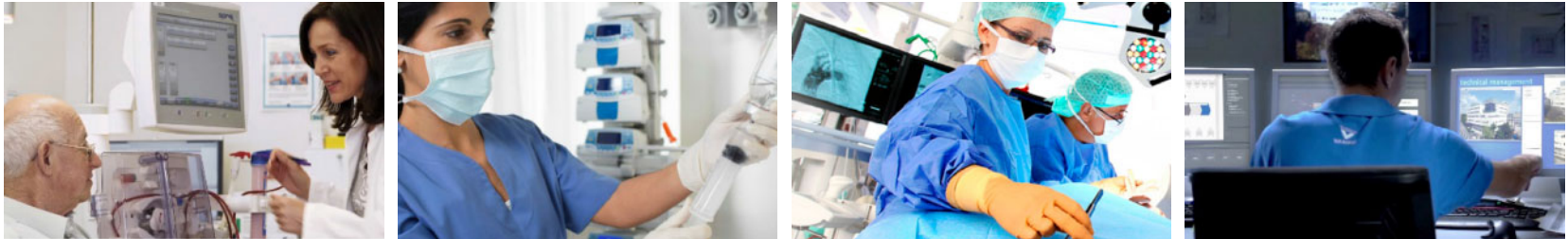


Compensation System 2021+ Overview



May 2021, Bad Homburg

Compensation System 2021+

Guiding Principles (1/2)

Link to strategy	The Compensation System 2021+ promotes the execution of Fresenius's global strategy via balanced incentivization of profitability and growth targets as well as sustainability targets.
Alignment with shareholders' interests	With the aim of achieving cost effective and profitable growth, taking into account total shareholder return and the consideration of investor feedback, the Compensation System 2021+ is aligned with shareholders' interests.
Cooperation across business segments	Performance targets at group as well as on business segment level are defined for the Management Board members to promote close cooperation between the business segments.
Simple structure	The Compensation System 2021+ is transparent, comprehensible and barely complex. This enables transparent internal and external communication.
Good corporate governance	The Compensation System 2021+ is designed to comply with the regulatory requirements of the German Stock Corporation Act (changes due to ARUG II) as well as the recommendations set out in the German Corporate Governance Code in the version dated 16 December 2019.



Compensation System 2021+

Guiding Principles (2/2)

Current market best practice	The Compensation System 2021+ is based on current market best practice.
Long-term orientation	The compensation components and the long-term oriented compensation structure promote long-term and sustainable value creation.
Rewarding financial performance & sustainability	To promote sustainable corporate development, the performance targets reflect Fresenius's strategy and thus enforce the commitment towards environmental, social and governance (ESG) aspects.
Alignment with performance	The Compensation System 2021+ is significantly aligned to the Company's success due to its high proportion of variable compensation. The previously guaranteed payment from the short-term variable compensation has been eliminated to further enforce the performance-based approach of the compensation system.
„State-of-the-Art“	Integration of „state-of-the-art“ elements (e.g. malus and clawback, Share Ownership Guideline - SOG) and a strong pay-for-performance alignment complete the modern compensation system.

