2 are, in the view of the Supervisory Board, Mr. Rolf A. Classon, Mr. William P. Johnston, Ms. Deborah Doyle McWhinney and Ms. Pascale Witz. 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 of all Members of the Supervisory Board of FMC-AG & Co. KGaA ends on conclusion of the General Meeting for 2021.

Details on the election, constitution and term of office of the Supervisory Board, its meetings and the adoption of resolutions, as well as its rights and obligations, are set out in the Company's Articles of Association. In accordance with the recommendation in Code number 5.1.3, the Supervisory Board has furthermore adopted rules of procedure which set out, among other things, the modalities for convening meetings and the manner in which resolutions are adopted. Consequently, the Supervisory Board meets regularly 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. The Chairman of the meeting 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 if decisions are taken in physical meetings and otherwise with the simple majority of its members, unless other majorities are prescribed by a mandatory provision of law in the individual case. The Chairman of the Supervisory Board is responsible for the entire coordination and direction of the Supervisory Board; he also represents the Supervisory Board vis-à-vis third parties.

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

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

In the year under review, seven meetings of the Supervisory Board have taken place. In the year under review, key aspects of the activities of the Supervisory Board involved the

strategic considerations and actions on the expansion of the business areas, in particular medical services which go beyond the dialysis treatment itself (Care Coordination). An acquisition project was the offer for NxStage Medical, Inc., an US-American supplier of medical technology and healthcare services. Furthermore, the Supervisory Board has dealt with the divestment of the U.S.-non-renal lab service provider Shiel Medical Laboratory, Inc. for optimization of the Care Coordination portfolio. The business development, the competitive situation and the Management Board's business planning in the individual regions have also been key aspects of the consultations. Another key aspect of the meetings and consultations have been extensive investments projects in order to, inter alia, expand the production capacities of individual manufacturing sites. In joint sessions with the Management Board, the development of the production volumes and their expansion were also discussed. Additionally, the Supervisory Board has informed itself on the quality assurance systems and the results of the review of the product quality of the manufacturing sites throughout the past year. The Supervisory Board was informed of the compliance situation and, together with the Management Board, it further discussed and deliberated legal disputes. Furthermore, the Supervisory Board has dealt with a diversity concept on its composition and the preparation of a profile of required skills and expertise for the entire body.

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

From the midst of its members, the Supervisory Board forms qualified committees for the efficient exercise of its responsibilities, which prepare the matters for deliberation and resolutions of the Supervisory Board. The Supervisory Board regularly and timely receives briefings on the committees' work.

Supervisory Board Committee	Responsibility	Number of meetings
<p>Audit and Corporate Governance Committee 4 members</p> <p>Chairman Mr. William P. Johnston</p> <p>Vice Chairman Mr. Rolf A. Classon</p> <p>Other members Dr. Gerd Krick, Ms. Deborah Doyle McWhinney</p>	<ul style="list-style-type: none"> • Supervision of the accounting, the accounting process, the effectiveness of the internal control system, of the risk management system, of the internal audit system, the annual audit and of compliance • Supervision of the annual auditing, in particular with regard to the independence of the auditor and the additional services provided by it, issuing the auditing mandate, determining the focus areas of the auditing and the fee agreement • Addressing the report pursuant to Form 20-F, which contains, inter alia, the consolidated group financial state- 	<p>At least four times per year and additionally as required</p>

	ments and the consolidated group financial report <ul style="list-style-type: none"> • Assessment of the General Partner's report on relations to affiliated companies 	
Nomination Committee 3 members Chairman Dr. Gerd Krick Vice Chairman Dr. Dieter Schenk Other members Mr. Rolf A. Classon	<ul style="list-style-type: none"> • Preparing recommendations on suitable candidates for an election to the Supervisory Board, who are to be presented to the Supervisory Board for the purpose of its proposal to the General Meeting 	As required

Information on the Audit and Corporate Governance Committee

With the consent of the Supervisory Board, the Audit and Corporate Governance Committee adopted rules of procedure. On the basis of the relevant provisions of the Articles of Association of the Company (section 12 para. 2) they define the composition, work and tasks of the Audit and Corporate Governance Committee. Accordingly, the Audit and Corporate Governance Committee shall consist of at least three and not more than five exclusively independent members. The requirement of independence is met, *inter alia*, if the respective member fulfills the criteria for independence pursuant to section 12 para. 2 sentence 3 of the Articles of Association as well as to the rules of the New York Stock Exchange. In addition, pursuant to section 107 para. 4 in connection with section 100 para. 5 of the German Stock Corporation Act at least one member must have expertise in the fields of accounting or auditing. Moreover, in accordance with the recommendations of the Code, the Chairman of the Audit and Corporate Governance Committee shall neither act as Chairman of the Supervisory Board of the Company at the same time nor be a former member of the Management Board whose appointment has ended less than two years ago. In the opinion of the Supervisory Board, the composition of the Audit and Corporate Governance Committee meets these requirements.

Joint Committee

FMC-AG & Co. KGaA also has established a Joint Committee whose composition and activity is provided for in Articles 13a et seq. of the Articles of Association of the Company. 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 the Joint Committee.

Joint Committee	Responsibility	Number of meetings
Joint Committee 4 members	<ul style="list-style-type: none"> • Approval of certain legal transactions as defined in the Articles of 	As required

Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg, Germany, T +49 6172 609-0, Registered Office and Commercial Register: Hof an der Saale, HRB 4019, VAT-ID No.: DE 811127677, 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, Dr. Olaf Schermeier, William Valle, Kent Wanzek, Harry de Wit, Chairman of Supervisory Board: Stephan Sturm
 Bank Account: Commerzbank AG, Frankfurt/Main, IBAN: DE23 5008 0000 0711 6731 00, SWIFT/BIC: DRESDEFF501

<p>Members of Fresenius Medical Care Management AG: Mr. Stephan Sturm, Mr. Dr. Gerd Krick</p> <p>Members of Fresenius Medical Care AG & Co. KGaA Mr. Rolf A. Classon, Mr. William P. Johnston</p>	<p>Association, such as material acquisitions or disinvestments</p>	
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Co-operation of General Partner and Supervisory Board of the Company

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

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

Diversity and definition of targets

Diversity Concept for governance bodies

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

Based on this, the Company and the General Partner have adopted a diversity concept regarding the composition of the Management Board of the General Partner and the Supervisory Board of the Company reflecting this understanding. While thereby the individual qualification, e.g. expertise, skills and experience, is the core selection criteria for the election proposals for new members of the Supervisory Board to the Annual General Meeting, diversity aspects are considered to ensure a comprehensive and well-rounded decision process. For preparation of any election proposal, the respective competent governance body or its competent committee, as the case may be, thoroughly evaluates the current composition of the governance body to be amended and carefully analyses each potential candidate's profile with regard to these criteria, aspects and in consideration of the findings of the evaluation. When finally consulting and making a decision for any election proposal, the respective competent governance body then comprehensively

takes these criteria, aspects and the findings of the evaluation and the candidates' analysis into account.

The Company has further decided in the past year to actively manage diversity in senior management levels below the Management Board. This serves to strengthen the pursued diversity concept and to identify suitable talents at an early stage.

The current diversity level of the Management Board of the General Partner and Supervisory Board of the Company across selected aspects is displayed below. On February 17, 2017 William Valle has been appointed to the Management Board of the General Partner. In the year under review, no new members to the Supervisory Board of the Company have been appointed.

Management Board	Gender	Nationality	Education	Age
Rice Powell	Male	U.S.-American	Biology	62
Michael Brosnan	Male	U.S.-American	Business	62
Ronald Kuerbitz ⁽¹⁾	Male	U.S.-American	Law	58
Dr. Olaf Schermeier	Male	German	Engineering	45
William Valle	Male	U.S.-American	Business	57
Kent Wanzek	Male	U.S.-American	Business	58
Dominik Wehner ⁽²⁾	Male	German	Business	49
Harry de Wit	Male	Dutch	Medicine and Physiotherapy	55

(1) Mr. Ronald Kuerbitz has retired from the Management Board as per February 17, 2017.

(2) Mr. Dominik Wehner has retired from the Management Board as per the expiration of December 31, 2017.

Supervisory Board of the Company	Gender	Nationality	Education	Age
Dr. Gerd Krick	Male	Austrian	Engineering	79
Dr. Dieter Schenk	Male	German	Law	65
Rolf A. Classon	Male	U.S.- American/ Swedish	Political Science	72
William P. Johnston	Male	U.S.-American	Law	73
Deborah Doyle McWhinney	Female	U.S.-American	Communication	62
Pascale Witz	Female	French	Biochemistry	50

Gender diversity and definition of targets

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

Management Board, because Fresenius Medical Care Management AG is not in the scope of the relevant legal provisions.

The Supervisory Board of FMC-AG & Co. KGaA has resolved on September 29, 2015 to set the target for the representation of female Supervisory Board members at two Supervisory Board members with a view to its own composition; this corresponds to a percentage share of approximately 33% of all members, of which the Supervisory Board of the Company is required to be composed of according to the Articles of Association. By resolution passed on May 10, 2017, the Supervisory Board of FMC-AG & Co. KGaA has set this target at 30 % and has defined an implementation period ending on May 9, 2022. With two female members (33%) in the year under review, the composition of the Supervisory Board is in line with this target.

