



*Eugen Münch
Chairman of the Supervisory Board*

REPORT OF THE SUPERVISORY BOARD

**FOR THE FINANCIAL YEAR OF RHÖN-KLINIKUM AG
FROM 1 JANUARY 2012 TO 31 DECEMBER 2012**

DEAR SHAREHOLDERS,

The year 2012 will undoubtedly go down in our Company's long history as a special year marked by unsuccessful efforts to forge a merger of the private hospital operators Helios and RHÖN-KLINIKUM. That is why the Supervisory Board first of all makes a particular point of expressing their thanks to the employees for their commitment and loyalty to the Company in what proved to be

a turbulent financial year, and at the same time appeals to them once again to continue, by dint of their personal dedication, to strengthen RHÖN-KLINIKUM AG as a pioneer on the private hospital market – and this in the best interests and for the good of our patients as well as our continuing high claim to being a reliable provider of cutting-edge medical services. In the same vein we express our thanks for the constructive collaboration with the employee representative bodies.

Particularly in a persistently challenging economic environment and the ongoing realignment, intensive exchange between the Supervisory Board and the Board of Management of the Company forms the basis for effective performance of the duties and activities of the Supervisory Board defined by legislation. This, in addition to the essential points of emphasis of consultation with the Board of Management, issues of corporate governance and the annual and consolidated financial statements, is one of the things we will elaborate on further in this Report.

CO-OPERATION BETWEEN BOARD OF MANAGEMENT AND SUPERVISORY BOARD

During financial year 2012, the Supervisory Board examined on an ongoing basis and in detail the situation and development of our Company, performing the duties incumbent on it by law and the Articles of Association. These notably include monitoring the management activity of the Board of Management and advising the Board of Management on the operative management 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.

Following the unsuccessful second attempt at a merger with the Helios hospital group, the Board of Management and the Supervisory Board, of one accord, decided to devote themselves to a greater extent to significant strategic issues under the lead and responsibility of the Board of Management. Following this decision, a particularly intensive exchange took place between the Board of Management and the Supervisory Board regarding the Group's future strategy.

Beyond these efforts at stepping up the strategy review process, the Supervisory Board was fully and directly involved in all fundamental and important decisions of the Board of Management of RHÖN-KLINIKUM AG. The Board of Management kept 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 consultations and meetings. The Supervisory Board reviewed the information submitted by the Board of Management regarding operative business performance, compliance issues as well as risks and risk management in terms of conclusiveness and plausibility and also scrutinised the same whenever required.

The material focus of the numerous consultations was on the strategic and operative consequences drawn from the failed attempt to bring about a merger of Helios and RHÖN-KLINIKUM as well as on the restructuring and sustained economic recovery of Germany's first private university hospital, Universitätsklinikum Gießen und Marburg GmbH. A further focus of interest of the consultations was on the integration of the Wiesbaden-based hospital company Dr. Horst Schmidt Kliniken GmbH and its subsidiaries acquired in 2012, as well as on the personnel changes within the Board of Management.

The chairman of the Supervisory Board was moreover kept informed – also between the scheduled meetings of the Supervisory Board and its committees – on a continuous basis and thoroughly by the chairman of the Board of Management. For example, the chairman of the Supervisory Board held regular meetings with the chairman of the Board of Management and other members of the Board of Management to discuss the strategy, current business performance and situation, risk management as well as individual issues and decisions of material importance.

We have not found the Board of Management to have breached any of its duties to inform. We thoroughly discussed the resolution proposals of the Board of Management and, to the extent required by statute and the Articles of Association, gave our vote on the same after a thoroughgoing review – in certain cases seeing the need to consult external experts and advisers in the interests of the shareholders. Where required in the case of particularly pressing business matters, the Supervisory Board or, as the case may be, the competent committee held conference calls and adopted resolutions by voting in written form.

WORK OF THE SUPERVISORY BOARD IN COMMITTEES AND PLENARY MEETING

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

Immediately after a takeover bid by Fresenius was announced, the Supervisory Board additionally formed a special committee made up of four members to prepare the statement pursuant to section 27 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG).