Compensation System 2021+

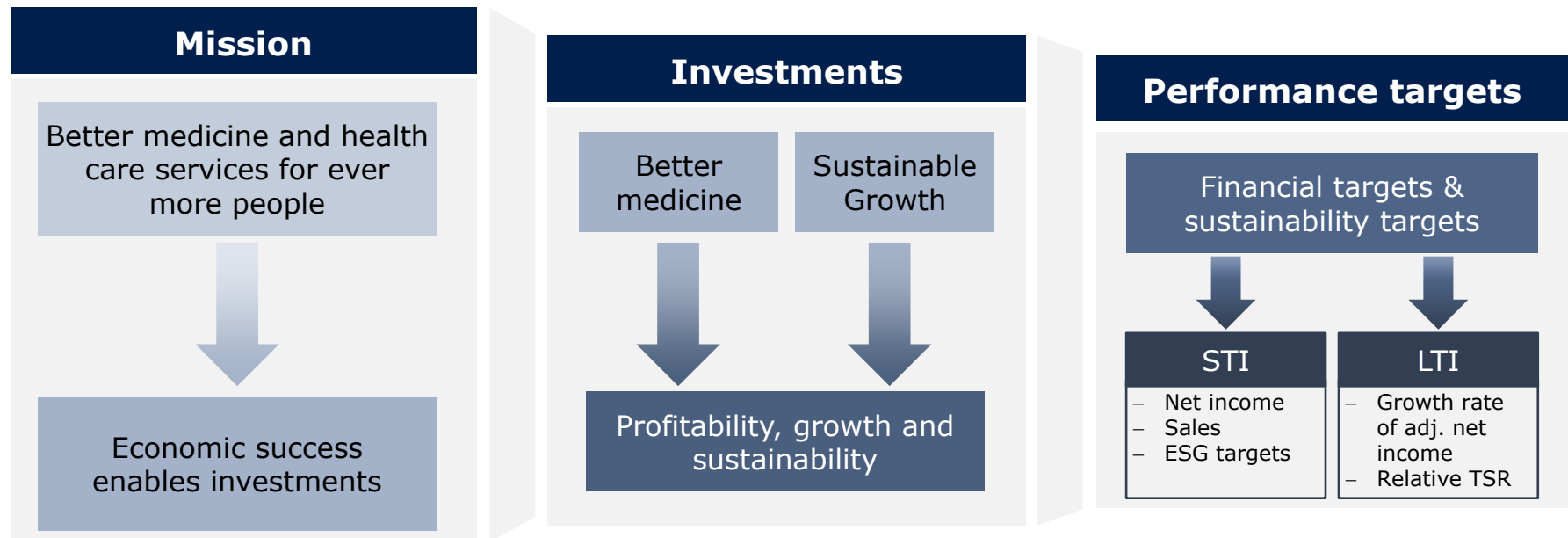
Components

Components		
Fixed components	Variable components	
Base salary 	Short-Term Incentive (STI) <u>Financial performance targets:</u> <ul style="list-style-type: none"> 65 % Net Income (before special items) 20 % Sales <u>Non-financial performance targets:</u> <ul style="list-style-type: none"> 15 % ESG 	Long-Term Incentive (LTI) <u>Financial performance targets:</u> <ul style="list-style-type: none"> 50 % Growth rate of the adjusted consolidated net income 50 % Relative TSR
Fringe benefits 		
Pension commitments (since 2020: defined benefit scheme)		
Maximum Compensation		
Maximum Compensation for each Management Board member depending on their function (CEO: 10 Mio. €, OBM: 6.5 Mio. €)		
Further design elements		
Share ownership guidelines of an amount equal to the gross amount of an annual base salary		
Malus and clawback		
Severance payments: Limitation to two years of compensation, but not exceeding the compensation for the remaining term of service agreement (Severance payment cap)		

¹ ESG cap at 150 % from fiscal year 2023 onwards; ² Payout cap at 150 % from fiscal year 2023 onwards