Pursuant to the Law on Equal Participation of Women and Men in Leadership Positions, the Management Board is obliged to define targets for female representation in the two top management levels below the Management Board as well as an appropriate implementation period. In a first step, the Management Board on September 28, 2015, had resolved to define the two top management levels below the Management Board in relation to the participation of executives in the group-wide Long-Term Incentive Program ("LTIP"). In a second step, the Management Board resolved on January 13, 2016 upon targets for female representation for the two top management levels below the Management Board and upon the implementation period to end on December 31, 2020. In the year under review, both targets were achieved.

The first management level includes all direct reports worldwide to a member of the Management Board who are LTIP participants.

Target (until Dec 31, 2020): 18.8%
Female representation (Dec 31, 2017): 19.2% (2016: 19.3%).

The second management level includes all direct reports worldwide to a member of the first management level who are LTIP participants.

Target (until Dec 31, 2020): 28.2%
Female representation (Dec 31, 2017): 28.3% (2016: 25.2%)

For Fresenius Medical Care however, the total number of participants in the group-wide LTIP beyond those two levels is the best indicator of women in leading executive positions around the world. The proportion of women among these top executives has remained stable compared to 2016 with approx. 33% at the end of the year under review.

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

RELEVANT INFORMATION ABOUT CORPORATE GOVERNANCE PRACTICES

Compliance

Global business activities mean having global responsibility. As the global market leader in providing dialysis services and products, Fresenius Medical Care is aware of its responsibility.

Every day, Fresenius Medical Care strives to improve the lives of its patients world-wide with high-quality products and services. Fresenius Medical Care takes the highest medical standards as our benchmark for quality. Fresenius Medical Care is committed to conducting our business activities in compliance with all relevant legal standards as well as internal and external provisions and requirements. The patients, customers, payors, investors and regulators of Fresenius Medical Care as well as all other stakeholders expect Fresenius Medical Care's business to be conducted based on responsible management, taking into account integrity, sound corporate governance and adherence to compliance principles.

Fresenius Medical Care's Code of Ethics and Business Conduct

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

Ensuring compliance

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

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

In complying with government regulations, Fresenius Medical Care relies on the Company's management structure, its regulatory and legal resources and the effective operation of its compliance programs to direct, manage and monitor its operations.

Risk and opportunity management

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

Further information about the risk and opportunity management system can be found in the "Risk and opportunities report" section of the management report.

German Corporate Governance Code and Declaration of Compliance

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

The Management Board of Fresenius Medical Care Management AG and the Supervisory Board of FMC-AG & Co. KGaA endorse the standards set forth in the German Corporate Governance Code. The vast majority of the 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.

The current annually required Declaration of Compliance according to section 161 of the German Stock Corporation Act issued by the Management Board of Fresenius Medical Care Management AG and the Supervisory Board of FMC-AG & Co. KGaA as of December 2017 is reported hereinafter. The current and previous Declarations of Compliance and other extensive information on corporate governance are made permanently available on the Company's website at www.freseniusmedicalcare.com in the "Investors" section.

Declaration by the Management Board of the general partner of Fresenius Medical Care AG & Co. KGaA, Fresenius Medical Care Management AG, and by the Supervisory Board of Fresenius Medical Care AG & Co. KGaA on the German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (Aktiengesetz)

The Management Board of the general partner of Fresenius Medical Care AG & Co. KGaA, Fresenius Medical Care Management AG, (hereafter: the Management Board) and the Supervisory Board of Fresenius Medical Care AG & Co. KGaA declare that since issuance of the previous declaration of compliance in December 2016 the recommendations of the "German Corporate Governance Code Government Commission" published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (hereafter: the Code) in the version of May 5, 2015 as well as in the version of February 7, 2017 since publication thereof in the Federal Gazette have been met and that the recommendations of the Code in the version of February 7, 2017 will be met in the future. Only the following recommendations of the Code in its versions of May 5, 2015 and February 7, 2017 have not been met and will not be met to the extent described below:

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

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

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

*Code number 4.2.3 paragraph 4:
Severance payment cap*

Pursuant to Code number 4.2.3 paragraph 4, in concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his/her contract, including fringe benefits, do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the employment contract. The severance payment cap shall be calculated on the basis of the total compensation for the past full financial year and if appropriate also the expected total compensation for the current financial year.

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

*Code number 4.2.5 paragraph 3:
Presentation in the compensation report*

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

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

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

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

*Code number 5.4.1 paragraph 2 and paragraph 4:
Specification of concrete objectives regarding the composition of the Supervisory Board, preparation of a profile of competence and their consideration when making election proposals*

Pursuant to Code number 5.4.1 paragraph 2 and paragraph 4, the Supervisory Board shall specify concrete objectives regarding its composition and shall prepare a profile of competence for the entire Supervisory Board. Within the company-specific situation the composition of the Supervisory Board shall reflect appropriately the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Code number 5.4.2, an age limit and a regular limit to Supervisory Board members' term of office, both to be specified, as well as diversity. Proposals by the Supervisory Board to the General Meeting shall take these targets into account, while simultaneously aiming at fulfilling the profile of competence of the entire Supervisory Board. The status of the implementation shall be published in the Corporate Governance Report. These recommendations are partly not met.

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

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

The Supervisory Board is – in its own initiative – already today paying attention to the requirement to have in its entirety the knowledge, capabilities and professional expertise required for the due observation of the duties of the Supervisory Board of a listed company operating internationally in the dialysis business. Since no election proposals for Supervisory Board members were required in the reporting period, the implementation of the profile of competence for the entire Supervisory Board, as now newly recommended by Code number 5.4.1 paragraph 2 sentence 1 in the Code version of February 7, 2017, was, and is prospectively also for the near future, of no practical relevance. Following the necessary detailed preparation, the Supervisory Board will expectedly prepare and resolve the profile of competence for the entire Supervisory Board in the first quarter of the financial year 2018. As of this point in time the Supervisory Board will take into consideration such profile of competence when discussing its election proposals to the General Meeting and the recommendations pursuant to Code number 5.4.1 paragraph 2 sentence 1 and paragraph 4 sentence 1 in the Code version of February 7, 2017 will thus be met.

Bad Homburg v.d.H., December 2017

Management Board of the general partner of
Fresenius Medical Care AG & Co. KGaA,
Fresenius Medical Care Management AG,
and Supervisory Board of Fresenius Medical Care AG & Co. KGaA

Further information regarding Corporate Governance

Shareholders

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

Annual 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.

The Annual General Meeting of FMC-AG & Co. KGaA took place on May 11, 2017 in Frankfurt/Main (Germany). Approximately 77% of the share capital was represented at the Annual General Meeting. At the Annual General Meeting, resolutions were passed on the following topics:

- approval of the annual financial statements for the fiscal year 2016,
- allocation of distributable profit,
- approval of the actions of the General Partner for the fiscal year 2016,
- approval of the actions of the Supervisory Board for the fiscal year 2016,
- election of the auditors and consolidated group auditors for the fiscal year 2017.

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

Legal relationships with members of the Company's corporate bodies

When making decisions and in connection with the tasks and activities performed by them, the members of the Management Board of the General Partner and of the Supervisory Board of FMC-AG & Co. KGaA, as well as the Supervisory Board of Fresenius Medical Care Management AG, do not pursue personal interests or give unjustified advantages to other people. Any outside activities or business dealings with the Company by members

of the corporate bodies are to be disclosed to the Supervisory Board of FMC-AG & Co. KGaA immediately and are subject to its approval, if necessary. The Supervisory Board reports to the General Meeting 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. Gerd Krick (Chairman) and Dr. Dieter Schenk (Vice Chairman) were, in the year under report, also members of the Supervisory Board of Fresenius Medical Care Management AG (Dr. Dieter Schenk as Vice Chairman) and of the Supervisory Board of Fresenius Management SE (Dr. Gerd Krick as Chairman, Dr. Dieter Schenk as Vice Chairman), the general partner of Fresenius SE & Co. KGaA. Furthermore, Dr. Gerd Krick is the Chairman of the Supervisory Board of Fresenius SE & Co. KGaA. Dr. Dieter Schenk continues to be Chairman of the foundation board of the Else Kröner-Fresenius-Stiftung, the sole shareholder of Fresenius Management SE as well as limited shareholder of Fresenius SE & Co. KGaA, and co-executor of the estate of Ms. Else Kröner. Dr. Gerd 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. Dieter 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, individual companies of the internationally operating law firm Noerr LLP 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 LLP in proportion to the fee volume for other law firms that rendered advice to the Company or its affiliated companies, respectively. As regards specific future mandates to be provided by law firm Noerr LLP 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. Dieter 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 LLP 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 2018 and will also be compensated only after the respective approval has been obtained.

In the year under review, an amount of approximately € 2.7 M (excluding VAT) was paid by Fresenius Medical Care to the law firm Noerr LLP (2016: about € 0.9 M). This represents less than 3 % of the legal and other consultancy fees paid by Fresenius Medical Care on a global scale.