The committees 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 meetings. However, wherever required by the subjects to be covered, joint meetings of committees were also held drawing on the expertise of the respective committees. In addition, conference calls were conducted as required.

The **Investment, Strategy and Finance Committee** held seven ordinary meetings during the year under review (attendance rate: 98 per cent), of which one meeting was held as a joint meeting with the Personnel Affairs Committee and the Medical Innovation and Quality Committee. At the beginning of the year, the strategic consultations within the Committee focused on the further development and implementation of a business model for creating full-service generalised healthcare provision with national coverage including supplementary insurance for members of Germany's statutory health insurance scheme through the Group acting as the general service provider. Since the general coverage and presence required for this can be achieved only through the merger of at least two of the "big" private **hospital chains**, the available avenues of achieving this goal were discussed and reviewed.

At all meetings, the Committee looked at the economic development of the subsidiary Universitätsklinikum Gießen und Marburg GmbH, in particular the structuring and consolidation strategy and measures to improve business processes at the Gießen and Marburg sites. At one meeting the corporate consultancy appointed by the management of that entity, McKinsey, reported to the

Committee on the results of the analysis carried out by it and on the options identified therein for improving earnings; these were then discussed jointly with the members of the Committee and the Board of Management. One other item of the consultations of material importance was the future concept developed by the Board of Management for the particle therapy centre in Marburg.

The Committee promptly and thoroughly examined the takeover offer by Fresenius and its probable impact on the Company's further development. It recommended the Supervisory Board to submit a separate statement on the takeover offer and to form a separate committee for this purpose. In addition to the report of the chairman of the Board of Management on current developments, the Board of Management routinely remitted an acquisitions report which, along with providing an overview of the national hospital market, also served as the basis of discussion for planned and ongoing acquisition projects. The 2012 investment plan was approved after being discussed critically and in terms of content.

At each meeting the Board of Management reported on the development of investments and financing in a continuously updated investment and finance plan. Specific motions for approval of investment projects were subsequently openly discussed, critically reviewed and adopted based on detailed written resolution proposals of the Board of Management, including market studies and investment calculations.

The consequences and indispensable measures to be taken following the failure of the expected second takeover offer by the Fresenius Group were the focus of interest of a **joint meeting with the Personnel Affairs Committee and the Medical Innovation and Quality Committee**. This meeting was held without the involvement of the Board of Management, and addressed the development of the Group's future strategy as well as possible personnel changes within the Board of Management. Both issues were initiated by corresponding resolutions and resolution proposals to the plenary meeting – just as the already mentioned joint strategy development process of the Board of Management and the Supervisory Board.

The **Special Committee for Preparation of the Statement pursuant to section 27 of the German Securities Takeover Act** was formed immediately after the intention of Fresenius to make a takeover offer was announced and set about its work immediately. This Committee was headed by Jens-Peter Neumann, and was further composed of the members Michael Mendel, Joachim Lüddecke and Stefan Härtel. Supported by the necessary expert advice of an investment bank on what is referred to as a "fairness opinion" and a highly specialised law firm on the evaluation of the complex legal issues, the statement by the Supervisory Board on the takeover offer required by the German Securities Takeover Act was prepared for adoption by the plenary meeting. This Committee was dissolved immediately after discharging its duties.

The **Personnel Affairs Committee** held three meetings during the year under review (attendance rate: 83 per cent), of which one meeting was held as a joint meeting with the Investment, Strategy and Finance Committee and the Medical Innovation and Quality Committee. The Committee examined the personnel changes on the Board of Management and the reorganisation of duties and Board divisions. The newly defined duties resulted from the departure of Dr. Stippler (who resigned as of 23 May 2012) and the appointment of Mr. Menger to the management of Universitätsklinikum Gießen und Marburg GmbH, on the one hand, and from the departure of the members of the Board of Management Dr. Hamann (who stepped down as of 30 September 2012) and Mr. Pföhler (who resigned his office as of 30 December 2012), on the other. Dr. Dr. Siebert and Mr. Neumann joined the Board of Management of the Company with effect from 1 October 2012 and 1 No-

vember 2012, respectively. In this context the Personnel Affairs Committee advised on the termination of existing service contracts and the conclusion of new service contracts, and also made corresponding resolution proposals to the plenary meeting.

