



Chairman of the Supervisory Board
Dr Jan Liersch

Dear Shareholders, Dear Ladies and Gentlemen,

In the following we, as the Supervisory Board, report to you on the work of the Supervisory Board and its committees during financial year 2020.

The work of the Supervisory Board in financial year 2020 was very decisively dominated by the takeover of RHÖN-KLINIKUM AG by Asklepios Kliniken GmbH & Co. KGaA (**Asklepios KGaA**). Against this backdrop, we report on this special subject below first of all in summary form. The takeover has also resulted in an extensive change in the shareholders' representatives making up the Supervisory Board. For details on this, please refer to the overview at the end of this report.

Takeover of the Company by Asklepios KGaA

On 28 February 2020, Asklepios KGaA published its decision to make a voluntary, public takeover offer to purchase all shares in RHÖN-KLINIKUM AG. This was then followed by the publication of the offer document on 8 April 2020.

In a total of three meetings in March and April 2020, the Supervisory Board thoroughly examined the offer and its impact on the Company. The takeover offer of Asklepios KGaA was discussed at the regular meeting of the Supervisory Board for the first time on 19 March 2020. After the announcement of the takeover offer, the plenary meeting discussed the stage reached, the further course of the takeover procedure and the duties incumbent on the corporate bodies of the Company, in particular the Supervisory Board. Furthermore, a resolution was adopted for the Supervisory Board to seek legal advice in connection with the expected takeover offer

as well as the preparation of a statement to be submitted by the Supervisory Board.

After that the Supervisory Board, on 11 and 21 April 2020, held two extraordinary meetings on the takeover procedure. At the meeting on 11 April 2020, the Supervisory Board discussed the further steps to be taken to draw up a reasoned statement by the Supervisory Board on the takeover offer, and in preparation for the statement established a Special Committee in accordance with the principle of equal representation. The Supervisory Board moreover resolved to retain the investment bank Jefferies International Limited to draw up a Fairness Opinion regarding the takeover offer.

The members appointed to the Special Committee tasked with preparing for the statement of the Supervisory Board were Mr Jan Hacker, Mr Oliver Salomon, Mr Georg Schulze (formerly Schulze-Ziehaus) and Dr Katrin Vernau. The Special Committee met several times before adopting the resolution of the Supervisory Board on the reasoned statement at its meeting on 21 April 2020.

At the meeting of the Supervisory Board on 21 April 2020, the Special Committee first reported on its work relating to the statement including its work with Jefferies and the legal advisor. The Supervisory Board then discussed in detail the wording of the statement and in particular the exhaustive assessment of the takeover offer contained therein as well as the submission of a recommendation to the shareholders. On 22 April 2020, the Supervisory Board then submitted its reasoned statement on the takeover offer by Asklepios KGaA and in the end issued a majority recommendation

to the shareholders to accept the takeover offer. As before, the statement by the Supervisory Board continues to be accessible on the Company's website.

In connection with the takeover offer by Asklepios KGaA, the Supervisory Board identified the following matters with regard to possible conflicts of interests:

The Chairman of the Supervisory Board at that time, Mr Eugen Münch, at the time when the Supervisory Board examined the takeover offer, indirectly and directly held shares of RHÖN-KLINIKUM AG totalling roughly 14.56% of the registered share capital. Prior to publication of the decision to make a voluntary public takeover offer, Asklepios KGaA and Mr Eugen Münch had entered into a share purchase agreement, subject to the condition precedent of approval under merger control legislation, on the purchase of all shares personally held by Mr Eugen Münch in RHÖN-KLINIKUM AG. Furthermore, Asklepios KGaA, together with HCM SE controlled by Mr Eugen Münch, likewise subject to the condition precedent of approval under merger control legislation, entered into a joint venture agreement in which Asklepios KGaA and HCM SE in particular undertook to contribute to a joint venture company all shares in RHÖN-KLINIKUM AG held by them and those shares in RHÖN-KLINIKUM AG to be acquired in the context of the takeover offer.

The then Second Deputy Chairman of the Supervisory Board, Mr Wolfgang Mündel, at the time when the Supervisory Board examined the takeover offer, at the same time was a member of the Board of Directors of HCM SE. The latter held shares in RHÖN-KLINIKUM AG equal to roughly 7.61% of the registered share capital and as a party to the aforementioned joint venture agreement had an obligation to contribute its equity interest in RHÖN-KLINIKUM AG to the joint venture company after approval under merger control law.

The then member of the Supervisory Board Dr Annette Beller, at the time when the Supervisory Board examined the takeover offer, at the same time was a member of the Management Board of B. Braun Melsungen AG, which at this time indirectly held shares in RHÖN-KLINIKUM AG equal to roughly 25.23% of the registered share capital.

Moreover, the offer document stated the intention once again to elect to the Supervisory Board of RHÖN-KLINIKUM AG, from amongst the shareholders' representatives serving on the Supervisory Board at that time, Mr Jan Hacker, Prof. Dr Gerhard Ehninger and – subject to certain conditions – Ms Christine Reissner. Mr Eugen Münch, according to the statements in the offer document, was to be appointed Generally Authorised Representative for RHÖN-KLINIKUM AG at the earliest possible time after the effective date of the joint venture agreement.

