

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

(as issued on 10 November 2021)

1. The Board of Management and the Supervisory Board of RHÖN-KLINIKUM Aktiengesellschaft declare that the Recommendations issued by the “Government Commission of the German Corporate Governance Code” as amended on 16 December 2019 (“GCGC”) and published by the Federal Ministry of Justice in the official section of the Federal Gazette on 20 March 2020 have been implemented since submission of the Declaration of Compliance of 5 November 2020 with the following exceptions:

a) Recommendations C.1

Objectives regarding composition of supervisory board and competency profile

Recommendations C.1 Sentences 1 and 2 of the GCGC, according to which the supervisory board is to state specific objectives regarding its composition and to draw up a competency profile for the body as a whole while observing diversity, was not implemented. Consequently, Recommendations C.1 Sentences 3 and 4 of the GCGC, which are based on Recommendations C.1 Sentences 1 and 2, could not be complied with either.

The Supervisory Board, when nominating candidates for membership in the Supervisory Board, was guided by the qualification of such candidates, by the current requirements as well as by the legal requirements. In this regard the Supervisory Board oriented itself on a fundamental requirements profile which was adapted and clarified on an ad hoc basis as required, and at the same time gave due regard to diversity. The shareholders’ representatives on the Supervisory Board are convinced that this practice had proven itself and in their view did not require any further self-regulation giving rise to further layers of bureaucracy in terms of the Recommendations pursuant to C.1 Sentences 1 to 3 of the GCGC.

By contrast, Recommendation C.1 Sentence 5 of the GCGC, according to which the Declaration on Corporate Governance is to inform on what the shareholder representatives on the supervisory board consider to be a reasonable number of independent shareholder representatives and the names of such members, was implemented.

b) Recommendations C.10 and Recommendation D.4

Independence of chairman of audit committee

Recommendations C.10 Sentence 2 and D.4 Sentence 1 of the GCGC, according to which the chairman of the audit committee is to be independent, was not implemented.

The chairman of the Audit Committee, Mr. Hafid Rifi, by reason of his capacity as deputy CEO of Asklepios Kliniken GmbH & Co. KGaA which – through AMR Holding GmbH – exercises a controlling influence over RHÖN-KLINIKUM AG pursuant to section 17 (1) of the German Stock Corporation Act (Aktiengesetz, AktG), was (and is) not independent from the controlling shareholder within the meaning of Recommendations C.10 and D.4 of the GCGC. Nonetheless, the Supervisory Board was (and is) convinced that Mr. Rifi, based on his qualifications, is suited in every respect to assume the chair of the Audit Committee and will act in the interest of the Company.

It moreover had to be considered as a rule that the legislature, by abandoning the requirement of independence for the financial expert on the supervisory board in accordance with section 100 (5) AktG, has precisely shown that the feature of independence is not an imperative prerequisite for performing the duties of auditor committee chairman but can be subject to the Recommendations of the GCGC with the option of stating deviations. The Board of Management and the Supervisory Board availed themselves of this option.

c) Recommendations G.1, G.2, G.3, G.4, G.6, G.7, G.9, G.10, G.11 and G.12

Remuneration scheme and remuneration for the board of management

In accordance with the requirements of section 87a of the AktG, the Supervisory Board on 24 March 2021 resolved on a scheme of remuneration for the members of the Board of Management which was submitted for approval to the Annual General Meeting of the Company and approved by the latter on 9 June 2021 pursuant to section 120a of the AktG.

Prior to that, the Supervisory Board and the Board of Management had stated in the Declaration of Compliance of 5 November 2020 a deviation from Recommendation G.1 of the GCGC. The reason given for this was that the Supervisory Board wanted to review and decide, within the statutory period of transition whereby a submission to the Annual General Meeting pursuant to section 120a of the AktG had to be made for the first time at the 2021 Annual General Meeting, to what extent the new Recommendation G.1 regarding the remuneration scheme is to be implemented in future.

