

## COMPENSATION REPORT

The compensation report summarizes the main elements of the compensation system for the members of the Management Board of Fresenius Management SE as the general partner of Fresenius SE & Co. KGaA, and in this regard notably explains the amounts and structure of the compensation paid to the Management Board as well as the principles for determining the compensation of the Supervisory Board and the amounts of the compensation. The compensation report is part of the Management Report of the annual financial statements and the annual consolidated financial statements of Fresenius SE & Co. KGaA. The compensation report is prepared on the basis of the recommendations of the German Corporate Governance Code as well as under consideration of the declaration of conformity of Fresenius SE & Co. KGaA of December 2018, and also includes the disclosures as required pursuant to the applicable statutory regulations, notably in accordance with the German Commercial Code.

### COMPENSATION OF THE MANAGEMENT BOARD

The Supervisory Board of Fresenius Management SE is responsible for determining the compensation of the Management Board. The Supervisory Board is assisted in this task by a personnel committee which is also responsible for the tasks of a compensation committee. The personnel committee of Fresenius Management SE was composed of Dr. Gerd Krick, Dr. Dieter Schenk, and Dr. Karl Schneider.

The Annual General Meeting of Fresenius SE & Co. KGaA approved the compensation system for the members of the Management Board of the general partner on May 18, 2018 with an approval rate of approximately 63%. In this context, the shareholders' suggestions for changes related to the discretionary bonus and the structure of the short-term performance-based compensation (bonus). In response to this, the discretionary bonus – as described in this compen-

sation report – was abolished as of the 2019 fiscal year. The short-term performance-based compensation (bonus) for each future service agreement to be extended or newly concluded for a member of the Management Board of the general partner will be subject to discussion in the Supervisory Board. The next Annual General Meeting vote on the compensation system is planned for the Annual General Meeting in 2020.

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 successes in managing the company's economic and financial position, giving due regard to the peer environment.

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

- ▶ 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 comprising performance shares (instead of stock options and share-based compensation with cash settlement (phantom stocks) granted hitherto), and postponed payments of the one-year variable compensation/of the bonus)

In addition, there are pension commitments for the members of the Management Board.

The design of the individual elements is based on the following criteria:

### COMPENSATION ELEMENTS

Non-performance-based compensation	Fixed compensation	
	Fringe benefits	
Performance-based compensation	Short-term	Bonus
	Long-term	Postponed payment of the bonus
		Long Term Incentive Plan 2018

The fixed compensation was generally paid in monthly installments in the fiscal year 2018. Mr. Rice Powell was paid a part of his fixed compensation from Fresenius Medical Care North America in 24 installments. Moreover, the members of the Management Board received fringe benefits. These consisted mainly of insurance premiums, the private use of a company car, special payments such as rent supplements and reimbursement of certain other charges, tuition fees, and costs for the operation of intrusion detection systems, as well as contributions to pension and health insurance.

The performance-based compensation will be granted for the fiscal year 2018 as a short-term cash component (one-year variable compensation) and as compensation components with long-term incentive effects (performance shares and postponed payments of the one-year variable compensation).

Mr. Stephan Sturm has agreed with the Supervisory Board of Fresenius Management SE to acquire shares of the company in the value of the net amount of the one-year variable compensation paid to him and to hold them for at least three years. Thereby, the orientation of his compensation towards sustainable corporate development is enhanced voluntarily.

In order to appropriately take into account the business development of Fresenius Medical Care during the fiscal year, Mr. Rice Powell has agreed to acquire shares in Fresenius Medical Care AG & Co. KGaA for a portion of the bonus and to hold them for at least three years.

The amount of the one-year variable compensation in each case is dependent on certain target parameters oriented on the net income attributable to Fresenius SE & Co. KGaA and/or to the relevant business segments being achieved. In

#### PERFORMANCE-BASED COMPENSATION

<b>Short-term</b>	<b>Bonus</b>	<ul style="list-style-type: none"> <li>▶ Annual cash payment after the end of the fiscal year</li> <li>▶ Depending on the achievement of certain target parameters based on the net income attributable to Fresenius SE &amp; Co. KGaA or the relevant business segments</li> </ul>
<b>Long-term</b>	<b>Postponed payments of the bonus</b>	<ul style="list-style-type: none"> <li>▶ The maturity of the one-year variable compensation can be postponed by two years.</li> <li>▶ Payment only if (i) no subsequent adjustment is made to the relevant consolidated net income outside a tolerance range and (ii) the consolidated net income in the two relevant years is not significantly lower than the consolidated net income in the respective preceding years.</li> </ul>
	<b>LTIP 2018</b>	<ul style="list-style-type: none"> <li>▶ Performance Share Plan with a vesting period of four years and cash payment</li> <li>▶ Two performance targets: growth rate of adjusted net income and relative total shareholder return based on the STOXX Europe 600 Health Care Index</li> <li>▶ Overall target achievement: 0 – 200%</li> </ul>

the case of the members of the Management Board with functional responsibility for the entire Group – such members being Mr. Stephan Sturm, Ms. Rachel Empey, and Dr. Jürgen Götz – the amount of the one-year variable compensation is based in its entirety on the respective net income attributable to Fresenius SE & Co. KGaA (after deduction of noncontrolling interest). For Mr. Mats Henriksson and Dr. Francesco De Meo, approximately half of the amount of the one-year variable compensation depends on the development of the net income attributable to Fresenius SE & Co. KGaA and for the remainder on the development of the net income of the business segment (in each case after deduction of noncontrolling interest) for which the respective member of the Management Board is responsible. Approximately half of the amount of the one-year variable compensation of Dr. Ernst Wastler is oriented on the net income attributable to Fresenius SE & Co. KGaA (after deduction of noncontrolling interest), as well as on the net

income before tax and extraordinary income/expenditures of the VAMED Group. Mr. Rice Powell receives his compensation exclusively from Fresenius Medical Care. Furthermore, the Supervisory Board could grant members of the Management Board a discretionary bonus for extraordinary performance. Until fiscal year 2018, the service agreements of the Management Board members with Fresenius Management SE provided that the total compensation granted to a Management Board member including a possible discretionary bonus shall not exceed the sum of the fixed compensation and the maximum amounts for the variable compensation components (one-year variable and multi-year variable compensation). During fiscal year 2018, no discretionary bonus was granted. Starting fiscal year 2019, the service agreements of the Management Board members with Fresenius Management SE no longer provide the granting of a discretionary bonus.