The routine review of the guidelines on the remuneration of members of the Board of Management by the Committee resulted in an adjustment to remuneration system already approved by the Annual General Meeting with a view to preventing distorted developments in remuneration. At all meetings the Committee moreover dealt with the appraisal of the performance and development of specific members of the Board of Management and of the Board of Management as a whole, as well as a remuneration commensurate with such appraisals. Draft resolutions for adjustment of remuneration provisions in the service contracts of members of the Board of Management were submitted to the full Supervisory Board giving due regard to the new remuneration scheme. All service contracts with Board members active as at 31 December 2012 now correspond to the modified remuneration system.

During the past financial year also, the **Mediation Committee** (pursuant to section 27 (3) of the Co-Determination Act (Mitbestimmungsgesetz, MitBestG)) did not have to be convened.

The **Audit Committee** of the Supervisory Board met five times in the year under review (attendance rate: 97 per cent). All members of the Board of Management attended four meetings, and at one meeting the Board of Management was represented by the chairman and the chief financial officer (CFO). Two meetings were attended by the statutory auditor. For selected agenda items, the heads of the Internal Auditing and Compliance departments were consulted by the Board of Management, and were available to the Committee for additional reports and questions. At one meeting issues involving different fields in connection with Universitätsklinikum Gießen und Marburg GmbH were discussed together with the Investment, Strategy and Finance Committee.

This Committee notably was responsible for reviewing and preparing the RHÖN-KLINIKUM AG consolidated annual financial statements for financial year 2011. Also reviewed and discussed were the stand-alone financial statements, the management reports and the respective audit reports of the Group subsidiaries (here with particular emphasis on the annual financial statement of Universitätsklinikum Gießen und Marburg GmbH) which were subjected to critical review by the members of the Committee, as well as the proposal on the appropriation of the net distributable profit.

The Audit Committee assessed the independence of the auditor designated for the auditing of the annual financial statements for financial year 2012 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 German Corporate Governance Code, recommended to the plenary meeting 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 remuneration agreement for the same. The statutory auditor moreover reported to the Committee on orders for services performed in addition to the auditing services. The qualification of the statutory auditor was monitored by the Committee. For the audit in 2012, a list of audit items was developed and defined.

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), the internal audit system and the compliance 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 the statutory auditor. In this context, the causes of the emerging declining trend in earnings of the current financial year were precisely analysed and suitable counter-measures discussed.

The Committee was kept informed on a continuous basis by the Board of Management on the course and content of another audit by the German Financial Reporting Enforcement Panel – FREP – (normal audit conducted on a random sampling basis without any immediate cause) which was concluded without giving rise to any objection.

The Group controlling report on performance and finance controlling submitted quarterly, which forms part of our risk management system, was thoroughly discussed with the Board of Management. Here the performance trend of the Group's individual hospitals is presented, discussed and scrutinised by the Board of Management both at the hospital level and at the level of the specialist department.

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 who attended four meetings, and examined the auditing plan for 2012 as well as its update. The audit reports of the Internal Auditing department as well as the 2011 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.

The Board of Management regularly reported to us on the organisation and work of the Compliance department, with the result that we were once again convinced of the effectiveness of our compliance management system. The head of the Compliance department attended four meetings of the Audit Committee. The audit reports of the Compliance department as well as the 2011 activity report were then submitted and discussed with the Board of Management. The Audit Committee approved the 2012 compliance programme and agreed to the compliance guidelines submitted by the Board of Management after ample and critical discussion. Regular reporting by the Board of Management in this regard also includes a quarterly report on notified violations, their review and processing. At each meeting the Board of Management thus, for example, informed about the stage reached in a customs investigation proceeding concerning the Group's cleaning companies – initiated already at the end of 2011 but not yet concluded – for suspicion of withholding remuneration for work.

In updating the Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) relating to the recommendations of the German Corporate Governance Code, the version of 15 May 2012 was reviewed as to its application and duly reflected, with a corresponding resolution proposal being submitted to the Supervisory Board as a whole.

