



CONVENIENCE TRANSLATION

INVITATION TO THE ANNUAL GENERAL MEETING

FRESENIUS SE & Co. KGaA
Bad Homburg v. d. H.

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ISIN: DE0005785620 // WKN: 578562

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We hereby invite our shareholders to the

Annual General Meeting

to be held on Friday, May 18, 2018, at 10 a. m. at the Congress Center Messe Frankfurt,
Ludwig-Erhard-Anlage 1, 60327 Frankfurt am Main.

Agenda

- 1. Presentation of the Annual Financial Statements and the Consolidated Financial Statements each approved by the Supervisory Board, the Management Reports for Fresenius SE & Co. KGaA and the Group and the Report of the Supervisory Board of Fresenius SE & Co. KGaA for the Fiscal Year 2017; Resolution on the Approval of the Annual Financial Statements of Fresenius SE & Co. KGaA for the Fiscal Year 2017**

The Supervisory Board approved the annual financial statements drawn up by the General Partner and the consolidated financial statements pursuant to sec. 171 of the German Stock Corporation Act (Aktiengesetz). The annual financial statements are to be formally approved by the Annual General Meeting pursuant to sec. 286 para. 1 of the German Stock Corporation Act; the aforementioned documents are to be made available to the Annual General Meeting without the passing of any additional resolution being required.

The General Partner and the Supervisory Board propose that the annual financial statements of Fresenius SE & Co. KGaA for the fiscal year 2017 as presented, showing a distributable profit of Euro 416,396,303.11, be approved.

2. Resolution on the Allocation of the Distributable Profit

The General Partner and the Supervisory Board propose to allocate the distributable profit of Fresenius SE & Co. KGaA in the amount of Euro 416,396,303.11 shown in the annual financial statements for the fiscal year 2017, as follows:

Payment of a dividend of Euro 0.75 per share on the 554,710,473 shares entitled to a dividend	Euro 416,032,854.75
The dividend is payable on May 24, 2018.	
Balance to be carried forward	Euro 363,448.36
	Euro 416,396,303.11

The number of shares entitled to a dividend may change prior to the Annual General Meeting. In such cases, an appropriately adjusted proposal for the resolution on the allocation of the distributable profit shall be put to the Annual General Meeting, based on an unchanged distribution of Euro 0.75 per share entitled to a dividend.

3. Resolution on the Approval of the Actions of the General Partner for the Fiscal Year 2017

The General Partner and the Supervisory Board propose to approve the actions of the General Partner for the fiscal year 2017.

4. Resolution on the Approval of the Actions of the Supervisory Board for the Fiscal Year 2017

The General Partner and the Supervisory Board propose to approve the actions of the members of the Supervisory Board of the Company for the fiscal year 2017.

5. Election of the Auditor and Group Auditor for the Fiscal Year 2018 and of the Auditor for the potential Review of the Half-Yearly Financial Report for the first Half-Year of the Fiscal Year 2018 and other Financial Information during the course of the year

Upon recommendation of its Audit Committee, the Supervisory Board proposes to elect KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as the auditor and group auditor for the fiscal year 2018 and as the auditor for the potential review of the half-yearly financial report for the first half-year of the fiscal year 2018 and other financial information during the course of the year within the meaning of sec. 115 para. 7 of the German Securities Trading Act (WpHG), which are prepared before the Annual General Meeting 2019.

6. Resolution on the Approval of the Revised Compensation System for the Members of the Management Board of the General Partner

With a large majority (around 96% of votes cast), the shareholders of Fresenius SE & Co. KGaA last approved the currently applicable compensation system for the members of the Management Board of the General Partner in the Annual General Meeting on May 17, 2013.

An important part of the compensation system is the component with long-term incentive effects. Until the end of the last fiscal year, this consisted of the Long-Term Incentive Program 2013 (LTIP 2013) subdivided into the Stock Option Plan 2013 and the Phantom Stock Plan 2013. Since the end of the fiscal year 2017, the issuance of stock options or phantom stocks to members of the Management Board and employees under the LTIP 2013 is no longer possible.

In order to continue, in the interests of the Company, to enable the members of the Management Board to adequately participate in the long-term, sustained success of Fresenius, the Supervisory Board of Fresenius Management SE has resolved the introduction of the Long-Term Incentive Plan 2018 (LTIP 2018). As of the fiscal year 2018, the LTIP 2018 replaces the LTIP 2013.

Against this backdrop, the compensation system as revised by the introduction of the LTIP 2018 shall be presented to the Annual General Meeting for approval pursuant to section 120 para. 4 of the Stock Corporation Act.

The most important contents of the LTIP 2018 and the related changes in comparison with the LTIP 2013 as well as further amendments to the compensation system are described below:

In contrast to the LTIP 2013, with its combination of stock option plan on the basis of conditional capital and phantom stocks, the LTIP 2018 is based solely on virtual stocks (performance shares). The performance shares issued through the plan are non-equity-backed, virtual compensation instruments. When performance targets are reached and other prerequisites are met, they guarantee the entitlement to a cash payment by the Company or one of its affiliated companies.

Performance shares may be granted once annually over a period of five years. The grant to the members of the Management Board is made by the Supervisory Board of the General Partner on the basis of a grant value determined at its reasonable discretion. The grant value is determined in consideration of the personal performance and the responsibilities of the member of the Management Board. The number of performance shares granted is calculated through applying the grant value and the average stock market price of the Fresenius share over the period of 60 stock exchange trading days prior to the grant date.

The number of performance shares may change over a period of four years, depending on the level of achievement of the ambitious performance targets described in more detail below. This could entail the entire loss of all performance shares or also – at maximum – the doubling of their number. The resulting number of performance shares, which is determined after a performance period of four years and

based on the respective level of target achievement, is deemed finally earned four years after the date of the respective grant. The number of vested performance shares is then multiplied by the average stock exchange price of the Company's share over a period of 60 stock exchange trading days prior to the lapse of this vesting period plus the total of the dividends per share of the Company paid by the Company between the grant date and the vesting date. The resulting amount will be paid to the respective Management Board member in cash. The potential disbursement entitlement of each member of the Management Board is limited to a maximum value of 250% of the grant value.

In contrast to the LTIP 2013, the LTIP 2018 has two equally weighted performance targets: firstly, the growth rate of the adjusted net income (adjusted for currency effects) and, secondly, the relative Total Shareholder Return based on the STOXX Europe 600 Health Care index. Disbursement entitlement requires that at least one of the two performance targets must be reached or surpassed over the four-year performance period.

For the performance target "Net Income Growth Rate," a level of target achievement of 100% is reached when the same is at least 8% over the four-year performance period. If the growth rate falls below or corresponds to only 5%, the level of target achievement is 0%. If the growth rate is between 5% and 8%, the level of target achievement is between 0% and 100%, while, where the growth rate is between 8% and 20%, the level of target achievement will be between 100% and 200%. Intermediate values are calculated through linear interpolation. The adjusted net income is the consolidated net income reported in the consolidated financial statements of the Company prepared in accordance with IFRS,

(i) adding the expenses reported in the respective consolidated financial statements in connection with:

- ▶ – if the expenditure is incurred only once –, the purchase, integration and financing of companies or business units, including the expenditure relating to
 - liability risks substantiated prior to the respective date of acquisition, and/or
 - the disposal of companies or business units irrespective of whether or not required by the competent antitrust authority;
- ▶ Amendments to the IFRS accounting principles in the first year of their application; and
- ▶ Tax effects on the aforementioned items; and

(ii) subtracting the income reported in the respective consolidated financial statements relating to

- ▶ The disposal of companies or business units irrespective of whether or not required by the competent antitrust authority;
- ▶ Amendments to the IFRS accounting principles in the first year of their application; and
- ▶ Tax effects on the aforementioned items.

The determination of the adjusted net income (adjusted for currency effects) and the change in comparison with the adjusted net income (not adjusted for currency effects) of the previous Group fiscal year will be verified in a binding manner by the auditors of the Company on the basis of the audited consolidated financial statements. For the ascertainment of the currency translation effects, all line items of the income statements of the companies that are included in the consolidated financial statements and which have a functional currency other than the reporting currency (Euro) of the Group are translated with the average exchange rates of the Group fiscal year of the consolidated financial statements that are the basis for the comparison.

For the "Total Shareholder Return" performance target, a target achievement of 100% is met when the Total Shareholder Return of Fresenius in comparison with the Total Shareholder Return of the other companies of the STOXX Europe 600 Health Care index achieves an average ranking within the benchmark companies, i. e. exactly in the middle (50th percentile), over the four-year performance period. If the ranking corresponds to the 25th percentile or less, the level of target achievement is 0%. Where the ranking is between the 25th percentile and the 50th percentile, the level of target achievement is between 0% and 100%; and, for a ranking between the 50th percentile and the 75th percentile, between 100% and 200%. Intermediate values will also be calculated through linear interpolation. Total Shareholder Return denotes the percentage change in the stock market price within the performance period including re-invested dividends and all capital measures, whereby capital measures are to be calculated through rounding down to the fourth decimal place.

The ranking values are determined using the composition of STOXX Europe 600 Health Care on the grant date. For equalization purposes, the relevant market price is the average market price in the period of 60 stock exchange trading days prior to the beginning and end of a performance period; the relevant currency is that of the main stock exchange of a company, which was listed in STOXX Europe 600 Health Care on the grant date.

A level of target achievement in excess of 200% is not possible for both performance targets.

To calculate the level of overall target achievement, the level of target achievement of the two performance targets are given equal weighting. The total number of performance shares vested on each member of the Management Board is calculated through multiplying the number of performance shares granted by the overall target achievement.

In the event of violation of compliance rules, the Supervisory Board, in due exercise of its discretion, is entitled to reduce the number of vested performance shares to zero. Furthermore, the Company is entitled to a complete or partial reimbursement in the event of violation of compliance rules in the period of three years following disbursement.

