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# CORPORATE GOVERNANCE

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## CORPORATE GOVERNANCE DECLARATION.

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

In this Corporate Governance Declaration, the Supervisory Board of Fresenius SE & Co. KGaA and the Management Board of the general partner of Fresenius SE & Co. KGaA, Fresenius Management SE (Management Board), report on corporate management pursuant to Sections 289 f and 315 d of the German Commercial Code (HGB) and on the corporate governance of the Company pursuant to the German Corporate Governance Code. The Corporate Governance Declaration is published on our website, see [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

### CORPORATE GOVERNANCE DECLARATION

#### GROUP MANAGEMENT AND SUPERVISION STRUCTURE AND CORPORATE BODIES

##### GROUP MANAGEMENT AND SUPERVISION STRUCTURE

The Company has the legal form of a KGaA (Kommanditgesellschaft auf Aktien – partnership limited by shares). The **Annual General Meeting**, the **Supervisory Board**, and the **general partner** Fresenius Management SE are the legal

corporate bodies. There have been no changes in the Group management and the supervision structure in the reporting period. The chart on the following page provides an overview of the Group structure.

The articles of association of Fresenius SE & Co. KGaA, which, in addition to legal provisions, further define the responsibilities of the individual corporate bodies, can be downloaded from our website, see [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

## SHAREHOLDERS

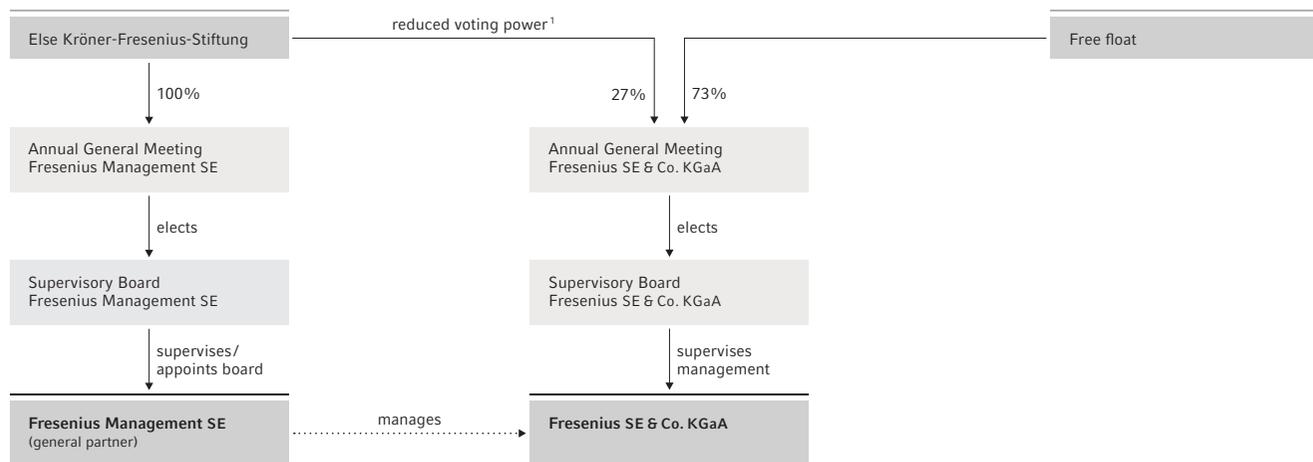
The shareholders uphold their rights at the Annual General Meeting, where they exercise their **voting rights**. Every ordinary share of Fresenius SE & Co. KGaA confers one vote. None of the shares carry multiple or preferential voting rights.

We report in detail on our investor relations activities in the section “Fresenius share” on page 35.

## ANNUAL GENERAL MEETING

Our virtual Annual General Meeting (AGM) was held on May 21, 2021, in Bad Homburg vor der Höhe. Approximately 73% of the share capital was represented. As in the previous year, in order to protect the health of the shareholders as well as the employees and external partners involved in the organization, Fresenius took advantage of the option created by the legislator due to the COVID-19 pandemic to hold the Annual General Meeting virtually. The shareholders elected Mr. Wolfgang Kirsch with a majority of 98% as a new member to the Supervisory Board of SE & Co. KGaA. The five other shareholder representatives were re-elected in the course of the regular Supervisory Board elections. Following the Annual General Meeting, the new Supervisory Board elected Mr. Wolfgang Kirsch as its Chairman at its constituent meeting. With a majority of 92%, the Annual General Meeting approved a new compensation system for the Management Board of the General Partner.

## STRUCTURE OF FRESENIUS SE & CO. KGAA



<sup>1</sup> For selected items no voting power, e.g., election of Supervisory Board of Fresenius SE & Co. KGaA, discharge of general partner and Supervisory Board of Fresenius SE & Co. KGaA, election of the auditor

During the AGM, the shareholders approved the proposal made by the general partner and the Supervisory Board to increase the 2020 dividend by 5% to €0.88 per ordinary share with a majority of more than 99% of the votes cast. Shareholder majorities of around 99% and 91%, respectively, approved the actions of the general partner and the Supervisory Board in 2020.

With regard to certain subject matters, legally required voting right exclusions exist for the general partner and for its sole shareholder, the Else Kröner-Fresenius-Stiftung. These pertain, for example, to the appointment of the Supervisory Board of Fresenius SE & Co. KGaA, the approvals of the actions of the general partner and the members of the Supervisory Board, and the selection of the auditor. This guarantees that the remaining shareholders retain the

sole authority to decide on these matters, especially those that pertain to the supervision of management.

Documents and information on the Annual General Meeting, as well as the voting results, are available on our website at [www.fresenius.com/annual-general-meeting](http://www.fresenius.com/annual-general-meeting).

## MANAGEMENT BOARD AND SUPERVISORY BOARD PROCEDURES

The **responsibilities** are distributed as follows in Fresenius SE & Co. KGaA: the Management Board of the general partner is responsible for conducting the business of Fresenius SE & Co. KGaA. The Supervisory Board of Fresenius SE & Co. KGaA supervises the management of the Company’s business by the general partner.