Given the interests as described above, Mr Eugen Münch and Mr Wolfgang Mündel did not attend the extraordinary meetings of the Supervisory Board on 11 and 21 April 2020 at which the Supervisory Board examined the takeover offer and in particular dealt with the drafting of the reasoned statement. Furthermore Mr Eugen Münch and Mr Wolfgang Mündel, at the meeting of the Supervisory Board on 19 March 2020, did not participate in specific resolutions adopted by the Supervisory Board relating to the takeover procedure.

Dr Beller had notified the other members of the Supervisory Board that on the Management Board of B. Braun Melsungen AG she no longer participated in communication and decisions on the position taken by B. Braun Melsungen AG on the takeover offer and the exercise of the rights under such shares since April 2020 given her Supervisory Board position with RHÖN-KLINIKUM AG, and that she had no influence at all on the opinions formed and decision taken by such shareholder. Prof. Ehninger, Mr Hacker and Ms Reissner had informed that, notwithstanding their appointment as future members of the Supervisory Board, they act in a personally independent capacity as regards the offer document. The Supervisory Board acknowledged these statements; the aforementioned members of the Supervisory Board therefore participated in the deliberations and resolutions of the Supervisory Board.

Prior to the Extraordinary General Meeting of the Company on 3 June 2020 convened by reason of various requests by the shareholders B. Braun Melsungen AG and Asklepios KGaA, the Supervisory Board, at its meeting on 30 April 2020, gave its approval to convening the General Meeting and holding it as a virtual General Meeting without the physical presence of the shareholders and their representatives. Parallel to the Extraordinary General Meeting on 3 June 2020, a further meeting of the Supervisory Board was held to provide for an opportunity to respond to any procedures of the General Meeting if desired. No resolutions were adopted at this meeting of the Supervisory Board.

At the Extraordinary General Meeting on 3 June 2020, Dr Annette Beller and Dr Kathrin Vernau were removed as members of the Supervisory Board and Dr Jan Liersch as well as Dr Julia Dannath-Schuh were elected as members of the Supervisory Board in their place.

When in June 2020 it was becoming clear that the takeover offer by Asklepios KGaA would succeed, and after the then Chairman of the Board of Management, Mr Stephan Holzinger, had indicated that in such circumstances he intended to leave the Company, the Supervisory Board of RHÖN-KLINIKUM AG on 22 June 2020 gave its approval to the termination by mutual consent of the Board of Management service contract with effect from 30 September 2020. Mr Stephan Holzinger then resigned his Board of Management mandate and his other offices within RHÖN-KLINIKUM AG on the same day with immediate effect. The takeover offer was then executed in the middle of July 2020, and since that time Asklepios KGaA together with Mr Eugen Münch indirectly hold over 90% of the shares of RHÖN-KLINIKUM AG.

As a result of Mr Stephan Holzinger resigning his Board of Management mandate, the Supervisory Board, at the meeting on 9 July 2020, deliberated on the expansion and future composition of the Board of Management. Furthermore, the Supervisory Board, after the changes on the Supervisory Board, adopted a resolution on filling vacancies on the committees. With a view to the ordinary Annual General Meeting on 19 August 2020 the Supervisory Board, at its meeting on 9 July 2020, gave its approval to holding the Annual General Meeting as a virtual meeting and adopted the agenda. The Board of Management and the Supervisory Board decided not to maintain the originally communicated profit appropriation proposal to the Annual General Meeting and instead proposed to the Annual General Meeting, given the ongoing uncertainty with respect to the further impact of the COVID-19 pandemic and the additional financial burdens resulting from the public takeover offer on the Company's earnings and liquidity position, to carry forward the amount of the net distributable profit fully. Given the elections to the Supervisory Board that were regularly due to take place at the 2020 Annual General Meeting, the Supervisory Board submitted nominations taking account of the changed ownership structure. Lastly, an amendment to the Articles of Association regarding the remuneration of the Supervisory Board was proposed to the Annual General Meeting. The revision of the provision in the Articles of Association takes account of the changed situation of the Company following the takeover by Asklepios KGaA and results in a lower remuneration of the members of the Supervisory Board.

At the meeting on 10 August 2020, the Supervisory Board once again examined the expansion of the Board of Management and resolved to appoint Dr Höftberger with effect from 15 August 2020 and Dr Stefan Stranz with effect from 1 September 2020 as further members of the Board of Management. At that time, no Chairman or CEO of the Board of Management was appointed since the Supervisory Board first wanted to observe the commencement of the cooperation by the newly constituted Board of Management.

