

Abridged version of the Annual Report 2016



Eugen Münch  
Chairman of the Supervisory Board

# REPORT OF THE SUPERVISORY BOARD

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for the financial year of RHÖN-KLINIKUM AG  
from 1 January 2015 to 31 December 2015

Dear Shareholders,

Following the successful transaction with Fresenius SE & Co. KGaA and the resulting new scope for corporate development, RHÖN-KLINIKUM AG is undergoing a transformative process from being a downstream service provider for inpatient hospital services to a provider of cutting-edge medical care that not only anticipates but also actively shapes major changes in the healthcare system. First and foremost included in this is our comprehensive campus concept whose implementation is already in full swing at our Bad Neustadt site and slated to be rolled out in prototype form at other sites.

What will be at the heart of our further efforts and endeavours, for all the justified attention being given to further optimising the use of technology, logistics and medical skills, is not the call for more humanity being stressed by so many but an uncompromising orientation of processes and activities towards the wishes of critical and autonomous patients, the benefits to be gained for them, as well as the quality of services being demanded by them. The argument that just because you help others you should have more of a say in their affairs will become less and less valid, and the transformation will give rise to a fundamental re-orientation of the industry and the system as well as the willingness of all stakeholders in this transformative process to embrace change. The Management of our Company is therefore called upon to continuously scrutinise the care provided to our patients and to manage it even better in future to ensure it even more consistently reflects the needs and well-being of our patients.

Moreover, the Management and the Company's employees are taking an even closer look at the many different opportunities and challenges presented by the rapid pace in the digitalisation of the healthcare system. The new Supervisory Board elected in 2015 will continue to escort these transformation processes in its advisory and supervisory role, i.e. in accordance with its legal duties.

## **COOPERATION BETWEEN SUPERVISORY BOARD AND BOARD OF MANAGEMENT**

During financial year 2015, the Supervisory Board examined on an ongoing basis and in detail the situation and development of the Company, performing the duties incumbent on it by law, the Articles of Association and the Terms of Reference: these include continuously monitoring management activity and regularly advising the Board of Management in connection with the directing of the Company. At the same time the Supervisory Board, in performing its duties, was at all times guided by the decisive principles of appropriateness, compliance with legal provisions, expediency and efficiency. Observance of these principles by the Board of Management was monitored by regularly reviewing the Company's general organisation and verifying the instruments used for internal risk control.

The Supervisory Board was fully and directly involved in all fundamental and important decisions taken by the Board of Management of RHÖN-KLINIKUM AG. The Board of Management complied with its information duties, keeping us informed on a timely basis both in written form and orally, with documents and records of relevance for decisions being provided to the Supervisory Board in good time prior to the respective deliberations and formal meetings. The Supervisory Board reviewed the reporting and the information submitted by the Board of Management regarding strategic and operative business performance, compliance issues as well as risks and risk management for plausibility and comprehensibility, discussed this with the Board of Management and also scrutinised the same whenever appropriate.

The areas of focus of deliberations with the corporate bodies and with the Board of Management were the further strategic development of the Group, issues, projects and measures aimed at re-orienting business activity towards the areas of cutting-edge medicine and university medicine as well as the activity of a full-service healthcare provider. Key issues dealt with in the corporate bodies also included advising on and participating in the distribution to our

shareholders of a second tranche of income from the sale of a hospital portfolio in the previous year to the Fresenius Group by way of capital reduction through redemption of shares by simplified procedure after purchase by the Company (share repurchase), the commissioning of the particle therapy centre at Marburg University Hospital, as well as the approval and launch of the comprehensive investments to realise the first campus model at the Bad Neustadt site.

The chairman of the Supervisory Board moreover engaged in an intensive and regular exchange of information and ideas with the chairman of the Board of Management – also between meetings held by the corporate bodies – and was kept thoroughly informed at all times about material developments. The Board of Management complied with its duties to inform. We thoroughly discussed the resolution proposals made by the Board of Management and, to the extent required by statute, the Articles of Association and the Terms of Reference, voted on the same after a thoroughgoing review in the Supervisory Board and in the respective competent Supervisory Board committees. In a few cases, we were advised and assisted by external experts and advisers in the interests of the shareholders. Where required in the case of particularly pressing and time-critical business matters, the Supervisory Board, or, as the case may be, the competent committee held meetings by means of conference calls and also adopted resolutions by voting in written form.

## WORK OF THE SUPERVISORY BOARD IN COMMITTEES AND PLENARY SESSION

With a view to performing its tasks and assuming its responsibility in the best possible way, the Supervisory Board has set up a total of seven standing committees whose members possess specific expertise and experience for the special issues dealt with in the committees.

The committees act as bodies with power to pass resolutions within the scope prescribed by law, the Articles of Association – also in lieu of the Supervisory Board – and the Terms of Reference of the latter to the extent consistent with statute and previously defined by the Supervisory Board. The committees generally meet separately from plenary sessions. Meetings were also held as conference calls convened on short notice.