## General partner – Management and Supervisory Boards

The general partner, Fresenius Management SE, represented by its Management Board, manages Fresenius SE & Co. KGaA at its own responsibility and conducts its business. The Management Board formulates the Company's strategy, discusses it with the Supervisory Boards of Fresenius Management SE and Fresenius SE & Co. KGaA, and oversees its implementation. Its actions and decisions are aligned with the best interests of Fresenius SE & Co. KGaA. The Management Board is committed to increasing the value of the Company on a sustainable basis. The rules of procedure for the Management Board were established by the Supervisory Board of Fresenius Management SE. They define the activities within the board more specifically, especially with regard to the individual duties and responsibilities of the members, matters reserved for the full Management Board, and resolutions to be passed by the full Management Board.

The Management Board, in principle, consists of seven members: the Chairman, the Chief Financial Officer, the Management Board Member responsible for Human Resources (Labor Relations Director), Risk Management and Legal and the chief executive officers of the four business segments. This ensures that the full Management Board is kept constantly informed about important events, plans, developments, and measures within the business segments. According to the rules of procedure, the CEO is responsible for coordinating the business segments, the general corporate policy, and the investment policy. The subject of Group sustainability is also directly reported to the CEO. Further information on sustainability matters can be found in the Group Non-financial Report on pages 114 ff.

The Group departments Finance, Group Controlling, Internal Audit, and Tax report to the Chief Financial Officer directly. Further, the Chief Financial Officer coordinates cybersecurity activities at Fresenius.

Members of the Management Board also lead internal working groups or committees, for example the Compliance Steering Committee or the Group Sustainability Board. Further information is included on pages 114 ff. of the Group Non-financial Report.

There are no Management Board committees owing to Fresenius SE & Co. KGaA's role as an operating holding company. The Management Board is listed on page 395 of the Annual Report.

Members of the Management Board are appointed for a maximum period of five years. Following the recommendation of the Code, first-time appointments are for a three-year period.

Effective April 12, 2021, Mr. Michael Sen was appointed Chairman of the Management Board of Fresenius Kabi AG and member of the Management Board of Fresenius Management SE responsible for the business segment Fresenius Kabi. He succeeds Mr. Mats Henriksson, who left the Company on March 16, 2021.

By resolution of the Supervisory Board of Fresenius Management SE dated May 21, 2021, a standard age limit was introduced for the Management Board. Since then, newly appointed members of the Management Board shall, as a rule, retire from the Management Board after reaching the age of 65 at the end of the calendar year.

The **meetings of the Management Board** are convened as required, but at least once a month, and are chaired by the Chairman of the Management Board or, if he is incapacitated, by the Chief Financial Officer or, if she is also incapacitated, by the Management Board member present who

is most senior in age. However, Management Board meetings are usually held twice a month. The person chairing the meeting decides the order in which the items on the agenda are dealt with and the form in which the voting is conducted. The Management Board passes its resolutions by a simple majority of the votes cast or, outside its meetings, by a simple majority of its members, except in cases where mandatory provisions of law impose stricter requirements. The Chairman of the Management Board has the casting vote if a vote is tied. If the Chairman is incapacitated or absent, the motion is deemed rejected if a vote is tied. The rules of procedure for the Management Board also govern the relations between the Management Board and the Supervisory Board of the general partner, as well as between the general partner and the Supervisory Board of Fresenius SE & Co. KGaA, and also matters that require approval of the general partner's Supervisory Board.

As a European company (SE – Societas Europaea), Fresenius Management SE has its own **Supervisory Board**. It consists of six members, and its Chairman is Dr. Gerd Krick. The Supervisory Board appoints the members of the Management Board of Fresenius Management SE and supervises and advises the Management Board in conducting business. If necessary, e.g., in order to discuss or decide on matters concerning the Management Board, the Supervisory Board meets without the Management Board. It has established its own rules of procedure.

The Supervisory Board members of Fresenius Management SE can be found on page 396 of the Annual Report. With the end of the Annual General Meeting on May 21, 2021, Dr. Gerd Krick as well as Mr. Klaus-Peter Müller regularly resigned from the Supervisory Board of Fresenius

Management SE without standing for re-election. In their place, Ms. Susanne Zeidler and Dr. Frank Appel were elected as new members of the Supervisory Board of Fresenius Management SE. Mr. Wolfgang Kirsch, who had previously been a member of the Supervisory Board, succeeds Dr. Gerd Krick as the new Chairman of the Supervisory Board of Fresenius Management SE in this function. Dr. Gerd Krick was appointed Honorary Chairman of the Supervisory Board of Fresenius Management SE in recognition of his outstanding services to the Company.

The Supervisory Board of Fresenius Management SE appoints the members of the Management Board of the general partner and also ensures long-term succession planning. This is based on discussions with members of the Management Board and impressions of other managers gained at the meetings of the Supervisory Boards of Fresenius Management SE and Fresenius SE & Co. KGaA. In this way, the Supervisory Board can form an opinion on potential successors from within the Company.

Information on the compensation of the Management Board and Supervisory Board of Fresenius Management SE can be found here:

- Compensation system of the Management Board pursuant to Section 87a (1), (2) Sentence 1 German Stock Corporation Act (AktG) at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)
- Compensation Report 2021 including the auditor's report pursuant to Section 162 AktG at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)

### The Supervisory Board of Fresenius SE & Co. KGaA

The Supervisory Board of Fresenius SE & Co. KGaA supervises the management of the Company's business by the general partner Fresenius Management SE. It supervises business operations to ensure that the Management Board's corporate decisions are compliant, suitable, and financially sound. In addition, the Supervisory Board reviews the Group's annual financial statements, taking into account the auditor's reports. Another important part of the Supervisory Board's activities is the work conducted within the committees formed in accordance with the requirements of the German Stock Corporation Act and the recommendations of the Code. The Management Board of the general partner – Fresenius Management SE – continuously informs the Supervisory Board of the corporate development, planning, and strategy.