Compensation System 2021+

Strategy-based determination of performance targets

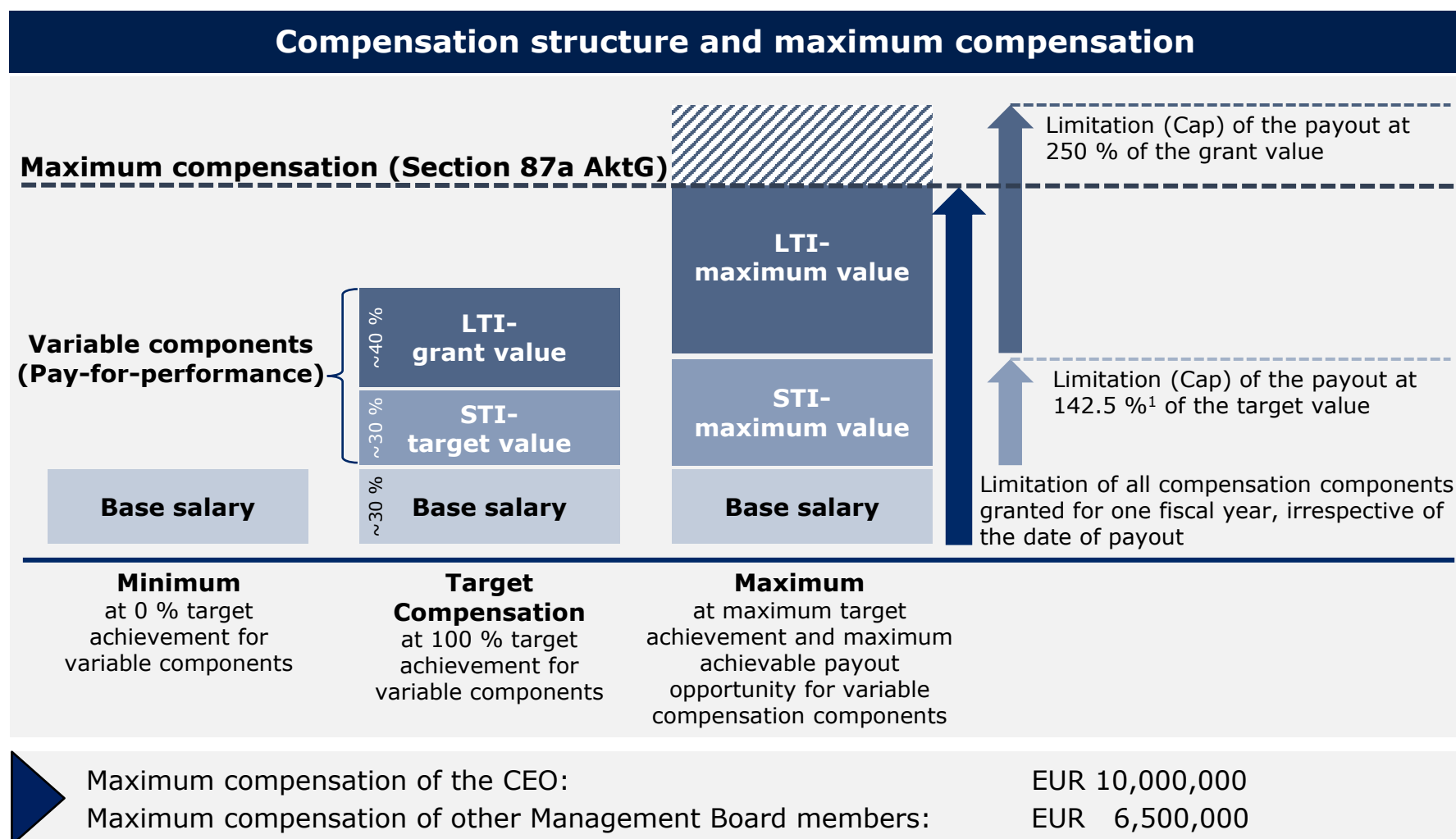


▶ Congruent financial target setting in line with external guidance

▶ Long-term growth focus via the majority of variable compensation elements focusing on a four-year horizon

Compensation System 2021+

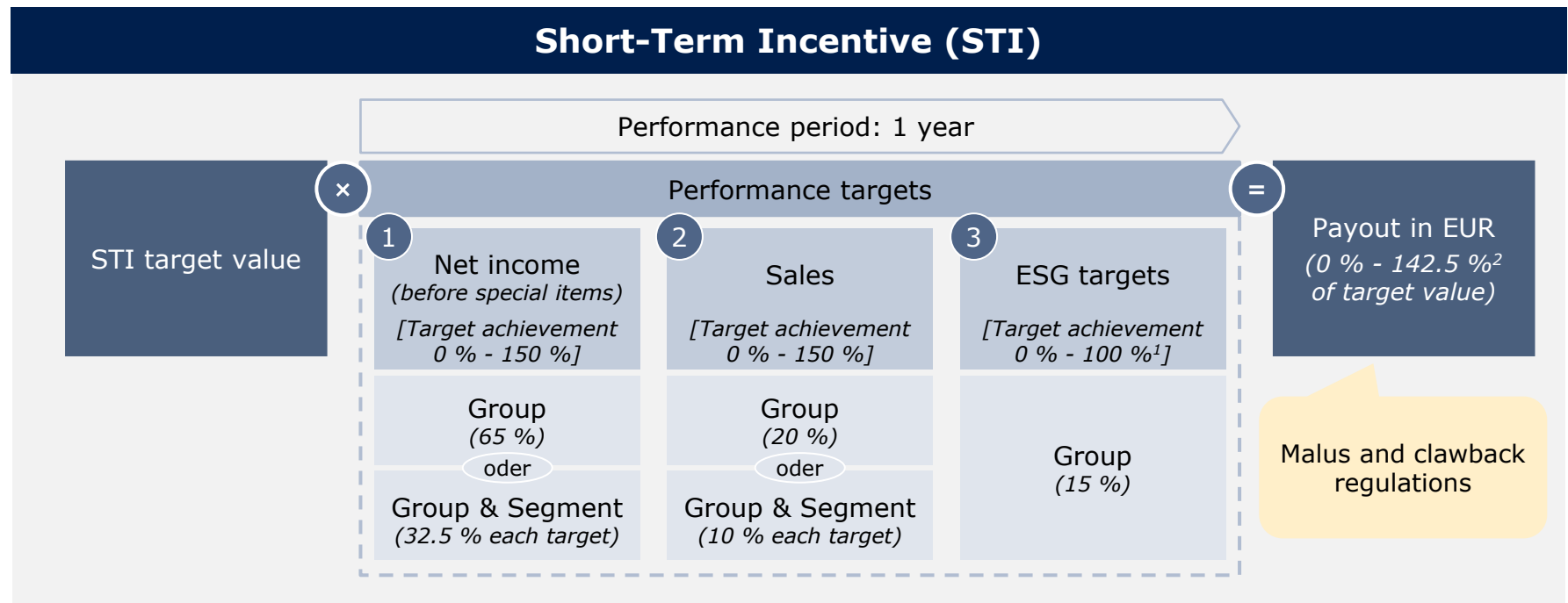
Compensation structure and maximum compensation