The new plan is available both for members of the Management Board (with the exception of Mr. Rice Powell, who receives his compensation from Fresenius Medical Care Management AG) and other executives. In accordance with the division of powers under stock corporation law, grants to other executives are made by the Management Board.

In addition to the limit described above on compensation from the LTIP 2018 to a value of 250% of the respective grant value, from the 2018 fiscal year onward, a cap was introduced for the compensation allocable in one fiscal year totaling Euro 6 million for any one member of the Management Board and Euro 9 million for the Chairman of the Management Board. Accordingly, a member of the Management Board cannot receive compensation in any one fiscal year that exceeds this amount, even if stock options granted in the past were exercised.

Payments in the event of premature termination of a member's services for the Management Board, including fringe benefits, are now limited to two years' compensation, at maximum no more than the compensation due for the remaining term of the respective service agreement (severance payment cap). No severance payments will be due in the event of termination of the service agreement for cause on grounds attributable to the relevant member of the Management Board. The calculation of the severance payment cap is based on the total compensation within the meaning of sec. 285 para. 1 no. 9a of the German Commercial Code (HGB) for the past financial year as well as the anticipated total compensation for the fiscal year in which the termination occurs.

Furthermore, the rules on discretionary bonuses from the fiscal year 2018 onward also stipulate a limit. It is not permitted for the total compensation granted in any one fiscal year to a member of the Management Board including any discretionary bonus to exceed the amount resulting from the base salary and the caps in the variable compensation components.

In all other respects, the compensation system for the members of the Board of Management described in the Compensation Report for the fiscal year 2017 on pages 115 *et seqq.* of the Annual Report 2017 of Fresenius SE & Co. KGaA remains unchanged.

The General Partner and the Supervisory Board propose that this amended system for compensating the members of the Management Board of the General Partner of Fresenius SE & Co. KGaA be approved.

7. Resolution on the Cancellation of the Existing Authorized Capital I and on the Creation of a New Authorized Capital I with Corresponding Amendment to the Articles of Association

Article 4 (4) of the Articles of Association of Fresenius SE & Co. KGaA authorizes the General Partner to increase the share capital of the Company by May 15, 2019 by up to Euro 114,851,824 (Authorized Capital I) by issuing new ordinary bearer shares one or more times against cash and/or contributions in kind, subject to the approval of the Supervisory Board. Upon the utilization of the Authorized Capital, the number of shares must increase in the same proportion as the share capital.

In order in the future to also provide the General Partner with sufficient flexibility to finance the growth of the Company, a new Authorized Capital I in the amount of up to EUR 125,000,000 will be created.

The General Partner and the Supervisory Board propose the following resolution:

- a) The authorization to increase the share capital in Article 4 (4) of the Articles of Association (Authorized Capital I) shall be cancelled with effect from the registration of the new Article 4 (4) of the Articles of Association in the Commercial Register and the suspension of Article 4 (4) of the Articles of Association, as amended.

The General Partner is instructed to register the above resolved cancellation of the Authorized Capital I contained in Article 4 (4) of the Articles of Association in the Commercial Register only if it is ensured that, at the same time as or immediately following the registration of this cancellation, the creation of the new Authorized Capital I as resolved below, together with a corresponding amendment to the Articles of Association, is entered in the Commercial Register.

- b) The General Partner, with the approval of the Supervisory Board, shall be entitled to increase the Company's share capital by May 17, 2023, to a total of Euro 125,000,000 (Authorized Capital I) through one or more issue(s) of new ordinary bearer shares against cash and/or contributions in kind. The number of shares must increase in the same proportion as the share capital. The shareholders shall be granted subscription rights in principle; the subscription rights may also be granted in such a way that new shares are taken up by a credit institution or a company (financial institutions) operating in accordance with sec. 53 para. 1 sent. 1 or sec. 53b para. 1 sent. 1 or para. 7 of the German Banking Act (Kreditwesengesetz) or a consortium consisting of such credit or financial institutions with the obligation to offer the shares to the shareholders for subscription.

However, the General Partner is authorized to exclude the shareholders' subscription rights with the consent of the Supervisory Board in the following cases:

- To eliminate fractional amounts;
- In the case of a capital increase for cash, if the issue price does not fall significantly below the stock exchange price of the shares already listed at the time the issue price is fixed with final effect by the General Partner, and the proportional amount of the shares issued with exclusion of subscription rights does not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. If, during the period of validity of the Authorized Capital I until its utilization, other authorizations concerning the issue or the sale of the shares of the Company or the issue of rights which authorize or bind to the subscription of shares of the Company are used and thereby the right of subscription is excluded in direct or analogous application of sec. 186 para. 3 sent. 4 of the German Stock Corporation Act, this must be taken into consideration with regard to the aforementioned 10% limit;
- In the case of a capital increase for contributions in kind for the purpose of acquiring a company, parts of a company or investing in a company.

The General Partner may only exercise the aforementioned powers to exclude subscription rights to the extent that the proportional amount of all shares issued subject to an exclusion of subscription rights does not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. If, during the period of validity of the Authorized Capital I until its utilization, other authorizations concerning the issue or the sale of the shares of the Company or the issue of rights which authorize or bind to the subscription of shares of the Company are used and thereby exclude the right of subscription, this must be taken into consideration with regard to the aforementioned 10% limit.

The General Partner is authorized to determine the further details regarding the implementation of the capital increases from the Authorized Capital I with the consent of the Supervisory Board. The Supervisory Board is authorized to amend Article 4 (4) and Article 4 (1) after complete or partial implementation of the increase of the share capital using the Authorized Capital I or after the expiry of the authorization period according to the amount of the capital increase from the Authorized Capital I.

- c) Article 4 (4) of the Articles of Association will be amended as follows:

“The General Partner is authorized to increase the share capital of the Company once or several times with the consent of the Supervisory Board by up to Euro 125,000,000 (Authorized Capital I) by the issue of new ordinary bearer shares for cash and/or contributions in kind up to May 17, 2023. The number of shares must be increased in the same proportion as the share capital. The shareholders shall be granted, in principle, a subscription right; the subscription right can also be granted in such a way that new shares are taken up by credit institutions or companies (financial institutions) operating according to sec. 53 para. 1 sent. 1 or sec. 53b para. 1 sent. 1 or para. 7 of the German Banking Act (Kreditwesengesetz) or a consortium consisting of such credit or financial institutions with the obligation to offer the shares to the shareholders for subscription.

The General Partner is, however, authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in the following cases:

- To eliminate fractional amounts;
- In the case of a capital increase for cash, if the issue price does not fall significantly below the stock exchange price of the already listed shares at the time the issue price is fixed with final effect by the General Partner, and the proportionate amount of the shares issued with exclusion of subscription rights does not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. If during the period of validity of the Authorized Capital I until its utilization, other authorizations concerning the issue or the sale of the shares of the Company or the issue of rights which authorize or bind

to the subscription of shares of the Company are used and thereby the right of subscription is excluded in direct or analogous application of sec. 186 para. 3 sent. 4 of the Stock Corporation Act, this has to be taken into consideration with regard to the abovementioned 10% limit;

- In the case of a capital increase for contribution in kind for the purpose of acquiring a company, parts of a company or investment in a company.

The General Partner may only use the authorizations granted above concerning the exclusion of subscription rights to such an extent that the proportional amount of the total number of shares issued with exclusion of the subscription rights does not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. If, during the period of validity of the Authorized Capital I until its utilization, other authorizations concerning the issue or the sale of the shares of the Company or the issue of rights which authorize or bind to the subscription of shares of the Company are used and thereby the right of subscription is excluded, this has to be taken into consideration with regard to the abovementioned 10% limit.

The General Partner is authorized to determine the further details regarding the implementation of capital increases using the Authorized Capital I with the consent of the Supervisory Board. The Supervisory Board is authorized to amend Article 4 (4) and Article 4 (1) after the implementation, in whole or in part, of the increase of the share capital using the Authorized Capital I or after the expiry of the authorization period according to the amount of the capital increase from the Authorized Capital I.”

In connection with the creation of the Authorized Capital, the General Partner is to submit a written report on the reasons for which, in specific cases, it is to be entitled to exclude the subscription rights of the shareholders to new shares when utilizing the Authorized Capital (sec. 186 para. 4 sent. 2 in conjunction with sec. 203 para. 2 sent. 2 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act). The contents of the report can be found in the Annex to this invitation to the Annual General Meeting.

8. Resolution on the Cancellation of the Existing Authorization to issue Option Bonds and/or Convertible Bonds dated May 16, 2014 and the Associated Conditional Capital III, and on the Creation of a New Authorization to issue Option Bonds and/or Convertible Bonds, on the Exclusion of Subscription Rights and on the Creation of Conditional Capital and corresponding Amendments to the Articles of Association

It is intended to renew the existing authorization to issue option bonds and/or convertible bonds. To this effect, the associated Conditional Capital III in Article 4 (7) of the Articles of Association of the Company is to be cancelled and replaced with a new Conditional Capital III.

The new authorization to issue option bonds and/or convertible bonds is to be granted in the total nominal amount of Euro 2.5 billion, and, thus, in the same amount as stipulated under the current authorization.

The General Partner and the Supervisory Board propose to resolve as follows:

- a) With effect from the date of registration of the new Article 4 (7) of the Articles of Association (below under lit. d)) in the Commercial Register, the existing authorization to issue option bonds and/or convertible bonds dated May 16, 2014, and the associated Conditional Capital III pursuant to Article 4 (7) of the Articles of Association will be cancelled.
- b) With effect from the date of registration of the new Article 4 (7) of the Articles of Association (below under lit. d)) in the Commercial Register and until May 17, 2023, with the approval of the Supervisory Board, the General Partner is authorized to issue on one or more occasions, and also concurrently denominated in various tranches, bearer option bonds and/or convertible bonds or any combination of such instruments in the total par value of up to Euro 2.5 billion, and to grant the bearers of bonds option or conversion rights for a total of up to 48,971,202 ordinary bearer shares of the Company with a proportional amount of the share capital of up to Euro 48,971,202.00 as set forth in detail under the relevant terms and conditions of the bonds (hereinafter "Bond Conditions"). The respective Bond Conditions may also provide for mandatory conversion at the end of the term or at other times, including the requirement to exercise the option/conversion rights. The bonds are to be issued for cash.