Moreover, the Supervisory Board and the Board of Management had stated in the Declaration of Compliance of 5 November 2020 a deviation from Recommendations G.2, G.3, G.4, G.6, G.7, G.9, G.10, G.11 and G.12 of the GCGC. The reason given for this was that no final decision had yet been made on the new remuneration scheme and the latter was to be submitted in accordance with the statutory period of transition to the 2021 Annual General Meeting for approval.

After the resolution adopted by the Supervisory Board on a scheme for remuneration of the members of the Board of Management, the Supervisory

Board was able to clarify the compliance with the Recommendations in Section G of the GCGC and in the interim amendment to the Declaration of Compliance of 23 April 2021 stated a deviation from Recommendations G1, G2, G3, G4, G6, G7, G10 and G11. This was reasoned by the Supervisory Board as follows:

In view of the special ownership structure of the Company, the Supervisory Board was guided by the objective of implementing a remuneration scheme which is as simple as possible and which also takes account of the remuneration structures in those companies in which the indirect main shareholder of RHÖN-KLINIKUM Aktiengesellschaft holds a sole or majority interest. This re-orientation of the remuneration scheme for the Board of Management has resulted in a significant reduction of the Board of Management remuneration compared with the previous remuneration practice.

In this context it was not necessary in the view of the Supervisory Board to differentiate between defining a target total remuneration and the statutorily required maximum remuneration. At the same time, the maximum remuneration defined in the context of the remuneration scheme for the Board of Management represents the target total remuneration of the individual members of the Board of Management.

Furthermore, the Supervisory Board – likewise in view of the special ownership structure and the significant reduction in the level of remuneration – refrained from applying elaborate peer-group comparisons and from performing complex assessments of the remuneration level vertically within the Company.

When agreeing the performance criteria for the variable remuneration, the Supervisory Board will ensure that the financial and non-financial targets will promote the business strategy and make a contribution towards a long-term development of the Company. For these reasons the Supervisory Board did not see any need to provide for further abstract requirements for defining long-term-oriented targets and their relationship to short-term-oriented targets, nor to provide for a share-based variable remuneration, in order to implement the remuneration scheme of the Board of Management. Lastly, based on the specific terms of the variable remuneration there is also no reason in the view of the Supervisory Board to provide for rights of retention or recovery. To enable the Supervisory Board to take a comprehensive decision in connection with defining the achievement of targets for the past financial year, the Supervisory Board reserves the right to decide on performance criteria for the new financial year at the beginning of such financial year.

2. The Board of Management and the Supervisory Board of RHÖN-KLINIKUM Aktiengesellschaft furthermore declare that the Recommendations of the GCGC will be implemented also in future with the following exceptions:

a) Recommendations C.1

Objectives regarding composition of supervisory board and competency profile

For the reasons stated under 1.a), the Supervisory Board will deviate from Recommendations C.1 Sentences 1 and 2 of the GCGC according to which the supervisory board is to state specific objectives regarding its composition and to draw up a competency profile for the body as a whole while observing diversity, and from Recommendations C.1 Sentences 3 and 4 of the GCGC based thereon.

By contrast, Recommendation C.1 Sentence 5 of the GCGC, according to which the Declaration on Corporate Governance is to inform on what the shareholder representatives on the supervisory board consider to be a reasonable number of independent shareholder representatives and the names of such members, continues to be implemented.

b) Recommendation C.10 and Recommendation D.4

Independence of chairman of audit committee

Recommendations C.10 Sentence 2 and D.4 Sentence 1 of the GCGC according to which the chairman of the audit committee is to be independent will not be implemented with respect to Mr. Hafid Rifi for the reasons stated in 1.b).

c) Recommendation G.1, G.2, G.3, G.4, G.6, G.7, G.10 and G.11

Remuneration scheme and remuneration for the board of management

Recommendations G.1, G.2, G.3, G.4, G.6, G.7, G.10 and G.11 regarding the remuneration system and remuneration for the board of management is not implemented for the reasons stated under 1.c) and specified in the interim amendment of the Declaration of Compliance of 23 April 2021.

Bad Neustadt a. d. Saale, 10 November 2021

For the Supervisory Board
Dr. Jan Liersch

For the Board of Management
Dr. Christian Höftberger