¹ Payout cap at 150 % from fiscal year 2023 onwards

Compensation System 2021+

Short-Term Incentive



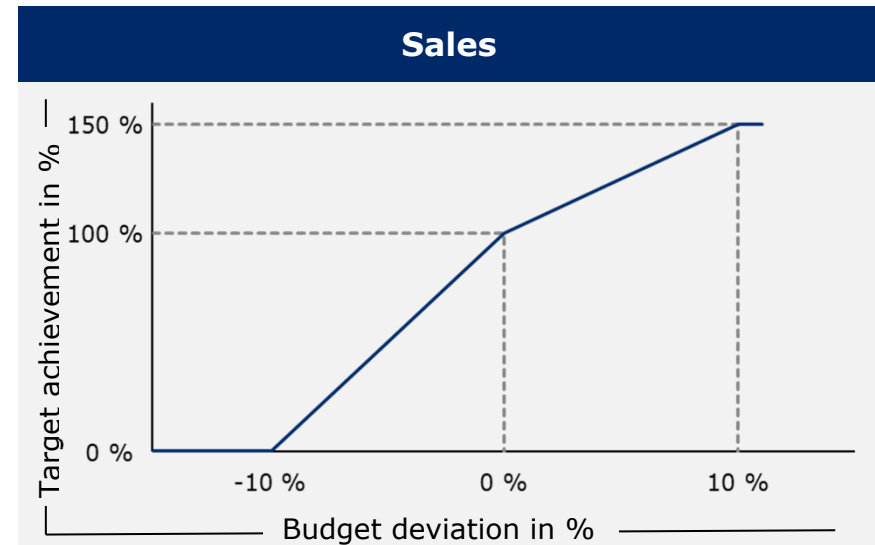
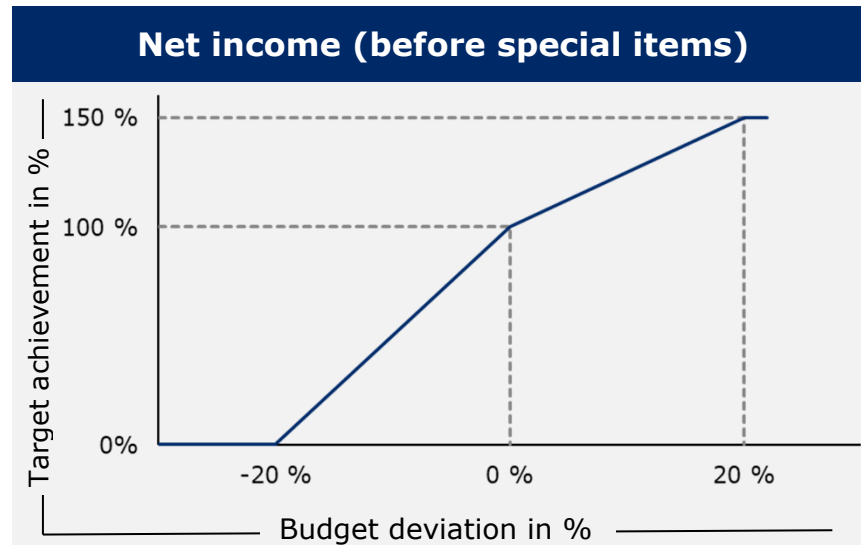
The STI will be changed from a profit sharing to a target bonus model
 Net income (before special items), sales and ESG targets will be used as financial and non-financial KPIs
 The financial performance targets are measured based on the annual budget at group as well as at business segment level
 Full ex-post reporting on target values, thresholds and target achievement