The **Investment, Strategy and Finance Committee** held four ordinary meetings during the year under review (attendance rate: 97 per cent).

The areas focused on in the strategic discussions held in the Committee essentially covered the implementation of the Bad Neustadt campus project, the development of a university campus model for the Marburg site and – as already in the two previous years – the further development and implementation of network medicine. This is all part of the business model for creating full-service generalised healthcare provision with national coverage, including supplementary insurance for members of Germany's statutory health insurance scheme, through a network with a broad, generalised presence. To closely escort network medicine developments, the Committee established a "Network Medicine" working group comprised of members of the Investment, Strategy and Finance Committee, the Board of Management and experts. In the course of the financial year, this project group held four meetings and, among other things, dealt with efforts to promote the network partnership "Wir für Gesundheit" (Eng.: We stand for health), its implementation in pilot regions, the fulfilment of quality criteria of the network hospitals, and the IT applications for network medicine. In the area of IT, the use and possibilities of computer-based anamnesis processes were addressed. As a result of organisational changes in the work of the Supervisory Board, the working group was dissolved with effect from 31 December 2015. In future, its tasks will be further developed and continued in joint meetings with the Medical Innovation and Quality Committee with a focus on project-related issues.

The Committee, both itself and on the basis of the work results of the "Network Medicine" working group, dealt with the creation of regional model projects for full-service outpatient and inpatient care in selected regions. The implementation of such campus projects (Bad Neustadt and Marburg) forms an integral part of the corporate strategy in the context of discussions on corporate planning up to 2020. Following an extensive presentation of planning and feasibility calculation within the corporate body and after an intense discussion weighing up the different aspects, the health campus at the Bad Neustadt site with an investment volume of roughly 180 million euros was approved by the Committee members as the first project of this kind. The acquisition as at 1 January 2016 of the hospital Kreisklinik Bad Neustadt, which is being integrated into this campus, was also approved.

At all meetings, the economic development of the subsidiary Universitätsklinikum Gießen und Marburg GmbH and the measures designed to achieve a profitability commensurate with its tasks was continuously the focus of the body's supervisory and advisory work. For the Marburg site, the Committee, at its meeting on 4 November 2015, approved the presented concept of a health campus with the establishment of a diagnosis and outpatient centre to support and strengthen university medicine, and adopted resolutions on the investments required for this. Another important investment was approved for the hospital at the Frankfurt (Oder) site with a new building for implementing rationalisation measures and expanding the portfolio.

The body had itself informed on an ongoing basis regarding the proposals and findings of the working group established at Universitätsklinikum Gießen und Marburg GmbH for further developing separate accounting and implementing provisions of the Cooperation Agreement in this regard so as to improve the situation of the inappropriate reimbursement of costs to the university hospitals by the Federal State of Hesse for research and teaching.

At each meeting the chairman of the Board of Management reported on current developments in the industry and on the business position of the Group, as well as on the development of investments and financing in a continuously updated investment and finance plan. Specific motions for approval of investment projects and financing measures were subsequently openly discussed, critically reviewed and adopted in the Committee based on detailed written resolution proposals of the Board of Management, including market studies and investment calculations. In a regular acquisition report, the Board of Management provided an overview of the national hospital market which served as the basis of discussion for planned and ongoing acquisition projects. The possible acquisition of Herz-Kreislauf-Zentrum Rotenburg in Fulda was approved. The Committee also gave its consent to the establishment and financing of an investment company for innovative investments in future technologies.

During the reporting year, the **Personnel Affairs Committee** held two meetings (attendance rate: 100 per cent) in the form of conference calls. The Committee dealt with the expansion of the Board of Management to include a chief medical officer (CMO) by establishing a Medical corporate division to centralise the Group's strategic medical orientation and the accompanying re-orientation of human resources management of the Group and of the subsidiary Universitätsklinikum Gießen und Marburg GmbH. Resolution proposals were made to the plenary session with regard to amendments to the Terms of Reference and the distribution-of-business plan, and on the appointment of Prof. Dr. Bernd Griewing as member of the Board of Management (CMO).

The guidelines on the remuneration of the members of the Board of Management were adapted to the Company's new size and economic situation through a revised management profit sharing scheme and recommended to the plenary session for adoption. The service contracts of the members of the Board of Management were amended in this regard.

The projects planned and started with the re-orientation of the business policy require continuity in the direction of the Company and resulted in changes to terms of appointment and the service contracts of members of the Board of Management. With regard to the resolutions required for this, recommendations were made by the Committee to the

plenary session. The recommendation to give the Management an investment option regarding a company yet to be established for investing in start-up businesses was made to the Supervisory Board following a thorough and critical discussion.

During the past financial year, the **Mediation Committee** (pursuant to section 27 (3) of the Co-Determination Act (Mitbestimmungsgesetz, MitBestG)) also did not have to be convened.