For the fiscal years 2018 and 2017, the amount of cash payment to the Management Board of the general partner of Fresenius SE & Co. KGaA consisted of the following:

€ in thousands	Non-performance-based compensation				Short-term performance-based compensation		Cash compensation (without long-term incentive components)	
	Fixed compensation		Fringe benefits <sup>2</sup>		Bonus		2018	2017
	2018	2017	2018	2017	2018	2017		
Stephan Sturm	1,100	1,100	102	79	1,868 <sup>3</sup>	1,866	3,070	3,045
Dr. Francesco De Meo	630	630	25	24	1,415	1,412	2,070	2,066
Rachel Empey (since August 1, 2017)	600	250	231	16	812	338	1,643	604
Dr. Jürgen Götze	490	490	41	41	950	950	1,481	1,481
Mats Henriksson	660	630	107	157	1,356	1,250	2,123	2,037
Rice Powell <sup>1</sup>	1,270	1,217	195	173	2,376 <sup>4</sup>	2,297	3,841	3,687
Dr. Ernst Wastler	525	525	75	75	932	858	1,532	1,458
<b>Total</b>	<b>5,275</b>	<b>4,842</b>	<b>776</b>	<b>565</b>	<b>9,709</b>	<b>8,971</b>	<b>15,760</b>	<b>14,378</b>

<sup>1</sup> Mr. Rice Powell received his compensation only from Fresenius Medical Care, of which Fresenius SE & Co. KGaA held around 30.75% of the total subscribed capital. As a member of the Management Board of Fresenius Management SE, his compensation has to be included in the compensation report of the Fresenius Group.

<sup>2</sup> Includes insurance premiums, private use of a company car, contributions to pension and health insurance, as well as other benefits.

<sup>3</sup> As compensation for long-term incentives from her former employer that were forfeited due to her change to Fresenius, Ms. Rachel Empey receives a fixed, additional special payment of € 166,667 for each full year of service, limited to three such payments.

<sup>4</sup> Mr. Stephan Sturm has agreed with the Supervisory Board of Fresenius Management SE to acquire shares of the company in the value of the net amount of the one-year variable compensation paid to him and to hold them for at least three years. Thereby, the orientation of his compensation towards sustainable corporate development is enhanced voluntarily.

<sup>5</sup> In order to appropriately take into account the business development of Fresenius Medical Care during the fiscal year, Mr. Rice Powell has agreed to acquire shares in Fresenius Medical Care AG & Co. KGaA for a portion of the bonus and to hold them for at least three years.

In the fiscal year 2018, the one-year variable compensation, excluding the payment to Mr. Rice Powell, amounted to €7,333 thousand. This equals 98% of the total one-year variable compensation. The remaining part in an amount of €171 thousand was converted into a component based on a multi-year assessment and the payment was postponed by two years.

To ensure that the overall system of compensation of the members of the Management Board is oriented towards long-term and sustained corporate development, the compensation system provides that the share of long-term variable compensation components is at least equal in its amount to half of the total variable compensation components granted to the respective member of the Management Board. As a means of ensuring this minimum ratio in favor of the compensation components oriented towards the long term, it is expressly provided that the Supervisory Board may determine that the one-year variable compensation to be paid as a rule annually is converted (pro rata) into a variable compensation component based on a multi-year assessment, in order to also take account of any negative developments within the performance period. This is done in such a way that the maturity of the yearly one-year variable compensation earned on a variable basis is postponed at the discretion of the Supervisory Board, either on a pro rata basis or in its entirety, by two years. At the same time, it is ensured that any payment is made to the

member of the Management Board after expiration of such multi-year period only if (i) no subsequent adjustment of the net income (adjusted for extraordinary effects) attributable to Fresenius SE & Co. KGaA (after deduction of noncontrolling interest) decisive for assessing the one-year variable compensation beyond an amount equal to a tolerance range of 10% is made, and (ii) the amount of net income attributable to Fresenius SE & Co. KGaA (adjusted for extraordinary effects) in the two relevant subsequent years is not substantially less than the net income attributable to Fresenius SE & Co. KGaA (adjusted for extraordinary effects, after deduction of noncontrolling interest) of the respective preceding fiscal years. In the event of the aforementioned conditions for payment being missed only to a minor and/or partial extent, the Supervisory Board may resolve on a corresponding pro rata payment of the converted portion of the one-year variable compensation. No interest is payable on the converted one-year variable compensation claim from the time when it first arises until the time of its effective payment. In this way, the one-year variable compensation can be converted pro rata or in its entirety into a genuine variable compensation component on a multi-year assessment basis, which also participates in any negative developments during the relevant performance period.

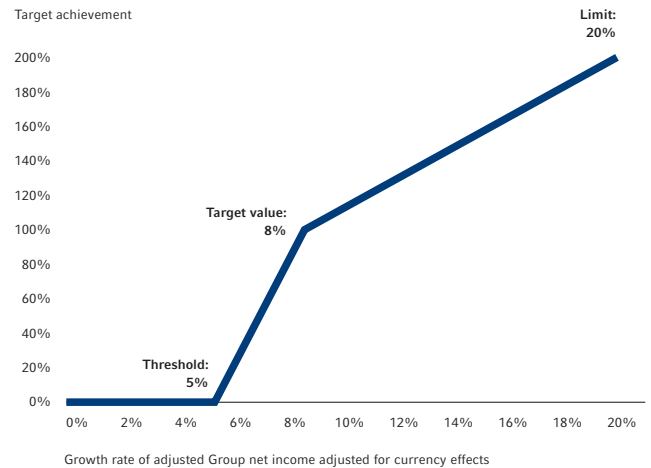
In the fiscal year 2018, as a further component with long-term incentive effect, the Management Board members were granted performance shares under the new Fresenius SE & Co. KGaA Long Term Incentive Plan 2018 (LTIP 2018). Mr. Rice Powell was granted performance shares under the Long Term Incentive Plan 2016 (LTIP 2016) of Fresenius Medical Care AG & Co. KGaA. Based on the LTIP 2018, both members of the Management Board and other executives were granted performance shares. In accordance with the division of powers under stock corporation law, grants to members of the Management Board were made by the Supervisory Board of Fresenius Management SE, and grants to other executives were made by the Management Board. The number of performance shares for Management Board members to be granted was determined by the Supervisory Board at the Supervisory Board's own due discretion, provided that generally all Management Board members received the same amount of performance shares, with the exception of the Chairman of the Management Board, who received approximately double the respective amount of performance shares.

The vesting of the performance shares granted under the LTIP 2018 is subject to several conditions, such as the expiration of a four-year performance period, the absence of a compliance violation, the achievement or exceeding of two performance targets and the continuation of the service or employment relationship. The number of performance shares may change over a period of four years, depending on the level of achievement of the performance targets. This could entail the entire loss of all performance shares or also – at maximum – the doubling of their number.

The LTIP 2018 has two equally weighted performance targets: firstly, the growth rate of the adjusted net income (adjusted for currency effects) and, secondly, the relative Total Shareholder Return based on the STOXX Europe 600 Health Care Index. Disbursement entitlement requires that at least one of the two performance targets must be reached or surpassed over the four-year performance period.