The bonds may also be issued by companies domiciled in Germany and in other countries in which Fresenius SE & Co. KGaA directly or indirectly holds the majority of the shares (hereinafter the "Group Companies"); excluded herefrom is Fresenius Medical Care AG & Co. KGaA and its subordinated affiliated companies. If the bonds are issued through a Group Company, the General Partner is authorized, with the approval of the Supervisory Board, to assume the guarantee on behalf of Fresenius SE & Co. KGaA for the bonds and to grant option rights to the holders of bond warrants, or conversion rights to the holders of convertible bonds, to shares in Fresenius SE & Co. KGaA, and to make the necessary declarations and to take the necessary actions required to ensure the success of the issuance.

The Bond Conditions, even where bonds are issued by Group companies, may also stipulate a requirement to exercise the option or conversion at the end of the term, or at an earlier date.

If option bonds are issued, one or several warrants shall be attached to each option bond that, in accordance with the Bond Conditions to be stipulated by the General Partner, entitle the holder to subscribe for shares in Fresenius SE & Co. KGaA. For option bonds issued by the Company, the

Bond Conditions may stipulate that the option price determined in accordance with this authorization may also be paid by transferring partial option bonds and, if necessary, making an additional cash payment. The proportion of the share capital represented by the shares issued for each partial option bond may be no higher than the nominal amount of this partial option bond. To the extent fractional shares are created, it may be stipulated that these fractions can be added up to form whole shares in accordance with the Bond Conditions, if necessary, by making an additional payment.

If convertible bonds are issued, the holders of the bonds shall be granted the right or, if conversion is to be mandatory, they shall undertake to exchange their convertible bonds for shares in the Company in accordance with the Bond Conditions. The conversion ratio shall be calculated by dividing the nominal value or, if the issue price is below the nominal value, the issue price of a partial bond by the conversion price set for a share in the Company. The conversion ratio may in all cases be rounded up or down to a whole number. In addition, it can be stipulated that fractional amounts can be amalgamated and/or settled in cash; Furthermore, provision may be made for an additional cash payment. Apart from this, the Bond Conditions may stipulate that the conversion ratio shall be variable and the conversion price determined on the basis of future stock exchange prices within a certain bandwidth.

Without prejudice to sec. 9 para. 1 and sec 199 of the German Stock Corporation Act, the respective option or conversion price must be at least 80% of the volume-weighted, average stock exchange price of the Company's shares in the Xetra trading system of the Frankfurt Stock Exchange (or a comparable successor system) on the date when the conditions are set between the start of trading and the time when the conditions become final.

Without prejudice to sec. 9 para. 1 of the German Stock Corporation Act, the option or conversion price may be adjusted to preserve the value of the rights on the basis of an anti-dilution clause, as provided for in the Bond Conditions, if the Company increases the share capital before the end of the option period or conversion period, granting subscription rights to its shareholders, or, if the Company issues or guarantees further Bonds and does not grant subscription rights to the holders of existing option rights or conversion rights or the corresponding obligations. The Bond Conditions may also provide for an adjustment to the option or conversion price to preserve the value of the rights in the case of other measures taken by the Company that may lead to a dilution of the value of the option rights or conversion rights or the corresponding obligations.

The Bond Conditions may entitle the Company not to issue shares when an option or conversion right is exercised, but to make a cash payment instead. The Bond Conditions may furthermore entitle the Company to grant bondholders shares in the Company in full or partial settlement of the cash amount that has become due. The subscription or conversion rights of bondholders may also

be exchanged for own shares and for newly issued shares from the Company's Authorized Capital and/or from Conditional Capital and/or Authorized Capital to be created by a resolution passed at a later date and/or from an ordinary capital increase.

The General Partner is authorized, with the consent of the Supervisory Board, to set the precise method for calculating the exact option or conversion price as well as the further details governing the issue and the features of the bonds as well as the Bond Conditions, or to determine these in agreement with the officers and directors of the Group Companies issuing the bonds, in particular, to set the interest rate, the issue price, the time to maturity and the denomination, the subscription or conversion ratio, an explanation why it should be mandatory to exercise the conversion or option rights, to require an additional cash payment, to pay compensation for or amalgamate fractional amounts, to make a cash payment in lieu of delivering shares, to deliver existing shares in lieu of issuing new shares as well as to determine the option and the conversion period.

The shareholders shall be granted a right to subscribe for the bonds in principle; the subscription rights may also be granted in such a way that the Bonds are underwritten by a credit institution or a company (financial institution) operating in accordance with sec. 53 para. 1 sent. 1 or sec. 53b para. 1 sent. 1 or para. 7 of the German Banking Act or a consortium consisting of such credit or financial institutions with the obligation to offer the bonds to the shareholders for subscription. The General Partner, however, is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights in the following cases,

- Insofar as the issue price of a bond is not significantly lower than the theoretical market value calculated according to recognized actuarial methods. In accordance with sec. 186 para. 3 sent. 4 of the German Stock Corporation Act, the sum of the shares issued subject to an exclusion of subscription rights must not exceed 10% of the respective share capital, neither at the time of resolution on such authorization nor at the time of its utilization. If, during the term of this authorization and until its utilization, other authorizations for the issuance or the disposal of shares of the Company, or the issuance of rights that allow for or bind to the purchase of shares of the Company are used and thereby subscription rights pursuant to or analogous to sec. 186 para. 3 sent. 4 of the German Stock Corporation Act are excluded, the same shall be taken into account with regard to the aforementioned 10% limit;
- To the extent that this is necessary to eliminate fractional amounts resulting from the subscription ratio;
- In order to compensate holders of conversion/option rights or obligations to the shares of the Company for dilutions of these rights by granting them the subscription rights they would have after exercising these rights.

The General Partner may only exercise the aforementioned authorization to exclude subscription rights to the extent that the proportional amount of all shares issued subject to an exclusion of subscription rights does not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. If, during the term of this authorization to issue option bonds and/or convertible bonds or combinations of such instruments until the utilization thereof, other authorizations for the issuance or the disposal of shares of the Company, or the issuance of rights that make it possible or mandatory to purchase shares in the Company are used and subscription rights are excluded, this will be taken into account with regard to the 10% limit.

- c) In order to grant shares to the holders of option bonds and convertible bonds which are issued in accordance with lit. b) on the basis of the aforementioned authorization, the share capital shall be increased by up to Euro 48,971,202.00 through issuing up to 48,971,202 ordinary bearer shares (Conditional Capital III). The conditional capital increase shall only be implemented to the extent that the holders of convertible bonds or of warrants from options bonds issued by Fresenius SE & Co. KGaA or by a Group Company up to May 17, 2023 on the basis of the authorization granted to the General Partner in accordance with lit. b) exercise their conversion/option rights, and as long as no other forms of settlement are used. The new shares are issued in accordance with the authorization resolutions set forth above on the determination of the conversion/option prices. The new ordinary bearer shares shall participate in the profits from the start of the financial year in which they are issued. The General Partner is authorized, with the consent of the Supervisory Board, to determine the further details regarding the implementation of the Conditional Capital increase.
- d) In order to create new Conditional Capital of up to Euro 48,971,202.00, the current paragraph 7 in Article 4 of the Articles of Association of Fresenius SE & Co. KGaA shall be cancelled and in its place a new paragraph 7 with the following wording shall be inserted:

“The share capital of the Company is conditionally increased by up to Euro 48,971,202.00 through issuing of up to 48,971,202 new ordinary bearer shares (Conditional Capital III). The conditional capital increase will only be implemented to the extent that the holders of convertible bonds issued for cash or of warrants from option bonds issued for cash by Fresenius SE & Co. KGaA or an affiliated company up until May 17, 2023, on the basis of the authorization granted to the General Partner by the Annual General Meeting of May 18, 2018, exercise their conversion or option rights and as long as no other forms of settlement are used. The new ordinary bearer shares shall participate in the profits from the start of the financial year in which they are issued.

The General Partner is authorized to determine the further details regarding the implementation of the conditional capital increase with the consent of the Supervisory Board. The Supervisory Board is authorized to amend the version of Article 4 (7) and Article 4 (1) of the Articles of Association in accordance with the utilization of the Conditional Capital III from time to time. The same applies if the authorization to issue convertible/option bonds is not exercised after the end of the authorization period and if the Conditional Capital III is not utilized after the expiry of all conversion and option periods.”

Pursuant to sec. 186 para. 4 sent. 2 of the German Stock Corporation Act in conjunction with sec. 221 para. 4 sent. 2 of the German Stock Corporation Act, the General Partner submitted a written report on the reasons for the authorization to exclude subscription rights. The content of the report is published as an Annex to this invitation to the Annual General Meeting.

9. Resolution on the Cancellation of the Authorization to Purchase and Use Own Shares pursuant to sec. 71 para. 1 no. 8 of the German Stock Corporation Act granted by Resolution of the Annual General Meeting of May 16, 2014, and an Authorization to Purchase and Use Own Shares pursuant to sec. 71 para. 1 no. 8 of the German Stock Corporation Act and on the Exclusion of Subscription Rights

As in the past, the Company shall continue to have the opportunity to acquire own shares in accordance with sec. 71 para. 1 no. 8 of the German Stock Corporation Act and to use them in the interest of the Company. The aim of this authorization is to enable the Company to repurchase shares in the Company in order to use the same as liquid consideration in connection with corporate transactions. Furthermore, in this manner, the Company shall obtain the possibility, where necessary, of also reacquiring and subsequently collecting own shares through classic share repurchase programs in order to appropriately take into account the interests of all shareholders of the Company in generating an adequate profit per share. In addition, the possibility is to be created, for example, to use own shares of the Company for the purpose of servicing long-term compensation components, e. g. in the context of stock option programs. Therefore, in the interests of the greatest degree of flexibility, the authorization shall be granted for the period of five years permitted under stock corporation law. The acquisition and use of own shares shall require a corresponding authorization by the Annual General Meeting.