The Supervisory Board of Fresenius SE & Co. KGaA consists of 12 members. The Supervisory Board members can be found on page 393f. of the Annual Report. Half of its members are elected by the AGM. The proposals for the members of the Supervisory Board primarily take account of the knowledge, ability, and expert experience required to perform the tasks. The election proposals provided by the Supervisory Board will reflect its designated **objectives** as well as its **profile of expertise and skills**. A Nomination Committee has been instituted for election proposals for the **shareholder representatives**. Its activities are aligned with the provisions of law and the Code. The European Works Council elects the **employee representatives** to the Supervisory Board of Fresenius SE & Co. KGaA. If an employee representative retires within their term of office, the substitute member will become a member of the Supervisory Board. For the Supervisory Board of Fresenius SE & Co. KGaA, the law requires a quota of at least 30% women and 30% men. In 2021, elections to the Supervi-

sory Board were held by rotation. The statutory quotas were met prior to these elections and continue to be met.

By resolution of the Supervisory Board of Fresenius SE & Co. KGaA on May 21, 2021, a standard age limit was introduced for the Supervisory Board of Fresenius SE & Co. KGaA. According to this, the Supervisory Board of Fresenius SE & Co. KGaA should generally only have members who have not yet reached the age of 75 at the time of their election or appointment. The average age on the Supervisory Board as of December 31, 2021 was around 61 years. All members have served an average of more than five years on the board.

The competencies and the expert knowledge of all members support the discussion and the information exchange within the board. In 2021, the objectives for the composition and profile of skills and expertise of the Board were met. Further information can be found on pages 226 ff. of the Annual Report.

The Supervisory Board of Fresenius SE & Co. KGaA fulfills its tasks in accordance with the provisions of law, the articles of association of Fresenius SE & Co. KGaA, and its rules of procedure. The Chairman is responsible for coordinating the activities of the Supervisory Board, chairing the **meetings**, and representing its interests externally. The Supervisory Board should convene once each calendar quarter, and must convene twice each calendar half-year. The meetings are convened and chaired by the Chairman or, if he is incapacitated, by a chairperson named by the Chairman. The person chairing the meeting decides the order in which the items on the agenda are dealt with and the form in which the voting is conducted. Unless other majorities are mandatory by law, the Supervisory Board passes its resolutions by a simple majority of the votes submitted in the voting. If a vote is tied, the Chairman has the casting vote or,

if he does not take part in the voting, the matter is decided by the vote of the Deputy Chairman, who is a shareholder representative. The shareholder representatives and the employee representatives within the Supervisory Board conduct separate meetings on a regular basis.

The **articles of association** of Fresenius SE & Co. KGaA and the rules of procedure of the Supervisory Board of Fresenius SE & Co. KGaA regulate the details with regard to the Supervisory Board's election, constitution, term of office, meetings and resolutions, and rights and duties. They are published on our website, see [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

Information on the Compensation of the Supervisory Board of Fresenius SE

- Compensation system of the Supervisory Board of Fresenius SE & Co. KGaA in accordance with Section 113 (3) of the AktG at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)
- Compensation Report 2021 including the auditor's report pursuant to Section 162 AktG at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance)

### Independence and conflicts of interest

The Supervisory Board of Fresenius SE & Co. KGaA is of the opinion that all its members are independent. The Supervisory Board shall include what it deems to be an appropriate number of **independent members** who do not have any

business or personal relationship with the Company, its corporate bodies, a controlling shareholder, or a party related to the latter that may give grounds for a material and not merely temporary conflict of interest. This also applies to Klaus-Peter Müller, who has been member of the Supervisory Board for more than 13 years. His performance in office demonstrates the necessary critical distance to properly advise and monitor the business conduct of the general partner in every respect.

The general partner, acting through the Management Board, and the Supervisory Board of Fresenius SE & Co. KGaA are committed to the interests of the Company. The members of these bodies neither pursue personal interests in the performance of their duties nor grant unjustified advantages to other persons. Any sideline activities or transactions of the members of the executive bodies with the Company must be disclosed to the Supervisory Board without delay and approved by the Supervisory Board. The Supervisory Board of Fresenius SE & Co. KGaA reports to the AGM on any **conflicts of interest** and their treatment. There were no conflicts of interest of Supervisory Board members in the past fiscal year.

Fresenius publishes information on related parties on page 380 of the Annual Report.

### Supervisory Board training and further education measures

The members of the Supervisory Board independently take on necessary training and further education measures required for their tasks. They keep themselves regularly informed, through internal and external sources, about the latest requirements with regard to their supervisory activities. The Supervisory Board at all times ensures that its mem-

bers are suitably qualified, keep their professional knowledge up to date, and further develop their judgment and expertise. They are supported appropriately by the Company in accordance with the Code. External experts as well as experts from the Company continuously provide information about important developments, for example about relevant new laws and precedents, or changes in the IFRS accounting and auditing standards. In addition, the Company holds an onboarding event for new members of the Supervisory Board.

The members of the Supervisory Board of Fresenius SE & Co. KGaA can be found on page 393 f. of the Annual Report. On page 28 f. of the Annual Report, the Supervisory Board reports on the main focuses of its activities and those of its committees in 2021.

### Supervisory Board self-assessment

The Supervisory Board of Fresenius SE & Co. KGaA carries out a self-assessment of how effectively it as a whole and its committees perform their duties, at least once a year, most recently in June 2021.

The review is carried out through a **company-specific questionnaire** covering the salient points for a self-evaluation followed by an open discussion within the full Supervisory Board. The most recent self-assessment showed that the Supervisory Board, including its committees, assesses its organization as well as its work as efficient and that it fulfills its tasks effectively.

## Cooperation between the general partner and Supervisory Board of Fresenius SE & Co. KGaA

Good corporate governance requires **trusting and efficient cooperation** between the Management and the Supervisory Board. The Management Board of the general partner and the Supervisory Board of Fresenius SE & Co. KGaA closely cooperate for the benefit of the Company. Open communication is essential. The common goal is to sustainably increase the company value in line with the corporate governance and compliance principles. The Management Board of the general partner and the Supervisory Board of Fresenius SE & Co. KGaA coordinate with each other, especially with regard to the Company's strategic focus. As the monitoring body, the Supervisory Board of Fresenius SE & Co. KGaA also needs to be fully informed about operating performance and corporate planning, as well as the risk situation, risk management, and compliance. The Management Board of the general partner provided this information in full and in compliance with its duties in the reporting period.