Mr Eugen Münch left the Supervisory Board on conclusion of the Annual General Meeting on 19 August 2020. As Generally Authorised Representative, however, Mr Eugen Münch will continue to be available to the Company with his expertise for the next five years based on an agreement approved by the Board of Management and the Supervisory Board of the Company. Following the Annual General Meeting, the newly constituted Supervisory Board on the same day came together at its constituent meeting to elect the Chairman of the Supervisory Board and its two deputies as well as to fill the vacancies on the Supervisory Board committees. For details on this, please refer to the list under II. at the end of this report. To ensure the ability of the Supervisory Board to act, the formerly applicable Terms of Reference were confirmed. Moreover, the Supervisory Board adopted a resolution of principle on the independence of its members within the meaning of the German Corporate Governance Code in which it stated that (i) no shareholder representative

shall have personal or business ties to the Company or its Board of Management establishing a material and not temporary conflict of interests, (ii) the Supervisory Board shall moreover have at least two members who are independent of the controlling shareholder, and (iii) the Supervisory Board, giving due regard to the ownership structure on the shareholder side, shall thus have a number of independent members which it deems to be reasonable. Lastly, the Management Board service contracts with the new members of the Board of Management, Dr Höftberger and Dr Stranz, were examined and approved at this meeting of the Supervisory Board.

Based on these statements on the examination of the Supervisory Board of the takeover procedure, which – besides coping with the impact of the COVID-19 pandemic – was a key development for the Company during the past financial year, we would like to provide you below, dear shareholders, with an overview of the regular work of the Supervisory Board in financial year 2020.

Cooperation between Supervisory Board and Board of Management

During financial year 2020 also, the Supervisory Board examined on an ongoing basis and in detail the situation and development of the Company, fully performing the duties incumbent on it by law, the Articles of Association and the Terms of Reference. These include continuously monitoring management activity and regularly advising the Board of Management in connection with the directing of the Company. At the same time the Supervisory Board, in performing its duties, was at all times guided by the decisive principles of appropriateness, compliance with legal provisions, expediency and efficiency. Observance of these principles by the Board of Management was monitored by regularly reviewing the Company's general organisation and verifying the instruments used for internal risk control.

The Supervisory Board was involved in fundamental and important decisions taken by the Board of Management of RHÖN-KLINIKUM AG. The Board of Management complied with its information duties, keeping us informed on a timely basis both in written form and orally, with documents and records of relevance for decisions being provided to the Supervisory Board in good time prior to the respective deliberations and formal meetings. The Supervisory Board reviewed the reporting and the information submitted by the Board of Management regarding strategic and operative business performance, compliance issues as well as risks and risk management for plausibility and comprehensibility, advised the Board of Management, discussed issues of development comprehensively with the Board of Management and also scrutinised the same whenever appropriate.

Mr Eugen Münch and later Dr Jan Liersch, as Chairman of the Supervisory Board, moreover engaged in a regular exchange of information and ideas with all members of the Board of Management – also

between meetings held by the corporate bodies – and were kept thoroughly informed at all times about material developments and current business transactions. The Board of Management complied with its duties to inform. We thoroughly discussed the resolution proposals made by the Board of Management and, to the extent required by statute, the Articles of Association and the Terms of Reference, and voted on the same after a thoroughgoing review in the Supervisory Board and in the respective competent Supervisory Board committees. Where required in the case of particularly pressing and time-critical business matters, the Supervisory Board, or, as the case may be, the competent committee, held meetings by means of conference calls and also adopted resolutions by voting in written form. Moreover, in various instances meetings were held in the form of a video conference in view of the COVID-19 pandemic.

Work of the Supervisory Board in committees and plenary session

With a view to performing its tasks and assuming its responsibility in the best possible way, the Supervisory Board has set up standing committees whose members possess specific expertise and experience for the special issues dealt with in the committees.

The committees prepare resolutions and issues to be decided in the plenary session of the Supervisory Board. They act as bodies with power to pass resolutions within the scope prescribed by law, the Articles of Association – also in lieu of the Supervisory Board – and the Terms of Reference of the latter to the extent consistent with statute and previously defined by the Supervisory Board. The committees generally meet separately from plenary sessions. Meetings were also held as conference calls convened at short notice or – in view of the COVID-19 pandemic – in the form of a video conference as required.

You will also find information on the composition of the Supervisory Board and the committees as well as attendance of the individual members in the meetings in the overview at the end of this report.

The **Investment, Strategy and Finance Committee** held two meetings during the year under review.

At the meetings, the Board of Management reported on current developments in the industry and on the business position of the Group, as well as on the development of investments and financing. At each meeting the members of the Board of Management reported – in some cases consulting specialist employees possessing the requisite qualifications – on the development at the individual sites of the Group in accordance with their areas of responsibility. Specific motions for approval of investment projects and financing measures were openly discussed, thoroughly reviewed and – after the members carefully considered and were fully convinced of the same – adopted in the Committee based on detailed written resolution proposals of the Board of Management

as well as, among other things, on market studies and investment calculations. For example, the Committee gave its approval to the expansion of the intensive care unit of Zentralklinik Bad Berka. The Committee furthermore approved the conclusion of a service provision agreement with Medgate Deutschland GmbH and the conclusion of profit-and-loss transfer agreements with the subsidiaries Rhön-Kreisklinik Bad Neustadt GmbH, MVZ Bad Neustadt/ Saale GmbH, RHÖN Cateringgesellschaft GmbH and RHÖN-KLINIKUM Energie für Gesundheit GmbH.