Managers' transactions

According to Article 19 of the Regulation (EU) No 596/2014 (*Market Abuse Regulation*), the members of the Management Board and the Supervisory Board as well as other persons discharging managerial responsibilities and all persons closely associated with the aforementioned persons shall notify the issuer of each transaction with shares in Frese-

nius Medical Care and additional related financial instruments conducted on their own account if the transaction volume reaches a total amount of € 5,000 within a single year. The issuer is required to publish the respective information.

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

Transparency of reporting

Fresenius Medical Care meets all transparency requirements imposed by number 6 of the Code. Fresenius Medical Care attaches special importance to informing its shareholders simultaneously and uniformly about the Company in its regular financial reporting events. Ad hoc releases and 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 Fresenius Medical Care releases.

Financial accounting and audit, stock exchange listing

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

The Annual Financial Statements and the Management Report of FMC-AG & Co. KGaA are prepared in accordance with the legal requirements of the German Commercial Code. The Annual Financial Statements are decisive for the distribution of the annual profit.

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

Fresenius Medical Care's shares are listed on the stock exchange in the U.S. (as American Depositary Receipts) and in Germany. Fresenius Medical Care is therefore subject to a number of regulations and recommendations regarding the management, administration and monitoring of the Company. On the one hand, in addition to mandatory requirements under stock corporation and commercial law, 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.

COMPENSATION REPORT

The Compensation Report of FMC-AG & Co. KGaA summarizes the main elements of the compensation system for the members of the Management Board of Fresenius Medical Care Management AG, the General Partner of FMC-AG & Co. KGaA, and in this regard notably explains the amounts and structure of the compensation paid to the Management Board. Furthermore, the principles and the amount of the remuneration of the Supervisory Board of the Company are described. The Compensation Report is part of the Management Report on the annual financial statements and the annual consolidated group financial statements of FMC-AG & Co. KGaA as at December 31, 2017. The Compensation Report is prepared on the basis of the recommendations of the German Corporate Governance Code. The Compensation Report also includes the disclosures as required pursuant to the applicable statutory regulations, notably in accordance with the German Commercial Code (*HGB*).

Compensation of the Management Board

The entire Supervisory Board of Fresenius Medical Care Management AG is responsible for determining the compensation of the Management Board members. The Supervisory Board of Fresenius Medical Care Management AG is assisted in this task by a personnel committee, the Human Resources Committee, a committee which is composed from among the Supervisory Board of Fresenius Medical Care Management AG's members. The Human Resources Committee is composed of Mr. Stephan Sturm (Chairman) Dr. Gerd Krick (Vice Chairman), Mr. William P. Johnston, Dr. Dieter Schenk and Mr. Rolf A. Clason.

The current Management Board compensation system was approved by the General Meeting of FMC-AG & Co. KGaA on May 12, 2016, and is reviewed by an independent external compensation expert on a regular basis. The objective of the compensation system is to enable the members of the Management Board to participate reasonably in the sustainable development of the Company's business and to reward them based on their duties and performance as well as their success in managing the Company's economic and financial position giving 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 a horizontal comparison with the compensation of management board members of other DAX-listed companies and similar companies of comparable size and performance in a relevant peer environment. Furthermore, the relation of the overall compensation of the members of the Management Board and that of the Senior Management as well as the staff overall, as determined by way of a vertical comparison, is taken into account.

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

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

I. Fixed compensation

The Management Board members receive a fixed amount as basic compensation. In Germany or Hong Kong, as the case may be, the fixed compensation is paid in twelve equal monthly instalments. To the extent the fixed compensation is paid to members of the Management Board in the U.S., payment is made in accordance with local customs in twenty-four equal instalments.

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

II. Performance-based compensation

Performance-based compensation is awarded as a short-term cash component (one-year variable compensation) and as components with long-term incentive effects (comprising share-based compensation with cash settlement). The share-based compensation with cash settlement consists of the so-called Share Based Award, resulting as a deferral amount from the one-year variable compensation, as well as of Performance Shares, which are granted in the context of the Fresenius Medical Care Long-Term Incentive Plan 2016 (hereinafter: "LTIP 2016"). Under the Fresenius Medical Care Long-Term Incentive Program 2011 (hereinafter: "LTIP 2011"), replaced by the LTIP 2016, the members of the Management Board may under certain conditions also exercise stock options or share-based compensation with cash settlement already granted in the form of phantom stock granted. In addition, the Supervisory Board may grant a discretionary bonus for extraordinary performances.

One-year variable compensation and Share Based Award

The amount of the one-year variable compensation and of the Share Based Award depends on the achievement of the following individual and 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 targets are weighted differently depending on the department of the Management Board or its functions. In the case of Messrs. Rice Powell and Michael Brosnan (both with corporate group functions) as well as Dr. Olaf Schermeier (Research & Development), the net income growth is weighted with 80%. In the case of Messrs. Ronald Kuerbitz (Management Board member until February 17, 2017), William Valle (Management Board member since February 17, 2017), Dominik Wehner (Management Board member until the end of December 31, 2017) and Harry de Wit (each of them being Management Board members with regional responsibility) as well as Mr. Kent Wanzek (Global Manufacturing & Quality), the net income growth is weighted with 60%. In the case of the members of the Management Board last named, the valuation of the operating margins contributes another 20%. The target free cash flow as a percentage of the sales revenues is uniformly measured with 20% for all members of the Management Board.

	Net income growth	Free cash flow in % of revenues	Operating margin (regional)
Corporate group functions and/or Research & Develop- ment	80%	20%	-
Regional functions and/or Global Manufacturing & Quali- ty	60%	20%	20%

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

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

Multiplying the level of the respective overall target achievement by the respective fixed compensation and another fixed multiplier results in the total amount, of which a 75% share is paid out in cash to the Management Board members as one-year variable compensation after approval of the annual financial statements of FMC-AG & Co. KGaA for the respective fiscal year. Since the maximum level of target achievement is set at 120%, the Management Board's maximum achievable one-year variable compensation is limited as regards to specific amounts.

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

in € THOUS

	Non-performance related compensation				Short-term performance related compensation		Cash compensation (without long-term incentive components)	
	Fixed compensation		Other benefits ⁽¹⁾		Bonus		2017	2016 ⁽²⁾
	2017	2016 ⁽²⁾	2017	2016 ⁽²⁾	2017	2016 ⁽²⁾		
	2017	2016 ⁽²⁾	2017	2016 ⁽²⁾	2017	2016 ⁽²⁾	2017	2016 ⁽²⁾
Management board members serving as of December 31, 2017								
Rice Powell	1,217	1,242	173	121	2,297	2,403	3,687	3,766
Michael Brosnan	735	696	134	194	1,315	1,300	2,184	2,190
Dr. Olaf Schermeier	490	450	134	83	970	891	1,594	1,424
William Valle ⁽³⁾	721	-	88	-	1,291	-	2,100	-
Kent Wanzek	575	539	85	112	1,085	1,054	1,745	1,705
Dominik Wehner ⁽⁴⁾	425	406	38	37	732	804	1,195	1,247
Harry de Wit ⁽³⁾	480	360	321	213	950	713	1,751	1,286
Former members of the management board who resigned during the fiscal years 2017 or 2016⁽⁵⁾								
Ronald Kuerbitz	109	845	43	19	-	1,476	152	2,340
Roberto Fusté	-	145	-	73	-	-	-	218
Total:	4,752	4,683	1,016	852	8,640	8,641	14,408	14,176

(1) Includes insurance premiums, private use of company cars, special payments such as school fees, housing, rent and relocation supplements, reimbursement of fees for the preparation of tax returns and reimbursement of certain other charges, contributions to pension, accident, life and health insurance as well as tax burden compensation due to varying tax rates applicable in Germany and the U.S. (net compensation) as well as other benefits in kind and fringe benefits, also in case accruals have been set up therefore.

(2) Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Olaf Schermeier, Dominik Wehner and Harry de Wit) or U.S. dollar (Rice Powell, Michael Brosnan, William Valle, Kent Wanzek and Ronald Kuerbitz).

(3) Please note for purposes of comparison of the amounts indicated for the fiscal year that Mr. William Valle has been appointed as member of the Management Board only with effect as of February 17, 2017 and Mr. Harry de Wit with effect as of April 1, 2016 and, therefore, they have received compensation payments to be set out herein only as of such date.

(4) Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017.

(5) Mr. Ronald Kuerbitz resigned from the Management Board with effect as of February 17, 2017 and Mr. Roberto Fusté with effect as of March 31, 2016.

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 so-called Share Based Award, which is included in the compensation components with long-term incentive effects. The Share Based Award is subject to a three-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 shares upon exercise after the waiting period.

In accordance with the targets achieved in the fiscal year, the members of the Management Board who were members of the Management Board on December 31 of the fiscal year acquired entitlements to Share Based Awards valued at €3,418 THOUS (2016: €3,281 THOUS). Based on the already fixed value, the allocation of the specific number of virtual shares made by the Supervisory Board takes place no sooner than March of the following year on the basis of the then current price conditions of the shares of FMC-AG & Co. KGaA. This number will then serve as a multiplier for the share price on the relevant

exercise date and, thus, as the basis for the determination of the payment of the relevant stock-based compensation after the end of the three-year waiting period.