The **Anti-Corruption Committee** (attendance rate: 100 per cent) at one meeting held looked at a case of suspected corruption on the part of a head physician at one of the Group's hospitals. However, according to the finding of extensive investigations by the Compliance department, this suspicion was not confirmed. There were no further reported suspected cases of corruption. The reports of the Auditing and Compliance department to the Audit Committee confirm the experience that employees, suppliers or patients in most cases turn to the compliance officers of the local hospitals in suspected cases of corruption. That is seen by the Committee as a good sign of effective and continued integration of the compliance management system into the Group's day-to-day processes and culture.

The **Medical Innovation and Quality Committee** monitors the situation and development of medical quality in the Company. During the financial year the Committee held one meeting (attendance rate: 80 per cent) as part of the joint meeting with the Investment, Strategy and Finance Committee and the Personnel Affairs Committee.

The **Nomination Committee** elects candidates from the shareholders' representatives for supervisory board office and proposes them to the Supervisory Board for nomination. The application for judicial appointment of Dr. Korte as substitute member to succeed the Supervisory Board member delegated to the Board of Management, Mr. Neumann, was approved by the Committee by written procedure.

In the **plenary** the Supervisory Board held four ordinary meetings during the past financial year (full attendance rate) and three extraordinary meetings (attendance rate: 93 per cent). No member attended fewer than half the meetings.

The three extraordinary meetings resulted from the takeover offer by the Fresenius Group: at the meeting on 28 May 2012 the statement of the Supervisory Board prepared by the Special Committee on the takeover offer by FPS Beteiligungs AG (Beteiligungsgesellschaft der Fresenius SE & Co. KGaA) was deliberated on and after a thoroughgoing discussion approved by way of resolution. The meeting on 14 August 2012 primarily served to inform on and prepare an expected new takeover offer by Fresenius subject to partially modified takeover terms and conditions. The Supervisory Board adopted a majority resolution on the acceptance of a new offer subject to adherence to certain key data. The items dealt with at the meeting held on 27 September 2012 following the failure of the new takeover offer expected from Fresenius were the assessment of the consequences for the Group and strategic considerations and measures to re-orient and restructure the Group. For the proposed resolutions submitted to the plenary from the joint meeting held by the Investment, Strategy and Finance Committee, the Personnel Affairs Committee and the Medical Innovation and Quality Committee regarding the personnel changes of the Board of Management – approval of the termination agreements with the Board member Dr. Hamann and the chairman of the Board of Management Mr. Pföhler as well as delegation of the Supervisory Board member Mr. Neumann to the Board of Management and his appointment – the plenary meeting adopted the required resolutions. The resolution to appoint Dr. Dr. Siebert as member of the Board of Management was adopted in advance by way of written procedure.

At the four ordinary meetings of the Supervisory Board the plenary meeting, based on detailed 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, the key ratios and the personnel of the Company and Group as well as the individual Group subsidiaries. The respective interim reports for the past quarters were explained by the Board of Management in detail at the plenary meeting prior to publication.

At the meeting held on 8 February 2012, the Supervisory Board – based on the detailed report of the chairman of the Investment, Strategy and Finance Committee on the consultations conducted in that Committee – examined the fundamental issues of “Prospects of the Company” and “Economic Situation and Stage of Restructuring Measures at Gießen and Marburg University Hospital”. Regarding the acute situation that had emerged in 2012 at Gießen and Marburg University Hospital, the Supervisory Board emphatically drew attention at this meeting to the need for the management executives to act immediately so as to halt the noticeable negative development in time and to step up efforts to meet the existing expectations for profitability given the high investments made in Gießen and Marburg University Hospital – whilst maintaining the continued high quality of in all areas of care. In the self-evaluation of the Supervisory Board’s activity, the subjects of provision of information and the conducting of meetings were dealt with. This ultimately resulted in the provisions of the Terms of Reference of the Supervisory Board being adjusted.