After completion of the takeover procedure the Committee, according to the reporting by the Board of Management in this regard, examined the cooperation between RHÖN-KLINIKUM AG and Asklepios KGaA as well as the investment and finance plan.

At a meeting by video conference, the **Personnel Affairs Committee** prepared subjects relating to personnel matters of the Board of Management for the Supervisory Board and, to the extent required, adopted resolutions and made recommendations to the Supervisory Board on the adoption of resolutions.

During the past financial year, the **Mediation Committee** pursuant to section 27 (3) of the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG) met for one meeting in connection with the expansion of the Board of Management proposed by the Supervisory Board in August 2020, which was held in the form of a video conference due to the COVID-19 pandemic.

The **Audit Committee** of the Supervisory Board met five times in the year under review. All meetings were attended by the Board of Management. Two meetings were attended by the statutory auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (**PwC**). For selected agenda items, the Committee – as proposed by the Board of Management – consulted the heads of the Internal Auditing, Compliance as well as Accounting, Tax, Controlling and Finance departments; they were available to the Committee for additional reports and questions.

The Committee notably was responsible for review and preliminary consultation for the RHÖN-KLINIKUM AG consolidated annual financial statements for financial year 2019. Also reviewed and discussed were the stand-alone financial statements, the management reports and the respective audit reports of the Group subsidiaries which were subjected to critical review by the members of the Committee.

The Audit Committee assessed the independence of the auditor designated for auditing the annual financial statements for financial year 2020 and for the review of the Half-Year Financial Report, obtained the statement regarding the auditor's independence pursuant to Item 7.2.1 of the version of the German Corporate Governance Code dated 7 February 2017 in force at that time, recommended to the plenary session of the Supervisory Board a proposal for the election

of the auditor to be submitted to the Annual General Meeting and – after the election – issued the auditor with the audit mandate and concluded with him a reasonable fee agreement for the same. The statutory auditor moreover reported to the Committee on orders for services performed in addition to the auditing services rendered. The qualification of the statutory auditor was monitored by the Committee. A list of audit items was once again prepared and defined for the audit in 2020.

At several meetings the Committee moreover conducted a thoroughgoing review of the selection of a new statutory auditor from financial year 2021 and lastly submitted a recommendation and preference to the plenary meeting of the Supervisory Board.

Questions of fundamental importance relating to accounting, corporate planning, the capital base, the supervision of the accounting process as well as the effectiveness of the internal controlling system, risk management system (including special business risks) and the internal audit system were discussed with the Board of Management and in some cases also with the statutory auditor. The interim reports were thoroughly discussed on a regular basis with the Board of Management prior to their publication, as well as the half-year financial report with the Board of Management and in the presence of the statutory auditor giving due regard to the review by the latter.

The Group controlling report on performance and finance controlling submitted quarterly, which forms part of our risk management system, was thoroughly discussed in each case with the Board of Management. Here, the development of service volumes and earnings of the Group and of the individual Group hospitals was also analysed, questioned and discussed with the Board of Management, also with regard to deviations from targets.

The body kept itself regularly informed about the activity of the Internal Auditing department by the responsible member of the Board of Management and by reports submitted by the head of Internal Auditing, and examined the auditing plan for 2020 as well as its update. The auditing plan for 2021 was approved. The audit reports of the Internal Auditing department as well as the 2019 activity report were then submitted and discussed with the Board of Management. We kept ourselves informed by the Board of Management on the implementation of the recommendations by the Internal Auditing department through information on the results of follow-up reporting and inspection. We once again satisfied ourselves of the effectiveness of the Internal Auditing department.

For the non-financial declaration at the Company level and Group level to be submitted in the form of a separate condensed non-financial report for 2020, the Committee once again adopted a resolution on the performance of a voluntary external audit. The audit assignment was issued on the basis of an offer and by fee agreement to the statutory auditor, PwC.

The **Committee for Compliance and Communication** serves to advise and supervise the Board of Management and senior executives with respect to compliance with legal and other provisions as well as with regard to communication by the Company with the media and the capital market. If a member of the Board of Management is involved in a compliance matter, the Committee clarifies the facts and reviews the actions to be taken by the Supervisory Board. To ensure close and non-bureaucratic coordination with the Audit Committee, which among other things is responsible for supervising the Internal Auditing department, the Chairman of the Committee for Compliance and Communication is assigned a seat on the Audit Committee.

The Committee met twice in 2020. In the area of compliance the Committee was informed of currently planned legislation (Corporate Sanctioning Act (Verbandssanktionengesetz), whistle-blower guideline) and the new version of the German Corporate Governance Code. As reported by the head of the Central Compliance department, the Committee also examined current compliance matters in the Group.

In the area of corporate communications, the Board of Management informed that corporate communications had focused primarily on the takeover offer by Asklepios KGaA and the COVID-19 pandemic. In addition, the Committee was informed of activities in the area of investor relations.