For the performance target "Net Income Growth Rate", a level of target achievement of 100% is reached when the same is at least 8% p. a. over the four-year performance period. If the growth rate falls below or corresponds to only 5% p. a., the level of target achievement is 0%. If the growth

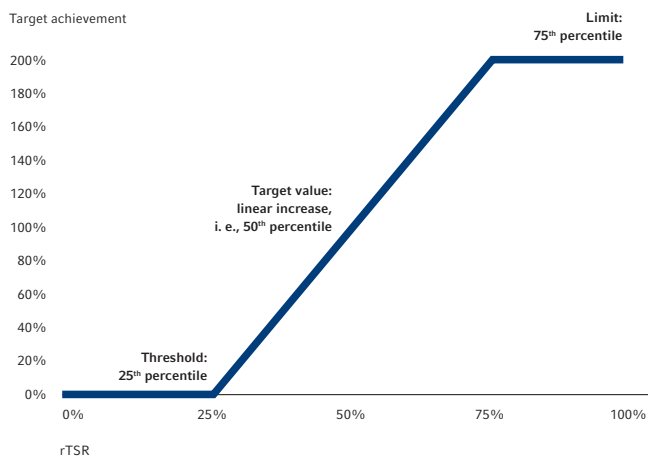
#### GROWTH RATE OF ADJUSTED GROUP NET INCOME ADJUSTED FOR CURRENCY EFFECTS



rate is between 5% p. a. and 8% p. a., the level of target achievement is between 0% and 100%, while, where the growth rate is between 8% p. a. and 20% p. a., the level of target achievement will be between 100% and 200%. Intermediate values are calculated through linear interpolation. The following table shows the degree of target achievement between the threshold of 5% p. a. and the limit of 20% p. a. For the "Total Shareholder Return" performance target, a target achievement of 100% is met when the Total Shareholder Return of Fresenius SE & Co. KGaA in comparison with the Total Shareholder Return of the other companies of the STOXX Europe 600 Health Care Index achieves an average ranking within the benchmark companies, i. e., exactly in the middle (50<sup>th</sup> percentile), over the four-year performance period. If the ranking corresponds to the 25<sup>th</sup> percentile or less, the level of target achievement is 0%. Where the ranking is between the 25<sup>th</sup> percentile and the 50<sup>th</sup> percentile, the level of target achievement is between 0% and 100%; and, for a ranking between the 50<sup>th</sup> percentile and the 75<sup>th</sup> percentile, between 100% and 200%. Intermediate values will also be calculated through linear interpolation.

The degree of target achievement between the threshold at the 25<sup>th</sup> percentile and the limit at the 75<sup>th</sup> percentile is presented in the following table.

## RELATIVE TOTAL SHAREHOLDER RETURN (STOXX EUROPE 600 HEALTH CARE)



Total Shareholder Return denotes the percentage change in the stock market price within the performance period including reinvested dividends and all capital measures, whereby capital measures are to be calculated through rounding down to the fourth decimal place.

To calculate the level of overall target achievement, the level of target achievement of the two performance targets are given equal weighting. The total number of performance shares vested on each plan participant is calculated through multiplying the number of performance shares granted by the overall target achievement. Four years after the grant, the vested performance shares will be paid out in cash. The number of vested performance shares is then multiplied by the average stock exchange price of Fresenius SE & Co. KGaA's share over a period of 60 stock exchange trading days prior to the lapse of this vesting period plus the total of the dividends per share of Fresenius SE & Co. KGaA paid by Fresenius SE & Co. KGaA between the grant date and the vesting date. The possible disbursement entitlement of a Management Board member is limited to a maximum of 250% of the grant value (cap).

In the event of violation of compliance rules, the Supervisory Board, in due exercise of its discretion, is entitled to reduce the number of performance shares vested on a member of the Management Board to zero. Furthermore, Fresenius SE & Co. KGaA is entitled to a complete or partial reimbursement in the event of violation of compliance rules in the period of three years following disbursement.

If a member of the Management Board leaves the company, the performance shares are forfeited as a matter of principle.

Until the end of the fiscal year 2017, benefits under LTIP 2013 of Fresenius SE & Co. KGaA were granted as another component with long-term incentive effect, which resulted in an inflow in the 2018 fiscal year and may result in an inflow in the future. The benefits consisted, on the one hand, of share-based compensation with cash settlement (phantom stocks) and on the other hand of stock options on the basis of the Stock Option Plan 2013 of Fresenius SE & Co. KGaA. Based on the LTIP 2013, both members of the Management Board and other executives were granted stock options and phantom stocks. In accordance with the division of powers under stock corporation law, grants to members of the Management Board were made by the Supervisory Board of Fresenius Management SE, and grants to other executives were made by the Management Board. The number of stock options and phantom stocks for Management Board members to be granted was determined by the Supervisory Board at the Supervisory Board's own due discretion, provided that generally all Management Board members received the same amount of stock options and phantom stocks, with the exception of the Chairman of the Management Board, who received double the respective amount of stock options and phantom stocks. At the time of the grant, the participants in LTIP 2013 had the right to elect whether they wished to receive stock options and phantom stocks in a ratio of 75:25, or in a ratio of 50:50.

Exercise of the stock options and the phantom stocks granted under LTIP 2013 of Fresenius SE & Co. KGaA is subject to several conditions, such as expiry of a four-year waiting period, observance of blackout periods, achievement of the specified performance target, and continuance of the service or employment relationship. The vested stock options can be exercised within a period of four years. The vested phantom stocks are settled on March 1 of the year following the end of the waiting period.

The amount of the cash settlement pursuant to the Phantom Stock Plan 2013 is based on the volume-weighted average market price of the share of Fresenius SE & Co. KGaA during the three months preceding the exercise date.

The respective performance target has been reached if the adjusted consolidated net income of the company (net income attributable to the shareholders of the company) has increased by a minimum of 8% per year in comparison to the previous year within the waiting period, after adjustment for foreign currency effects. The performance target has also been achieved if the average annual growth rate of the adjusted consolidated net income of the company during the four-year waiting period is at least 8%, adjusted for foreign

currency effects. If, with respect to one or more of the four reference periods within the waiting period, neither the adjusted consolidated net income of the company has increased by a minimum of 8% per year in comparison to the previous year, after adjustment for foreign currency effects, nor the average annual growth rate of the adjusted consolidated net income of the company during the four-year waiting period is at least 8%, adjusted for foreign currency effects, the respective granted stock options and phantom stocks are forfeited on a pro-rata basis according to the proportion of the performance target that has not been achieved within the waiting period, i. e., by one fourth, by two fourths, by three fourths, or completely. If a member of the Management Board leaves the company, the stock options and phantom stocks are forfeited as a matter of principle.

The principles of the LTIP 2018 and the LTIP 2013 of Fresenius SE & Co. KGaA and of the LTIP 2016 of Fresenius Medical Care AG & Co. KGaA are described in more detail in note 34 of the notes of the Fresenius Group, Share-based compensation plans.

Furthermore, through fiscal year 2017, the members of the Management Board, with the exception of Ms. Rachel Empey and Mr. Rice Powell, were granted an entitlement to further share-based compensation with cash settlement

(further phantom stocks) in the equivalent value of €100 thousand per Management Board member. With regard to the performance target and waiting period, the same conditions that pertain to the phantom stocks granted under LTIP 2013 apply to them.

For the fiscal years 2018 and 2017, the value of performance shares issued, i. e., for the year 2017 the value of stock options and phantom stocks issued and the value of the postponed performance-based compensation, is shown in the following table.

The stated values for the year 2018 correspond to the fair value of the performance shares at the time of grant, namely a value of €67.45 per performance share of Fresenius SE & Co. KGaA and a value of US\$ 94.11 per performance share of Fresenius Medical Care AG & Co. KGaA (2017: €12.59 per stock option of Fresenius SE & Co. KGaA and €10.61 per stock option granted to Ms. Rachel Empey<sup>1</sup>; exercise price of the granted stock options of Fresenius SE & Co. KGaA was €74.77 and €64.69 for stock options granted to Ms. Rachel Empey; fair value of phantom stocks granted to members of the Management Board in the fiscal year 2017: €68.21, €59.37 with regard to phantom stocks granted to Ms. Rachel Empey, and US\$86.39 per performance share of Fresenius Medical Care AG & Co. KGaA).

