



Chairman of the Supervisory Board
Dr Jan Liersch

Dear Shareholders, Dear Ladies and Gentlemen,

In the following I inform you on the work of the Supervisory Board and its committees during financial year 2021.

Cooperation between the Supervisory Board and the Board of Management

During financial year 2021 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 on directing the Company. In performing its duties, the Supervisory Board 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 duties to inform, keeping us informed on a timely basis both in written form and orally, with documents and records of relevance for decisions being provided to us in good time prior to the respective deliberations and formal meetings. We 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.

As chairman of the Supervisory Board, I also 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 was 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 that was required by statute, the Articles of Association and the Terms of Reference, gave our opinion 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 the 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 on short notice or – in view of the COVID-19 pandemic – in the form of a video conference as required.

Information on the composition of the Supervisory Board and the committees as well as attendance of the individual members in the meetings can be found in the overview at the end of this Report.

Work of the Supervisory Board in the committees

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 Co-Determination Act (MitBestG)) did not meet.

The **Audit Committee** of the Supervisory Board met five times in the year under review. All meetings were attended by representatives of the Board of Management. One meeting was attended by the statutory auditor for financial year 2020, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("**PwC**"). At another meeting, KPMG AG Wirtschaftsprüfungsgesellschaft ("**KPMG**") attended as auditor for the review of the interim report for the first half of financial year 2021.

The Committee notably was responsible for review and preliminary consultation for the RHÖN-KLINIKUM Aktiengesellschaft consolidated annual financial statements for financial year 2020.

The Audit Committee assessed the independence of KPMG designated for auditing the consolidated financial statements and the Group Management Report as well as the annual financial

statements and the management report for financial year 2021 and for the review of the half-year financial report, obtained the statement regarding the auditor's independence, 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 statutory auditor with the audit mandate and concluded with it a reasonable fee agreement for the same.

KPMG 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 2021.

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 KPMG 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, scrutinised and discussed with the Board of Management, also with regard to deviations from targets.

The body kept itself regularly informed by the responsible member of the Board of Management and by reports submitted by the head of Internal Auditing about the activity of the internal auditing department as well as the expansion of cooperation with Asklepios Kliniken GmbH & Co. KGaA in this area, and examined the auditing plan for 2021 as well as its update. The auditing plan for 2022 was approved. The audit reports of the internal auditing department as well as the 2020 activity report were then submitted in the Committee and discussed with the Board of Management. The Board of Management kept itself informed of the implementation of the recommendations by the internal auditing department by obtaining information on the results of follow-up reporting and review. We once again satisfied ourselves of the effectiveness of the internal auditing department.

Furthermore, the Committee kept itself informed on the activity of the compliance department as well as the expansion of cooperation with Asklepios Kliniken GmbH & Co. KGaA in this area through reports by the responsible member of the Board of Management and the head of compliance.

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 2021, 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, KPMG.

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 did not hold any meeting during the year under review.

The **Nomination Committee**, which selects candidates from the shareholders' representatives for Supervisory Board office and proposes them for nomination to the Supervisory Board, developed in a conference call in financial year 2021 the proposal for the election of one shareholders' representative at the 2021 Annual General Meeting.

The **Committee for Decisions on Related-Party Transactions** did not meet during the past financial year.

Work of the Supervisory Board in the plenary session

During the reporting period, four **plenary Supervisory Board** meetings were held. The members of the Board of Management to a predominant extent attended the meetings of the Supervisory Board except in those cases of agenda items relating to internal matters of the Supervisory Board and matters pertaining to the Board of Management.

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 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 24 February 2021, the Supervisory Board examined the general economic situation as well as the position of the Company. In this regard the Board of Management reported extensively on the economic development of the hospital sites; furthermore, developments in the area of human resources and collective agreements were discussed. In addition, we examined the draft Report of the Supervisory Board for financial year 2020, the current status of the Board of Management regarding relations to affiliates (dependent company report) in financial year 2020 and were informed of the measures planned with regard to the assignment of interests held by the co-shareholders of Rhön-Innovations GmbH.

