

General Partner's Written Report to the Annual General Meeting of Fresenius SE & Co. KGaA regarding item 9 of the agenda pursuant to sec. 186 para. 4 sent. 2 in conjunction with sec. 221 para. 4 sent. 2 German Stock Corporation Act:

In the following, the General Partner reports on the reasons which authorize it in certain cases to exclude the shareholders' subscription rights in the event of an issue of convertible bonds and/or option bonds or any combination thereof (hereinafter collectively referred to as "bonds") (sec. 186 para. 4 sent. 2 in connection with sec. 221 para. 4 sent. 2 of the German Stock Corporation Act). As of the date of the convening of the Annual General Meeting, this report is available on the Company's website, www.fresenius.com, under Investor Relations – Annual General Meetings, and is available for inspection at the offices of the Company. Additionally, it is available for inspection in the meeting room for the duration of the Annual General Meeting.

Appropriate capital resources are fundamental for the development of the business. By issuing bonds, the Company is able to use attractive financing possibilities, depending on the market situation, e.g. for the purpose of providing the business with low-interest debt capital. For this reason, the General Partner and the Supervisory Board propose to the General Meeting that the General Partner shall be authorized to issue bonds and to create a corresponding Conditional Capital III.

The Company shall be able to use the German capital market, the international capital market or both, depending on the market situation, where appropriate also through its Group companies (with the exclusion of Fresenius Medical Care AG & Co. KGaA and its affiliated companies), and to issue the bonds in Euro. The bonds shall be able to provide for mandatory conversions, for example by way of an obligation to exercise the option/conversion right. Furthermore, it shall be possible to provide that the bonds may also be fulfilled through the supply of own shares of Fresenius SE & Co. KGaA or through payment of the equivalent value in cash, instead of shares from the conditional capital.

The proportional amount of the share capital of the shares to be subscribed per individual partial bond may not exceed the nominal amount, or as the case may be, any issue price below the nominal amount of the individual partial bond. The conversion/option price may not be lower than a minimum issue price, the basis for the calculation of which is described in detail. The criterion for the calculation will be the respective market price of the Fresenius share prevailing at the time of placement of the bonds. Sec. 9 para. 1 of the German Stock Corporation Act notwithstanding, the conversion/option price may be adjusted to preserve the value in accordance with the precise terms and conditions of the respective bond based on a dilution protection or adjustment clause if the Company increases the share capital prior to the expiry of the conversion or option term, granting subscription rights to its shareholders in the process, or issues or guarantees further bonds and does not grant any subscription right to the holders of existing conversion and option rights or obligations. The Bond Conditions may also provide for adjustments of the option or conversion price to preserve their value with regard to any other measure of the Company which may result in a dilution of the value of the option/conversion rights or obligations.

When issuing bonds, the shareholders are generally to be granted subscription rights. In order to facilitate processing, it shall also be possible to issue the bonds to credit institutions, so-called financial institutions, or a consortium of such credit or financial institutions,

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with the obligation to offer such bonds to the shareholders for subscription in accordance with the shareholders' subscription rights (so-called indirect subscription right). In some cases, however, the General Partner shall also be authorized to exclude the subscription rights of the shareholders with the consent of the Supervisory Board. Such cases are listed in the proposal for resolution and will be described in detail below:

Issue price approximating the theoretical market value

According to sec. 221 para. 4 sent. 2 of the German Stock Corporation Act, the provision in sec. 186 para. 3 sent. 4 of the German Stock Corporation Act shall apply analogously to the exclusion of subscription rights upon the issue of bonds. Placement of bonds while excluding the subscription rights of shareholders enables the Company to take advantage of favorable capital market situations in the short-term and thus to generate a significantly higher inflow of funds than in the event of an issuance upholding subscription rights. If subscription rights were granted, successful placement would be endangered or incur additional expenditure due to the uncertainty with regard to the exercise of subscription rights. Conditions which are favorable to the Company and which are as market-oriented as possible can only be fixed if the Company is not bound by them for too long during an offer period. Otherwise, a significant markdown would be required in order to ensure the attractiveness of the conditions and thus the chances for success of the respective issue throughout the offer period.