¹ ESG cap at 150 % from fiscal year 2023 onwards; ² Payout cap at 150 % from fiscal year 2023 onwards

Compensation System 2021+

Target achievement curves of the financial targets of the STI

- Net income (before special items) is defined as earnings after taxes adjusted for special items and at constant exchange rates and is the basis of Fresenius' reporting to the market
- Sales are defined as reported

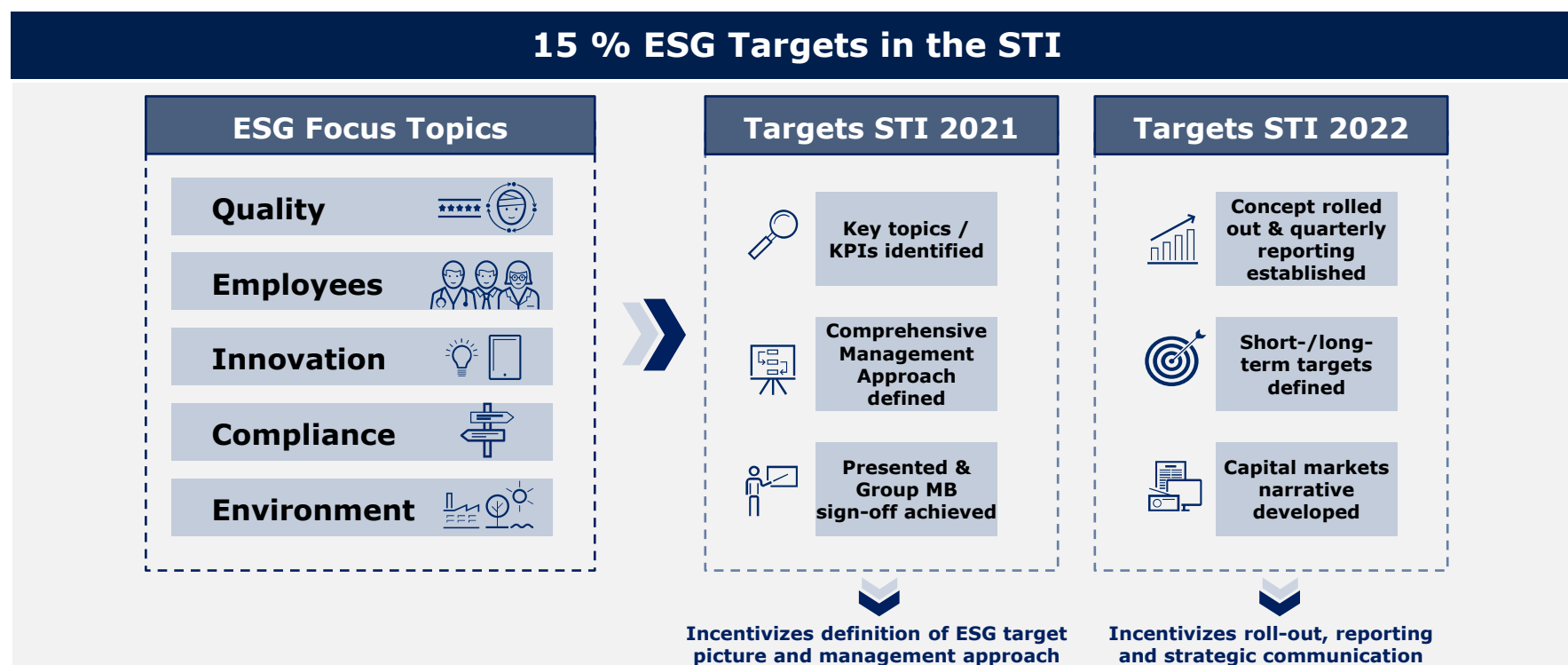


The group or business segment net income serves as a primary steering parameter for profitability. To enable a better comparison of operating performance over several periods, the earnings figures are adjusted for special items, if necessary