At the balance sheet meeting on 25 April 2012, the plenary meeting first discussed, by reason of the most recent developments, the situation immediately arising from the impending announcement that Fresenius intended to submit a takeover offer. The chairman of the Board of Management and the chairman of the Supervisory Board informed the plenary meeting about the stage reached, the further course of action and the statutory duties incumbent on the corporate bodies for execution. The Investment, Strategy and Finance Committee already in a preceding meeting had examined the subject and submitted a resolution proposal for establishing a Special Committee to prepare a statement of the Supervisory Board pursuant to section 27 of the German Securities Acquisition and Takeover Act, which the plenary meeting accepted at this meeting. With the attendance of the statutory auditors the plenary meeting discussed 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 2011 together with the Board of Management and the statutory auditor. The auditors reported on the essential findings and results of the audits, made recommendations on operative processes based on their audit findings, and were available to the Supervisory Board for questions and additional information. The plenary meeting approved the annual financial statements. Also discussed at this meeting were the preparations for the 2012 Annual General Meeting, in particular the adoption of resolution recommendations of the Supervisory Board on the resolution proposals in the agenda items to the Annual General Meeting after a prior discussion of the agenda items. As part of the discussion of matters pertaining to the Board of Management, resolutions on the termination of the Board of Management service contract of Dr. Stippler and on the amendment of the remuneration agreement with Mr. Menger were adopted. The submitted updated General Terms of Reference of the Board of Management including the distribution-of-business plan were also approved. Approving resolutions were also adopted for the Report of the Supervisory Board, Corporate Governance Report and the Declaration on Corporate Governance pursuant to section 289a of the German Commercial Code (Handelsgesetzbuch, HGB).

At the meeting on 4 July 2012, which took place just after expiry of the acceptance period for the takeover offer of Fresenius, the Supervisory Board plenary meeting analysed the causes of the failure of the offer. The chairman of the Management Board of Fresenius, Dr. Ulf Schneider, who had been invited to the meeting as a guest for this agenda item, gave an assessment of the situation from his perspective and was available to the members of the Supervisory Board to answer questions. The Supervisory Board then dealt with the prospects of success of a further possible takeover offer subject to modified terms and conditions and the further corporate strategy. After the situation with regard to the Gießen and Marburg University Hospital further deteriorated, discussions in the plenary meeting increasingly revolved around the causes of the drop in performance and earnings there. Since information from the meeting on 4 July 2012 was apparently leaked to the media, the chairman of the Board of Management initiated an investigation by the compliance officer at the request of the chairman of the Supervisory Board whose findings are still pending.

At the Supervisory Board meeting on 7 November 2012, the plenary meeting, based on the report from the Personnel Affairs Committee, initially looked at the remuneration system of the Board of Management and the reasonableness of the remuneration packages received by the members of the Board of Management. By reason of the preceding ad hoc notice on the lowering of the forecast for net consolidated profit for 2012, the plenary at this meeting primarily discussed the main reasons that led to the deterioration in earnings. The earnings targets submitted by the Board of Management for financial year 2013 were discussed critically by the plenary meeting in terms of their premises and the targets specified for the Group companies. At this meeting, the Supervisory Board appointed Dr. Dr. Martin Siebert as chairman of the Board of Management and Mr. Jens-Peter Neumann as his permanent representative, in each case with effect from 1 January 2013.

CORPORATE GOVERNANCE CODE AND DECLARATION OF COMPLIANCE

During the past financial year also, the Supervisory Board examined the further development and the implementation of the recommendations and suggestions as set out in the German Corporate Governance Code. Overall, derogations from the Code's recommendations were kept to a minimum. Giving due regard to the revision of the Code on 15 May 2012, the Declaration of Compliance issued on 26 October 2011 pursuant to section 161 of the Stock Corporation Act (AktG) was replaced by an updated Declaration of Compliance issued on 7 November 2012 by the Board of Management and the Supervisory Board. A further update was effected by the Board of Management and the Supervisory Board on 24 April 2013. The Declarations were permanently made available to shareholders on the Company's homepage. In accordance with Item 3.10 of the German Corporate Governance Code, the Board of Management and the Supervisory Board jointly report on corporate governance from page 28 of this Annual Report.