The representatives of the shareholders and of the employees may prepare the Supervisory Board meetings separately, and, if applicable, with members of the Management Board. Pre-meetings of the employee representatives as well as consultations of the shareholder representatives take place on a regular basis. The Supervisory Board meets without the Management Board on a regular basis.

## COMPOSITION AND PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

The Supervisory Board of Fresenius SE & Co. KGaA forms two **permanent committees** from among its members: the Audit Committee, consisting of five members, and the Nomination Committee, consisting of three members. The committee members were elected for the duration of their term as a member of the Supervisory Board of Fresenius SE & Co. KGaA. In accordance with the articles of association of Fresenius SE & Co. KGaA, only members of the Audit Committee receive additional compensation (Section 13 (4)). There is no Personnel Committee in the KGaA because the Supervisory Board of Fresenius SE & Co. KGaA is not responsible for appointing members of the Management Board of the general partner or for their service contracts. Responsibility for these personnel matters lies with the Supervisory Board of the general partner.

The provisions for the Supervisory Board of Fresenius SE & Co. KGaA apply analogously to the committees. The committees hold meetings as required. The meetings are convened by the committee chairmen. They report during the following Supervisory Board meeting about the work of the respective committee. The rules of procedure for the committees are regulated in the rules of procedure of the Supervisory Board of Fresenius SE & Co. KGaA. Accordingly, the committees do not have their own rules of procedure.

The members of the Supervisory Board's committees are listed on page 393 of the Annual Report.

### Audit Committee

The Audit Committee's function is, among other things, to prepare the Supervisory Board's approval of the financial statements – and the consolidated financial statements – and the Supervisory Board's proposal to the AGM on the appointment of the auditor for the financial statements, and to

make a preliminary review of the proposal on the allocation of distributable profits. It also reviews the quarterly reports before they are published and – following discussions with the Management Board – engages the auditor for the financial statements (and concludes the agreement on the auditor's fees), determines the main focuses of the audit, and defines the auditor's reporting duties in relation to the Supervisory Board of Fresenius SE & Co. KGaA. Other matters within its remit are to monitor the quality of the audit of the financial statements and to review the effectiveness of the internal control system, of the risk management system, of the internal audit system, and of the compliance management system.

Since the constituent meeting of the Supervisory Board on May 21, 2021, the Audit Committee has comprised Mr. Klaus-Peter Müller (Chairman), Ms. Grit Genster, Mr. Wolfgang Kirsch, Mr. Konrad Kölbl, and Ms. Hauke Stars (until January 31, 2022). Mr. Klaus-Peter Müller is independent and has the required expertise in the fields stated in Section 100 (5) of the German Stock Corporation Act (AktG), as well as specialist knowledge and experience in the application of accounting principles and internal control processes. He was re-elected by the Annual General Meeting on May 21, 2021 for a one-year term of office. Until the end of the Annual General Meeting on May 21, 2021, the members of the Audit Committee were Mr. Klaus-Peter Müller (Chairman), Ms. Grit Genster, Dr. Gerd Krick, Mr. Konrad Kölbl and Ms. Hauke Stars.

The Audit Committee also examined in detail the non-audit services rendered additionally by the auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as well as PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

## Nomination Committee

The Nomination Committee proposes suitable candidates to the Supervisory Board for the nominations it makes to the AGM for the election of Supervisory Board members on the shareholders' side. It consists solely of shareholder representatives. In making its proposals, the Nomination Committee is guided by the requirements of the Code. Since the constituent meeting of the Supervisory Board on May 21, 2021, the members of the Nomination Committee have been Mr. Wolfgang Kirsch (Chairman), Mr. Michael Diekmann and Mr. Klaus-Peter Müller. Until the end of the Annual General Meeting on May 21, 2021, the members of the Nomination Committee were Dr. Gerd Krick (Chairman), Michael Diekmann and Klaus-Peter Müller.

## Mediation Committee

Fresenius SE & Co. KGaA does not have a Mediation Committee because the provisions of the German Co-Determination Act that require such a committee do not apply to a partnership limited by shares and because the Code does not require such a committee either.

## Joint Committee

Pursuant to Sections 13a et seq. of the Articles of Association of Fresenius SE & Co. KGaA, the Supervisory Board of Fresenius SE & Co. KGaA has formed a Joint Committee together with the Supervisory Board of Fresenius Management SE. For some matters, which are defined in further detail in Section 13c (1) of the articles of association of Fresenius SE & Co. KGaA, the general partner requires the approval of the Joint Committee if 40% of the consolidated sales, the consolidated balance sheet total, and the

consolidated profit are affected by the matter. These include, for example, the divestiture and acquisition of large investments and business units or the divestiture of large business units from the assets of Fresenius SE & Co. KGaA or a wholly owned company. The approval of the Joint Committee is also required for certain legal transactions between Fresenius SE & Co. KGaA or its affiliates and the Else Kröner-Fresenius-Stiftung.

Since the end of the Annual General Meeting on May 21, 2021, the members of the Joint Committee have been Mr. Michael Diekmann and Ms. Hauke Stars (until January 31, 2022). In addition, Dr. Dieter Schenk (Chairman) and Wolfgang Kirsch, who were delegated by the General Partner, are members of the Committee. Until the end of the Annual General Meeting on May 21, 2021, the members of the Joint Committee were Michael Diekmann, Dr. Gerd Krick, Klaus-Peter Müller and Dr. Dieter Schenk (Chairman). The Joint Committee did not meet in the reporting year.

## OBJECTIVES FOR THE COMPOSITION, PROFILE OF SKILLS AND EXPERTISE, AND DIVERSITY CONCEPT

The Supervisory Board of Fresenius SE & Co. KGaA has determined concrete objectives for its composition and prepared a profile of skills and expertise for the entire board. Furthermore, it resolved on a diversity concept for itself and the Management Board of Fresenius Management SE.

## OBJECTIVES FOR THE COMPOSITION OF THE SUPERVISORY BOARD AND PROFILE OF SKILLS AND EXPERTISE FOR THE ENTIRE BOARD

The Supervisory Board of Fresenius SE & Co. KGaA is to be composed in such a way that its members in entirety have the required knowledge, skills, and professional experiences for duly observing the tasks. Thereby, it is necessary to differentiate between the requirements for the individual Supervisory Board members and the requirements for the composition of the entire Board.

