

DECLARATION OF COMPLIANCE IN ACCORDANCE WITH SECTION 161 GERMAN STOCK CORPORATION ACT (AKTIENGESETZ, AKTG)

(as issued on 6 November 2014)

“The Board of Management and the Supervisory Board of RHÖN-KLINIKUM AG declare that the recommendations issued by the ‘Government Commission of the German Corporate Governance Code’ as amended on 24 June 2014 and published by the Federal Ministry of Justice in the official section of the Federal Gazette on 30 September 2014 have been implemented, and will be implemented, with the following exceptions:

Code Item 4.2.2 (2) Relationship between remuneration of the Board of Management
sentence 3 and that of senior management and staff overall

Although the Supervisory Board has taken account of the wage and salary structure within the Company when setting the remuneration of the Board of Management, the Supervisory Board has not expressly determined how the senior management and the relevant overall staff are to be differentiated. The relationship of the remuneration of the Board of Management to the remuneration of the senior management and the relevant overall staff is consequently not reflected, either, by application of such definitions in the case of the criteria specified in Code Item 4.2.2 (2) sentence 2.

In view of the new corporate strategy of concentrating on facilities providing full-service cutting-edge medical care, the Supervisory Board at present does not find such definitions to be objectively justified.

Code Item 4.2.3 (3) Pension commitments

Typical pension commitments do not exist at the Company. However, upon termination of the service contract or the decease of a member of the Board of Management the Company, subject to certain conditions, grants a “retirement benefit” explained in further detail in the Remuneration Report. It is paid as a one-time amount that is based on the number of completed years of service and additionally capped.

If the retirement benefits existing at the Company constitute provision benefits within the meaning of the recommendation pursuant to Code Item 4.2.3 (3) valid since 10 June 2013, the “level of provision” in the view of the Supervisory Board results from the probable term of office of the respective member of the Board of Management and the formula defined in the retirement benefit. The annual as well as long-term expense for the Company is likewise derived from this.

Given the ambiguity of the recommendation pursuant to Code Item 4.2.3 (3) valid since 10 June 2013 and the special structure of the retirement benefits existing at the Company, deviation from Code Item 4.2.3 (3) in the version valid since 10 June 2013 is nonetheless hereby declared as a precaution.

Code Item 5.4.1 (2), (3) Stating specific objectives regarding the composition of the Supervisory Board

The Supervisory Board does not state any specific objectives regarding its composition within the meaning of Code Item 5.4.1 (2). Consequently, it is not possible to comply with the recommendations based on this pursuant to Code Item 5.4.1 (3).

In the past the Supervisory Board, when nominating candidates for membership on the Supervisory Board, has been guided solely by the qualification of such candidates. The shareholders’ representatives on the Supervisory Board are convinced that this practice has proven itself, and consequently no need to change this practice can be seen.

Code Item 5.4.6 (2) sentence 2 Performance-linked remuneration of Supervisory Board

In accordance with the recommendation in Code Item 5.4.6 (2) sentence 1 in the version of the Code valid until 15 June 2012, the members of the Supervisory Board, in addition to a fixed basic remuneration (and fixed attendance fees), were granted a performance-linked remuneration pursuant to section 14 clause 3.3 para. 4 of the Articles of Association. In this connection, the performance-linked remuneration was based on the net

consolidated profit of a financial year; in this regard, the Articles of Association thus did not provide for any explicit orientation on sustained corporate development within the meaning of Code Item 5.4.6 (2) sentence 2.

At the time when the 2012 Annual General Meeting of the Company was convened, the recommendation in Code Item 5.4.6 (2) sentence 2 valid as of 15 June 2012 was not yet in force. As a result it was not possible to adjust the applicable provision in the Articles of Association. Prior to the 2013 Annual General Meeting, the Supervisory Board, given the generally controversial debate on the remuneration structure, had not yet formed any conclusive opinion on whether a corresponding resolution proposal should be submitted to the Annual General Meeting; the recommendation therefore was not (and before the end of financial year 2014 will not be) implemented.

However, the Supervisory Board now proposed to the 2014 Annual General Meeting to abolish performance-linked remuneration components as of financial year 2015. The Annual General Meeting of 12 June 2014 complied with this proposal and adopted the resolution to amend the provisions on remuneration of the Supervisory Board in section 14 of the Articles of Association such that performance-linked remuneration components will no longer be granted to the Supervisory Board as of financial year 2015.

Code Item 7.1.2
sentence 4

Period for making available the Consolidated Financial Statement

The Company's and the Group's financial year is the calendar year. The annual financial statements of the Company and the Group are published in the month of April following the end of the financial year.

The annual financial statements of the Company and the Group are completed only at the time specified in the foregoing due to the Group's special internal quality requirements.

The Board of Management and the Supervisory Board jointly decide on application of the suggestions contained in the Code on a case-by-case basis; such suggestions may be deviated from without disclosure, as set forth in both the Code and section 161 of the AktG.”

Bad Neustadt a. d. Saale, 6 November 2014

For the Supervisory Board

Eugen Münch

For the Board of Management

Dr. Dr. Martin Siebert