#### LONG-TERM INCENTIVE COMPONENTS

	Performance shares <sup>1</sup>		Phantom stocks <sup>2</sup>		Postponed payment of the one-year variable compensation		Stock options <sup>3</sup>		Total	
	Value, € in thousands				Value, € in thousands		Value, € in thousands		Value, € in thousands	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Stephan Sturm	2,500	n. a.	n. a.	728	0	0	n. a.	1,700	2,500	2,428
Dr. Francesco De Meo	1,300	n. a.	n. a.	414	115	148	n. a.	850	1,415	1,412
Rachel Empey (since August 1, 2017)	1,300	n. a.	n. a.	109	0	0	n. a.	298	1,300	407
Dr. Jürgen Götz	1,300	n. a.	n. a.	414	0	0	n. a.	850	1,300	1,264
Mats Henriksson	1,300	n. a.	n. a.	414	56	0	n. a.	850	1,356	1,264
Rice Powell	2,391	n. a.	n. a.	2,247	0	0	n. a.	0	2,391	2,247
Dr. Ernst Wastler	1,300	n. a.	n. a.	414	0	0	n. a.	850	1,300	1,264
<b>Total</b>	<b>11,391</b>	<b>n. a.</b>	<b>n. a.</b>	<b>4,740</b>	<b>171</b>	<b>148</b>	<b>n. a.</b>	<b>5,398</b>	<b>11,562</b>	<b>10,286</b>

<sup>1</sup> The amounts comprise all performance shares including performance shares of Fresenius Medical Care AG & Co. KGaA that were granted in 2018.

<sup>2</sup> The amounts comprise all phantom stocks including performance shares of Fresenius Medical Care AG & Co. KGaA that were granted in 2017.

<sup>3</sup> Stock options that were granted in 2017 under the Fresenius SE & Co. KGaA stock option plan.

At the end of the fiscal year 2018, the members of the Management Board held a total of 133,434 performance shares (2017: 0) and 211,302 phantom stocks (2017: 285,057) of Fresenius SE & Co. KGaA and 55,463 performance shares (2017: 37,915) and 15,586 (2017: 16,888) phantom stocks

of Fresenius Medical Care AG & Co. KGaA. Furthermore, they held a total of 1,519,515 (2017: 1,612,515) stock options of Fresenius SE & Co. KGaA as well as 256,781 stock options (2017: 284,793) of Fresenius Medical Care AG & Co. KGaA.

<sup>1</sup> As Ms. Rachel Empey was only appointed as Management Board member of Fresenius Management SE effective August 1, 2017, she was granted stock options and phantom stocks only in December 2017 and not in July 2017 like the other Management Board members. The different amounts result from this fact.

The development and the status of the stock options of the Management Board in the fiscal year 2018 are shown in the following table:

	Stephan Sturm	Dr. Francesco De Meo	Rachel Empey	Dr. Jürgen Götz	Mats Henriksson	Rice Powell <sup>1</sup>	Dr. Ernst Wastler	Total <sup>2</sup>
<b>Options outstanding on January 1, 2018</b>								
Number	456,390	292,500	28,125	270,000	295,500	284,793	270,000	1,612,515
Average exercise price in €	54.52	57.26	64.69	56.97	51.27	64.73	56.97	55.42
<b>Options exercised during the fiscal year</b>								
Number	0	45,000	0	0	48,000	28,012	0	93,000
Average exercise price in €		33.10			26.11	52.48		29.49
Average stock price in €		68.22			68.07	90.53		68.14
<b>Options outstanding on December 31, 2018</b>								
Number	456,390	247,500	28,125	270,000	247,500	256,781	270,000	1,519,515
Average exercise price in €	54.52	61.65	64.69	56.97	56.15	66.06	56.97	57.01
Average remaining life in years	4.4	5.2	6.9	4.9	4.8	4.0	4.9	4.8
Range of exercise prices in €	26.11 to 74.77	36.92 to 74.77	64.69	33.10 to 74.77	33.10 to 74.77	49.76 to 76.99	33.10 to 74.77	26.11 to 74.77
<b>Exercisable options on December 31, 2018</b>								
Number	175,140	45,000	0	90,000	90,000	107,381	90,000	490,140
Average exercise price in €	30.68	36.92		35.01	35.01	50.86	35.01	33.64

<sup>1</sup> Mr. Rice Powell holds stock options under the Fresenius Medical Care Stock Option Plan 2011.

<sup>2</sup> Only stock options of Fresenius SE & Co. KGaA, excluding stock options of Mr. Rice Powell

The following table shows the total compensation of the Management Board of the general partner of Fresenius SE & Co. KGaA for the years 2018 and 2017:

€ in thousands	Cash compensation (without long-term incentive components)		Long-term incentive components		Total compensation (including long-term incentive components)	
	2018	2017	2018	2017	2018	2017
Stephan Sturm	3,070	3,045	2,500	2,428	5,570	5,473
Dr. Francesco De Meo	2,070	2,066	1,415	1,412	3,485	3,478
Rachel Empey (since August 1, 2017)	1,643	604	1,300	407	2,943	1,011
Dr. Jürgen Götz	1,481	1,481	1,300	1,264	2,781	2,745
Mats Henriksson	2,123	2,037	1,356	1,264	3,479	3,301
Rice Powell	3,841	3,687	2,391	2,247	6,232	5,934
Dr. Ernst Wastler	1,532	1,458	1,300	1,264	2,832	2,722
<b>Total</b>	<b>15,760</b>	<b>14,378</b>	<b>11,562</b>	<b>10,286</b>	<b>27,322</b>	<b>24,664</b>

The entitlement to cash payment of a share-based compensation (performance shares and phantom stocks) only arises after the expiry of a four-year vesting period, just as stock options can only be exercised after a vesting period of four

years. Their value is recognized over the vesting period as expense in the respective fiscal year. The expenses attributable to the fiscal years 2018 and 2017 are stated in the following table.

#### EXPENSES FOR LONG-TERM INCENTIVE COMPONENTS

€ in thousands	Performance shares/ Phantom stocks		Stock options		Total expenses for share-based compensation	
	2018	2017	2018	2017	2018	2017
Stephan Sturm	-46	659	1,033	917	987	1,576
Dr. Francesco De Meo	-101	540	774	783	673	1,323
Rachel Empey (since August 1, 2017)	52	2	75	6	127	8
Dr. Jürgen Götz	-117	613	691	700	574	1,313
Mats Henriksson	-134	697	605	614	471	1,311
Rice Powell	391 <sup>1</sup>	1,960 <sup>1</sup>	659	957	1,050	2,917
Dr. Ernst Wastler	-117	613	691	700	574	1,313
<b>Total</b>	<b>-72</b>	<b>5,084</b>	<b>4,528</b>	<b>4,677</b>	<b>4,456</b>	<b>9,761</b>

<sup>1</sup> Includes expenses for performance shares and share-based awards of Fresenius Medical Care AG & Co. KGaA

The short-term performance-based compensation is limited in its amount. As regards stock options and phantom stocks, there are contractually agreed limitation possibilities. This makes it possible to adequately take account in particular of those extraordinary developments that are not in any relevant proportion to the performance of the Management Board.