### Requirements for the individual Supervisory Board members

The Supervisory Board members have to be professionally as well as personally qualified to advise and supervise the Management Board of a globally active health care Group.

### Good corporate governance

Each Supervisory Board member is to have the knowledge of good corporate governance of a capital-market-oriented company required for duly observing its tasks. This includes knowledge of the main features of accounting, risk management, internal control mechanisms, and of compliance matters.

### Sector experience and internationality

Each Supervisory Board member is to have general knowledge of the health care sector, as well as a basic understanding of the global activities of Fresenius.

## Independence

A minimum of half of the Supervisory Board members and a minimum of the half of the shareholder representatives in the Supervisory Board are to be independent within the meaning of the German Corporate Governance Code. Independent in this meaning is someone who does not have a personal or business relationship with the Company, its governing bodies, a controlling shareholder, or a company affiliated with such that may cause a substantial and not merely temporary conflict of interest. The shareholder structure may be appropriately taken into account.

When assessing independence, in the view of the Supervisory Board, neither an appointment to the Management Board lapsed for more than two years nor the duration of the membership to the Supervisory Board exclude the classification as independent per se.

With regard to the employee representatives, the independence is not contested by the fact of representing employees nor by the employment relationship. Individuals exercising an office in a body of a significant competitor of Fresenius or who hold, directly or indirectly, more than 3% of the voting capital in such are not to be a member of the Supervisory Board.

In cases where a Supervisory Board member is active for another company having business relationships with Fresenius, this activity is described in the section "Legal relationships with members of the corporate bodies" of the Annual Report.

## Time availability and limit to the numbers of offices held

Each Supervisory Board member is to have sufficient time available for duly observing the office as Supervisory Board member and to comply with the limit to the offices held as recommended by the German Corporate Governance Code. Under the assumption of in the future five meetings annually, the expected time expenditure of new members amounts to approximately 15 to 30 days a year. This includes the preparation and follow-up of the Supervisory Board's meetings, the review of reports to the Supervisory Board, the participation in the Annual General Meeting, and regular training. Thereby, it is to be considered that the time expenditure also depends on the membership of one or several Supervisory Board committees.

## Age limit and duration limit on the term of membership

For the activities of the Supervisory Board of Fresenius SE & Co. KGaA, a balance between experience and new ways of thinking is important. Therefore, the Supervisory Board of Fresenius SE & Co. KGaA should have a balanced mix of experienced and new members. In this way, not only do different perspectives flow into the respective decision-making process, but a continuous transfer of knowledge is also promoted. The age limit for members of the Supervisory Board of Fresenius SE & Co. KGaA is stipulated in its rules of procedure and is stated in the corporate governance declaration.

## Requirements for the entire Board

### Sector experience

The Supervisory Board in its entirety needs to be familiar with the health care sector. An appropriate number of Supervisory Board members are to have in-depth knowledge and/or experience in the important sectors of the Company's operations:

- dialysis products, dialysis services, and Care Coordination
- essential medicines, medical products, and services for the critically and chronically ill
- operation of hospitals
- planning, construction, and management of health care institutions

The Supervisory Board is to include an appropriate number of members with management experience in the health care sector.

### Financial knowledge

The Supervisory Board in its entirety needs to have financial knowledge, in particular in the fields of accounting, reporting, and auditing. In the future, at least one member needs to have expert knowledge in the fields of accounting and at least another member needs to have expert knowledge in the fields of annual auditing.

### Knowledge of relevant legal issues as well as relevant regulatory and compliance matters

The Supervisory Board in its entirety is to be familiar with the relevant legal issues, as well as relevant regulatory and compliance matters.

### Experience in the field of digitalization

The Supervisory Board in its entirety is to have the required understanding of the requirements of digitalization.

### Internationality

Fresenius is present in more than 100 countries. Therefore, the Supervisory Board in its entirety is to have knowledge and experience in the regions important for Fresenius. The Supervisory Board is to include an appropriate number of members with, due to their origin or business experience, a particular relation to the international markets relevant for Fresenius.

### Management experience

The Supervisory Board is to include an appropriate number of members with experience in managing or supervising a medium-sized or large company.

### Diversity and appropriate representation of women

The Supervisory Board is to rely on as different as possible expert knowledge, skills, and experiences. Therefore, diversity is to be appropriately considered for its composition, and when making election proposals, in the Company's interest, attention should be paid to ensuring that the candidates' profiles reasonably complement each other.

At least 30% of the Supervisory Board are women and at least 30% are men. In general, the participation of women is a joint responsibility of the shareholder and employee sides. For nominations, both the shareholder and employee

sides will consider, to the extent possible and until equal representation is achieved, whether the proportion of women can be increased with qualified female candidates. Please note that the responsibility for electing employee representatives is with the European Works Council. Therefore, the Supervisory Board cannot provide a recommendation.

In fiscal year 2021, the Supervisory Board generally met the respective objectives for its composition. Only in one individual case was a deviation from recommendation C.5 of the German Corporate Governance Code declared. It is intended to continue to meet the objectives for its own composition, which have been adjusted on a selective basis with effect from March 17, 2022, to this extent. Furthermore, the current composition of the Supervisory Board was and is in line with that valid in the financial year and also with the current profile of skills and expertise.

### DIVERSITY CONCEPT

A diversity concept applies for the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA. The concept is outlined below. The objectives of the diversity concept, the way in which they are implemented, and the results achieved in the fiscal year are also explained. Diversity enables us to look at matters from different perspectives and against the background of different experiences. Fresenius seeks diversity in the Management Board of Fresenius Management SE as well as in the Supervisory Board of Fresenius SE & Co. KGaA in terms of age, gender, education, professional background, and international experience.

### Age

Finding a balance between expertise and novel approaches is important for the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA. Therefore, both the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA should have a balanced mix of experienced and new members, ensuring that different perspectives are taken into consideration in the decision-making processes and a continuous transfer of knowledge is fostered.