At the balance sheet meeting on 24 March 2021, which was also attended by PwC (as statutory auditors for financial year 2020), we thoroughly discussed in the plenary session – after a statement given by the Audit Committee – together with the Board of Management the annual financial statements and management report of RHÖN-KLINIKUM Aktiengesellschaft as well as the consolidated financial statements and the Group Management Report for financial year 2020. The auditors reported on the essential findings and results of the audits and were available to us for questions and additional information. The plenary session approved both the annual financial statements and the consolidated financial statements. After the Supervisory Board completed its own review, the separate condensed non-financial report for 2020 reviewed by PwC was moreover approved. The meeting also focused on various matters pertaining to the Board of Management. Thus, the Supervisory Board in particular resolved on the new remuneration scheme for the members of the Board of Management as well as submission of the remuneration scheme to the Annual General Meeting for approval. Another resolution item was the prolongation of the appointment of Dr Weiß for a further term of office of three years until 31 December 2024 and along with that the conclusion of a new Board of Management service contract with effect from 1 January 2022. The Supervisory Board likewise examined the achievement of targets under the bonus agreements with the members of the Board of Management and adopted target agreements for 2021. In addition, the Supervisory Board resolved to support the Board of Management's proposal for the appropriation of net distributable profit for financial year 2020. Lastly, the Supervisory Board looked at the Report of the Board of Management on Relations to Affili-

ates (dependent company report) and resolved – on recommendation by the Audit Committee – that no objections were to be raised against the declaration made by the Board of Management at the end of the report. The Supervisory Board also adopted approval resolutions for the Declaration on Corporate Governance pursuant to section 289f of the German Commercial Code (Handelsgesetzbuch, HGB) and on the Report of the Supervisory Board for financial year 2020. Another item addressed at the meeting was the preparation of the Annual General Meeting. In this regard, we as the Supervisory Board approved the holding of the Annual General Meeting as a virtual Annual General Meeting as well as the agenda and the resolutions proposed to the Annual General Meeting.

In the context of the adoption of the new remuneration scheme and following the meeting on 23 April 2021, the Declaration of Compliance of 5 November 2020 was updated during the year under way with respect to the recommendations of the German Corporate Governance Code ("GCGC").

At the meeting on 1 July 2021, the Supervisory Board once again examined the position of the Company as well as the current position and economic performance of key operative companies and discussed this thoroughly with the Board of Management. Furthermore, we looked at developments in areas of human resources and collective agreements and were provided with reporting on progress made in strategic areas of activity. In this context, the Supervisory Board approved the establishment of several subsidiaries for providing business services, purchasing and supply as well as IT services. It was also informed of the execution of the assignment of interests held by co-shareholders of Rhön-Innovations GmbH.

At the meeting on 10 November 2021, the Supervisory Board together with the Board of Management discussed the interim report for the quarter ending on 30 September 2021 and primarily dealt with the preliminary economic and investment planning for financial year 2022. The Board of Management also reported on current cooperation schemes, projects and strategic areas of activity – particularly also in the context of the COVID-19 pandemic. At this meeting the Supervisory Board also examined the implementation of the recommendations and suggestions of the GCGC. On the recommendation of the Audit Committee, the Declaration of Compliance issued during the year under way on 23 April 2021 pursuant to section 161 of the Stock Corporation Act (Aktiengesetz, AktG) was revised as planned – following a previous resolution adopted for this purpose – by a Declaration of Compliance issued on 10 November 2021 by the Board of Management and the Supervisory Board.

Examination and approval of the 2021 financial statements

The Board of Management adopted the financial statements of the Company and the management report for the year ended 31 December 2021 in accordance with the provisions of the HGB, while the consolidated financial statements as at 31 December 2021 and Group Management Report for financial year 2021 were adopted pursuant to section 315e HGB in accordance with the principles set out in the International Financial Reporting Standards (IFRS). The auditors, KPMG, examined the annual financial statements and the management report of the Company for financial year 2021 as well as the consolidated financial statements and Group Management Report for financial year 2021. The statutory auditors issued an unqualified auditor's report in each case.

The financial statements and management report of the Company, the consolidated financial statements and Group Management Report as well as the reports of the auditors KPMG as statutory auditors on the result of their audit were received by all members of the Supervisory Board together with the Board of 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 also sees no grounds for objections.

The Supervisory Board approved the annual financial statements of the Company and the consolidated financial statements prepared by the Board of Management at the meeting on 23 March 2022 on recommendation of the Audit Committee; the annual 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.

Moreover, the Supervisory Board, together with the Board of Management, adopted the remuneration report for financial year 2021 in accordance with section 162 AktG.

Review of separate condensed non-financial report

The Audit Committee and the Supervisory Board has further examined the separate condensed non-financial report prepared with the Board of Management for 2021. KPMG 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 22 March 2022 and by the Supervisory Board at its meeting on 23 March 2022. 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

Since the takeover by Asklepios Kliniken GmbH & Co. KGaA in 2020 and in the absence of a controlling agreement, a Report on Relations to Affiliates (also known as dependent company report) pursuant to section 312 AktG was to be prepared by the Board of Management of the Company annually. This report must state all legal transactions effected by the Company in the past financial year with the controlling enterprise or an enterprise 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 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, must be stated.