With regard to the compensation granted to the members of the Management Board starting fiscal year 2018, the service agreements with Fresenius Management SE provide for a cap regarding both every single variable compensation amount and overall compensation. Furthermore, they include an allocation cap in the amount of €6,000 thousand for Ms. Rachel Empey, Dr. Francesco De Meo, Dr. Jürgen Götz, Mr. Mats Henriksson, and Dr. Ernst Wastler and €9,000 thousand for Mr. Stephan Sturm.

Under the compensation system, the amount of the fixed and the total compensation of the members of the Management Board was, and will be, assessed giving particular regard to the relevant comparison values of other DAX companies and similar companies of comparable size and performance from the relevant industrial sector.

#### COMMITMENTS TO MEMBERS OF THE MANAGEMENT BOARD IN THE EVENT OF THE TERMINATION OF THEIR APPOINTMENT

There are individual contractual pension commitments for the Management Board members Mr. Stephan Sturm, Dr. Francesco De Meo, and Dr. Jürgen Götz based on their service agreements with the general partner of Fresenius SE & Co. KGaA. The Management Board member Dr. Ernst Wastler has a pension commitment from VAMED AG, Vienna; Fresenius SE & Co. KGaA has issued a guarantee for the commitments thereunder. The Management Board member Mr. Mats Henriksson has an individual contractual pension commitment from Fresenius Kabi AG. The Management Board member Mr. Rice Powell has received an individual contractual pension commitment from Fresenius Medical Care Management AG. Furthermore, he has acquired non-forfeitable entitlements from participating in pension plans for employees of Fresenius Medical Care North America, and during the fiscal year 2018, he participated in the U.S.-based 401(k) Savings Plan. This plan generally enables employees in the United States to invest part of their gross income into retirement plans. The Management Board member Ms. Rachel Empey does not have a pension commitment. With regard to the pension commitments for acting Management Board members as of December 31, the Fresenius Group had pension obligations of €36,882 thousand as of December 31, 2018 (2017: €31,942 thousand). The additions to pension liability in the fiscal year 2018 amounted to €4,940 thousand (2017: €762 thousand).



The pension commitments are as follows:

€ in thousands	As of January 1, 2018	Additions	As of December 31, 2018
Stephan Sturm	5,866	652	6,518
Dr. Francesco De Meo	3,271	442	3,713
Rachel Empey (since August 1, 2017)	0	0	0
Dr. Jürgen Götz	2,796	462	3,258
Mats Henriksson	5,048	368	5,416
Rice Powell	10,004	2,936	12,940
Dr. Ernst Wastler	4,957	80	5,037
<b>Total</b>	<b>31,942</b>	<b>4,940</b>	<b>36,882</b>

Each of the pension commitments provides for a pension and survivor benefit, depending on the amount of the most recent fixed compensation, from the 63rd year of life (or 65th year for Mr. Rice Powell), or, in the case of termination because of professional or occupational incapacity, from the time of ending active work. In deviation from this, Mr. Rice Powell has this entitlement already upon reaching the age of 63 if he has been a member of the Management Board of Fresenius Medical Care Management AG for at least ten years at the time of his final retirement from active employment; in this case, the benefits are reduced by 0.5% per calendar month that he leaves active employment before reaching the age of 65.

The pension's starting percentage of 30% of the last fixed compensation increases with every full year of service as a Management Board member by 1.5 percentage points, 45% being the attainable maximum.

Current pensions increase according to legal requirements (Section 16 of the German law to improve company pension plans, BetrAVG).

30% of the gross amount of any post-retirement income from an occupation of the Management Board member is offset against the pension for professional or occupational incapacity.

In the event of the death of one of the Management Board members, the widow receives a pension equivalent to 60% of the pension entitlement accruing at the time of death. In addition, biological children of the deceased Management Board member and/or, in individual cases, biological children of the deceased Management Board member's wife who were adopted by the deceased Management Board member as children, receive an orphan's pension equivalent to 20% of the pension entitlement accruing at the time of death until completion of their vocational training, but at the most until the age of 25 years. However, all surviving dependents' pensions are capped at an aggregate 90% of the Management Board member's pension entitlement.

If a Management Board member's service as a member of the Management Board of Fresenius Management SE (or Mr. Rice Powell as a member of the Management Board of Fresenius Medical Care Management AG) ends before the age of 63 years (or 65 years for Mr. Rice Powell) for reasons other than professional or occupational incapacity, the rights to the said pension benefits vest, but the pension payable upon the occurrence of a pensionable event is reduced pro rata according to the actual length of service as a Management Board member compared to the potential length of service until the age of 63 years (or 65 years for Mr. Rice Powell).

The pension commitment for Dr. Ernst Wastler provides for a normal pension, an early retirement pension, a professional incapacity pension, and a widow's and orphan's pension. The normal pension is payable at the earliest at the age of 60 years and the early retirement pension at the earliest at the age of 55 years. The pension benefits are equivalent to 1.2% per year of service based on the last fixed compensation, with a cap of 40%. The widow's pension (60%) and the orphan's pension (20% each) are capped in aggregate at not more than Dr. Ernst Wastler's pension entitlement at the time of death. Pensions, retirement, and other benefits from third parties are set off against the pension benefit if the credited periods of service overlap.

The Management Board member Mr. Mats Henriksson has solely a pension commitment from Fresenius Kabi AG from the period of his previous service. This pension commitment remained unaffected by the service agreement with Fresenius Management SE, beginning on January 1, 2013. It is based on the pension policy of the Fresenius companies, and provides for retirement, incapacity, and survivors' pensions. It does not set forth any deduction of other income or pension benefits. The widow's pension amounts to 60% of the incapacity or retirement pension to be granted at the time of death; the orphan's pension amounts to 10% (half-orphans) or 20% (orphans) of the incapacity or retirement

pension to be granted at the time of death. The total entitlements of widows and orphans are limited to 100% of Mr. Mats Henriksson's pension entitlements.

A post-employment non-competition covenant was agreed upon for all Management Board members. If such a covenant becomes applicable, the Management Board members receive a waiting allowance that is generally equivalent to half of the respective annual fixed compensation for each year of respective application of the non-competition covenant, up to a maximum of two years.

The service agreements of the Management Board members do not contain any explicit provision for the event of a change of control.

Payments in the event of premature termination of a member's services for the Management Board, including fringe benefits, are limited to two years' compensation, at maximum no more than the compensation due for the remaining term of the respective service agreement (severance payment cap).

No severance payments will be due in the event of termination of the service agreement for cause on grounds attributable to the relevant member of the Management Board. The calculation of the severance payment cap is based on the total compensation within the meaning of Section 285 (1) No. 9a of the German Commercial Code (HGB) for the past fiscal year as well as the anticipated total compensation for the fiscal year in which the termination occurs (or for Mr. Rice Powell on the non-performance-based compensation components).