For this purpose, the authorization to purchase and use own shares and to exclude subscription rights granted by the Annual General Meeting on May 16, 2014, under the former agenda item 10 shall be cancelled, and a new authorization shall be resolved.

The General Partner and the Supervisory Board propose to resolve as follows:

- a. The authorization granted by resolution of the Annual General Meeting on May 16, 2014, to purchase and use own shares pursuant to sec. 71 para. 1 no. 8 of the German Stock Corporation Act and to exclude subscription rights will be cancelled.

- b. The Company is authorized to purchase own shares of up to 10% of the share capital by May 17, 2023. At no time may more than 10% of the share capital be attributed to the purchased shares together with other shares that are owned by the Company or attributable to it in accordance with sec. 71a et seq. of the German Stock Corporation Act. The authorization may not be used for the purpose of trading in own shares.
 - aa. Subject to the decision of the General Partner, the purchase will be effected either (1) on the stock exchange or (2) by way of a public tender offer or a public invitation to shareholders to submit an offer for sale.
 - i. In addition to the extent shares are purchased on the stock exchange, the share price paid by the Company (not including incidental acquisition costs) must not exceed 10% or fall short of 20% of the market price for shares of the Company determined by the opening auction in the Xetra trading system (or a comparable successor system) on the respective stock exchange trading day.
 - ii. If shares are acquired by way of a public tender offer or a public invitation to shareholders to submit an offer for sale, the offer price per share or the limits of the price range per share paid by the Company (not including incidental acquisition costs) must not exceed or fall short of the 3-day average trading price of shares determined by the closing price in the Xetra trading system (or a comparable successor system) on the last stock exchange trading day before the publication of the public tender offer or the public invitation to shareholders to submit an offer for sale by more than 10%. If, following the announcement of a public tender offer or a public invitation to submit an offer for sale, there are significant deviations in the relevant stock price, the offer or the invitation to shareholders to submit an offer for sale may be adjusted. In this case, the 3-day average trading price prior to the public announcement of any such adjustment will be the relevant reference stock price. The public tender offer or the invitation to submit an offer for sale may provide for further conditions. If the tender offer is over-subscribed or, in case of an invitation to submit an offer for sale, out of a number of equal offers, not all of them can be accepted. The acquisition then must be effected on a pro-rata basis in accordance with the ratio of shares tendered. Preference may be given to accepting small quantities of up to 100 shares per shareholder.
 - bb. The General Partner is authorized to use shares of the Company purchased on the basis of this authorization for any legally permissible purpose and in particular for the following purposes:
 - i. The shares may be redeemed without the redemption or its execution requiring any further resolution by the Annual General Meeting. They may be redeemed under the simplified procedure without a capital reduction by adjusting the calculated proportion of the amount of the share capital of the Company represented by the remaining shares. The

redemption may be restricted to a portion of the purchased shares. If the redemption is made by way of the simplified method, the Supervisory Board and also the General Partner is authorized to adjust the number of shares in the Articles of Association.

- ii. The General Partner is authorized to sell ordinary own shares by way other than a sale on the stock exchange or an offer to all shareholders provided that the shares are sold for cash at a price that does not significantly fall short of the stock exchange price of shares of the Company that are subject to the same terms at the time of the sale. In this case, the total number of shares to be sold may not exceed 10% of the share capital, neither at the time of resolution on this authorization nor at the time of its utilization. If, during the term of the authorization and until its utilization, other authorizations concerning the issue or the sale of the shares of the Company, or the issue of rights which authorize or mandate the subscription of shares in the Company are used and thereby the right of subscription is excluded in direct or analogous application of sec. 186 para. 3 sent. 4 of the German Stock Corporation Act, this has to be taken into consideration with regard to the aforementioned 10% limit.
- iii. The General Partner is furthermore authorized to sell own shares to third parties against contributions in kind, in particular in connection with the acquisition of companies, parts of companies, or also interests in companies, and with regard to mergers, and other assets (including receivables).
- iv. The General Partner is also authorized to issue own shares in lieu of the utilization of Conditional Capital of the Company to employees of the Company and companies affiliated with the Company, including members of the Management Boards of affiliated companies, and in order to fulfill rights or requirements to purchase shares in the Company that have been or will be granted to the employees of the Company or companies affiliated with the Company and members of the management of affiliated companies, for example in the context of stock option programs or employee benefit schemes.
- v. The General Partner is also authorized to use own shares to fulfill bonds carrying option or conversion rights or obligations issued by the Company or by affiliated companies within the meaning of sec. 17 of the German Stock Corporation Act.

- cc. In accordance with this authorization, the Supervisory Board of the General Partner is authorized to use own shares purchased by virtue of this authorization in lieu of the utilization of Conditional Capital of the Company to fulfill rights to purchase or requirements to purchase shares of the Company that have been granted to the members of the Management Board of the General Partner as variable compensation components, particularly in the context of stock option programs such as the 2013 Stock Option Program.
- dd. The authorizations under lit. bb and lit. cc also include utilization of shares of the Company that were acquired pursuant to sec. 71d para. 5 of the German Stock Corporation Act.
- ee. The authorizations under lit. bb and lit. cc may be utilized once or several times, in whole or in part, individually or jointly, while the authorizations under lit. bb, ii to v may also be utilized by dependent companies or companies that are majority-owned by the Company, or by third parties acting for such companies' account or for the account of the Company.
- ff. The subscription rights of shareholders to such own shares shall be excluded insofar as these shares are used pursuant to the authorizations under lit. bb, ii to v and lit. cc or as far as this is necessary to exclude fractional amounts in the event of the sale of own shares to all shareholders. The proportional amount of the total shares without subscription rights utilized must not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. If, during the period of validity of this authorization until its utilization, other authorizations concerning the issue or the sale of the shares of the Company or the issue of rights which authorize or bind to the subscription of shares of the Company are used and exclude the right of subscription, this has to be taken into consideration with regard to the aforementioned 10% limit.

Also in connection with the proposed authorization to acquire and use own shares, the General Partner shall submit a written report on the reasons for which it is to be authorized, in certain cases, to exclude the subscription rights of the shareholders when utilizing acquired own shares (sec. 186 para. 4 sent. 2) in conjunction with sec. 71 para. 1 no. 8 sent. 5 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act). The content of this report is also published as an Annex to this invitation to the Annual General Meeting.

10. Resolution on the Re-Authorization to utilize Equity Derivatives to purchase Own Shares subject to Exclusion of any Tender Right

In addition, when purchasing own shares pursuant to the authorization to be resolved under agenda item 9, the Company shall be re-authorized to use Equity Derivatives with possible exclusion of any tender right.

The General Partner and the Supervisory Board propose to resolve as follows:

In addition to the authorization to purchase own shares proposed under agenda item 9, the acquisition of own shares may be carried out by using Equity Derivatives pursuant to the following provisions. The General Partner is authorized to (1) sell options which, upon exercise, require the Company to purchase shares (hereinafter "put options"), (2) acquire options which, upon exercise, entitle the Company to purchase shares of the Company (hereinafter "call options"), and (3) execute forward purchases which entitle the Company to acquire shares of the Company at a specified date in the future. The acquisition may also (4) consist of a combination of put options, call options and forward purchase contracts (together hereinafter referred to as "Equity Derivatives" or "Derivatives").

- a. All Equity Derivatives used pursuant to this authorization may relate to a maximum number of shares that does not exceed a proportional amount of 5% of the share capital of the Company, neither at the time of resolution on such authorization nor at the time of its utilization. The shares acquired through the exercise of this authorization shall be counted towards the purchase limit for the shares acquired pursuant to the authorization proposed by this Annual General Meeting under agenda item 9. The term of the individual Derivatives may each be no more than 18 months, must expire no later than May 17, 2023, and must be selected in such a manner that, upon exercise of the Derivatives, own shares cannot be purchased subsequent to May 17, 2023.
- b. The Derivative transactions must be entered into with a credit institution or another company satisfying the requirements of sec. 186 para. 5 sent. 1 of the German Stock Corporation Act (hereinafter jointly "Issuing Companies"). The price agreed in the Derivative transaction (not including incidental transaction costs) for the purchase of a share upon exercising the options or in fulfillment of the forward purchase (exercise price), both with and without consideration of a received or paid option premium, may not exceed the stock exchange price for the share in the Xetra trad-

ing system (or a comparable successor system) on the opening auction by more than 10% nor fall short by more than 20%. It must be ensured that Derivatives are only fulfilled with shares that were previously acquired by the Issuing Company on the principle of equal treatment on the stock exchange at a price that, at the time of acquisition, does not significantly exceed or fall short of the stock market transaction price of the share in the Xetra trading system (or a comparable successor system), and the opening auction price of the share determined on the trading day on the stock exchange does not exceed 10% or fall short by more than 20%.

- c. A call option premium paid by the Company may not be significantly higher, and a put option premium collected by the Company may not be significantly lower than the theoretical market value of the respective options calculated in accordance with recognized actuarial methods, the calculation of which, *inter alia*, shall take into account the agreed exercise price. The forward rate agreed by the Company on forward purchases may not significantly exceed the theoretical forward rate calculated by recognized actuarial methods, the calculation of which, *inter alia*, shall take into account the current market price and the term of the forward purchase.
- d. If own shares are purchased using Equity Derivatives in accordance with the foregoing provisions, the shareholders' right to conclude such Derivative transactions with the Company is excluded.
- e. Shareholders have a right to tender their shares only to the extent that, by virtue of the Derivative transactions, there is an obligation on the part of the Company to purchase the shares. Any further tender right is hereby excluded.
- f. For the use of own shares that are acquired using Equity Derivatives, the provisions contained in the proposed authorization of the Annual General Meeting under agenda item 9 shall apply *mutatis mutandis*.