The **Medical Innovation and Quality Committee** provides the Board of Management with technical advice on developments and trends in medicine and monitors the situation and development of medical quality within the Company. The Committee held one meeting during the year under review.

The **Nomination Committee**, which selects candidates from the shareholders' representatives for Supervisory Board office and proposes them to the Supervisory Board, held two conference calls in financial year 2020 for the election of the shareholders' representatives at the 2020 Annual General Meeting.

During the reporting period, eleven **plenary Supervisory Board** meetings were held. The members of the Board of Management for the most part attended the meetings of the Supervisory Board except in the case of agenda items relating to internal matters of the Supervisory Board and matters pertaining to the Board of Management. The reporting below is limited to those meetings or to the content of meetings which have not already been presented in the foregoing in connection with statements on the takeover procedure.

At the meetings of the Supervisory Board the plenary session, based on detailed reports of the Board of Management on current developments, strategic issues and the financial position of the Group, as well as based on the written reports and presentations

by the Board of Management, regularly deliberated together with the Board of Management on the net assets, financial position and results of operations, the trend in revenues and earnings, the performance data, key figures and personnel of the Company and Group as well as of the individual Group subsidiaries. The Supervisory Board moreover, together with the Board of Management, examined the impact of the COVID-19 pandemic on the business development and the hospitals of the RHÖN-KLINIKUM Group. The Board of Management moreover informed on the current developments in healthcare policy, the healthcare environment, healthcare legislation and their impact on the Group as well as the competitive situation. The respective interim reports for the past quarters were explained by the Board of Management in detail at the plenary session prior to publication.

At the first meeting of the financial year on 20 February 2020, the Supervisory Board examined the findings of the efficiency audit performed with external assistance. The Supervisory Board furthermore received the report of the Board of Management on planning for 2020 for the parent company (AG) and the Group and the original proposal for the appropriation of profit for 2019. The shareholders' representatives examined the stage reached in the nomination procedure for the elections to the Supervisory Board at the 2020 Annual General Meeting.

At the balance sheet meeting on 19 March 2020, which was also attended by the statutory auditors, the plenary meeting discussed together with the Board of Management the annual financial statements and management report of RHÖN-KLINIKUM AG as well as the consolidated financial statements and the Group management report for financial year 2019. The auditors reported on the essential findings and results of the audits and were available to the Supervisory Board for questions and additional information. The plenary session approved the annual financial statements. Also discussed at this meeting were the preparations for the Annual General Meeting that had originally been scheduled for 3 June 2020. Further approval resolutions were adopted for, among other things, the report of the Supervisory Board, Corporate Governance Report and the Declaration on Corporate Governance pursuant to section 289f of the German Commercial Code (Handelsgesetzbuch, HGB). After the Supervisory Board completed its own review, the separately summarised non-financial report reviewed by PwC was approved for 2019.

At the meeting on 9 July 2020, the Supervisory Board – in addition to the already mentioned subjects – in particular dealt with the selection of a new statutory auditor from financial year 2021.

At the meeting on 5 November 2020, the focus of the discussions was on various issues of governance. After the Supervisory Board had initially maintained the Terms of Reference at the constituent

meeting on 19 August 2020, the Supervisory Board approved a new version of the Terms of Reference of the Supervisory Board at the meeting on 5 November 2020; these are accessible on the Company's website. At the same time, the Supervisory Board resolved not to continue the Investment, Strategy and Finance Committee and the Committee for Compliance and Communication for reasons of efficiency of corporate bodies. The compliance duties of the Committee for Compliance and Communication were assigned to the Audit Committee; the communication duties of the Committee and the duties of the Investment, Strategy and Finance Committee are now dealt with in the plenary session. In the context of the new legal requirements of the second German Act Implementing the Shareholder Rights Directive (zweites Gesetz zur Umsetzung der Aktionärsrechterichtlinie, ARUG II) for treating related-party transactions, the Supervisory Board resolved the establishment of a new committee to decide on such transactions in order to ease the workload of the plenary session. The Committee is made up of four members and was filled for the most part with members not likely to raise any conflict-of-interests concerns because of their relationships to a related party.

Moreover the Supervisory Board, at the meeting on 5 November 2020, resolved on a new version of the Terms of Reference for the Board of Management in which those transactions and measures requiring prior approval of the Supervisory Board are addressed. In the context of the new legal requirements of ARUG II on executive board remuneration, the Personnel Affairs Committee was tasked with drafting a new remuneration guideline for the Board of Management. Given that the Supervisory Board, following the expansion of the Board of Management, initially had not appointed a Chairman of the Board of Management at the meeting on 10 August 2020, the Supervisory Board resolved to appoint Dr Höftberger as Chairman of the Board of Management, at the meeting on 5 November 2020.