## MISCELLANEOUS

All members of the Management Board have received individual contractual commitments for the continuation of their compensation in the event of sickness for a maximum period of 12 months, provided that, after 6 months of sickness-related absence, any insurance benefits that may be paid are to be deducted from such continued compensation. In the event of death of a member of the Management Board, the surviving dependents will receive three monthly payments after the month in which the death occurred, at maximum, however, until the expiry of the respective employment agreement.

During the fiscal year 2018, no loans or advance payment on future compensation components were granted to any member of the Management Board of Fresenius Management SE.

Fresenius SE & Co. KGaA undertook to indemnify the Management Board members, to the legally permitted extent, against any claims that may be asserted against them in the course of their service for the company and its affiliated Group companies to the extent that such claims exceed their liability under German law. To cover such obligations, the company purchased a directors & officers insurance, the deductible complying with the requirements of stock corporation law. The indemnification covers the period during which the respective member of the Management Board holds office, as well as any claim in this regard after termination of the service on the Management Board.

Based on pension commitments to former members of the Management Board, €1,101 thousand were paid in the fiscal year 2018 (2017: €1,099 thousand) and €522 thousand (2017: €580 thousand) were paid to Dr. Ben Lipps as a result of a consultancy agreement entered into with Fresenius Medical Care Management AG. The benefit obligation for these persons amounted to €22,319 thousand (2017: €21,848 thousand).

## TABLES DISPLAYING THE VALUE OF BENEFITS GRANTED AND ALLOCATIONS

The German Corporate Governance Code stipulates that specific information shall be presented in the compensation report pertaining to the benefits granted for the year under review as well as the allocations and service costs in/for the year under review. The model tables provided in the appendix of the German Corporate Governance Code shall be used to present the information.

The following tables contain disclosures on both the value of the benefits granted and on the allocations. They conform to the structure and to the specification of the model tables of the German Corporate Governance Code. The table displaying allocations additionally shows the allocation for the fiscal year, that is, without multi-year variable compensation/ components with long-term incentive effect. This illustrates clearly which allocation is to be attributed to the activity in the respective year under review and which allocation results from the compensation components that were granted in the previous reporting year – or even several years. Through differentiation, the comparability of the respective development in compensation is also increased.

Benefits granted Value € in thousands	Stephan Sturm Chairman of the Management Board (since July 1, 2016) Board member since January 1, 2005				Dr. Francesco De Meo CEO Fresenius Helios Board member since January 1, 2008				Rachel Empey Chief Financial Officer Board member since August 1, 2017			
	2018	2018 min.	2018 max.	2017	2018	2018 min.	2018 max.	2017	2018	2018 min.	2018 max.	2017
	Fixed compensation	1,100	1,100	1,100	1,100	630	630	630	630	600	600	600
Fringe benefits	102	102	102	79	25	25	25	24	231	231	231	16
<b>Total non-performance-based compensation</b>	<b>1,202</b>	1,202	1,202	1,179	<b>655</b>	655	655	654	<b>831</b>	831	831	266
One-year variable compensation <sup>1</sup>	<b>1,868</b> <sup>2</sup>	1,750	2,300	1,866	<b>1,415</b>	1,050	1,750	1,412	<b>812</b>	760	1,000	338
Multi-year variable compensation/components with long-term incentive effect	<b>2,500</b>	0	6,250	2,428	<b>1,415</b>	0	3,250	1,412	<b>1,300</b>	0	3,250	407
Thereof postponed one-year variable compensation	<b>0</b>	0	n. a.	0	<b>115</b>	0	n. a.	148	<b>0</b>	0	n. a.	0
Thereof Stock Option Plan 2013 (part of LTIP 2013) (five-year term)	<b>n. a.</b>	n. a.	n. a.	1,700	<b>n. a.</b>	n. a.	n. a.	850	<b>n. a.</b>	n. a.	n. a.	298
Thereof phantom stocks (part of LTIP 2013) (five-year term)	<b>n. a.</b>	n. a.	n. a.	628	<b>n. a.</b>	n. a.	n. a.	314	<b>n. a.</b>	n. a.	n. a.	109
Thereof further phantom stocks	<b>n. a.</b>	n. a.	n. a.	100	<b>n. a.</b>	n. a.	n. a.	100	<b>n. a.</b>	n. a.	n. a.	0
Thereof performance shares (LTIP 2018) (five-year term)	<b>2,500</b>	0	6,250	n. a.	<b>1,300</b>	0	3,250	n. a.	<b>1,300</b>	0	3,250	n. a.
<b>Total non-performance-based and performance-based compensation</b>	<b>5,570</b>	2,952	9,752	5,473	<b>3,485</b>	1,705	5,655	3,478	<b>2,943</b>	1,591	5,081	1,011
Service cost	<b>455</b>	455	455	455	<b>325</b>	325	325	325	<b>0</b>	0	0	0
<b>Value of benefits granted</b> <sup>5</sup>	<b>6,025</b>	3,407	10,207	5,928	<b>3,810</b>	2,030	5,980	3,803	<b>2,943</b>	1,591	5,081	1,011

<sup>1</sup> For the one-year variable compensation, there are no target values or comparable values for Board members who receive their compensation from Fresenius Management SE. The one-year variable compensation is calculated on the basis of bonus curves that are valid for several years. For this reason, the allocation from the one-year variable compensation is stated for the years 2018 and 2017.

<sup>2</sup> Mr. Stephan Sturm has agreed with the Supervisory Board of Fresenius Management SE to acquire shares of the company in the value of the net amount of the one-year variable compensation paid to him and to hold them for at least three years. Thereby, the orientation of his compensation towards sustainable corporate development is enhanced voluntarily.

<sup>3</sup> In order to appropriately take into account the business development of Fresenius Medical Care during the fiscal year, Mr. Rice Powell has agreed to acquire shares in Fresenius Medical Care AG & Co. KGaA for a portion of the bonus and to hold them for at least three years.

<sup>4</sup> Mr. Rice Powell was granted stock options, phantom stocks, and performance shares from the program of Fresenius Medical Care as follows:

in 2018: €977 thousand from the Share Based Award – New Incentive Bonus Plan 2010 and €1,413 thousand from the Long Term Incentive Program 2016 – Performance Share Plan 2016, in 2017: €916 thousand from the Share Based Award – New Incentive Bonus Plan 2010 and €1,331 thousand from the Long Term Incentive Program 2016 – Performance Share Plan 2016.

<sup>5</sup> Furthermore, an allocation cap in the amount of €6,000 thousand for Ms. Rachel Empey, Dr. Francesco De Meo, Dr. Jürgen Götz, Mr. Mats Henriksson, and Dr. Ernst Wastler and €9,000 thousand for Mr. Stephan Sturm applies.