### Gender

Fresenius believes that a mix of women and men on both the Management Board of Fresenius Management SE and the Supervisory Board of Fresenius SE & Co. KGaA is desirable. At least 30% of the Supervisory Board are women and at least 30% are men. In general, the participation of women is a joint responsibility of the shareholder and employee sides. For nominations, both the shareholder and employee sides will consider, to the extent possible and until equal representation is achieved, whether the proportion of women can be increased with qualified female candidates. Please note that the responsibility for electing employee representatives is with the European Works Council. Therefore, the Supervisory Board cannot provide a recommendation. Besides, qualification is the decisive criterion for filling board positions.

## Professional background

For each one of the Company's key business areas, one member of the Management Board of Fresenius Management SE shall have longstanding experience:

- dialysis products, dialysis services, and Care Coordination
- essential medicines, medical devices, and services for the critically and chronically ill
- operation of hospitals
- planning, construction, and management of health care institutions

In addition, one of the members shall have long-standing experience and expertise in finance and one in corporate governance, law, and compliance. This takes into account the special requirements of a capital-market-oriented company.

The Supervisory Board of Fresenius SE & Co. KGaA shall have a reasonable number of members experienced in the management or supervision of a medium-sized or large company. A reasonable number of Supervisory Board members should have leadership experience in the health care industry. In the previous fiscal year, at least one member of the Supervisory Board had to have expertise in accounting or auditing. In the future, at least one member must have expertise in the field of accounting and at least one other member must have expertise in the field of auditing.

## International experience

Fresenius is present in more than 100 countries. Against this background, the majority of the members of the Management Board of Fresenius Management SE are expected to have international experience in at least one of the markets relevant to Fresenius, based on their background, professional training, or career.

An appropriate number of members of the Supervisory Board of Fresenius SE & Co. KGaA should also have a special connection to international markets relevant to Fresenius as a result of their origin or business experience.

## Implementation of objectives

The implementation of the objectives of the Diversity Concept with regard to the composition of the Management Board of Fresenius Management SE will be reflected by future personnel decisions of the Supervisory Board of Fresenius Management SE. The Diversity Concept will be reflected in the proposals of candidates by the Supervisory Board of Fresenius SE & Co. KGaA to the AGM of the Company. As far as possible, this should be taken into account by the European Works Council in the election of employee representatives to the Supervisory Board of Fresenius SE & Co. KGaA.

In the past fiscal year, Mr. Wolfgang Kirsch was elected to the Supervisory Board of Fresenius SE & Co. KGaA and to the position of Chairman of this Supervisory Board. In this function, Mr. Wolfgang Kirsch succeeds Dr. Gerd Krick.

In the past fiscal year, Mr. Michael Sen was appointed to the Management Board of Fresenius Management SE. He succeeds Mr. Mats Henriksson, who retired during the year. There were no further changes on the Supervisory Board

of Fresenius SE & Co. KGaA and the Management Board of Fresenius Management SE. Overall, the objectives of the diversity concept continue to be fulfilled.

## RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

The general partner, represented by its Management Board, manages the Company's business with the due care and diligence of a prudent and conscientious company director in compliance with the provisions of the law, the articles of association, the rules of procedure for the Management Board, the resolutions passed by the full Management Board, and the Supervisory Board of the general partner. The basic rules of corporate conduct, partly extending beyond the requirements of law, are defined in the **Fresenius Code of Conduct**. It defines the framework of our rules and specifies the key principles for our conduct within the Company and in our relations with external partners and the public. We have published the Fresenius Code of Conduct on our website at [www.fresenius.com/compliance](http://www.fresenius.com/compliance). In addition, all Fresenius business segments have implemented their own Codes of Conduct. They cover the specifics of their businesses and reflect the values of the Fresenius Code of Conduct.

## COMPLIANCE MANAGEMENT SYSTEMS

For Fresenius, compliance means doing the right thing. Because our core ethical values go beyond regulatory requirements, it means acting not only in accordance with the law, but also with applicable industry codes, internal policies and our values. Compliance is part of our corporate culture and, consequently, our daily work.

Each of our business segments has appointed a **Chief Compliance Officer**, or a dedicated Compliance Committee, responsible for overseeing the development, implementation, and monitoring of the Compliance Management System (CMS) of the business segment. Furthermore, in line with the business structure and organization, the business segments have established compliance responsibilities at the respective organizational levels. The respective compliance organization supports management and employees in all compliance-related principles.

Our **Compliance Management Systems** are designed to achieve the implementation of and adherence to our rules within the Company. We have implemented risk-based Compliance Management Systems in all our business segments and at Fresenius SE & Co. KGaA's corporate level. They comprise three pillars: Prevent, Detect, and Respond. Emphasis is placed on actively preventing any acts of non-compliance before they occur. Such systems consider the markets Fresenius is operating in. They are tailored to the specific requirements of each business segment.

Essential **measures for prevention** include comprehensive risk recording and risk assessment, effective policies as well as adequate and effective procedures, regular training, and continuous advice. Through objective indicators, we try to detect potential compliance risks early on. To this end, we have implemented tools for early risk detection and internal control structures, e.g., for cash and bank transactions, and monitor these measures regularly in workshops and internal audits.

We take even potential misconduct seriously. This is why Fresenius employees who are aware of potential misconduct, can contact their superior or the responsible compli-

ance function or report a potential compliance case anonymously through whistleblowing systems or dedicated e-mail addresses. Most whistleblowing systems are open not only to employees, but also to third parties, such as customers, suppliers, and other partners, via the corporate website in local languages.

Any illegal actions or violations of the rules may harm the individual and Fresenius. We do not tolerate non-compliance. If a violation of applicable regulations is detected, we will take the necessary actions to remediate the violation and prevent any recurrence. We also take all reports as an opportunity to review our company processes for possible improvements.

Further information on compliance and the Compliance Management Systems can be found on pages 114 ff. of our Group Non-financial Report.

## RISK MANAGEMENT AND CONTROL SYSTEM

In our view, responsible risk management is a crucial element of good corporate governance. Fresenius has a systematic risk management and control system that allows the Management Board to identify risks and market trends at an early stage and to react promptly to relevant changes in our risk profile. It consists of the following elements:

- internal control system,
- early warning system for risks,
- steering of financial, operational, and strategic risks,
- quality management systems,
- Compliance Management Systems,
- reporting on legal risks, and
- risk assessment in investment and acquisition processes.