Lastly, the Supervisory Board examined the cooperation between RHÖN-KLINIKUM AG and Asklepios KGaA and discussed with the Board of Management the Interim Report for the quarter ending on 30 September 2020 as well as the current situation regarding the COVID-19 pandemic. At this meeting the Supervisory Board also examined the further development and implementation of the recommendations and suggestions as set out in the German Corporate Governance Code. On the recommendation of the Audit Committee, the Declaration of Compliance issued on 6 November 2019 pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) (as amended during the year under way on 19 March and 10 August 2020) was revised as planned and, giving due regard to the Code as amended on 16 December 2019, was replaced by a Declaration of Compliance issued on 5 November 2020 by the Board of Management and the Supervisory Board.

At the meeting on 11 December 2020, the Board of Management and the Supervisory Board informed on the economic trend and submitted an outlook for the upcoming financial year. The Supervisory Board approvingly took note of the (in view of the impact of the COVID-19 pandemic, preliminary) 2021 economic plan and the 2021 investment plan submitted by the Board of Management. Moreover, at this meeting the Supervisory Board resolved to set the target for the proportion of women on the Board of Management to 0% until 30 June 2022. This stipulation was necessary because of the terms of the employment contracts of the members of the Board of Management currently holding office, on the one hand, and the desire to synchronise the decisions of the Board of Management and the Supervisory Board on specifying targets for the proportion of women on the Board of Management and the two management levels below the Board of Management, on the other.

Examination and approval of the 2020 financial statements

The Board of Management adopted the financial statements of the Company and the management report for the year ended 31 December 2020 in accordance with the provisions of the German Commercial Code (HGB), while the consolidated financial statements and Group management report for the year ended 31 December 2020 were adopted pursuant to section 315e of the German Commercial Code (HGB) in accordance with the principles set out in the International Financial Reporting Standards (IFRS). The auditors, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, have examined the financial statements of the Company and the management report as well as the consolidated financial statements and Management's consolidated report for the year ended 31 December 2020. The auditors of the accounts issued an unqualified auditor's report in each case.

The financial statements of the Company and management report, the consolidated financial statements and the Group management report as well as the reports of the auditors on the result of their audit were received by all members of the Supervisory Board together with the management's proposal for the appropriation of the net distributable profit for the year. These documents were examined by the Supervisory Board and extensively discussed by the Audit Committee and by the Supervisory Board with representatives of the auditors at the respective balance sheet meetings. As part of the audit, the Audit Committee and the Supervisory Board examined both the accounting findings and the procedures and processes relating to the accounting findings. As the standard of their review, they primarily applied the criterion of legality and verified whether the documents submitted comply with legislation in force and in particular with applicable accounting rules. Furthermore, in addition to their review of legality they also conducted an expediency review in terms of accounting, financial and business policy aspects. Based on the findings of the preliminary review by the Audit Committee, the Supervisory Board concurred with the findings of the auditors and, having conducted its own review, determined that it sees no grounds for objections.

The Supervisory Board approved the financial statements of the Company and the consolidated financial statements prepared by the Board of Management at the meeting on 24 March 2021 on the recommendation of the Audit Committee; the financial statements of the Company are thus adopted as final.

The Supervisory Board approved the Board of Management's proposals for the appropriation of net distributable profit.

Review of separate condensed Non-Financial Report

The Audit Committee and the Supervisory Board have furthermore examined the separate condensed non-financial report prepared with the Board of Management for 2020. The auditing firm PricewaterhouseCoopers GmbH has conducted a review to obtain limited assurance and has issued an unqualified report. The documents were carefully reviewed by the Audit Committee at its meeting on 23 March 2021 and by the Supervisory Board at its meeting on 24 March 2021. The Board of Management thoroughly explained the report at both meetings. Representatives of the auditor attended the meetings and reported on the key results of their review and answered additional questions from the Supervisory Board members. After its review, the Supervisory Board had no objections.

Audit of the Report on Relations to Affiliates

By reason of the execution of the takeover by Asklepios KGaA and in the absence of a controlling agreement, a Report on Relations to Affiliates pursuant to section 312 AktG was to be prepared by the Board of Management of the Company for the first time in the past financial year (also known as dependent company report). This report must state all legal transactions effected by the Company in the past financial year with the controlling enterprises or enterprises affiliated with it or at the request or in the interests of such enterprises, and all other measures it has taken or refrained from taking in the past financial year at the request or in the interests of such enterprises. The performance effected and consideration paid must be stated for the legal transactions and the reasons for the measures and their advantages and disadvantages entailed for the Company and, in the case of disadvantages, how such disadvantages have been offset.

PwC, as statutory auditor, audited the report of the Board of Management on relations to affiliates and issued the following auditor's opinion:

"Based on our duly performed audit and assessment, we hereby confirm that

1. the factual statements of the report are true,
2. for the legal transactions as specified in the report, the consideration paid by the Company was not unduly high,
3. for the measures specified in the report, there are no circumstances supporting an assessment materially different from the one given by the Board of Management."

The Supervisory Board examined the Report of the Board of Management on Relations to Affiliates. At its meeting on 24 March 2021, which was attended by the statutory auditor, the Supervisory Board discussed the report with the Board of Management thoroughly. Questions put to the Board of Management on individual legal transactions and measures specified in the report were answered by the Board of Management fully and to the satisfaction of the Supervisory Board. Based on its review the Supervisory Board takes the view that the Report of the Board of Management on relations to affiliates satisfies the legal requirements. Following the conclusive findings of the reviews conducted by the Supervisory Board, no objections are to be raised against the declaration by the Board of Management at the end of the report.