As part of our growth strategy, the development of sales at group and at business segment level, especially organic sales growth, is of central importance

Compensation System 2021+

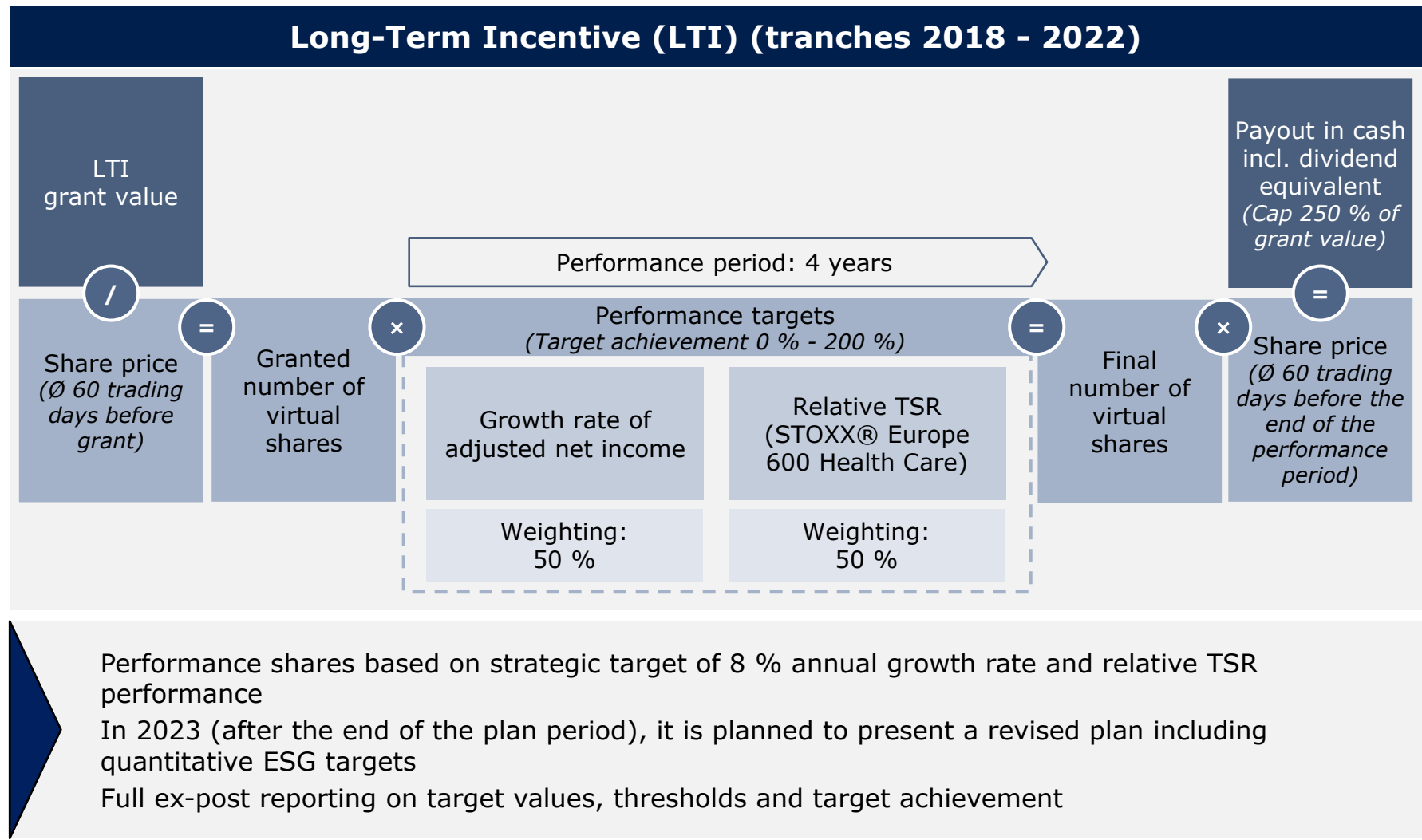
Introduction of ESG targets in the STI



Full ex-post reporting on target achievement based on clearly defined and measurable targets
 To reflect Fresenius' sustainability strategy, quantitative targets will be used in the long-term variable compensation as of 2023
 In the long-term, the ESG targets are intended to achieve significantly improved ESG performance with reported and audited metrics that reflect Fresenius' sustainability strategy