The components with long-term incentive effects contain a limit option for the case of extraordinary developments.

Performance Shares

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

The degree of the total target achievement during the three-year performance period is determined on the basis of the three performance targets (i) revenue growth, (ii) annual growth of the net income attributable to the shareholders of FMC-AG & Co. KGaA ("net income growth") as well as (iii) increase of the return on invested capital (Return on Invested Capital (hereinafter: "ROIC")). The target corridors and targets are as set out in the table below:

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

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

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

The number of Performance Shares granted to the Management Board members at the beginning of the performance period is multiplied by the percentage of the overall target achievement in order to determine the final number of Performance Shares that form the basis of the cash compensation under the LTIP 2016 as described above.

In the course of the fiscal year, a total of 614,985 Performance Shares (2016: 642,349) were granted to all eligible participants under the LTIP 2016. This includes 73,746 Performance Shares (2016: 79,888) with a total value of €5,474 THOUS (2016: €6,170 THOUS), which were granted to the members of the Management Board. The relevant fair value of the Performance Shares issued in July of the fiscal year amounted on the grant date to €75.12 (2016: €76.80) for grants in euro (applies to Messrs. Dr. Olaf Schermeier, Harry de Wit, Dominik Wehner) and to \$86.39 (2016: \$85.06) for grants in U.S. dollars (applies to Messrs. Rice Powell, Michael Brosnan, William Valle and Kent Wanzek). By the end of the fiscal year, the Management Board members being in office on December 31, 2017, held a total of 150,993 Performance Shares (2016: 79,888).

For the fiscal year, the value of the share-based compensation with cash settlement issued to the members of the Management Board in each case, is shown respectively compared to the previous year, in the following table:

Long-term Incentive Components

in € THOUS

	Share-based compensation with cash settlement⁽¹⁾	
	2017	2016⁽²⁾
Management board members serving as of December 31, 2017		
Rice Powell	2,247	2,415
Michael Brosnan	1,290	1,306
Dr. Olaf Schermeier	1,039	1,072
William Valle	1,265	-
Kent Wanzek	1,060	1,120
Dominik Wehner ⁽³⁾	960	1,043
Harry de Wit	1,033	1,013
Former members of the management board who resigned during the fiscal years 2017 or 2016⁽⁴⁾		
Ronald Kuerbitz	-	1,482
Roberto Fusté	-	-
Total:	8,894	9,451

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

(2) Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Olaf Schermeier, Dominik Wehner and Harry de Wit) or U.S. dollar (Rice Powell, Michael Brosnan, William Valle, Kent Wanzek and Ronald Kuerbitz).

(3) Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017.

(4) Mr. Ronald Kuerbitz resigned from the Management Board with effect as of February 17, 2017 and Mr. Roberto Fusté with effect as of March 31, 2016.

The components with long-term incentive effect entitle to a cash payment or can be exercised only after the expiration of predefined waiting- and/or vesting periods. Their value is distributed over the waiting periods and is proportionally accounted for as an expense in the respective fiscal year.

The expenses pertaining to components with long-term incentive effects for the fiscal year and for the previous year are set out in the following table:

Expenses for Long-term Incentive Components

in € THOUS

	Stock Options		Share-based compensation with cash settlement ⁽¹⁾		Share-based compensation	
	2017	2016	2017	2016	2017	2016
Management board members serving as of December 31, 2017						
Rice Powell	957	593	1,960	668	2,917	1,261
Michael Brosnan	174	605	639	726	813	1,331
Dr. Olaf Schermeier	385	190	1,058	401	1,443	591
William Valle ⁽²⁾	-	-	121	-	121	-
Kent Wanzek	398	288	1,131	398	1,529	686
Dominik Wehner ⁽³⁾	718	169	3,965	376	4,683	545
Harry de Wit ⁽²⁾	-	-	596	122	596	122
Former members of the management board who resigned during the fiscal years 2017 or 2016⁽⁴⁾						
Ronald Kuerbitz ⁽⁵⁾	(438)	190	(852)	494	(1,290)	684
Roberto Fusté	-	887	-	1,014	-	1,901
Total:	2,194	2,922	8,618	4,199	10,812	7,121

(1) This includes expenses for Performance Shares under the LTIP 2016, expenses for phantom stocks under the LTIP 2011 and expenses for the Share Based Award.

(2) Please note for purposes of comparison of the amounts indicated for the fiscal year that Mr. William Valle has been appointed as member of the Management Board only with effect as of February 17, 2017 and Mr. Harry de Wit with effect as of April 1, 2016 and, therefore, they have received compensation payments to be set out herein only as of such date.

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

(4) Mr. Ronald Kuerbitz resigned from the Management Board with effect as of February 17, 2017 and Mr. Roberto Fusté with effect as of March 31, 2016.

(5) Following Mr. Ronald Kuerbitz's resignation from the Management Board, no further expenses arose in the fiscal year just ended. The negative amounts result from the cancellation, without substitution, of all Share Based Awards granted and not vested by February 17, 2017, all multi-year variable compensation components granted under the LTIP 2011 not vested by February 17, 2017 pursuant to the conditions of the LTIP 2011 and all Performance Shares granted under the LTIP 2016.

Focus on sustainable corporate development

To the extent the portion of the performance-based components with long-term incentive effects (i.e. Performance Shares and Share Based Award) does not reach 50% of the sum of all variable compensation components for the respective fiscal year, it has been contractually provided that the one-year variable compensation shall be reduced accordingly. The Share Based Award is increased correspondingly. This shall ensure that the compensation structure is always oriented towards a sustainable corporate development.

Stock options and phantom stock

Until the end of the fiscal year 2015 grants under the LTIP 2011, which consisted of the Stock Option Plan 2011 and the Phantom Stock Plan 2011, constituted an essential component of the compensation system for the members of the Management Board. As of the end of the fiscal year 2015 grants under the LTIP 2011 are no longer possible. However, the members of the Management Board may exercise stock options or phantom stock, which have already been granted, taking into consideration the blackout periods applicable to the exercise of such instruments, the achievement of defined performance targets as well as, subject to deviating stipulations in the individual case, the continuation of the service- and/or employment relationship.

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

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

The success target for stock options and phantom stock is achieved in each case if, during the waiting period, either the adjusted basic income per share increases by at least 8% per annum in comparison to the previous year in each case or - if this is not the case - the compounded annual growth rate of the adjusted basic income per share during the four years of the waiting period reflects an increase of at least 8% per annum. Deviating from this, the success target for phantom stock granted in the fiscal year 2015 is also achieved if under the global efficiency program an amount of \$200 M has been saved until the end of the fiscal year 2015 and, until the end of the fiscal years 2016 to 2018, an amount of \$300 M is saved, each in comparison to January 1, 2013, and also the respective group target for fiscal years 2015 to 2018 – each as expected and communicated – have been achieved and confirmed by the auditor. 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 8% 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 8% 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%; this principle of proportional cancellation also applies to the additional success target for phantom stock as resolved by the Supervisory Board in the fiscal year 2015.

At the end of the fiscal year the members of the Management Board held a total of 819,491 stock options originating from the Stock Option Plan 2011. By the end of the previous fiscal year, the members of the Management Board held a total of 1,010,784 stock options originating from the Stock Option Plan 2011 and the Stock Option Plan 2006, which did not exist anymore at the end of the current fiscal year. For details regarding the conditional capital used to secure the Stock Option Plan 2011, please see section "Conditional Capital" of the Notes. Moreover, the Management Board members held, by the end of the fiscal year, a total of 73,432 phantom stock (2016: 81,019) pursuant to the Phantom Stock Plan 2011.

The development and status of stock options of the members of the Management Board serving at December 31 of the fiscal year in the fiscal year are shown in more detail in the following table:

Development and Status of the Stock Options

		Rice Powell	Michael Brosnan	Dr. Olaf Schermeier	William Valle	Kent Wanzek	Dominik Wehner	Harry de Wit	Total:
Options outstanding January 1, 2017	Number	344,793	199,200	96,488	60,000	131,970	109,344	-	941,795
	Weighted average exercise price in €	60.89	58.84	63.88	64.16	65.10	61.75	-	61.66
Options exercised during the fiscal year	Number	60,000	49,800	-	-	-	12,504	-	122,304
	Weighted average exercise price in €	42.68	42.68	-	-	-	43.02	-	42.71
	Weighted average share price in €	84.45	85.06	-	-	-	84.69	-	84.72
Options outstanding December 31, 2017	Number	284,793	149,400	96,488	60,000	131,970	96,840	-	819,491
	Weighted average exercise price in €	64.73	64.23	63.88	64.16	65.10	64.17	-	64.49
	Weighted average remaining contractual life in years	4.64	4.51	4.99	4.56	4.46	4.86	-	4.65
	Range of exercise prices in €	49.76 - 76.99	49.76 - 76.99	49.76 - 76.99	49.76 - 76.99	49.76 - 76.99	49.76 - 76.99	49.76 - 76.99	-
Options exercisable December 31, 2017	Number	60,693	37,350	9,338	15,000	37,350	9,690	-	169,421
	Weighted average exercise price in €	52.76	53.00	49.76	52.73	53.00	53.12	-	52.72