Changes and composition of the Board of Management

This Annual Report presents the composition of the Board of Management and the personal data, functions and duties of the individual members of the Board of Management under the heading "Corporate bodies of the Company".

Changes and composition of the Supervisory Board

In accordance with the requirements of the Co-Determination Act (MitBestG) and after the effective date of the amendment of the Articles of Association in § 10 (Size and composition of Supervisory Board) adopted by the 2014 Annual General Meeting, the Supervisory Board of RHÖN-KLINIKUM AG as of 10 June 2015 is comprised of 16 members. Eight Supervisory Board members are elected by the shareholders and eight Supervisory Board members by the employees. In accordance with section 96 (2) AktG, at least 30% of the Supervisory Board is to be made up of women and at least 30% of men, which – relative to the entire Supervisory Board – corresponds to at least five seats in each case. The minimum share must be met by the Supervisory Board as a whole, since neither the shareholder nor employee representatives raised any objections regarding the issue of overall compliance.

The personal details of the members of the Supervisory Board in 2020 are set out in the Notes to the consolidated financial statements. The section also provides information on the professional qualifications of the Supervisory Board members as well as their further mandates. The organisational structure of the Supervisory Board and the composition of the committees during the past financial year are set out in the overview provided following this report.

One change in the Supervisory Board occurred after the end of financial year 2020: Prof. Dr Gerhard Ehninger notified the Company in the middle of December 2020 that he was resigning his mandate as member of the Supervisory Board of the Company, and accordingly left the Supervisory Board with effect from 15 January 2021. The Supervisory Board therefore resolved already in February 2021 on the recommendation of the Nomination Committee to nominate Mr Marco Walker, COO of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, and managing director of Asklepios Kliniken Management GmbH, for the election to be held at the 2021 Annual General Meeting, to succeed Prof. Ehninger as member of the Supervisory Board of RHÖN-KLINIKUM AG (for the remaining term of office). For the period until then, the Local Court of Schweinfurt, by Decision of 3 March 2021 issued on the application by the Board of Management based on a corresponding proposal of the Supervisory Board, appointed Mr. Marco Walker as member of the Supervisory Board of the Company.

The Supervisory Board thanks the members of the Board of Management, all employees of the Group as well as the employee representatives of all Group companies for their tremendous commitment and work performed during the past financial year which, like probably no other, presented everyone with huge challenges.

The Supervisory Board

Dr Jan Liersch

Chairman

Bad Neustadt a. d. Saale, 24 March 2021

OVERVIEW OF THE ORGANISATIONAL STRUCTURE OF THE SUPERVISORY BOARD AND COMPOSITION OF THE STANDING COMMITTEES

Period of 1 January to 19 August 2020 (until conclusion of the Annual General Meeting)

1. Composition of the Supervisory Board

Eugen Münch
Chairman

Georg Schulze (formerly Schulze-Ziehaus)
1st Deputy Chairman

Wolfgang Mündel
2nd Deputy Chairman

Members	Number of meetings: 8	
	Attendance	
Dr Annette Beller (until 3 June 2020)	6 (of 6)	100%
Peter Berghöfer	8	100%
Dr Julia Dannath-Schuh (from 3 June 2020)	2 (of 2)	100%
Prof. Dr Gerhard Ehninger	8	100%
Jan Hacker	8	100%
Klaus Hanschur	8	100%
Stefan Härtel	8	100%
Meike Jäger	7	88%
Dr Jan Liersch (from 3 June 2020)	2 (of 2)	100%
Dr Brigitte Mohn	7	88%
Eugen Münch	6	75%
Wolfgang Mündel	6	75%
Christine Reissner	7	88%
Oliver Salomon	8	100%
Evelin Schiebel	8	100%
Georg Schulze	8	100%
Dr Katrin Vernau (until 3 June 2020)	6 (of 6)	100%
Natascha Weihs	8	100%

2. Composition of the standing committees

Investment, Strategy and Finance Committee

Eugen Münch, Chairman

Members	Number of meetings: 1	
	Attendance	
Dr Annette Beller (until 3 June 2020)	1	100%
Jan Hacker	1	100%
Klaus Hanschur	1	100%
Stefan Härtel	1	100%
Eugen Münch	1	100%
Wolfgang Mündel	1	100%
Oliver Salomon	1	100%
Georg Schulze	1	100%

Audit Committee

Wolfgang Mündel, Chairman

Members	Number of meetings: 4	
	Attendance	
Dr Annette Beller (until 3 June 2020)	3 (of 3)	100%
Peter Berghöfer	4	100%
Dr Julia Dannath-Schuh (from 3 June 2020)	1 (of 1)	100%
Meike Jäger	4	100%
Dr Jan Liersch (from 3 June 2020)	1 (of 1)	100%
Wolfgang Mündel	4	100%
Christine Reissner	4	100%
Dr Katrin Vernau (until 3 June 2020)	3 (of 3)	100%