Total Number of Shares and Voting Rights

At the time of convening the Annual General Meeting, 554,875,179 shares out of a total of 554,875,179 shares issued carry participation rights and voting rights.

Participation in the Annual General Meeting and Exercise of Voting Rights

Shareholders who wish to participate in the Annual General Meeting or to exercise their voting rights must register for the Annual General Meeting and prove their eligibility.

The registration and proof of eligibility must be received by the Company at

Fresenius SE & Co. KGaA
c/o Deutsche Bank AG
Securities Production
General Meetings
Postfach 20 01 07
60605 Frankfurt am Main

Fax: +49 69 120 128 6045

Email: WP.HV@db-is.com

at least 6 days prior to the Annual General Meeting, i. e. no later than May 11, 2018, 24:00 CEST. For the purpose of proving eligibility, a special proof of share ownership issued by the custodian bank in writing (text form) in the German or English language is sufficient. The proof of share ownership has to relate to the start of April 27, 2018, i. e. 0:00 CEST (record date). The shareholder or his authorized representative shall receive an admission ticket for the Annual General Meeting against submission of the proof of share ownership.

In relation to the Company, a shareholder will only be deemed a shareholder entitled to participate in the Annual General Meeting and to exercise voting rights if the shareholder has submitted the special proof of share ownership. The entitlement to participate in the Annual General Meeting and the scope of the voting rights are exclusively determined by the proven shares owned on the record date. The record date shall not result in a blocking period during which it is not allowed to sell shares. Even in the event of a full or partial sale of the shareholding following the record date, only the shares owned by the shareholder on the record date will be relevant for participation in the Annual General Meeting and the scope of the voting rights, i. e. a sale of shares, if any, after the record date will not affect entitlement to participate in the Annual General Meeting and the scope of the voting rights. This also applies mutatis mutandis if (additional) shares are purchased after the record date. Persons who do not own any shares on the record date, and become shareholders only after the record date, are not entitled to participate in the Annual General Meeting and to exercise voting rights. The record date does not constitute a relevant date with respect to the entitlement to dividends.

Each share grants one vote in the Annual General Meeting.

Voting Procedure

Voting by Proxies

A shareholder may also instruct an authorized representative, e.g. the custodian bank, an association of shareholders or any other person of his choice, to exercise his voting right in the Annual General Meeting. A registration of the shareholder, including proof of share ownership, in due time in accordance with the aforesaid will also be necessary in case of a voting by proxy.

Pursuant to sec. 134 para. 3 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act, the power of attorney must be granted and revoked, and the authorization evidenced, to the Company in writing (text form) (sec. 126b of the German Civil Code (Bürgerliches Gesetzbuch)). Shareholders wishing to authorize a proxy should use the power of attorney form they will receive together with the admission ticket. The power of attorney or the proof of authorization must either be presented on the day of the Annual General Meeting or be sent to the Company at the following address:

Fresenius SE & Co. KGaA
 Investor Relations
 c/o Computershare Operations Center
 80249 Munich
 Fax: +49 89 309 037 4675
 Email: FreseniusSE-HV2018@computershare.de

For organizational reasons, if the power of attorney or the proof of the power of attorney is submitted to the Company in advance at the postal address, fax number or email address stated above, we request that this be done by 6 p. m. CEST on Wednesday, May 16, 2018.

Pursuant to Article 15 (4)(3) of the Articles of Association, it is determined that a power of attorney can be revoked by appearing in person at the Annual General Meeting.

If the power of attorney is granted to a credit institution or any other individual, association of shareholders or institution treated as equivalent to the aforesaid pursuant to sec. 135 para. 8 and para. 10 in conjunction with sec. 125 para. 5 of the German Stock Corporation Act and sec. 278 para. 3 of the German Stock Corporation Act, in general, particularities are to be considered which are to be requested from the respective authorized proxy. Pursuant to sec. 135 para. 1 sent. 2 of the German Stock Corporation Act, the power of attorney must be kept by the proxy in a verifiable form. Such power of attorney must be complete and may only contain declarations associated with the exercise of voting rights. Shareholders wishing to issue a proxy authorization to a credit institution, an association of shareholders or any other individual or institution treated as equivalent to the aforesaid are requested to reach agreement with the same on the form of the power of attorney.

Voting by Company Proxies

In addition, in advance of the Annual General Meeting, the Company offers its shareholders the possibility of authorizing Company-nominated employees, who are bound by instructions given to them (*weisungsgebundene Stimmrechtsvertreter*), as proxies for the exercise of voting rights. Those shareholders who wish

to grant a power of attorney to the proxies nominated by the Company also have to register for the Annual General Meeting and prove their eligibility as aforesaid. The power of attorney and the instructions to the proxies nominated by the Company shall be in writing (text form) and must be granted by using the form the shareholders receive together with the admission ticket to the Annual General Meeting. The completed form may also be submitted to the Company prior to the Annual General Meeting at the following address:

Fresenius SE & Co. KGaA
Investor Relations
c/o Computershare Operations Center
80249 Munich
Fax: +49 89 309 037 4675
Email: FreseniusSE-HV2018@computershare.de

In this case, for organizational reasons, the form must be received by the Company by 6 p. m. CEST on Wednesday, May 16, 2018, at the postal address, fax number or email address stated above. This does not affect the option of authorizing the Company-nominated proxies during the course of the Annual General Meeting.

The Company proxies are to vote in accordance with the instructions issued by the shareholders. If no instructions are issued, the power of attorney shall be invalid. Please note that the proxies are unable to accept any authority or instructions for exercising the right to speak and to ask questions, to submit motions or to file objections against shareholders' resolutions adopted at the Annual General Meeting. Proxies will always abstain from voting in respect of resolutions proposed by shareholders during the Annual General Meeting which have not been announced prior to the Annual General Meeting.

Shareholder Rights

Motions by Shareholders to Amend the Agenda pursuant to Sec. 122 para. 2 in Conjunction with Sec. 278 para. 3 of the German Stock Corporation Act

Shareholders whose aggregate shareholding equals or exceeds 5% of the share capital or a pro-rata amount of Euro 500,000 may request that items be included in the agenda and published. In this case shareholders must prove that they held the shares at least 90 days before the day of the receipt of the request and that they will hold the shares until the decision of the Management board on the application. Any such request must be made in writing to:

Fresenius SE & Co. KGaA
Management Board of the General Partner
Fresenius Management SE
Attn. Dr. Jürgen Götz
Else-Kröner-Straße 1
61352 Bad Homburg v. d. H.

The request must be received by the Company at the above address at least 30 days prior to the Annual General Meeting, i. e. the request must be received by April 17, 2018, 24:00 CEST. Each new item must be substantiated or accompanied by a proposal for resolution.

Motions and Election Proposals by Shareholders pursuant to Secs. 126 para. 1 and 127 of the German Stock Corporation Act in Conjunction with Sec. 278 para. 3 of the German Stock Corporation Act

Shareholders may submit motions on the individual items of the agenda (*cf.* sec. 126 para. 1 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act); this shall also apply to proposals for the election of members of the Supervisory Board or of auditors (*cf.* sec. 127 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act).

Pursuant to sec. 126 para. 1 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act, motions by shareholders, including the shareholder's name, a statement of grounds for the motion and any comments by the Management, if any, are to be made available to the relevant authorized persons listed in sec. 125 paras. 1 to 3 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act (as for example shareholders, among others who so request) in accordance with the conditions set forth therein, provided that the shareholder has sent a counter motion opposed to a proposal of the General Partner and/or the Supervisory Board in respect of a certain agenda item, including a statement of grounds for the counter motion, to the Company at the address set forth below, no later than 14 days prior to the Annual General Meeting, i. e. the counter motion must be received by May 3, 2018, 24:00 CEST. The aforementioned information must be made available via the Company's website. A counter motion need not be made available if one of the exceptions pursuant to sec. 126 para. 2 of the German Stock Corporation Act in conjunction with sec. 278 para. 3 of the German Stock Corporation Act applies. The statement of grounds need not be made available if it exceeds a total of 5,000 characters.

The right of each shareholder to make counter motions regarding the various agenda items during the Annual General Meeting without advance communication to the Company remains unaffected. Please note that any counter motions which have been sent to the Company in advance and in due time will only be considered in the Annual General Meeting if they are submitted orally during the Annual General Meeting.

No statement of grounds need be provided for election proposals made by shareholders pursuant to sec. 127 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act. Election proposals need not be made available by the General Partner if they do not contain the name, the exercised profession and the place of residence of the nominees and, in case of an election of members of the Supervisory Board, information on their membership in other supervisory boards, the constitution of which is required under existing law (*cf.* sec. 127 sent. 3 in conjunction with sec. 124 para. 3 sent. 4 and sec. 125 para. 1 sent. 5 of the German Stock Corporation Act in conjunction with sec. 278 para. 3 of the German Stock Corporation Act). Pursuant to sec. 127 sent. 1 in conjunction with sec. 126 para. 2 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act, there are further circumstances under which election proposals do not need to be made available via the website. In all other respects, the requirements and provisions for making motions available apply *mutatis mutandis*.

Motions and election proposals by shareholders pursuant to secs. 126 para. 1 and 127 of the German Stock Corporation Act in conjunction with sec. 278 para. 3 of the German Stock Corporation Act shall be sent exclusively to:

Fresenius SE & Co. KGaA
Investor Relations
Else-Kröner-Straße 1
61352 Bad Homburg v. d. H.
Fax: +49 (0) 6172 608 2488
Email: ir-fre@fresenius.com

Any motions and election proposals of shareholders which are to be made available will be published in accordance with the aforesaid conditions on the Company's website at www.fresenius.de under Investors/Annual General Meeting. Comments of the management, if any, will also be published on that website.