III. Total Compensation

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

Total Compensation

in € THOUS

	Cash compensation (without long-term incentive components)		Components with long-term incentive effect		Total compensation (including long-term incentive components)	
	2017	2016⁽¹⁾	2017	2016⁽¹⁾	2017	2016⁽¹⁾
Management board members serving as of December 31, 2017						
Rice Powell	3,687	3,766	2,247	2,415	5,934	6,181
Michael Brosnan	2,184	2,190	1,290	1,306	3,474	3,496
Dr. Olaf Schermeier	1,594	1,424	1,039	1,072	2,633	2,496
William Valle	2,100	-	1,265	-	3,365	-
Kent Wanzek	1,745	1,705	1,060	1,120	2,805	2,825
Dominik Wehner ⁽²⁾	1,195	1,247	960	1,043	2,155	2,290
Harry de Wit	1,751	1,286	1,033	1,013	2,784	2,299
Former members of the management board who resigned during the fiscal years 2017 or 2016⁽³⁾						
Ronald Kuerbitz	152	2,340	-	1,482	152	3,822
Roberto Fusté	-	218	-	-	-	218
Total:	14,408	14,176	8,894	9,451	23,302	23,627

(1) Please note for purposes of comparison between the amounts indicated with the amounts indicated for the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Olaf Schermeier, Dominik Wehner and Harry de Wit) or U.S. dollar (Rice Powell, Michael Brosnan, William Valle, Kent Wanzek and Ronald Kuerbitz).

(2) Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017.

(3) Mr. Ronald Kuerbitz resigned from the Management Board with effect as of February 17, 2017 and Mr. Roberto Fusté with effect as of March 31, 2016.

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

The following pension commitments and other benefits are also part of the compensation system for the members of the Management Board: individual contractual pension commitments for the Management Board members Mr. Rice Powell, Mr. Michael Brosnan, Mr. Ronald Kuerbitz (Management Board member until February 17, 2017), Dr. Olaf Schermeier, Mr. Kent Wanzek and Mr. Dominik Wehner (Management Board member until the end of December 31, 2017) have been entered into by Fresenius Medical Care Management AG. In addition, pension commitments from the participation in employee pension schemes of other Fresenius Medical Care companies exist for individual members of the Management Board.

Each of the pension commitments by Fresenius Medical Care Management AG provides for a pension and survivor benefit as of the time of conclusively ending active work, at age 65 at the earliest or upon occurrence of disability or incapacity to work (Berufs- oder Erwerbsunfähigkeit), 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 to from other company pension rights of the Management Board member, even from service agreements with other companies, are also to be set off. If a Management Board member dies, the surviving spouse receives a pension amounting to 60% of the resulting pension claim at that time. Furthermore, the deceased Management Board member's own legitimate children (leibliche eheliche Kinder) receive an orphan's pension amounting to 20% of the resulting pension claim at that time, until the completion of their education or they reach 25 years of age, at the latest. All orphans' pensions and the spousal pension together reach a maximum of 90% of the Management Board member's pension, however. If a Management Board member leaves the Management Board of Fresenius Medical Care Management AG before reaching the age of 65, 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 the age of 65.

Based on individual contractual commitments, Management Board members Mr. Rice Powell, Mr. Michael Brosnan, Mr. William Valle (Management Board member as of February 17, 2017) and Mr. Kent Wanzek additionally participated in the U.S.-based 401(k) savings plan in the fiscal year; in this regard, contributions in the amount of \$8,100.00 (2016: \$7,950.00) were earned in the fiscal year in each case and allocated in January 2018 to the Management Board members mentioned above. This plan generally allows employees in the U.S. to invest a limited portion of their gross salaries in retirement pension programs. The Company supports its employees hereby with contributions of up to 50% of the yearly made payments.

Furthermore, the Management Board members Mr. Rice Powell, Mr. Michael Brosnan and Mr. Ronald Kuerbitz (Management Board member until February 17, 2017) 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.

From the time of his previous employment activities for Fresenius Medical Care Deutschland GmbH, a pension commitment existed for Management Board member Mr. Dominik Wehner (Management Board member until the end of December 31, 2017). This pension commitment was based on the Fresenius companies' pension scheme of January 1, 1988 and provides old-age pensions, disability pensions and surviving dependents' pensions. As a result of his service agreement with Fresenius Medical Care Management AG, the latter initially assumed this pension commitment and continued the commitment on the basis of Mr. Wehner's compensation as Management Board member. In the fiscal year 2017 this pension commitment was fully replaced by the individual contractual pension commitment by Fresenius Medical Care Management AG, as described before.

Additions to pension provisions in the fiscal year for Management Board members serving as of December 31 amounted to €212 THOUS (2016: €4,035 THOUS). The pension commitments are shown in the following table:

Development and Status of Pension Commitments

in € THOUS

	As of January 1, 2017	Increase	As of December 31, 2017
Rice Powell	10,272	(268)	10,004
Michael Brosnan	4,984	669	5,653
Dr. Olaf Schermeier	575	189	764
William Valle	-	-	-
Kent Wanzek	2,761	282	3,043
Dominik Wehner ⁽¹⁾	2,949	(660)	2,289
Harry de Wit	-	-	-
Total:	21,541	212	21,753

(1) Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017.

A post-employment non-competition covenant was agreed upon with all Management Board members. If such covenant becomes applicable, the Management Board members receive compensation amounting to half of their respective annual fixed compensation 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.

V. Miscellaneous

All members of the Management Board have received individual contractual commitments for the continuation of their compensation in cases of sickness for a maximum of 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.

Mr. Dominik Wehner, who was a member of the Management Board until the end of December 31, 2017, receives all compensation components he is entitled to for the fiscal year. In his termination agreement, it was agreed with respect to the compensation components he is entitled to by contract for the period from January 1, 2018 to March 31, 2022 that Mr. Dominik Wehner will receive annual basic compensation of €425 THOUS and an annual bonus of 30% of his basic compensation. In addition, Mr. Dominik



Wehner is entitled to fringe benefits such as the private use of his company car, contributions to financial planning, insurance benefits and contributions to pension and health insurance in a total amount of approximately €42 THOUS p.a. The compensation components granted to Mr. Dominik Wehner under the LTIP 2011, the LTIP 2016 and the Share Based Award must be paid or can be exercised, as the case may be, by the relevant regular vesting date pursuant to the applicable conditions. Except for the Share Based Award for 2017, Mr. Dominik Wehner will no longer be granted any components with long-term incentive effects as of the fiscal year 2018. As of the completion of the age of 65, Mr. Dominik Wehner will receive a Company-funded retirement pension in accordance with the individual contractual pension commitment by Fresenius Medical Care Management AG, as described before.

In the fiscal year 2017, Mr. Ronald Kuerbitz, who was a member of the Management Board until February 17, 2017, received fixed compensation (in the amount of €109 THOUS) and fringe benefits (in the amount of €43 THOUS). For the fiscal year 2017, Mr. Ronald Kuerbitz was not granted any one-year or multi-year variable compensation components. The long-term compensation components in the amount of €977 THOUS granted on the basis of the Stock Option Plan 2006 and the LTIP 2011 and vested by February 17, 2017 pursuant to the applicable conditions were fully paid to him in the fiscal year 2017. All Share Based Awards granted and not vested by February 17, 2017 and all multi-year variable compensation components granted under the LTIP 2011 and not vested by February 17, 2017 and all Performance Shares granted under the LTIP 2016 have been cancelled without substitution. As of February 17, 2017 and for a maximum period of two years, Mr. Ronald Kuerbitz receives annual non-compete compensation of €538 THOUS for the post-employment non-compete obligation agreed. In addition, Mr. Ronald Kuerbitz received one-off compensation of €852 THOUS which had been agreed with him in the context of his resignation from the Management Board of the General Partner. The payment of this compensation is linked to the successful completion of various projects, part of which have not yet been completed as at the time of the agreement, and thus ensures that Mr. Ronald Kuerbitz's involvement even after his resignation from the Management Board. It was also agreed with him that, after the end of his service agreement, he acts as advisor to National Medical Care, Inc. as of August 14, 2017 until the end of August 13, 2018. The consideration to be granted for such services (including reimbursement of expenses) amounts to €55 THOUS for the fiscal year. As of the completion of the age of 65, Mr. Ronald Kuerbitz will receive a Company-funded retirement pension of €122 THOUS per year. The type and amount of the benefits granted and allocations made in favor of Mr. Ronald Kuerbitz during the fiscal year just ended are shown in the tables in the section below.

Mr. Roberto Fusté, who was a member of the Management Board until March 31, 2016, received pension payments in the amount of approximately €239 THOUS (2016: €0 THOUS) in the fiscal year. On the occasion of the termination of his service agreement with effect as of December 31, 2016 as a member of the Management Board, it was agreed with Mr. Roberto Fusté that he would be subject to a post-employment non-compete obligation lasting until the end of December 31, 2018, and that he would act as an advisor to the Chairman of the Management Board. For this, he received non-compete compensation of €377 THOUS and an advisory fee in the amount of €377 THOUS in the fiscal year.