Dr. Jürgen Götz Chief Legal and Compliance Officer, and Labor Relations Director Board member since July 1, 2007				Mats Henriksson CEO Fresenius Kabi Board member since January 1, 2013				Rice Powell CEO Fresenius Medical Care Board member since January 1, 2013				Dr. Ernst Wastler CEO Fresenius Vamed Board member since January 1, 2008			
2018	2018 min.	2018 max.	2017	2018	2018 min.	2018 max.	2017	2018	2018 min.	2018 max.	2017	2018	2018 min.	2018 max.	2017
490	490	490	490	660	660	660	630	1,270	1,270	1,270	1,217	525	525	525	525
41	41	41	41	107	107	107	157	195	195	195	173	75	75	75	75
531	531	531	531	767	767	767	787	1,465	1,465	1,465	1,390	600	600	600	600
950	700	950	950	1,356	1,300	1,800	1,250	2,096 <sup>3</sup>	191	2,515	2,008	932	650	950	858
1,300	0	3,250	1,264	1,356	0	3,250	1,264	2,390 <sup>4</sup>	0	n.a.	2,247 <sup>4</sup>	1,300	0	3,250	1,264
0	0	n.a.	0	56	0	n.a.	0					0	0	n.a.	0
n.a.	n.a.	n.a.	850	n.a.	n.a.	n.a.	850					n.a.	n.a.	n.a.	850
n.a.	n.a.	n.a.	314	n.a.	n.a.	n.a.	314					n.a.	n.a.	n.a.	314
n.a.	n.a.	n.a.	100	n.a.	n.a.	n.a.	100					n.a.	n.a.	n.a.	100
1,300	0	3,250	n.a.	1,300	0	3,250	n.a.					1,300	0	3,250	n.a.
2,781	1,231	4,731	2,745	3,479	2,067	5,817	3,301	5,951	1,656	n.a.	5,645	2,832	1,250	4,800	2,722
234	234	234	234	210	210	210	210	674	674	674	773	153	153	153	160
3,015	1,465	4,965	2,979	3,689	2,277	6,027	3,511	6,625	2,330	n.a.	6,418	2,985	1,403	4,953	2,882

Allocations Value € in thousands	Stephan Sturm Chairman of the Management Board (since July 1, 2016) Board member since January 1, 2005		Dr. Francesco De Meo CEO Fresenius Helios Board member since January 1, 2008		Rachel Empey Chief Financial Officer Board member since August 1, 2017	
	2018	2017	2018	2017	2018	2017
Fixed compensation	1,100	1,100	630	630	600	250
Fringe benefits	102	79	25	24	231	16
<b>Total non-performance-based compensation</b>	<b>1,202</b>	<b>1,179</b>	<b>655</b>	<b>654</b>	<b>831</b>	<b>266</b>
One-year variable compensation	1,868	1,866	1,415	1,412	812	338
Multi-year variable compensation/components with long-term incentive effect	965	317	2,545	4,806	0	0
Thereof postponed one-year variable compensation	0	57	0	143	0	0
Thereof Stock Option Plan 2008 (five-year term)						
Issue 2011						
Issue 2012				4,403		
Thereof Stock Option Plan 2013 (five-year term)						
Issue 2013			1,580			
Thereof Phantom Stock Plan 2013 (five-year term)						
Issue 2013	765		765			
Thereof further phantom stocks						
Issue 2012		260		260		
Issue 2013	200		200			
Other	0	0	0	0	0	0
<b>Total non-performance-based and performance-based compensation</b>	<b>4,035</b>	<b>3,362</b>	<b>4,615</b>	<b>6,872</b>	<b>1,643</b>	<b>604</b>
Service cost	455	455	325	325	0	0
<b>Allocation including multi-year variable compensation/components with long-term incentive effect</b>	<b>4,490</b>	<b>3,817</b>	<b>4,940</b>	<b>7,197</b>	<b>1,643</b>	<b>604</b>
<b>Allocation for the year under review</b> (not including multi-year variable compensation/components with long-term incentive effect)	<b>3,525</b>	<b>3,500</b>	<b>2,395</b>	<b>2,391</b>	<b>1,643</b>	<b>604</b>

<sup>1</sup> Mr. Rice Powell had this allocation from stock options from the Fresenius Medical Care Stock Option Program:  
in 2018: €131 thousand from the Share Based Award – New Incentive Bonus Plan 2010 issue 2014, €2,536 thousand from the Long Term Incentive Program 2011 – Stock Option Plan 2011 issue 2011, and €110 thousand from the Long Term Incentive Program 2011 – Phantom Stock Plan 2011 issue 2013,  
in 2017: €205 thousand from the Share Based Award – New Incentive Bonus Plan 2010 issue 2013, €2,506 thousand from the Stock Option Plan 2006 issue 2010, and €76 thousand from the Long Term Incentive Program 2011 – Phantom Stock Plan 2011 issue 2012.

<b>Dr. Jürgen Götz</b> Chief Legal and Compliance Officer, and Labor Relations Director Board member since July 1, 2007		<b>Mats Henriksson</b> CEO Fresenius Kabi Board member since January 1, 2013		<b>Rice Powell</b> CEO Fresenius Medical Care Board member since January 1, 2013		<b>Dr. Ernst Wastler</b> CEO Fresenius Vamed Board member since January 1, 2008	
2018	2017	2018	2017	2018	2017	2018	2017
490	490	660	630	1,270	1,217	525	525
41	41	107	157	195	173	75	75
531	531	767	787	1,465	1,390	600	600
950	950	1,356	1,250	2,376	2,297	932	858
965	260	2,979	1,659	2,777 <sup>1</sup>	2,787 <sup>1</sup>	965	260
0	0	0	71			0	0
			1,588				
		2,014					
765		765				765	
	260						260
200		200				200	
0	0	0	0	0	0	0	0
2,446	1,741	5,102	3,696	6,618	6,474	2,497	1,718
234	234	210	210	674	773	153	160
2,680	1,975	5,312	3,906	7,292	7,247	2,650	1,878
1,715	1,715	2,333	2,247	4,515	4,460	1,685	1,618

## COMPENSATION OF THE SUPERVISORY BOARD

The compensation of the Supervisory Board is determined by the Annual General Meeting and is subject to the provisions contained in Section 13 of the articles of association of Fresenius SE & Co. KGaA.

Each member of the Supervisory Board shall receive an amount of €150 thousand annually for each full fiscal year as fixed compensation, payable after the end of the fiscal year. In addition, each member of the Supervisory Board shall receive variable success-oriented compensation for each full fiscal year that is oriented on the respective average growth rate of the net income attributable to shareholders of Fresenius SE & Co. KGaA for the compensation year and the two preceding fiscal years (three-year average growth of the net income attributable to shareholders of Fresenius SE & Co. KGaA).

The calculation of the amount of this variable compensation shall be made in accordance with the following formula:

Three-year average growth of net income attributable to shareholders of Fresenius SE & Co. KGaA	Variable compensation
> 0 to 2.5%	€30,000
> 2.5 to 5%	€60,000
> 5 to 7.5%	€90,000
> 7.5 to 10%	€120,000
> 10%	€150,000

A claim to grant variable compensation shall only accrue from the achievement of three-year annual growth of the net income attributable to shareholders of Fresenius SE & Co. KGaA of more than 0%. On the achievement of the five percentage corridors described above, the amounts of variable compensation shall each be provided in full, i. e., no interpolation shall take place within these corridors. The net income attributable to shareholders of Fresenius SE & Co. KGaA disclosed in the consolidated annual financial statements shall be authoritative in each case. This variable compensation is limited to a maximum amount of €150 thousand p. a. The disbursement of variable compensation shall generally be made annually, provided targets have been reached and in each case at the end of the calendar quarter in which the annual financial statements of the company are approved by the Annual General Meeting. If the Annual General Meeting approves a resolution providing higher compensation, this shall apply.