Information Right pursuant to Sec. 131 para. 1 in Conjunction with Sec. 278 para. 3 of the German Stock Corporation Act

At the Annual General Meeting, the General Partner shall, upon request, provide each shareholder with information regarding the matters of the Company to the extent such information is necessary for a proper evaluation of a relevant item on the agenda (*cf.* sec. 131 para. 1 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act). The General Partner's duty to provide information also extends to the Company's legal and business relationships with any affiliated company as well as to the situation of the Group and the companies included in the consolidated financial statements. Any request for information must, in principle, be submitted orally at the Annual General Meeting during the course of discussion.

The information shall comply with the principles of conscientious and accurate accountability. The General Partner may refuse to provide information under the conditions set forth in sec. 131 (3) in conjunction with sec. 278 para. 3 of the German Stock Corporation Act. Pursuant to Article 17 (2) of the Articles of Association, the chairman of the Annual General Meeting may reasonably restrict the time granted to shareholders within the scope of their right to ask questions and to speak; in particular, he/she shall have the right to determine a reasonable time frame for the conduct of the Annual General Meeting, for individual agenda items, or for individual speakers either at the beginning or during the Annual General Meeting.

Annual General Meeting Documents

As of the day of publication of this invitation, the following documents will be available, together with this notice, for inspection by the shareholders at the offices of Fresenius SE & Co. KGaA (Else-Kröner-Strasse 1, 61352 Bad Homburg v. d. H.):

- ▶ Financial statements of Fresenius SE & Co. KGaA for the year ended December 31, 2017, approved by the Supervisory Board
- ▶ Management Report of Fresenius SE & Co. KGaA for the fiscal year 2017
- ▶ Consolidated financial statements of Fresenius SE & Co. KGaA in accordance with IFRS for the year ended December 31, 2017, approved by the Supervisory Board
- ▶ Consolidated Management Report of Fresenius SE & Co. KGaA in accordance with IFRS for the fiscal year 2017
- ▶ Annual Report 2017 of the Fresenius Group pursuant to IFRS, including, inter alia, the report of the Supervisory Board, the corporate governance declaration and the compensation report for the fiscal year 2017
- ▶ Proposal of the General Partner and the Supervisory Board on the allocation of the distributable profit for the fiscal year 2017 ended December 31, 2017

The above documents will also be made available at the Annual General Meeting of the Company. In addition, the explanatory report of the General Partner on the disclosures pursuant to secs. 289a para. 1, 315a para. 1 HGB shall be made accessible to the Annual General Meeting of the Company.

Publications on the Website

The information pursuant to sec. 124a in conjunction with sec. 278 para. 3 of the German Stock Corporation Act regarding the Annual General Meeting (*inter alia*, the invitation, documents to be made available, proxy forms and forms for issuing instructions, applications by shareholders, if applicable) as well as further explanations concerning the rights of shareholders pursuant to sec. 122 para. 2 in conjunction with sec. 278 para. 3 of the German Stock Corporation Act, and pursuant to secs. 126 para. 1, 127 and 131 para. 1 of the German Stock Corporation Act in conjunction with secs. 278 para. 3 of the German Stock Corporation Act, are made available to shareholders on the Company's website at www.fresenius.de under Investors/Annual General Meeting. It is intended to broadcast the speech of the Chairman of the Management Board in audio and video form on the Internet.

Bad Homburg v. d. H., March 2018

Fresenius SE & Co. KGaA

The General Partner

Fresenius Management SE

The Management Board

Annex to the Invitation to the Annual General Meeting on May 18, 2018**General Partner's Written Report to the Annual General Meeting of Fresenius SE & Co. KGaA regarding Item 7 of the Agenda**

In the following, the General Partner shall provide a report on the reasons for which it is authorized to exclude shareholder subscription rights in certain cases in the event of utilization of the Authorized Capital I (sec. 186 para. 4 sent. 2 in conjunction with sec. 203 para. 2 sent. 2 German Stock Corporation Act). This report is accessible on the Company's website www.fresenius.com, under Investors/Annual General Meeting, as of the date of convocation of the Annual General Meeting. It will also be available in the meeting room for inspection for the duration of the Annual General Meeting.

If the General Partner exercises its right to increase the capital, the General Partner will, in principle, offer to sell the new shares to the shareholders from the Authorized Capital I. However, according to the proposed authorization, the General Partner is entitled to exclude the shareholders' subscription rights in the following cases. These cases are specified in the proposed resolution and are commented in detail below:

Exclusion of Subscription Rights to Eliminate Fractional Amounts

The General Partner, with the consent of the Supervisory Board, is entitled to exclude shareholders' subscription rights to eliminate fractional amounts in order to achieve a non-fractional issue amount and a rounded subscription ratio. The exclusion of the subscription right for fractional amounts is necessary in order to ensure that the subscription ratio is simple and practical to implement for increased amounts below the share capital. The shares excluded from shareholders' subscription rights as unassigned fractions will either be sold on the stock exchange or otherwise utilized in an optimal manner for the Company. As any exclusion of the subscription rights is only limited to fractional amounts, any potential dilution effect is negligible.

Exclusion of Subscription Rights in the Event of a Capital Increase against Cash

Exclusion of the subscription rights in the event of a capital increase against cash with the consent of the Supervisory Board is also permitted if the issue amount of the new shares does not fall significantly below the market price and the proportional amount of the shares issued under the exclusion of the subscription rights does not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. Any sales of own shares and any issue of shares from any other authorized capital must be taken into consideration with regard to this limit if they take place during the waiting period of this authorization under the exclusion of subscription rights pursuant to sec. 186 para. 3 sent. 4 German Stock Corporation Act. Rights which authorize or bind to the subscription of shares of the Company must also be taken into consideration, provided that the rights are issued during the term of this authorization under exclusion of the subscription rights according to a direct or analogous application of sec. 186 para. 3 sent. 4 German Stock Corporation Act.

These requirements correspond to the legislator's valuation in sec. 186 para. 3 sent. 4 of the German Stock Corporation Act, which shall largely exclude a dilution of the value of the interests held by the current shareholders. A placement of the shares under the exclusion of the subscription rights affords the opportunity to generate a higher inflow of funds than in the case of an issue in which subscription rights are granted. It enables market-sensitive pricing and the highest possible income from sale as the placement can be executed immediately after specifying the issue price. In the event of an offer of sale to all shareholders, the subscription price can be published until no later than three days prior to the expiration of the subscription period pursuant to sec. 186 para. 2 sent. 2 of the German Stock Corporation Act. But, even where this room for maneuver is utilized, there would be a risk of a change in price over several days which, in turn, would result in discounts when setting the selling price. The length of the subscription period would also not allow the Company to react to favorable market conditions in the short term. The opportunity to execute a capital increase under exclusion of the subscription rights will allow the General Partner of Fresenius SE & Co. KGaA to take the necessary measures to strengthen the equity base for future business development under optimal conditions. The decisive market price is the market price at the time the General Partner effectively sets the sale price. As market volatility may potentially result in short-term price fluctuations, a decision to determine whether an average price over a few days or a price at a certain reference date is to be specified shall not be made in advance. This shall be determined in each individual case.

Exclusion of Subscription Rights in the Event of a Capital Increase against Contributions in Kind

In the event of a capital increase against contributions in kind, the General Partner, with the consent of the Supervisory Board, is entitled to exclude subscription rights, if the Authorized Capital I is used to acquire a company, parts of a company or invest in a company.

Without the exclusion of subscription rights, the Authorized Capital I could not be used to finance acquisitions for the purpose specified above. The authorization to grant the Company's ordinary shares against contributions in kind is expected to give the Company the necessary scope to exploit beneficial opportunities to acquire companies, parts of companies or invest in companies both quickly and flexibly. In particular, in order to remain competitive at an international level, the Company must always be in a position to act quickly and flexibly on international markets in the interests of its shareholders. The Authorized Capital I in connection with the opportunity to exclude subscription rights in the event of a capital increase against contributions in kind addresses this issue. It provides the opportunity to offer consideration of the Company's shares rather than cash in the event that an acquisition opportunity emerges. This protects the liquidity of the Company. The debt level will also remain manageable. The pecuniary interests of the shareholders are protected by the obligation placed on the General Partner to issue the new shares at an issue price corresponding to sec. 255 para. 2 of the German Stock Corporation Act, which is proportional to the value of the contributions in kind when utilizing the authorization. The market price will matter when calculating the value of the shares granted as consideration. However, a schematic link to a market price is not planned, in particular, in order to prevent the results of negotiations being put at risk by fluctuations in the market price.

Limitation of the Overall Scope of Capital Increases Free from Subscription Rights

The General Partner may only exercise the aforementioned powers to exclude subscription rights to the extent that the proportional amount of all shares issued subject to an exclusion of subscription rights does not exceed 10% of the share capital, neither at the time of resolution on such authorization nor at the time of its utilization. This restricts the overall volume of shares that may be issued from Authorized Capital I free from subscription rights. If, during the period of validity of the Authorized Capital I until its utilization, other authorizations concerning the issue or the sale of the shares of the Company or the issue of rights which authorize or bind to the subscription of shares of the Company are used and the right of subscription is thereby excluded, this has to be taken into consideration with regard to the abovementioned 10% limit. In this way, shareholders will be given additional protection against the possible dilution of their existing holdings.

There are currently no plans to utilize the Authorized Capital I. In all cases, the General Partner will carefully check whether the exercise of the authorization to issue new shares and to exclude the subscription rights is in the interests of the Company and its shareholders. It will report to the Annual General Meeting each time these powers are exercised as well as the specific reasons for the exclusion of subscription rights.