Prof. Emanuele Gatti, who was a member of the Management Board until March 31, 2014, received pension payments in the amount of €338 THOUS (2016: €338 THOUS) without any fringe benefits during the fiscal year (2016: €7 THOUS). On the occasion of the termination of his service agreement as a member of the Management Board effective as of April 30, 2015, a two-year post-employment non-compete obligation was agreed upon with Prof. Emanuele Gatti. As compensation for this, Prof. Emanuele Gatti received annual non-compete compensation in the amount of €488 THOUS. In the fiscal

year Prof. Gatti received partial non-compete compensation in the amount of €163 THOUS (2016: €488 THOUS).

As agreed, Dr. Rainer Runte, who was a member of the Management Board until March 31, 2014, did not receive any annual non-compete compensation in the fiscal year for his post-contractual non-compete obligation, since it was not effective anymore in the fiscal year (2016: €486 THOUS). A consulting agreement was entered into with Dr. Rainer Runte for the period beginning March 1, 2017 which term meanwhile has been extended until March 31, 2018. By this consulting agreement, Dr. Rainer Runte will provide consulting services on certain fields. The annual consideration to be granted by Fresenius Medical Care Management AG for such services amounts to €165 THOUS for the fiscal year.

Instead of a pension provision, a consulting agreement was entered into with Dr. Ben Lipps, the Chairman of the Management Board until December 31, 2012, for the period January 1, 2013 to December 31, 2022; meanwhile, the term of this agreement has been reduced in the fiscal year 2017 to December 31, 2021. 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 (including reimbursement of expenses) amounts for the fiscal year to €580 THOUS (2016: €585 THOUS). The present value of this agreement (including pension payments for the surviving spouse in case of death) amounts to €1,996 THOUS (2016: €3,357 THOUS) as at December 31 of the fiscal year.

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

The payments to U.S. Management Board members Mr. Rice Powell, Mr. Michael Brosnan and Mr. Kent Wanzek were paid in part in the U.S. (in U.S. dollar) and in part in Germany (in euro). For the part paid in Germany, the Company has agreed that due to varying tax rates in both countries, the increased tax burden to such Management Board members arising from German tax rates in comparison to U.S. tax rates will be balanced (net compensation). Pursuant to a modified net compensation agreement, these Management Board members will be treated as if they were taxed in their home country, the United States, only. Therefore, the gross amounts may be retroactively changed. Since the actual tax burden can only be calculated in connection with the preparation of the Management Board members' tax returns, subsequent 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 from 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 concluded a Directors & Officers liability insurance with an excess in compliance with the specifications according to German stock corporation law. The indemnity covers each member of the Management Board during their respective term on the Management Board and also for claims that arise in connection therewith after the respective termination of their term.

Former members of the Management Board did not receive any compensation in the fiscal year other than mentioned herein. As of December 31 of the fiscal year, pension obligations towards this group of persons exist in an amount of €21,930 THOUS (2016: €20,469 THOUS), of which €2,409 THOUS were attributable to Mr. Ronald Kuerbitz.

VI. Tables of the value of benefits granted and of the allocation

The German Corporate Governance Code provides that the compensation report shall include information for each member of the Management Board on the benefits granted and allocations made as well as on the pension expenses for the fiscal year. The model tables provided in the appendix to the German Corporate Governance Code shall be used to present this information. The following tables include information on the value of benefits granted as well as on the allocations made. They adhere to the structure and, to the greatest extent possible, the standards of the model tables of the German Corporate Governance Code:



Benefits granted to serving members of the Management Board as of December 31, 2017

in € THOUS

	Rice Powell Chairman of the Management Board Member of the Management Board since December 21, 2005 ⁽²⁾				Michael Brosnan Chief Financial Officer Member of the Management Board since January 1, 2010			
	2017	2017 Mini- mum	2017 Maxi- mum	2016⁽³⁾	2017	2017 Mini- mum	2017 Maxi- mum	2016⁽³⁾
Fixed compensation	1,217	1,217	1,217	1,242	735	735	735	696
Fringe benefits ⁽¹⁾	173	173	173	121	134	134	134	194
Total non-performance-based compensation	1,390	1,390	1,390	1,363	869	869	869	890
One-year variable compensation	2,008	166	2,410	2,050	1,212	110	1,455	1,148
Multi-year variable compensation / components with long-term incentive effects	2,247	-	n.a.	2,415	1,289	-	n.a.	1,306
thereof Share Based Award - New Incentive Bonus Plan 2010								
3-year term / 3-year waiting period	916	-	n.a.	877	624	-	n.a.	537
thereof LTIP 2016 - Performance Share Plan 2016								
4-year term / 4-year vesting period	1,331	-	n.a.	1,538	665	-	n.a.	769
Total non-performance-based and performance-based compensation	5,645	1,556	n.a.	5,828	3,370	979	n.a.	3,344
Pension expense	773	773	773	741	694	694	694	666
Value of benefits granted	6,418	2,329	n.a.	6,569	4,064	1,673	n.a.	4,010

	Dr. Olaf Schermeier Member of the Management Board for Global Research and Development Member of the Management Board since March 1, 2013				William Valle Member of the Management Board for North America Member of the Management Board since February 17, 2017			
	2017	2017 Mini- mum	2017 Maxi- mum	2016⁽³⁾	2017	2017 Mini- mum	2017 Maxi- mum	2016⁽³⁾
Fixed compensation	490	490	490	450	721	721	721	-
Fringe benefits ⁽¹⁾	134	134	134	83	88	88	88	-
Total non-performance-based compensation	624	624	624	533	809	809	809	-
One-year variable compensation	809	74	970	743	1,190	108	1,428	-
Multi-year variable compensation / components with long-term incentive effects	1,039	-	n.a.	1,072	1,265	-	n.a.	-
thereof Share Based Award - New Incentive Bonus Plan 2010								
3-year term / 3-year waiting period	323	-	n.a.	297	600	-	n.a.	-
thereof LTIP 2016 - Performance Share Plan 2016								
4-year term / 4-year vesting period	716	-	n.a.	775	665	-	n.a.	-
Total non-performance-based and performance-based compensation	2,472	698	n.a.	2,348	3,264	917	n.a.	-
Pension expense	204	204	204	151	-	-	-	-
Value of benefits granted	2,676	902	n.a.	2,499	3,264	917	n.a.	-

(1) Includes insurance premiums, private use of company cars, special payments such as school fees, housing, rent and relocation supplements, reimbursement of fees for the preparation of tax returns and reimbursement of certain other charges, contributions to pension, accident, life and health insurance as well as tax burden compensation due to varying tax rates applicable in Germany and the U.S. (net compensation) as well as other benefits in kind and fringe benefits, also in case accruals have been set up therefore.

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

(3) Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Olaf Schermeier, Dominik Wehner and Harry de Wit) or U.S. dollar (Rice Powell, Michael Brosnan, William Valle, Kent Wanzek and Ronald Kuerbitz).



Benefits granted to serving members of the Management Board as of December 31, 2017

in € THOUS

	Kent Wanzek Member of the Management Board for Global Manufacturing & Quality Member of the Management Board since January 1, 2010				Dominik Wehner⁽³⁾ Member of the Management Board for EMEA Member of the Management Board since April 1, 2014			
	2017	2017 Mini- mum	2017 Maxi- mum	2016⁽²⁾	2017	2017 Mini- mum	2017 Maxi- mum	2016⁽²⁾
Fixed compensation	575	575	575	539	425	425	425	406
Fringe benefits ⁽¹⁾	85	85	85	112	38	38	38	37
Total non-performance-based compensation	660	660	660	651	463	463	463	443
One-year variable compensation	949	86	1,139	890	701	64	842	670
Multi-year variable compensation / components with long-term incentive effects	1,059	-	n.a.	1,120	960	-	n.a.	1,043
thereof Share Based Award - New Incentive Bonus Plan 2010								
3-year term / 3-year waiting period	394	-	n.a.	351	244	-	n.a.	268
thereof LTIP 2016 - Performance Share Plan 2016								
4-year term / 4-year vesting period	665	-	n.a.	769	716	-	n.a.	775
Total non-performance-based and performance-based compensation	2,668	746	n.a.	2,661	2,124	527	n.a.	2,156
Pension expense	402	402	402	379	146	146	146	98
Value of benefits granted	3,070	1,148	n.a.	3,040	2,270	673	n.a.	2,254

	Harry de Wit Member of the Management Board for Asia-Pacific Member of the Management Board since April 1, 2016			
	2017	2017 Mini- mum	2017 Maxi- mum	2016⁽²⁾
Fixed compensation	480	480	480	360
Fringe benefits ⁽¹⁾	321	321	321	213
Total non-performance-based compensation	801	801	801	573
One-year variable compensation	792	72	950	594
Multi-year variable compensation / components with long-term incentive effects	1,033	-	n.a.	1,013
thereof Share Based Award - New Incentive Bonus Plan 2010				
3-year term / 3-year waiting period	317	-	n.a.	238
thereof LTIP 2016 - Performance Share Plan 2016				
4-year term / 4-year vesting period	716	-	n.a.	775
Total non-performance-based and performance-based compensation	2,626	873	n.a.	2,180
Pension expense	-	-	-	-
Value of benefits granted	2,626	873	n.a.	2,180

(1) Includes insurance premiums, private use of company cars, special payments such as school fees, housing, rent and relocation supplements, reimbursement of fees for the preparation of tax returns and reimbursement of certain other charges, contributions to pension, accident, life and health insurance as well as tax burden compensation due to varying tax rates applicable in Germany and the U.S. (net compensation) as well as other benefits in kind and fringe benefits, also in case accruals have been set up therefore.