The shareholders' interests are protected by issuing the bonds at a price not significantly below the theoretical market value. The theoretical market value is to be determined on the basis of recognized actuarial methods. When setting the price, the General Partner will keep the discount on the stock exchange price as small as possible, taking into consideration the respective capital market situation. Thus, the calculated market value of a subscription right will be decreased to almost zero, so that the shareholders cannot incur any noteworthy economic disadvantage from the exclusion of subscription rights.

The dilution of the shareholders' influence is kept small because, in the case in question, the volume of subscription right exclusion is also limited. Pursuant to sec. 186 para. 3 sent. 4 of the German Stock Corporation Act, the total number of shares represented by the bonds issued without subscription rights may not exceed 10% of the respective share capital. The basis for calculating the 10% limit is the total share capital resulting from the capital increase from company funds to be resolved under agenda item 7. If, at the time the authorization is exercised, the total share capital is lower, this value shall be decisive. Any shares issued or sold from other sources in accordance with a direct or analogous application of sec. 186 para. 3 sent. 4 of the German Stock Corporation Act with an exclusion of subscription rights during the period following the resolution of the Annual General Meeting on the authorization to issue bonds until the exercise of such authorization shall be credited against such limit. Furthermore, any rights permitting or requiring the subscription of shares of the Company and issued according to a direct or analogous application of sec. 186 para. 3 sent. 4 of the German Stock Corporation Act with an exclusion of subscription rights during the period following the resolution of the Annual General Meeting on the authorization to issue bonds until the exercise of such authorization shall also be credited against such limit.

Elimination of fractional amounts

The General Partner shall be authorized to exclude subscription rights for fractional amounts in order to allow for the presentation of a feasible subscription ratio. This facilitates the technical execution of issuing bonds. In the event of an exclusion of subscription rights, the bonds representing unassigned fractions would be realized either by selling them on the

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stock exchange or in any other way at the best possible conditions for the Company. Since, in this case, any exclusion of subscription rights is limited to fractional amounts, the potential dilutive effect, if any, is small.

Fulfilment of other subscription rights

Customary exclusion of subscription rights for the benefit of the holders of issued bonds has the advantage that the conversion/option price for the issued bonds that usually contain an anti-dilutive mechanism need not be reduced. Thus, the bonds can be placed in several tranches in a more attractive manner, and an overall higher inflow of funds is possible. The proposed subscription right exclusions are therefore in the interest of the Company and its shareholders.

Limitation of the total volume of the subscription right exclusion

The General Partner may exercise the authorizations to exclude the subscription right to such a maximum extent that the total number of bonds issued with an exclusion of subscription rights enables the subscription of shares of the Company with a total volume of 20% of the share capital. The basis for calculating the 20% limit is the total share capital resulting from the capital increase from company funds to be resolved under agenda item 7. If, at the time the authorization is exercised, the total share capital is lower, this value shall be decisive. This limits the total volume of the issue of bonds without subscription rights. The shareholders are thus additionally protected against any potential dilution of their existing equity interests. Crediting clauses ensure that the General Partner will not exceed the 20% limit either by additionally exercising other authorizations – such as any authorized capital – and in doing so also excluding the shareholders' subscription rights.

Currently, there are no specific plans to exercise the authorization to issue bonds. In any case, the General Partner will carefully examine whether the exercise of the authorization and any potential exclusion of subscription rights serves the interests of the Company and its shareholders. It will report to the General Meeting on any exercise of the authorization and on the specific reasons for any exclusion of subscription rights.

Bad Homburg v.d.H., April 2014

Fresenius SE & Co. KGaA

**The General Partner
Fresenius Management SE
The Management Board**