The well-being of our patients is important to us. Our risk management and control system, as well as efficiently designed processes, help to enhance the Company's performance. Our early risk detection system is reviewed as part of the annual audit of the financial statements. The auditor assesses whether the monitoring system set up by the Management Board is suitable for the early identification of risks that could jeopardize the Company's existence. The risk management and control systems is regularly reviewed by the Management Board and the Internal Audit department. The quality and effectiveness of our risk management and control system is the responsibility of the Management Board and is regularly monitored by the Audit Committee of the Supervisory Board and audited by Internal Auditing. Findings from these audits are incorporated into the ongoing development of the risk management and control system. Further information can be found in the Report of the Supervisory Board on page 32 in the Annual Report 2021 and on pages 95 ff. of the Management Report.

The Internal Audit department supports the Management Board as an independent function outside the Company's day-to-day operations. The department assesses internal processes from an objective viewpoint and with the necessary distance. Our goal is to create added value for Fresenius, and thus to help achieve organizational goals through improved internal controls, optimized business processes, cost reduction, and efficiency increases. Results from internal audits are evaluated both by the business segments and by the compliance organization to continuously improve preventive measures, for example to prevent corruption.

Fresenius Medical Care AG & Co. KGaA has its own internal risk management and control system.

## GERMAN CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

The German Corporate Governance Code aims to provide more transparency for investors with regard to existing regulations covering the management and monitoring of companies. Our value-enhancing strategies, as well as the majority of the guidelines, recommendations, and suggestions for **responsible management** contained in the Code, have been basic components of our activities for many years. Extensive information on Corporate Governance can be found on our website at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

The Management Board of the general partner of Fresenius SE & Co. KGaA, Fresenius Management SE, and the Supervisory Board of Fresenius SE & Co. KGaA have issued the required **Declaration of Conformity** pursuant to Section 161 of the AktG and have made it available to shareholders on the website of the Company:

### “Declaration by the Management Board of the General Partner of Fresenius SE & Co. KGaA, Fresenius Management SE, and the Supervisory Board of Fresenius SE & Co. KGaA on the German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (Aktien-gesetz)

The Management Board of the General Partner of Fresenius SE & Co. KGaA, Fresenius Management SE (hereafter the Management Board) and the Supervisory Board of Fresenius SE & Co. KGaA declare that since the issuance of the previous Declaration of Conformity in December 2020 (updated in March and October 2021), the recommendations of the “Government Commission on the German Corporate Govern-

ance Code” published by the Federal Ministry of Justice and Consumer Protection (Bundesministerium der Justiz und für Verbraucherschutz) in the official section of the Federal Gazette (Bundesanzeiger) in the version of December 16, 2019 (hereafter the Code) have been met and that the Code will also be met in the future.

Only the following recommendations of the Code have not or will not be met as explained in the following:

#### ► Code recommendation B.5:

##### **age limits for the Management Board members**

Pursuant to the Code recommendation B.5 an age limit is to be specified for members of the Management Board and disclosed in the Corporate Governance Statement.

Until May 21, 2021 Fresenius had not specified an age limit for members of the Management Board. By resolution of the Supervisory Board of Fresenius Management SE dated May 21, 2021, a standard age limit was established for the Management Board. Since then, newly appointed members of the Management Board shall, as a rule, retire from the Management Board after reaching the age of 65 at the end of the calendar year. The established age limit will be disclosed in the Corporate Governance Statement.

#### ► Code recommendation C.2:

##### **age limits for the Supervisory Board members**

Pursuant to the Code recommendation C.2 an age limit is to be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement.

Until May 21, 2021, Fresenius had not specified an age limit for Supervisory Board members. By resolution of the Supervisory Board of the Company dated May 21,

2021, a standard age limit was established for the Supervisory Board. Accordingly, the supervisory board shall, as a rule, only include persons who have not reached the age of 75 years at the time of their election or appointment. The established age limit will be stated in the Corporate Governance Statement in the future.

#### ► Code recommendation C.5:

##### **protection against overboarding**

Pursuant to Code recommendation C.5, a member of the Management Board of a listed company shall not be a member of more than two Supervisory Boards in listed non-group companies or hold comparable positions and shall not chair the Supervisory Board of a listed non-group company.

Prof. Dr. med. Iris Löw-Friedrich is a member of the Supervisory Board of Fresenius SE & Co. KGaA and has now also been elected Chairwoman of the Supervisory Board of Evotec SE. She also serves on the Executive Committee of UCB S.A. as Chief Medical Officer and Executive Vice President Development and Medical Practices. Even if this Committee does not formally correspond to the Management Board of a Stock Corporation or SE, it is nevertheless comparable with such a Board, so that a deviation from Code recommendation C.5 is declared in this respect on a precautionary basis.

Prof. Dr. med. Iris Löw-Friedrich always had sufficient time to fulfill her mandate as a member of the Supervisory Board of Fresenius SE & Co. KGaA to the extent required. Prof. Dr. med. Löw-Friedrich plausibly demonstrated that this will continue to be the case in the future.

► **Code recommendations G.1 – G.3 and G.6: compensation of the members of the Management Board**

Fresenius has established a compensation system in line with the recommendations of the Code with effect from January 1, 2021. For the previously applicable compensation system, a deviation with regard to Code recommendations G.1 to G.3 and G.6 is declared for the period until the establishment of this compensation system.

► **Code recommendation G.12 and G.13: payments upon termination of contract**

Pursuant to Code recommendation G.12, if a Management Board member's agreement is terminated, the payment of any outstanding variable compensation components attributable to the period up to the termination of the agreement shall be made in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods specified in the agreement.

On the occasion of Mr. Mats Henriksson's premature resignation from the Management Board it was agreed with Mr. Henriksson that the pro rata short-term variable compensation for the year 2021 as well as the postponed or converted portions of the short-term variable compensation of the years 2018, 2019 and 2020 will already be paid to him prior to the due date.

To that extent, Code recommendation G. 12 was not complied with in this individual case.

Pursuant to Code recommendation G.13, any payments to a Management Board member on the occasion of a premature termination of the activity for the Management Board shall not exceed the value of two year's compensation (severance payment cap) and shall not compensate more than the remaining term of the service agreement.