EXAMINATION AND APPROVAL OF THE 2012 FINANCIAL STATEMENTS

The Board of Management adopted the financial statements of the Company and the management report for the year ended 31 December 2012 in accordance with the provisions of the German Commercial Code (HGB), while the consolidated financial statements and Group manage-

ment report for the year ended 31 December 2012 were adopted pursuant to section 315a of the German Commercial Code (HGB) in accordance with the principles set out in the International Financial Reporting Standards (IFRS). The auditors, PricewaterhouseCoopers Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, have examined the financial statements of the Company and Management's report as well as the consolidated financial statements and Management's consolidated report for the year ended 31 December 2012. Their audit gave no cause for objections, whereupon the auditors issued an unqualified auditor's report.

The financial statements of the Company and management report, the consolidated financial statements and 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 Management's proposal for the appropriation of the net distributable profit for the year. These documents were examined by the Supervisory Board and thoroughly 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 April 2013 on recommendation of the Audit Committee; the financial statements of the Company are thus adopted as final. The proposal of the Board of Management on the appropriation of net distributable profit was reviewed in particular with regard to the economic position, liquidity situation as well as the Company's accounting and dividend policy giving due regard to the justified interests of the shareholders. The Supervisory Board approves the Board of Management's proposals for the appropriation of net distributable profit.

CHANGES AND COMPOSITION OF THE BOARD OF MANAGEMENT

In the present Report we have already detailed the various personnel changes within the Board of Management of the Company. To avoid repetitions and for further information on the composition of the Board of Management and the personal data, functions and duties of the individual members of the Board of Management, we hereby refer to the closing section of the Notes to the annual financial statements of this Annual Report under the heading "Corporate bodies and Advisory Board of the Company".

The Supervisory Board thanks all members leaving the Board of Management for the work with them over the past years.

CHANGES WITHIN THE SUPERVISORY BOARD

Dr. Heinz Korte, retired notary public and attorney, Ammerland, has become a new member of the Supervisory Board of the Company by order of the Register Court of the Local Court of Schweinfurt of 2 November 2012. Dr. Korte was elected by way of substitution election for Mr. Neumann as member of the Audit Committee and as member of the Investment, Strategy and Finance Committee because the Supervisory Board delegated Mr. Neumann to the Board of Management of the Company in accordance with the German Stock Corporation Act (Aktiengesetz, AktG).

The organisational structure of the Supervisory Board and the composition of the committees during the past financial year and at the present time are set out in overview provided further on in this Report.

Bad Neustadt a. d. Saale, 24 April 2013

The Supervisory Board

Eugen Münch
Chairman

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

CHAIR OF THE SUPERVISORY BOARD

Chairman
Eugen Münch

1st Deputy Chairman
Joachim Lüddecke

2nd Deputy Chairman
Wolfgang Mündel

COMPOSITION OF THE COMMITTEES

INVESTMENT, STRATEGY AND FINANCE COMMITTEE

Eugen Münch
Chairman
Peter Berghöfer
Stefan Härtel
Detlef Klimpe
Dr. Heinz Korte
(from 7 November 2012)
Joachim Lüddecke
Michael Mendel
Wolfgang Mündel
Jens-Peter Neumann
(until 31 October 2012)
Werner Prange

PERSONNEL AFFAIRS COMMITTEE

Eugen Münch
Chairman
Joachim Lüddecke
Dr. Brigitte Mohn
Annett Müller

MEDIATION COMMITTEE

Eugen Münch
Chairman
Joachim Lüddecke
Sylvia Bühler
Detlef Klimpe

AUDIT COMMITTEE

Wolfgang Mündel
Chairman
Sylvia Bühler
Caspar von Hauenschild
Detlef Klimpe
Dr. Heinz Korte
(from 7 November 2012)
Michael Mendel
Jens-Peter Neumann
(until 31 October 2012)

ANTI-CORRUPTION COMMITTEE

Caspar von Hauenschild
Chairman
Bettina Böttcher
Helmut Bühner
Werner Prange

MEDICAL INNOVATION AND QUALITY COMMITTEE

Eugen Münch
Chairman
Professor Dr. Gerhard Ehninger
Professor Dr. Dr. sc. (Harvard)
Karl W. Lauterbach
Professor Dr. Jan Schmitt
Georg Schulze-Ziehaus

NOMINATION COMMITTEE

Eugen Münch
Chairman
Dr. Brigitte Mohn
Wolfgang Mündel