The Chairman of the Supervisory Board receives three times and his deputies one and a half times the fixed compensation of a member of the Supervisory Board.

A member of the Audit Committee of the Supervisory Board shall for their membership receive additional fixed compensation of €20 thousand and the Chairman of the Audit Committee twice this amount.

If a fiscal year does not encompass a full calendar year or if a member of the Supervisory Board is on the Supervisory Board only for a part of the fiscal year, the compensation shall be paid on a pro rata temporis basis. This applies accordingly to membership of the Audit Committee of the Supervisory Board.

The members of the Supervisory Board shall be refunded expenses incurred when exercising their functions, which also includes applicable value-added tax due for payment. Fresenius SE & Co. KGaA shall provide members of the Supervisory Board with insurance coverage to an appropriate extent for exercising Supervisory Board activities.

If a member of the Supervisory Board of Fresenius SE & Co. KGaA is at the same time a member of the Supervisory Board of the general partner Fresenius Management SE and receives compensation for his services on the Supervisory Board of Fresenius Management SE, compensation shall be reduced by half. The same applies with respect to the additional part of compensation for the Chairman, provided he is simultaneously the Chairman of the Supervisory Board of Fresenius Management SE; this applies to his deputies accordingly, provided the deputies are at the same time the deputies of the Chairman of the Supervisory Board of Fresenius Management SE. If a deputy of the Chairman of the Supervisory Board of Fresenius SE & Co. KGaA is at the same time the Chairman of the Supervisory Board of Fresenius Management SE, he shall not receive compensation for his service as Deputy Chairman of the Supervisory Board of Fresenius SE & Co. KGaA. According to Section 7 of the articles of association of Fresenius SE & Co. KGaA, the compensation of the Supervisory Board of Fresenius Management SE will be charged to Fresenius SE & Co. KGaA.

Additionally, in his capacity as Chairman of the Supervisory Board of Fresenius Management SE, Dr. Gerd Krick was reimbursed for the costs for the operation of an intrusion detection system in the amount of €1.2 thousand.

Up to the end of the fiscal year 2017, the compensation of the Supervisory Board was calculated according to the then relevant version of the articles of association.

Each member of the Supervisory Board received a fixed compensation of €13 thousand for the full fiscal year 2017.

The members of the Audit Committee of Fresenius SE & Co. KGaA received an additional €10 thousand each and the Chairman of the committee a further €10 thousand. For the full fiscal year 2017, the compensation increases by 10% for each percentage point that three times the dividend paid on each ordinary share for that year (gross dividend according to the resolution of the Annual General Meeting) exceeded

3.6% of the amount equal to the subscribed capital divided by the number of non-par value shares; residual amounts were interpolated. The Chairman received twice this amount and the deputies to the Chairman one and a half times the amount of a Supervisory Board member. All members of the Supervisory Board received appropriate compensation for costs of travel and accommodation incurred in connection with their duties as members of the Supervisory Board, including any applicable value-added tax. Fresenius SE & Co. KGaA provided to the members of the Supervisory Board insurance coverage in an adequate amount (relating to their function) with an excess equal to those of the Management Board.

If a member of the Supervisory Board of Fresenius SE & Co. KGaA was, at the same time, a member of the Supervisory Board of the general partner Fresenius Management SE and received compensation for his service on the Supervisory Board of Fresenius Management SE, the compensation was reduced by half. The same applied with respect to the additional part of the compensation for the Chairman or one of his deputies if they were, at the same time, the Chairman or one of his deputies on the Supervisory Board of Fresenius Management SE. If the deputy of the Chairman of the Supervisory Board of Fresenius SE & Co. KGaA was, at the same time, the Chairman of the Supervisory Board of Fresenius Management SE, he did not receive compensation for his service as Deputy Chairman of the Supervisory Board of Fresenius SE & Co. KGaA. In accordance with Section 7 of the articles of association of Fresenius SE & Co. KGaA, the compensation of the Supervisory Board of Fresenius Management SE was charged to Fresenius SE & Co. KGaA.

For the fiscal years 2018 and 2017, the compensation for the members of the Supervisory Boards of Fresenius SE & Co. KGaA and Fresenius Management SE (excluding expenses and reimbursements), including compensation for committee services, was as follows:



€ in thousands	Fixed compensation				Compensation for committee services				Variable compensation				Total compensation	
	Fresenius SE & Co. KGaA		Fresenius Management SE		Fresenius SE & Co. KGaA		Fresenius Management SE		Fresenius SE & Co. KGaA		Fresenius Management SE		2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>		
Dr. Gerd Krick	225	13	225	13	20	10	20	20	75	288	75	288	640	632
Michael Diekmann	150	13	75	6	0	0	0	0	75	288	75	144	375	451
Dr. Dieter Schenk	0	0	225	19	0	0	10	10	0	0	150	432	385	461
Niko Stumpfögger	225	19	0	0	7	0	0	0	150	432	0	0	382	451
Prof. Dr. med. D. Michael Albrecht	150	13	0	0	0	0	0	0	150	288	0	0	300	301
Bernd Behlert (since September 1, 2018)	50	0	0	0	0	0	0	0	50	0	0	0	100	0
Dr. Kurt Bock	0	0	150	13	0	0	0	0	0	0	150	288	300	301
Konrad Kölbl	150	13	0	0	20	10	0	0	150	288	0	0	320	311
Stefanie Lang	150	13	0	0	0	0	0	0	150	288	0	0	300	301
Frauke Lehmann	150	13	0	0	0	0	0	0	150	288	0	0	300	301
Prof. Dr. med. Iris Löw-Friedrich	150	13	0	0	0	0	0	0	150	288	0	0	300	301
Klaus-Peter Müller	75	7	75	6	40	20	0	0	75	143	75	144	340	320
Oscar Romero de Paco	150	13	0	0	0	0	0	0	150	288	0	0	300	301
Dr. Karl Schneider	0	0	150	13	0	0	10	10	0	0	150	288	310	311
Hauke Stars	150	13	0	0	20	10	0	0	150	288	0	0	320	311
Rainer Stein (up to August 31, 2018)	100	13	0	0	13	10	0	0	100	288	0	0	213	311
<b>Total</b>	<b>1,875</b>	<b>156</b>	<b>900</b>	<b>70</b>	<b>120</b>	<b>60</b>	<b>40</b>	<b>40</b>	<b>1,575</b>	<b>3,455</b>	<b>675</b>	<b>1,584</b>	<b>5,185</b>	<b>5,365</b>

<sup>1</sup> Based on the proposed dividend

## DIRECTORS & OFFICERS INSURANCE

Fresenius SE & Co. KGaA has taken out a consequential loss liability insurance policy (D & O insurance), on an excess amount basis, for the members of the Management Board and the Supervisory Board of the general partner of Fresenius SE & Co. KGaA and for the Supervisory Board of Fresenius SE &

Co. KGaA as well as for all representative bodies of affiliates in Germany and elsewhere. The D & O policy applies throughout the world and runs until the end of June 2019. The policy covers the legal defense costs of a member of a representative body when a claim is made and, where relevant, any damages to be paid that are covered by the policy.