The agreement entered into with Mr. Henriksson on the occasion of his premature resignation from the Management Board provides for a severance payment that corresponds to this severance payment cap and does not compensate more than the remaining term of Mr. Henriksson's service agreement. In addition, the agreement with Mr. Henriksson provides for certain additional compensation components which exceed the entitlements that were agreed in the service agreement for the case of Mr. Henriksson's premature resignation from the Management Board. In particular, Mr. Henriksson received long-term variable compensation components in accordance with the relevant plan conditions which, as a result of Mr. Henriksson's premature resignation from the Management Board, would have been forfeited under the provisions of these plan conditions.

Since these compensation components could qualify as addition severance payments, a deviation from Code recommendation G.13 sentence 1 is declared in this individual case on a precautionary basis.

Fresenius complies with all suggestions of the Code.

Bad Homburg v. d. H., December 2021  
Management Board of the General Partner of Fresenius SE & Co. KGaA, of Fresenius Management SE, and Supervisory Board of Fresenius SE & Co. KGaA"

This declaration and all past declarations are published on our website, see [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

## FURTHER INFORMATION ON CORPORATE GOVERNANCE

### DIVERSITY

The Management Board takes diversity into account when filling executive positions. At Fresenius, the individual's qualifications are the paramount consideration in all hiring and promotion decisions. This means that women and men with comparable qualifications and suitability have the same career opportunities. Fresenius will continue to consistently act upon this principle – in compliance with the obligations arising from the Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector (FüPoG I) and the Act to Supplement and Amend the Regulations for the Equal Participation of Women in Leadership Positions in the Private Sector and the Public Sector (FüPoG II):

For the Supervisory Board of Fresenius SE & Co. KGaA, the law requires a quota of at least 30% women and 30% men. These mandatory quotas were again met by the Supervisory Board elections in 2021.

The legally stipulated targets for the Management Board do not apply to Fresenius Management SE or to Fresenius SE & Co. KGaA. Due to its legal form, Fresenius SE & Co. KGaA does not have a Management Board. Fresenius Management SE is not listed on the stock exchange and is also not subject to co-determination.

In accordance with the legal requirements, the Management Board specifies composition of the two management levels directly below the Management Board as follows:

The first management level includes all Senior Vice Presidents and Vice Presidents who have an employment contract with Fresenius SE & Co. KGaA and who report directly to a Member of the Management Board. Through a decision effective January 1, 2021 the Management Board has set a target, which has to be met by December 31, 2025, and calls for a proportion of women of 30.0% at the first management level.

The second management level includes all Vice Presidents who have an employment contract with Fresenius SE & Co. KGaA and who report directly to a member of the first management level. Through the decision effective January 1, 2021, the Management Board has set a target, which has to be met by December 31, 2025, and calls for a proportion of women of 30.0% at the second management level.

The Management Board believes that inclusion in the company-wide long-term incentive programs is a strong indicator that an individual holds a leading executive position. The proportion of women in this group of our top 1,800 executives was approximately 33% as of December 31, 2021.

Further information on diversity, as well as personnel development and personnel management, is included in the Group Management Report on page 56ff. and in the Group Non-financial Report on pages 114ff.

### **DISCLOSURES ON DIRECTORS' DEALINGS/MANAGERS' TRANSACTIONS AND SHAREHOLDINGS IN 2021**

According to the provisions of Art. 19 Market Abuse Regulation (MAR) regarding managers' transactions, persons discharging managerial responsibilities, as well as persons closely associated with them, shall notify the Company of

transactions conducted on their own account relating to the shares or debt instruments of Fresenius SE & Co. KGaA or to derivatives or other financial instruments linked thereto. Managers' transactions in 2021 are disclosed on our website at [www.fresenius.com/corporate-governance](http://www.fresenius.com/corporate-governance).

None of the Management or Supervisory Board members of the general partner or of the Supervisory Board of Fresenius SE & Co. KGaA directly or indirectly holds more than 1% of the shares issued by Fresenius or any related financial instruments.

The members of the Management and Supervisory Boards of Fresenius Management SE and the members of the Supervisory Board of Fresenius SE & Co. KGaA together hold 0.14% of the shares of Fresenius SE & Co. KGaA outstanding as of December 31, 2021, in the form of shares or related financial instruments and stock options under the Fresenius SE & Co. KGaA stock option plans. 0.13% are held by members of the Management Board of Fresenius Management SE, 0.006% by members of the Supervisory Board of Fresenius Management SE, and 0.005% by members of the Supervisory Board of Fresenius SE & Co. KGaA. Due to the fact that some persons are members of both Supervisory Boards, the amount of shares or related financial instruments and stock options held by the Boards of Fresenius SE & Co. KGaA and Fresenius Management SE in total can be smaller than the cumulative holdings of the three Boards as reported herein.

There were no notifications that the shareholdings of members of the Management and Supervisory Boards had reached, exceeded, or fallen below the reporting thresholds stipulated in the German Securities Trading Act.

### **TRANSPARENCY AND COMMUNICATION**

Fresenius adheres to all recommendations of the Code. Transparency is guaranteed by continuous communication with the public. In that way, we are able to validate and deepen the trust given to us. Of particular importance to us is the **equal treatment** of all recipients. To ensure that all market participants receive the same information at the same time, we post all important publications on our website at [www.fresenius.com](http://www.fresenius.com). We report in detail on investor relations activities on page 35 of the Annual Report.

### **FINANCIAL ACCOUNTING AND REPORTING**

Fresenius, as a publicly traded company based in a member country of the European Union, has to prepare and publish its consolidated financial statements, as required, in accordance with International Financial Reporting Standards (IFRS) pursuant to Section 315e of the German Commercial Code (HGB).

According to the Audit Regulation (EU) No. 537/2014 there is an obligation for regular external rotation of the auditor and the Group auditor. For Fresenius SE & Co. KGaA, such external rotation took place for fiscal year 2020. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was elected as auditor for the fiscal year 2021 by the Annual General Meeting 2021. The leading auditor Dr. Bernd Roesse, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, has been responsible for the audit of the consolidated financial statements since 2020.