General Partner's Written Report to the Annual General Meeting of Fresenius SE & Co. KGaA Regarding Item 8 of the Agenda

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 convening the Annual General Meeting, this report is available on the Company's website, www.fresenius.com, under Investors/ Annual General Meeting, and is available for inspection in the offices of the Company. Additionally, it is available for inspection in the meeting room during 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 Annual General Meeting that the General Partner 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 subordinated affiliated companies), and to issue the bonds in Euro. The bonds shall be capable of stipulating mandatory conversions, for example by way of an obliga-

tion to exercise the option/conversion right. Furthermore, it shall be possible to stipulate that the bonds may also be fulfilled through 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 an anti-dilution 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 stipulate adjustments to 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 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

In accordance with 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 issuance 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 the subscription rights. If subscription rights were granted, successful placement would be endangered or associated with additional expenditure due to the uncertainty with regard to the exercise of the 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 theoretical market value as low 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 low because, in the case in question, the volume of a 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, neither at the time of resolution on such authorization nor at the time of its utilization. Any shares issued or sold from other sources 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 from 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 from 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 the subscription right for fractional amounts in order to allow for the presentation of a practicable 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 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

The 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 which 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 subscription rights to the extent such that the proportional number of all shares attributable to bonds with exclusion of subscription rights does not exceed 10% of the share capital. This 10% limit shall not be exceeded, neither at the time of resolution on such authorization nor at the time of its utilization. This limits the total volume of bonds issued 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 10% 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 for exercising 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 is in the interest of the Company and its shareholders. It will report to the Annual General Meeting on any exercise of the authorization and on the specific reasons for any exclusion of subscription rights.

General Partner's Written Report to the Annual General Meeting of Fresenius SE & Co. KGaA Regarding Items 9 and 10 of the Agenda

In the following, the General Partner reports on the reasons for authorizing it in certain cases to exclude the shareholders' subscription rights in the event of the utilization of own shares (sec. 186 para. 4 sent. 2 in connection with sec. 71 para. 1 no. 8 sent. 5 of the German Stock Corporation Act). As of the date of convening the Annual General Meeting, this report is available on the Company's website, www.fresenius.com, under Investors/Annual General Meeting, and is available for inspection in the offices of the Company. Additionally, it is available for inspection in the meeting room during the Annual General Meeting.

Under agenda item 9, it will be proposed to the Annual General Meeting that the General Partner be authorized to purchase and use own shares. Through this measure, it is intended to once again authorize the Company – in accordance with the prevailing practice of large publicly listed companies in Germany – to exploit the benefits associated with the instrument of own shares in the best interests of the Company and all its shareholders. Therefore, the previous authorization granted by the Annual General Meeting on May 16, 2014, is to be renewed. As in the past, the Company will continue to be given the opportunity to acquire own shares in accordance with sec. 71 para. 1 no. 8 of the German Stock Corporation Act and to use them in the interest of the Company. This authorization shall also in the future enable the Company to repurchase shares in the Company in order to use the same as liquid consideration in connection with corporate transactions. Furthermore, in this manner, it will create the possibility for the Company, where necessary, to also reacquire and subsequently cancel own shares through classic share repurchase programs in order to

appropriately take into account the interests of all shareholders of the Company in generating an adequate profit per share. In addition, the possibility is to be created, for example, to use own shares of the Company for the purpose of servicing long-term compensation components, e. g. in the context of stock option programs. In order to maximize flexibility in the handling of own shares, it is intended to grant the authorization for the maximum period of five years permitted under stock corporation law, i. e. until May 17, 2023.

The acquisition of own shares can be effected by way of a purchase via the stock exchange, by means of a public tender offer to all shareholders by the Company itself or an invitation to all shareholders to submit offers for sale. In the event of the last two acquisition scenarios, the shareholders can decide themselves how many shares and – if a price range is also fixed – at what price they want to tender those shares to the Company. In any case, the General Partner will observe the principle of equal treatment provided for under German stock corporation law in accordance with sec. 53a of the German Stock Corporation Act when acquiring own shares. The proposed acquisition scenarios via the stock exchange, by way of a public tender offer made to all shareholders or by means of an invitation to submit offers for sale all take account of that principle.

If, in the case of a public tender offer or in case of an invitation to submit sales offers, the total volume of shares offered or tendered exceeds the volume of shares intended to be repurchased, the Company will accept those shares on a pro-rata basis. However, it is possible to provide for a preferential acceptance of smaller numbers of shares of up to 100 shares per tendering shareholder in order to prevent arithmetical fractions of shares when the quotas to be acquired are determined and to avoid small numbers of residual shares, thereby facilitating the technical execution as a whole.

In the event of an acquisition by way of a public tender offer or a public invitation to submit offers for sale, the purchase price offered or the limit values of the purchase price range per share (exclusive of incidental acquisition expenses – Erwerbsnebenkosten) must not exceed or fall below the average trading price of shares of the Company in the Xetra trading system (or a comparable successor system) by more than 10% on the three exchange trading days preceding the date of the publication of the offer or the public invitation to submit an offer for sale. If significant deviations from the relevant price occur after the publication of a tender offer or public invitation to submit an offer for sale, it will be possible to adjust the offer or invitation to submit such an offer, with such adjustment being based on the relevant average price on the three exchange trading days prior to the publication of any such adjustment, if any. The tender offer or invitation to submit such an offer may be subject to further conditions.

The General Partner is authorized to use own shares purchased on the basis of this authorization for any purpose legally permissible and in particular for the following purposes:

The proposed authorization entitles the General Partner to partially or entirely collect repurchased own shares (einziehen), in accordance with common practice among large German listed companies, without further resolution of the Annual General Meeting being required. In this respect, it shall also be possible to cancel the shares without a capital reduction pursuant to sec. 237 para. 3 no. 3 of the German Stock Corpo-

ration Act (called a simplified procedure). By cancelling the shares without capital reduction, the proportional amount of the residual shares in the share capital of the Company increases. Therefore, the Supervisory Board and also the General Partner shall be authorized in this case to modify the Articles of Association with respect to the changing number of no-par value shares.

Exclusion of the Subscription Right in the Event of a Sale against Payment in Cash

Own shares may also be sold in ways other than via the stock exchange or by means of an offer made to all shareholders, against payment in cash and to the exclusion of the subscription right. Thus, the Company will be placed in a position where it is able to react swiftly and flexibly to favorable market conditions. Moreover, it will be possible to gain additional domestic and foreign investors by selling shares, for example, to institutional investors. In order to take appropriate account of the concept of anti-dilution protection in favor of shareholders, the aforementioned use is subject, pursuant to sec. 186 para. 3 sent. 4 of the German Stock Corporation Act, to the condition that own shares may only be sold at a price which is not significantly lower than the relevant stock exchange price at the time when the shares are sold; in this respect, the sales price will be determined with final effect immediately prior to the disposal itself. Additionally, the permitted sales volume is limited in such cases to 10% of the Company's existing respective share capital. It is not permitted to exceed this 10% limit either at the time of resolution on this authorization or at the time of its utilization. If any other authorization to issue or sell any shares of the Company or to issue any rights permitting or requiring the subscription of shares of the Company is used, excluding the right of subscription in direct or analogous application of sec. 186 para. 3 sent. 4 of the German Stock Corporation Act during the term of this authorization until its utilization, this is to be credited against the aforementioned 10% limit. The shareholders are thereby given the general opportunity to maintain their shareholding quota by way of a parallel acquisition of shares in the Company via the stock exchange at comparable conditions.

Exclusion of Subscription Rights in the Event of the Use of Own Shares against Contributions in Kind

Furthermore, it will also be possible to use own shares against contributions in kind in the course of mergers and upon acquisition of companies and other assets, excluding the shareholders' subscription right. In particular, in the international globalized market of corporate transactions, it is not infrequent that a delivery of liquid shares is requested as a consideration. In this context, interesting opportunities can arise for using the Company's shares as a liquid consideration. The Company continuously monitors the market regarding potential opportunities to further strengthen the Company's position on the market in the best interests of the Company and its shareholders by way of such acquisition opportunities. By using the Company's own shares, such transactions can be executed flexibly and quickly, without having to consult the Annual General Meeting, which is often not possible due to time constraints. Additionally, such transactions can materially contribute to conserving the Company's liquidity. Therefore, such opportunity of using own shares lies in the overall interests of the Company and its shareholders. In determining the valuation ratios, the General Partner will additionally take care that the interests of shareholders are reasonably safeguarded.

Exclusion of Subscription Rights in the Event of the Use of Own Shares in lieu of the Utilization of any Conditional Capital

The authorization further provides that own shares in lieu of the utilization of conditional capital of the Company can also be issued, excluding the subscription right of shareholders, to employees of the Company and its affiliated companies, including members of the management of affiliated companies, and used to fulfill options or obligations to purchase shares of the Company granted, or to be granted, to employees of the Company or its affiliated companies as well as members of the management of affiliated companies. In this way, it is, for example, also intended to make it possible to offer the respective beneficiaries shares in the Company within the scope of stock option programs or employees benefit schemes – without having to resort to conditional capital. The issue of own shares to employees and officers of the Company, in particular in view of long-term compensation components having the purpose of securing the Company's sustainable success, is in the best interests of the Company and its shareholders, since it materially promotes the identification of employees and officers with their Company as well as the Company's value as such. Furthermore, the use of existing own shares instead of having to draw on conditional capital can make commercial sense for the Company.

The aforementioned opportunity to use own shares in order to discharge long-term share-based compensation components, excluding the subscription right of shareholders, shall also be available in favor of the members of the General Partner's Management Board. In order to take reasonable account of potential conflicts of interest resulting from the Company's legal form as well as the distribution of powers as stipulated by the German Stock Corporation law, the corresponding authorization to use own shares will, however, not be addressed to the General Partner (represented by the Management Board), but to its Supervisory Board.