Compensation System 2021+

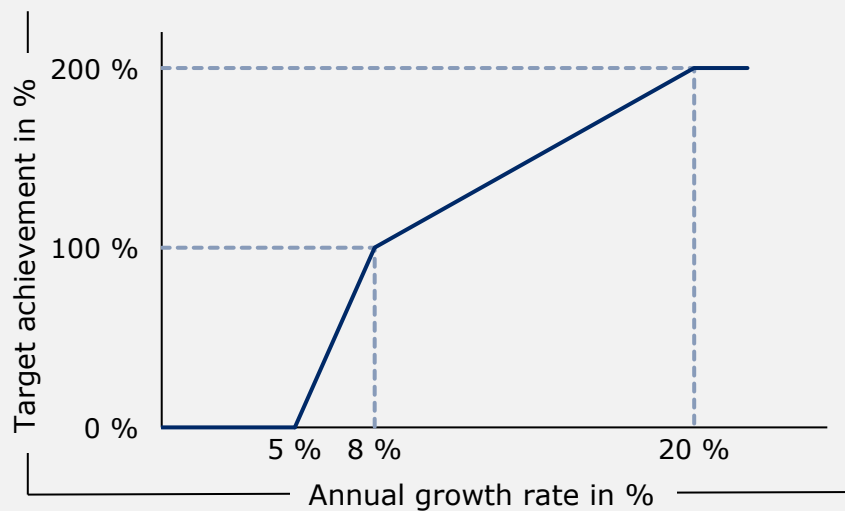
Long-Term Incentive



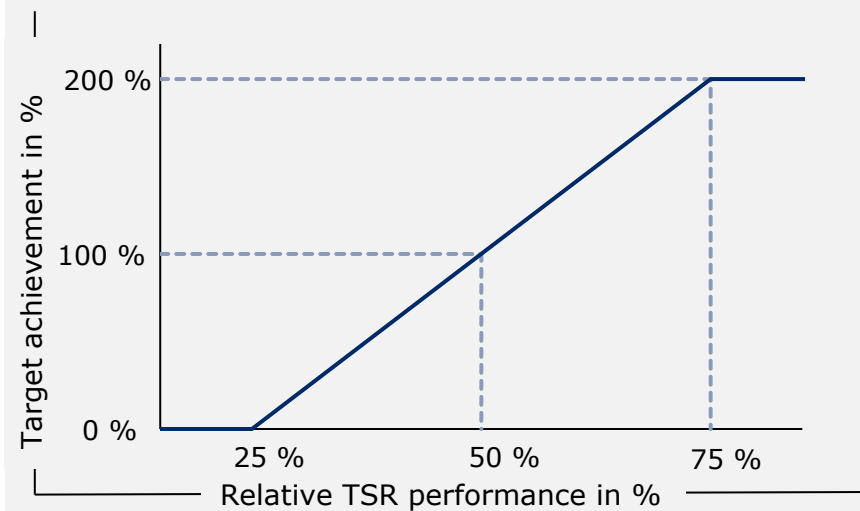
Compensation System 2021+

Target achievement curves of the performance targets of the LTI

Growth rate of adjusted net income



Relative TSR



At group level, the growth rate of adjusted net income serves as a steering parameter for internal management. The growth rate of adjusted net income reflects the long-term profitability of the group and is aligned with our capital market guidance

The relative TSR as a performance target sets incentives to outperform competitors and, above all, takes into account the long-term development of the company's value and the requirements of our shareholders

Compensation System 2021+

Further contractual elements

Even before the introduction of SOGs, the CEO already holds shares of the company which are well above the required minimum

Share ownership guidelines

- Significantly increase “skin in the game” by introducing share ownership guidelines for Management Board Members:
 - Investment of an amount equal to the gross amount of an annual base salary (SOG-target)
 - Cumulative build-up of the investment from the second year onwards at the latest, each year with one quarter of the gross amount of an annual base salary
 - Obligation to hold shares permanently until two years after resignation from the Management Board

Malus and clawback regulations

Previous system

- LTI only
- “Compliance clawback” takes into account serious breaches such as:
 - Non-compliance with essential provisions of the Code of Conduct
 - Grossly negligent or highly unethical behavior
 - Significant violations of due diligence obligations within the meaning of Section 93 AktG

New system

- STI and LTI
- Additionally takes into account incorrect consolidated financial statements (“performance clawback”)