KPMG, 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 or any disadvantages were offset."

The Supervisory Board examined the Report of the Board of Management on Relations to Affiliates. At our meeting on 23 March 2022, which was attended by KPMG as statutory auditor, we 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. Moreover, the Supervisory Board approved the audit report of the statutory auditor.

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".

Composition of the Supervisory Board

In accordance with the requirements of the Co-Determination Act (MitBestG), the Supervisory Board of RHÖN-KLINIKUM Aktiengesellschaft pursuant to section 10 (1) MitBestG 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 per cent of the Supervisory Board is to be made up of women and at least 30 per cent 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.

After Prof. Dr Gerhard Ehninger left the Supervisory Board with effect from 15 January 2021, the Local Court (Amtsgericht) of Schweinfurt by decision of 3 March 2021 appointed Mr Marco Walker as member of the Supervisory Board of the Company. Marco Walker, whose court appointment ended with the conclusion of the Annual General Meeting on 9 June 2021, was elected by the Annual General Meeting as member of the Supervisory Board of the shareholders for the period until conclusion of the Annual General Meeting resolving on formal approval of actions for financial year 2024.

The personal details of the members of the Supervisory Board in 2021 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 2021: Ms Nicole Mooljee Damani notified the Company on 8 December 2021 that she was resigning her mandate as member of the Supervisory Board of the Company, and accordingly left the Supervisory Board with effect from 8 January 2022. The Supervisory Board therefore resolved on 1 February 2022 on the recommendation of the Nomination Committee to propose Dr Cornelia Sűfke, head of the Medical Law, Compliance and Insurance division of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, for the election to be held at the 2022 Annual General Meeting, to succeed Nicole Mooljee Damani 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 2 March 2022 issued on the application by the Board of Management based on a corresponding proposal of the Supervisory Board, appointed Dr Cornelia Sűfke 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 presented huge challenges for everyone.

The Supervisory Board

Dr Jan Liersch
Chairman

Bad Neustadt a. d. Saale, 23 March 2022

OVERVIEW OF THE ORGANISATIONAL STRUCTURE OF THE SUPERVISORY BOARD AND COMPOSITION OF THE STANDING COMMITTEES (AS AT 31 DECEMBER 2021)

1. Composition of the Supervisory Board

Dr Jan Liersch
Chairman

Georg Schulze
1st Deputy Chairman

Hafid Rifi
2nd Deputy Chairman

Members	Number of meetings: 4	
	Attendance	
Peter Berghöfer	4	100%
Dr Julia Dannath-Schuh	4	100%
Regina Dickey	4	100%
Peter Ducke	4	100%
Prof. Dr Leopold Eberhart	4	100%
Prof. Dr Gerhard Ehninger (until 14 January 2021)	–	–
Irmtraut Gürkan	4	100%
Kai Hankeln	4	100%
Dr Jan Liersch	4	100%
Dr Martin Mandewirth	4	100%
Nicole Mooljee Damani	4	100%
Dr Thomas Pillukat	4	100%
Christine Reißner	4	100%
Hafid Rifi	4	100%
Oliver Salomon	4	100%
Georg Schulze	4	100%
Marco Walker (from 9 March 2021)	3	100%

2. Composition of the standing committees

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 %

Medical Innovation and Quality Committee

Prof. Ehninger, Chairman (until 14 January 2021)

No chairman elected (from 15 January 2021)

Members	Number of meetings: 0	
	Attendance	
Prof. Dr Leopold Eberhart		
Prof. Dr Gerhard Ehninger (until 14 January 2021)		
Dr Martin Mandewirth		
Nicole Mooljee Damani		

Mediation Committee

Dr Jan Liersch, Chairman

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

Nomination Committee

Dr Jan Liersch, Chairman

Members	Number of meetings: 1	
	Attendance	
Kai Hankeln	1	100 %
Dr Jan Liersch	1	100 %
Hafid Rifi	1	100 %

Audit Committee

Hafid Rifi, Chairman

Members	Number of meetings: 5	
	Attendance	
Peter Berghöfer	5	100 %
Regina Dickey	5	100 %
Prof. Dr Leopold Eberhart	5	100 %
Irmtraut Gürkan	5	100 %
Dr Jan Liersch	5	100 %
Hafid Rifi	5	100 %

Committee for Decisions on Related-Party Transactions

Dr Jan Liersch, Chairman

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