Own shares may further be used to fulfill bonds carrying option or conversion rights or obligations, issued by the Company or dependent entities of the Company as defined in sec. 17 of the German Stock Corporation Act. In order to comply with the rights resulting therefrom, it may be appropriate, considering the Company's interests, to partially or entirely use own shares instead of shares resulting from a corresponding capital increase, which requires that the subscription right of shareholders be excluded.

Exclusion of Subscription Rights to Eliminate Fractional Amounts

Fractional amounts, if any, may be excluded in an offer made to all shareholders. This is necessary in view of the technical processing of such offer, in order to avoid the issue of fractional amounts of shares. The General Partner will dispose of the shares excluded from the shareholders' subscription right, called unassigned fractions (*freie Spitzen*), either by selling them via the stock exchange or otherwise at the best possible conditions for the Company.

The possible uses mentioned above are not limited to the Company's own shares acquired on the basis of this authorizing resolution; they also include shares of the Company acquired pursuant to sec. 71 d sent. 5 of

the German Stock Corporation Act. In this way, additional flexibility is also created, in the best interests of the Company, also with a view to using such own shares in accordance with this authorizing resolution.

Limitation of the Total Volume of the Subscription Right Exclusion

The total number of shares used excluding subscription rights shall not exceed a total volume of 10% of the share capital neither at the time of resolution on such authorization nor at the time of its utilization. This limits the total volume of the issue of shares used 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 10% limit either by additionally exercising other authorizations – such as any Authorized Capital – and in doing so excluding the shareholders' subscription rights.

Currently, there are no specific plans for exercising the authorization to issue own shares. In any case, the General Partner will carefully examine whether the exercise of the authorization is in the interest of the Company and its shareholders. It will report to the Annual General Meeting on any exercise of the authorization.

Use of Equity Derivatives

Furthermore, agenda item 10 contains the proposal to authorize the Company to use Equity Derivatives when acquiring own shares pursuant to the authorization proposed under agenda item 9. To this end, the General Partner shall be authorized (1) to sell options which require the Company to acquire shares of the Company upon exercise (hereinafter referred to as "put options"), (2) to acquire options which entitle the Company to acquire shares of the Company upon exercise (hereinafter referred to as "call options"), and (3) to transact forward purchases which entitle the Company to acquire shares of the Company on a specific future date. According to the authorization proposed under agenda item 10, the acquisition may also be made using any combination of put options, call options and forward purchases (hereinafter collectively referred to as "Equity Derivatives" or "Derivatives"). In this regard, the proposed authorization sets forth the principle that any Equity Derivative used pursuant to such authorization may in total cover a maximum number of shares that does not exceed a proportional amount of 5% of the share capital of Fresenius SE & Co. KGaA, neither at the time of the resolution on such authorization nor at the time of utilization.

Usable Equity Derivatives and their Benefits

The proposed authorization permits the use of put options, call options and forward purchases as well as any combination of such Equity Derivatives.

In the event of a sale of put options, the Company grants the buyer the right to sell shares of Fresenius SE & Co. KGaA to the Company at a price that has been fixed in the put option (exercise price). By way of consideration, the Company receives an option premium. If the put option is exercised, the option premium paid by the buyer of the put option reduces the total consideration paid by the Company for the acquisition of the share. The exercise of a put option is economically viable for the holder of the option if the price of the share of Fresenius SE & Co. KGaA is below the exercise price at the time of exercise, because then the holder of the option can sell the shares at the higher exercise price. From the Company's point of view, the redemption of shares by means of concluding an option contract provides the benefit that the exercise price is fixed upon conclusion of the option contract while there will be no outflow of liquidity until the exercise thereof. The use of put options for redeeming shares may for example be reasonable if the Company intends to redeem own shares when low prices prevail but is unsure with respect to the optimum redemption time, i. e. the time at which the most favorable price for the share of Fresenius SE & Co. KGaA prevails. Under such circumstances, it may be beneficial for the Company to sell put options, the exercise price of which is lower than the price of the share of Fresenius SE & Co. KGaA upon conclusion of the put option contract. The use of put options in particular offers the advantage that the redemption will take place at a lower price level in comparison with an immediate redemption. If the holder of the option does not exercise the option because the share price prevailing on the exercise date exceeds the exercise price, the Company is unable to acquire own shares in this manner; however, the received option premium remains with the Company.

In the event of an acquisition of a call option, the Company, receives the right against payment of an option premium to purchase a pre-determined number of shares at a pre-determined price (exercise price) from the seller of the option, the option writer. The exercise of a call option is economically viable for the Company if the price of the share of Fresenius SE & Co. KGaA exceeds the exercise price, because then the Company can buy the shares at the lower exercise price from the option writer. In this manner, the Company can protect itself against rising share prices. Additionally, the liquidity of the Company is conserved because the fixed purchase price for the shares must only be paid upon exercise of the call options.

In the event of a forward purchase, the Company, upon agreement with the forward seller, acquires the shares on a specific future date at a purchase price determined upon conclusion of the forward purchase. Conclusion of forward purchases may be reasonable for the Company if it wants to ensure its need for own shares on the purchase date at a specific price level.

Term of the Usable Equity Derivatives

The longer the term of an Equity Derivative, the higher the likelihood that the price of the share of Fresenius SE & Co. KGaA will diverge in an unpredictable way from the share price prevailing upon conclusion of the Derivative contract. Therefore, the proposed authorization provides that the individual Derivatives may each have a maximum term of 18 months. Furthermore, it provides that the terms of the individual Derivatives must end at the latest on May 17, 2023, and must be selected in such a manner that the acquisition of own shares upon exercise of the Derivatives may not occur after May 17, 2023, the reason for this being that the

authorization for redemption proposed under agenda item 9 also ends upon the expiry of May 17, 2023, and thereafter no shares can be redeemed on the basis of such authorization. Since the authorization proposed under agenda item 10 complements such authorization for redemption, concurrence of the two processes shall be ensured.

Further Details of the Usable Equity Derivatives Concept

According to the proposed authorization, the Derivative contracts must be concluded with a credit institution or any other business fulfilling the requirements set forth in sec. 186 para. 5 sent. 1 of the German Stock Corporation Act (hereinafter collectively referred to as "Issuing Companies").

The exercise/purchase price excluding the incidental acquisition costs may be higher or lower than the market price of the share of Fresenius SE & Co. KGaA on the date of the conclusion of the Derivative contract, provided, however, that, whether any paid or received option premium is taken into account or not, it must not exceed by more than 10%, and not fall below more than 20% of the market price of the share in the Xetra trading system (or any comparable successor system) as determined by the opening auction on the trading date on which the Derivative contract was concluded. The possibility to fall below the market price by up to 20% is necessary to enable the Company even in a volatile market environment to use medium-term or long-term options for the purpose of redeeming own shares or to transact corresponding forward purchases, as the case may be.

The call option premium paid by the Company must not significantly exceed, and the put option premium received by the Company must not significantly fall below, the theoretical market value of the respective options as determined on the basis of recognized actuarial methods, such determination taking into account, inter alia, the agreed exercise price. This, as well as the limited volume of own shares that may be acquired using Equity Derivatives, corresponds to the basic principle of sec. 186 para. 3 sent. 4 of the German Stock Corporation Act which applies to the exclusion of subscription rights and which is applied analogously to any potential tender right. The same applies to the purchase price in the event of a forward purchase. By fixing the option premium and the exercise/purchase price as described, and through the requirement to serve options and forward purchases only with shares that have been acquired on the stock exchange at the market price of the share in the Xetra trading system (or any comparable successor system) prevailing at the date of the acquisition on the stock exchange, such requirement to be included in the terms and conditions of the Derivatives, any economic disadvantage of the shareholders due to such acquisition of own shares is excluded. In this manner, the obligation of equal treatment of shareholders according to the provision in sec. 71 para. 1 no. 8 of the German Stock Corporation Act shall be fulfilled.

Exclusion of any Potential Tender Right

If own shares are acquired using Equity Derivatives in compliance with the provisions set forth above, the right of the shareholders to conclude such Derivative contracts with the Company is excluded in accordance with the proposed authorization. By being able to conclude the Derivative contracts with an Issuing Com-

pany, the Company – unlike in the event of an offer to conclude equity transactions made to all shareholders – is enabled to conclude such Derivative contracts on a short-term basis. This provides the Company with the necessary flexibility to react quickly to market conditions.

In the event of an acquisition of own shares using such Equity Derivatives, the shareholders shall have the right to tender their shares only to the extent that the Company is obliged to take the shares under the Derivative contracts. Any further tender right is excluded in the proposed authorization. Otherwise, it would not be possible to use the Equity Derivatives envisioned in the proposed authorization for the acquisition of own shares and thus the related benefits for the Company could not be achieved.

The provisions described above prevent the shareholders from incurring any significant economic disadvantage in the event of an acquisition of own shares using Equity Derivatives. Since the Company receives or pays, as the case may be, a fair market price, the shareholders not involved in the Derivative contracts in particular do not incur any significant value-related disadvantage. The position of the shareholders basically equals their position in the event of the redemption of shares on the stock market, where not every shareholder is actually able to sell shares to the Company. The provisions for the design of the Equity Derivatives and the requirements for the shares to be delivered ensure that this form of acquisition also observes the principle of equal treatment of the shareholders. Therefore, it is justified to exclude any right of the shareholders to conclude the above-mentioned Derivative contracts with the Company.

Taking into consideration all of the circumstances stated above, the General Partner and the Supervisory Board consider the exclusion of any tender right to be objectively justified and appropriate vis-à-vis the shareholders. The General Partner will report to the Annual General Meeting on the details of any exercise of the authorization to redeem own shares using Equity Derivatives.

Use of Shares Acquired using Equity Derivatives

The provisions governing own shares acquired on the basis of the authorization proposed under agenda item 9 lit. b shall apply accordingly to the use of own shares acquired using Equity Derivatives.

Bad Homburg v. d. H., March 2018

Fresenius SE & Co. KGaA

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