General Partner's written report to the Annual General Meeting of Fresenius SE & Co. KGaA regarding item 8 of the agenda:

Agenda item 8 lit. b) provides for the creation of a conditional capital and the opportunity to issue subscription rights to the management and managerial staff of the company and domestic and foreign affiliated companies that authorize the holder to purchase ordinary bearer shares of the company (Stock Option Program 2013).

The participation of the management and managerial staff in the company's economic risks and opportunities by granting subscription rights is an important component of an internationally competitive remuneration system. Ultimately, the economic success of the company also depends on its ability to recruit specialists and managerial staff worldwide and ensure that they stay with the company for the long-term.

The company currently has two employee participation programs secured by conditional capital from which no additional subscription rights can be issued; another conditional capital for which exercise rights no longer exist shall be cancelled in accordance with management's proposal under agenda item 8 lit. a).

The proposed Stock Option Program 2013 links the company to its successful employee participation programs in the past. This will also enable the company to offer a remuneration structure for management members and the Group's managerial staff that is competitive at an international level.

The key principles of the resolution proposal can be summarized as follows:

Besides the company management, i.e. the Management Board of the General Partner Fresenius Management SE, and management of affiliated companies, the company's managerial staff and those of affiliated companies will also receive subscription rights. The management and employees of Fresenius Medical Care AG & Co. KGaA and affiliated companies, which are only affiliated with the company through Fresenius Medical Care AG & Co. KGaA, are expressly excluded. Internal share-based remuneration programs have been established for these parties at the level of Fresenius Medical Care AG & Co. KGaA.

The proposed distribution of the available 8,400,000 subscription rights reflects the experience that the company has gained with regard to share-based remuneration programs over the past years. This will be comprised of up to 1,600,000 subscription rights for the General Partner's Management Board and up to 4,400,000 subscription rights for management and managerial staff of domestic and foreign affiliated companies, while the remaining 2,400,000 subscription rights will fall to the company's managerial staff and the managerial staff of domestic and foreign affiliated companies. While the General Partner is responsible for the distribution of subscription rights to members of management of affiliated companies and to company employees and employees of affiliated companies, the General Partner's Supervisory Board shall be responsible for the distribution to the General Partner's Management Board.

The granting of the available 8,400,000 subscription rights shall be made in five annual tranches, each on the last Monday in July or the first Monday in December. It is proposed that the shares from the conditional capital will be used to meet the entitlements from the subscription rights. Alternatively, treasury shares that were previously purchased based on an authorization resolution, as adopted by the Annual General Meeting 2012 under agenda item 10, may also be used. The option to grant treasury shares instead of conditional capital allows the company to select the most sensible form of servicing the subscription rights with regard to capital market and tax considerations. However, no more than 8,400,000 subscription rights may be issued as part of the Stock Option Program 2013. So, if treasury shares are used, this will reduce the number of shares to be procured from conditional capital accordingly.

The proposal establishes waiting periods prior to exercising the shares in order to highlight the incentive for the long-term increase in the value of the company in the interests of all shareholders. The subscription rights may only be exercised four years after they are issued. In the interests of shareholders to generate a sustainable increase in value of the company, the subscription rights may only be exercised if an ambitious success target is achieved within the waiting period. In the event that this is not accomplished within a given comparison period, the relevant subscription rights will be cancelled to a proportional extent.

As a success target, the management proposes that the adjusted Group net income (earnings attributable to the shareholders of the Company) of the Company must increase by at least eight per cent per annum in comparison to the previous year in each case within the waiting period, or - if this is not the case - the compounded annual growth rate of the adjusted Group net income of the Company during the four years of the waiting period must amount to at least eight per cent. In principle, four comparison periods are therefore decisive each time subscription rights are granted with regard to the issue of exercising the subscription rights.

If the adjusted Group net income (currency-adjusted) has not risen by at least eight percent per year compared to the relevant previous year with regard to one of more of the comparison periods within the waiting period, and if the compounded annual growth rate of the adjusted Group net income in the four-year waiting period does not amount to at least eight percent, the relevant subscription rights issued will be cancelled in proportion to the extent that the success target was not achieved within the waiting period, i.e. by a quarter, two quarters, three quarters or in full.

One-off effects will not be included when determining a success target aligned to the permanent growth of the adjusted Group net income. This will prevent the success target from being achieved or not achieved solely as a result of extraordinary circumstances in the company's consolidated financial statement, which the parties entitled to the Stock Option Program 2013 could not influence, or only slightly, by their performance. For the same reason, it is proposed that currency translation effects will not be borne by the entitled parties. The success target is therefore achieved if the relevant currency-adjusted Group net income has risen by at least eight percent per year or the currency-adjusted compounded annual growth rate is at least eight percent.

If the described exercise conditions are met and if the party entitled to the Stock Option Program 2013 is in a service or employment relationship with the company at the time the subscription rights are exercised, the subscription rights may be exercised at any time up to four years following the expiration of the waiting period with the exclusion of black-out periods. The black-out periods specified in the resolution proposal excludes periods during which the subscription rights can be exercised when the subscription rights may typically be influenced by inside information and are therefore also subject to an exercise ban for reasons under capital market law. Management may also introduce additional black-out periods in justified exceptional cases. For example, this may be necessary if compliance with the statutory regulations (such as securities trading regulations or German Stock Corporation Act requirements) in an appropriate form is otherwise not guaranteed.

Finally, the resolution proposal provides that the General Partner is authorized to specify the further details for granting the subscription rights, for the structure of the subscription rights and for the servicing of the subscription rights with shares, while this authorization will be assumed by the General Partner's Supervisory Board if the General Partner's Management Board is affected. Apart from regulations in the special case of premature withdrawal from the employment relationship, this also includes provisions that provide an option to limit the income from exercising subscription rights for extraordinary developments as well as other procedural regulations.

Bad Homburg v.d.H., April 2013

Fresenius SE & Co. KGaA

The General Partner
Fresenius Management SE
The Management Board