(2) Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Olaf Schermeier, Dominik Wehner and Harry de Wit) or U.S. dollar (Rice Powell, Michael Brosnan, William Valle, Kent Wanzek and Ronald Kuerbitz).

(3) Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017.

Benefits granted to former members of the Management Board who retired in fiscal year 2017

in € THOUS

	Ronald Kuerbitz			
	Member of the Management Board for North America			
	Member of the Management Board until February 17, 2017			
	2017	2017	2017	2016⁽²⁾
	Mini-	Maxi-		
	mum	mum		
Fixed compensation	109	109	109	845
Fringe benefits ⁽¹⁾	43	43	43	19
Total non-performance-based compensation	152	152	152	864
One-year variable compensation	1,366	124	1,639	1,394
Multi-year variable compensation / components with long-term incentive effects	-	-	n.a.	1,482
thereof Share Based Award - New Incentive Bonus Plan 2010				
<i>3-year term / 3-year waiting period</i>	-	-	n.a.	713
thereof LTIP 2016 - Performance Share Plan 2016				
<i>4-year term / 4-year vesting period</i>	-	-	n.a.	769
Total non-performance-based and performance-based compensation	1,518	276	n.a.	3,740
Pension expense	797	797	797	751
Value of benefits granted	2,315	1,073	n.a.	4,491

(1) Includes insurance premiums, private use of company cars, special payments such as school fees, housing, rent and relocation supplements, reimbursement of fees for the preparation of tax returns and reimbursement of certain other charges, contributions to pension, accident, life and health insurance as well as tax burden compensation due to varying tax rates applicable in Germany and the U.S. (net compensation) as well as other benefits in kind and fringe benefits, also in case accruals have been set up therefore.

(2) Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Olaf Schermeier, Dominik Wehner and Harry de Wit) or U.S. dollar (Rice Powell, Michael Brosnan, William Valle, Kent Wanzek and Ronald Kuerbitz).

Allocations
in € THOUS

	Serving members of the Management Board as of December 31, 2017														Former member of the Management Board (retired in fiscal year)	
	Rice Powell		Michael Brosnan		Dr. Olaf Schermeier		William Valle		Kent Wanzek		Dominik Wehner		Harry de Wit		Ronald Kuerbitz ⁽⁵⁾	
	Chairman of the Management Board	Chief Financial Officer	Member of the Management Board for Global Research and Development	Member of the Management Board for North America	Member of the Management Board for Global Manufacturing & Quality	Member of the Management Board for EMEA	Member of the Management Board for Asia-Pacific	Member of the Management Board for North America	Member of the Management Board since December 21, 2005 ⁽²⁾	Member of the Management Board since January 1, 2010	Member of the Management Board since March 1, 2013	Member of the Management Board since February 17, 2017	Member of the Management Board since January 1, 2010	Member of the Management Board since April 1, 2014	Member of the Management Board since April 1, 2016	Member of the Management Board until February 17, 2017
	2017	2016 ⁽³⁾	2017	2016 ⁽³⁾	2017	2016 ⁽³⁾	2017	2016 ⁽³⁾	2017	2016 ⁽³⁾	2017	2016 ⁽³⁾	2017	2016 ⁽³⁾	2017	2016 ⁽³⁾
Fixed compensation	1,217	1,242	735	696	490	450	721	-	575	539	425	406	480	360	109	845
Fringe benefits ⁽¹⁾	173	121	134	194	134	83	88	-	85	112	38	37	321	213	43	19
Total non-performance based compensation	1,390	1,363	869	890	624	533	809	-	660	651	463	443	801	573	152	864
One-year variable compensation	2,297	2,403	1,315	1,300	970	891	1,291	-	1,085	1,054	732	804	950	713	-	1,476
Multi-year variable compensation / components with long-term incentive effects	2,787	3,273	2,288	2,006	130	-	20	-	218	2,437	536	346	-	-	-	100
thereof Share Based Award - New Incentive Bonus Plan 2010																
3-year term / 3-year vesting period																
Grant 2012	-	598	-	376	-	-	-	-	-	314	-	-	-	-	-	-
Grant 2013	205	-	126	-	72	-	-	-	167	-	-	-	-	-	-	-
thereof Stock Option Plan 2006																
7-year term / 3-year vesting period																
Grant 2009	-	2,043	-	1,506 ⁽⁶⁾	-	-	-	-	-	-	-	316 ⁽⁶⁾	-	-	-	-
Grant 2010	2,506	446	2,111	-	-	-	-	-	-	1,999	521 ⁽⁶⁾	-	-	-	-	-
thereof LTIP 2011 - Phantom Stock Plan 2011																
5-year term / 4-year vesting period																
Grant 2011	-	186	-	124	-	-	-	-	-	124	-	30 ⁽⁶⁾	-	-	-	100 ⁽⁶⁾
Grant 2012	76	-	51	-	-	-	20 ⁽⁶⁾	-	51	-	15 ⁽⁶⁾	-	-	-	-	-
Grant 2013	-	-	-	-	58	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-performance-based and performance-based compensation	6,474	7,039	4,472	4,196	1,724	1,424	2,120	-	1,963	4,142	1,731	1,593	1,751	1,286	152	2,440
Pension expense	773	741	694	666	204	151	-	-	402	379	146	98	-	-	797	751
Allocation	7,247	7,780	5,166	4,862	1,928	1,575	2,120	-	2,365	4,521	1,877	1,691	1,751	1,286	949	3,191

(1) Includes insurance premiums, private use of company cars, special payments such as school fees, housing, rent and relocation supplements, reimbursement of fees for the preparation of tax returns and reimbursement of certain other charges, contributions to pension, accident, life and health insurance as well as tax burden compensation due to varying tax rates applicable in Germany and the U.S. (net compensation) as well as other benefits in kind and fringe benefits, also in case accruals have been set up therefore.

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

(3) Please note for purposes of comparison between the amounts indicated and those of the fiscal year that the compensation is subject to foreign exchange rate fluctuations depending on whether it is contractually denominated in euro (Dr. Olaf Schermeier, Dominik Wehner and Harry de Wit) or U.S. dollar (Rice Powell, Michael Brosnan, William Valle, Kent Wanzek and Ronald Kuerbitz).

(4) Mr. Dominik Wehner resigned from the Management Board with effect as of the end of December 31, 2017.

(5) Mr. Ronald Kuerbitz resigned from the Management Board with effect as of February 17, 2017. In addition to the indicated compensation, Mr. Ronald Kuerbitz received multi-year variable compensation in the fiscal year which was granted prior to his appointment to the Management Board but was allocated to him only after his resignation from the Management Board (Stock Option Plan 2006 - Grant 2010 (Allocation: €348, fair value at grant: €81), LTIP 2011 - Stock Option Plan 2011 - Grant 2011 (Allocation: €382, fair value at grant: €403), LTIP 2011 - Stock Option Plan 2011 - Grant 2012 (Allocation: €208; fair value at grant: €380) und LTIP 2011 - Phantom Stock Plan 2011 - Grant 2012 (Allocation: €39, fair value at grant: €116)).

(6) The indicated amounts are allocations from multi-year variable compensation which have been granted to the respective members of the Management Board prior to their appointment to the Management Board: Michael Brosnan (Stock Option Plan 2006 - Grant 2006 - fair value at grant €252), William Valle (LTIP 2011 - Phantom Stock Plan 2011 - Grant 2012 - fair value at grant €58), Dominik Wehner (Stock Option Plan 2006 - Grant 2009 - fair value at grant €56, Stock Option Plan 2006 - Grant 2010 - fair value at grant €105, LTIP 2011 - Phantom Stock Plan 2011 - Grant 2011 - fair value at grant €41, LTIP 2011 - Phantom Stock Plan 2011 - Grant 2012 - fair value at grant €41), Ronald Kuerbitz (LTIP 2011 - Phantom Stock Plan 2011 - Grant 2011 - fair value at grant €130).

Fresenius Medical Care AG & Co. KGaA, 61346 Bad Homburg, Germany, T +49 6172 609-0, Registered Office and

Commercial Register: Hof an der Saale, HRB 4019, VAT-ID No.: DE 811127677, 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, Dr. Olaf Schermeier, William Valle, Kent Wanzek, Harry de Wit, Chairman of Supervisory Board: Stephan Sturm

Bank Account: Commerzbank AG, Frankfurt/Main, IBAN: DE23 5008 0000 0711 6731 00, SWIFT/BIC: DRESDEFF501

Compensation of the Supervisory Board

The compensation of the FMC-AG & Co. KGaA Supervisory Board is set out in section 13 of the Articles of Association. The Annual General Meeting resolved on May 12, 2016 to adjust the amount of the fixed compensation of the Supervisory Board with effect as of January 1, 2017.