Committee for Compliance and Communication

Dr Annette Beller, Chairman

Members	Number of meetings: 2	
	Attendance	
Dr Annette Beller	2	100%
Evelin Schiebel	2	100%
Dr Katrin Vernau	2	100%
Natascha Weihs	2	100%

Personnel Affairs Committee

Eugen Münch, Chairman

Members	Number of meetings: 1	
	Attendance	
Stefan Härtel	1	100%
Dr Brigitte Mohn	1	100%
Eugen Münch	1	100%
Georg Schulze	1	100%

Mediation Committee

Eugen Münch, Chairman

Members	Number of meetings: 1	
	Attendance	
Jan Hacker	1	100%
Meike Jäger	1	100%
Eugen Münch	1	100%
Georg Schulze	1	100%

Medical Innovation and Quality Committee

Eugen Münch, Chairman

Members	Number of meetings: 0	
	Attendance	
Prof. Dr Gerhard Ehninger		
Jan Hacker		
Klaus Hanschur		
Eugen Münch		
Evelin Schiebel		

Nomination Committee

Eugen Münch, Chairman

Members	Number of meetings: 2	
	Attendance	
Dr Brigitte Mohn	2	100%
Eugen Münch	2	100%
Wolfgang Mündel	2	100%

OVERVIEW OF THE ORGANISATIONAL STRUCTURE OF THE SUPERVISORY BOARD AND COMPOSITION OF THE STANDING COMMITTEES

Period of 19 August (from conclusion of the Annual General Meeting) to 31 December 2020

1. Composition of the Supervisory Board

Dr Jan Liersch
Chairman

Georg Schulze (formerly Schulze-Ziehaus)
1st Deputy Chairman

Hafid Rifi
2nd Deputy Chairman

Members	Number of meetings: 3	
	Attendance	
Peter Berghöfer	3	100%
Dr Julia Dannath-Schuh	3	100%
Regina Dickey	3	100%
Peter Ducke	3	100%
Prof. Dr Leopold Eberhart	3	100%
Prof. Dr Gerhard Ehninger	3	100%
Irmtraut Gürkan	3	100%
Kai Hankeln	3	100%
Dr Jan Liersch	3	100%
Dr Martin Mandewirth	3	100%
Nicole Mooljee Damani	3	100%
Dr Thomas Pillukat	3	100%
Christine Reissner	3	100%
Hafid Rifi	3	100%
Oliver Salomon	3	100%
Georg Schulze	3	100%

2. Composition of the standing committees

Investment, Strategy and Finance Committee

(abolished with effect from 5 November 2020)

Dr Jan Liersch, Chairman

Members	Number of meetings: 1	
	Attendance	
Prof. Dr Leopold Eberhart	1	100%
Kai Hankeln	1	100%
Dr Jan Liersch	1	100%
Dr Martin Mandewirth	1	100%
Nicole Mooljee Damani	1	100%
Hafid Rifi	1	100%
Oliver Salomon	1	100%
Georg Schulze	1	100%

Audit Committee

Hafid Rifi, Chairman

Members	Number of meetings: 1	
	Attendance	
Peter Berghöfer	1	100%
Regina Dickey	1	100%
Prof. Dr Leopold Eberhart	1	100%
Irmtraut Gürkan	1	100%
Dr Jan Liersch	1	100%
Hafid Rifi	1	100%

Committee for Decisions (on Related-Party Transactions)

(established with effect from 5 November 2020)

Dr Jan Liersch, Chairman

Members	Number of meetings: 0	
	Attendance	
Dr Jan Liersch		
Nicole Mooljee Damani		
Oliver Salomon		
Georg Schulze		

Personnel Affairs Committee

Dr Jan Liersch, Chairman

Members	Number of meetings: 1	
	Attendance	
Peter Ducke	1	100%
Kai Hankeln	1	100%
Dr Jan Liersch	1	100%
Dr Thomas Pillukat	1	100%

Mediation Committee

Dr Jan Liersch, Chairman

Members	Number of meetings: 0	
	Attendance	
Kai Hankeln		
Dr Jan Liersch		
Dr Thomas Pillukat		
Georg Schulze		

Medical Innovation and Quality Committee

Prof. Dr Gerhard Ehninger, Chairman

Members	Number of meetings: 1	
	Attendance	
Prof. Dr Leopold Eberhart	1	100%
Prof. Dr Gerhard Ehninger	1	100%
Dr Martin Mandewirth	1	100%
Nicole Mooljee Damani	1	100%

Nomination Committee

Dr Jan Liersch, Chairman

Members	Number of meetings: 0	
	Attendance	
Kai Hankeln		
Dr Jan Liersch		
Hafid Rifi		

Committee for Compliance and Communication

(abolished with effect from 5 November 2020)

Dr Jan Liersch, Chairman

Members	Number of meetings: 0	
	Attendance	
Dr Julia Dannath-Schuh		
Peter Ducke		
Dr Jan Liersch		
Oliver Salomon		