Each Supervisory Board member receives a fixed salary of \$88 THOUS (2016: \$80 THOUS) for each full fiscal year, payable in four equal instalments at the end of a calendar quarter. The Chairman of the Supervisory Board receives additional compensation of \$88 THOUS (2016: \$80 THOUS) and his deputy additional compensation of \$44 THOUS (2016: \$40 THOUS) per respective complete fiscal year.

In addition, each member of the Supervisory Board shall also receive as a variable performance-related compensation component 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 performance-related remuneration component is \$60 THOUS in case of achieving a 3-year average EPS growth corridor from 8.00 to 8.99%, \$70 THOUS in the corridor from 9.00 to 9.99% and \$80 THOUS in case of a 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 component is limited to a maximum of \$80 THOUS per annum. Reciprocally, the members of the Supervisory Board are only entitled to the remuneration component if the 3-year average EPS growth of at least 8.00% is reached. Provided that the relevant targets have been achieved, the remuneration is, in principle, disbursed on a yearly basis following the approval of the Company's annual financial statements for the respective fiscal year. For the fiscal year 2017, the 3-year average EPS growth for the fiscal years 2015, 2016 and 2017 was relevant.

In application of the principles above, for the previous year the entitlement to a payment of variable performance-related compensation of \$587 THOUS (2016: \$0) was achieved.

As a member of a committee, a Supervisory Board member of FMC-AG & Co. KGaA additionally annually receives \$44 THOUS (2016: \$40 THOUS). A member of a committee who serves as chairman or vice chairman of a committee additionally receives \$22 THOUS and \$11 THOUS a year (2016: \$20 THOUS and \$10 THOUS, respectively), payable in identical instalments at the end of a calendar quarter. For memberships in the Nomination Committee of the Supervisory Board and in the Joint Committee of the Company as well as in the capacity of their respective chairmen and deputy chairmen, no separate remuneration shall be granted to the members of the Supervisory Board. In accordance with section 13e para. 3 of the Articles of Association of FMC-AG & Co. KGaA, the members of the Joint Committee are, however, entitled to receive an attendance fee in the amount of \$3.5 THOUS.

Should a member of the FMC-AG & Co. KGaA Supervisory Board 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 of the members of the Supervisory Board of Fresenius Medical Care Management AG and the compensation of the members of its committees were charged to FMC-



AG & Co. KGaA in accordance with section 7 para. 3 of the Articles of Association of FMC-AG & Co. KGaA.

The members of the Supervisory Board of FMC-AG & Co. KGaA are to be reimbursed for the expenses incurred in their exercise of their offices, which also include the applicable VAT.

The total compensation of the Supervisory Board of FMC-AG & Co. KGaA including the amount charged by Fresenius Medical Care Management AG to FMC-AG & Co. KGaA, is stated in the following table:

Compensation of the Supervisory Board

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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Dr. Gerd Krick	39	36	117	108	58	54	39	40	253	238
Stephan Sturm ⁽²⁾	156	82	-	-	68	16	-	4	224	102
Rolf A. Classon	39	36	39	36	117	89	49	32	244	193
Rachel Empey ⁽³⁾	26	-	-	-	-	-	-	-	26	-
William P. Johnston	39	36	39	36	107	103	58	51	243	226
Deborah Doyle McWhinney ⁽⁴⁾	-	-	78	46	-	-	39	23	117	69
Dr. Dieter Schenk	58	54	58	54	97	74	-	-	213	182
Pascale Witz ⁽⁵⁾	-	-	78	46	-	-	-	-	78	46
Dr. Ulf M. Schneider ⁽⁶⁾	-	72	-	-	-	32	-	-	-	104
Dr. Walter L. Weisman ⁽⁷⁾	-	14	-	14	-	16	-	20	-	64
Prof. Dr. Bernd Fahrholz ⁽⁸⁾	-	-	-	26	-	-	-	16	-	42
Total	357	330	409	366	447	384	185	186	1,398	1,266

(1) Shown 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mr. Stephan Sturm was appointed as member of the Supervisory Board of FMC Management AG as of May 11, 2016, and as Chairman as of June 30, 2016. He was elected as member and Chairman of the Human Resources Committee as of September 27, 2016. Therefore, he received the respective compensation payments to be set out herein as of the respective dates.

(3) Member 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Rachel Empey was appointed as member of the Supervisory Board of FMC Management AG not until September 1, 2017, and, therefore, received compensation payments to be set out herein as of this date.

(4) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Deborah Doyle McWhinney was appointed as member of the Supervisory Board of FMC-AG & Co. KGaA not until May 12, 2016, and, therefore, received compensation payments to be set out herein as of this date.

(5) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Pascale Witz was appointed as member of the Supervisory Board of FMC-AG & Co. KGaA not until May 12, 2016, and, therefore, received compensation payments to be set out herein as of this date.

(6) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Ulf M. Schneider was appointed as member of the Supervisory Board of FMC Management AG until June 30, 2016, and, therefore, received compensation payments to be set out herein until this date.

(7) Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Walter L. Weisman was appointed as member of the Supervisory Board of FMC Management AG until May 11, 2016, and as member of the Supervisory Board of FMC-AG & Co. KGaA until May 12, 2016, and, therefore, received compensation payments to be set out herein until these dates.

(8) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Prof. Dr. Bernd Fahrholz was appointed as member of the Supervisory Board of FMC Management AG until May 11, 2016, and as member of the Supervisory Board of FMC-AG & Co. KGaA until May 12, 2016, and, therefore, received compensation payments to be set out herein until these dates.



Compensation of the Supervisory Board

in € THOUS⁽¹⁾

	Performance Related Compensation in FMC Management AG		Performance Related Compensation in FMC-AG & Co. KGaA		Performance Related Compensation		Total compensation	
	2017	2016	2017	2016	2017	2016	2017	2016
Dr. Gerd Krick	35	-	35	-	70	-	323	238
Stephan Sturm ⁽²⁾	71	-	-	-	71	-	295	102
Rolf A. Classon	35	-	35	-	70	-	314	193
Rachel Empey ⁽³⁾	24	-	-	-	24	-	50	-
William P. Johnston	35	-	35	-	70	-	313	226
Deborah Doyle McWhinney ⁽⁴⁾	-	-	71	-	71	-	188	69
Dr. Dieter Schenk	35	-	35	-	70	-	283	182
Pascale Witz ⁽⁵⁾	-	-	71	-	71	-	149	46
Dr. Ulf M. Schneider ⁽⁶⁾	-	-	-	-	-	-	-	104
Dr. Walter L. Weisman ⁽⁷⁾	-	-	-	-	-	-	-	64
Prof. Dr. Bernd Fahrholz ⁽⁸⁾	-	-	-	-	-	-	-	42
Total	235	-	282	-	517	-	1,915	1,266

(1) Shown 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mr. Stephan Sturm was appointed as member of the Supervisory Board of FMC Management AG as of May 11, 2016, and as Chairman as of June 30, 2016. He was elected as member and Chairman of the Human Resources Committee as of September 27, 2016. Therefore, he received the respective compensation payments to be set out herein as of the respective dates.

(3) Member 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Rachel Empey was appointed as member of the Supervisory Board of FMC Management AG not until September 1, 2017, and, therefore, received compensation payments to be set out herein as of this date.

(4) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Deborah Doyle McWhinney was appointed as member of the Supervisory Board of FMC-AG & Co. KGaA not until May 12, 2016, and, therefore, received compensation payments to be set out herein as of this date.

(5) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Mrs. Pascale Witz was appointed as member of the Supervisory Board of FMC-AG & Co. KGaA not until May 12, 2016, and, therefore, received compensation payments to be set out herein as of this date.

(6) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Ulf M. Schneider was appointed as member of the Supervisory Board of FMC Management AG until June 30, 2016, and, therefore, received compensation payments to be set out herein until this date.

(7) Please note for purposes of comparison of the amounts indicated for the fiscal year that Dr. Walter L. Weisman was appointed as member of the Supervisory Board of FMC Management AG until May 11, 2016, and as member of the Supervisory Board of FMC-AG & Co. KGaA until May 12, 2016, and, therefore, received compensation payments to be set out herein until these dates.

(8) 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. Please note for purposes of comparison of the amounts indicated for the fiscal year that Prof. Dr. Bernd Fahrholz was appointed as member of the Supervisory Board of FMC Management AG until May 11, 2016, and as member of the Supervisory Board of FMC-AG & Co. KGaA until May 12, 2016, and, therefore, received compensation payments to be set out herein until these dates.



**FRESENIUS
MEDICAL CARE**

Hof an der Saale, March 2018

Fresenius Medical Care AG & Co. KGaA

represented by **Fresenius Medical Care Management AG**
as General Partner

sgd.

Rice Powell
Member of the Management Board

sgd.

Michael Brosnan
Member of the Management Board