The **Audit Committee** of the Supervisory Board met five times in the year under review (attendance rate: 94 per cent). All meetings were attended by the Board of Management. Two meetings were attended by the statutory auditor. For selected agenda items, the heads of the Internal Auditing, Compliance as well as Accounting, Tax and Controlling departments were consulted by the Board of Management, and were available to the Committee for additional reports and questions.

This Committee notably was responsible for the review of and the preliminary deliberation on the RHÖN-KLINIKUM AG consolidated annual financial statements for financial year 2014. Also reviewed and discussed were the stand-alone financial statements, the management reports and the respective audit reports of the Group subsidiaries which were subjected to critical review by the members of the Committee, as well as the proposal on the appropriation of the net distributable profit.

The Audit Committee assessed the independence of the auditor designated for auditing the annual financial statements for financial year 2015 and for the review of the half-year financial report, obtained the statement regarding the auditor's independence pursuant to Item 7.2.1 of the German Corporate Governance Code, recommended to the plenary session of the Supervisory Board a proposal for the election of the auditor to be submitted to the Annual General Meeting and – after the election – issued the auditor with the audit mandate and concluded with him a reasonable remuneration agreement for the same. The statutory auditor moreover reported to the Committee on orders for services performed in addition to the auditing services rendered. The qualification of the statutory auditor was monitored by the Committee. A list of audit items was once again developed and defined for the audit in 2015.

Questions of fundamental importance relating to accounting, corporate planning, the capital base, the supervision of the accounting process, as well as the effectiveness of the internal controlling system, risk management system (including special business risks), and the internal audit system were discussed with the Board of Management and in some cases also with the statutory auditor. The interim reports were thoroughly discussed on a regular basis with the Board of Management prior to their publication, as well as the half-year financial report with the Board of Management and in the presence of the statutory auditor giving due regard to the review by the latter.

The Group controlling report on performance and finance controlling submitted quarterly, which forms part of our risk management system, was thoroughly discussed at every meeting with the Board of Management. Here, the development of service volumes and earnings of the Group and of the individual Group hospitals was also analysed, questioned and discussed with the Board of Management, also with regard to deviations from targets.

The body kept itself regularly informed about the activity of the Internal Auditing department by the responsible member of the Board of Management and by reports submitted by the head of Internal Auditing, and examined the auditing plan for 2015 as well as its update. The audit reports of the Internal Auditing department as well as the 2014 activity report were then submitted and discussed with the Board of Management. We kept ourselves informed by the Board of Management on the implementation of the recommendations by the Internal Auditing department through information on the results of follow-up reporting and inspection. We once again satisfied ourselves of the effectiveness of the Internal Auditing department.

After the Board of Management had resolved to avail itself of the authorisation granted by the 2014 Annual General Meeting to execute the 2015 Share Repurchase, the Audit Committee, based on the delegation by the Supervisory Board, in its stead gave its consent in two telephone meetings to the resolutions by the Board of Management on the capital reduction and redemption of the shares repurchased under the 2015 Share Repurchase and on the adapting the Articles of Association to the reduced registered share capital.

In updating the Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) relating to the recommendations of the German Corporate Governance Code, the version of 5 May 2015 was reviewed as to its application and duly considered, with a corresponding resolution proposal being submitted to the Supervisory Board as a whole.

The **Committee for Compliance and Communication** may be approached in all compliance matters directly by all patients, employees, suppliers and other third parties, and devotes its efforts to advising on and monitoring the Group's compliance management as well as communication with the media and the capital markets. To ensure a close link to the Audit Committee, the chairman of the Committee for Compliance and Communication was assigned a seat on the Audit Committee.

During the reporting year, the Committee held three meetings (attendance rate: 92 per cent). The Board of Management attended all meetings and was accompanied in the deliberations by the Central Compliance and Internal Auditing departments as well as the heads of the Group divisions of Communications and Investor Relations.

The focus of interest of the deliberations and discussions with the Board of Management in 2015, apart from standard reporting on current compliance notifications, was on better networking of compliance officers at the sites, questions relating to the harmonisation and synchronisation of training content, and above all the design and gradual introduction of a subject- and target-group-relevant eLearning programme within the Group. In Group communication, the Committee escorted various Internet, intranet and marketing projects as well as communication regarding the commissioning of the particle therapy centre at the Marburg site. The perception amongst private and institutional investors, the current equity story of the Company and questions regarding its future prospect were the focus of discussions regarding capital market communication.

The **Medical Innovation and Quality Committee** provides the Board of Management with technical advice on developments and trends in medicine and monitors the situation and development of medical quality within the Company. During the financial year the Committee held one meeting (attendance rate: 100 per cent). The items of deliberation and discussion at the meeting were the outpatient and inpatient campus approach planned for the Bad Neustadt site including full-service healthcare delivery for the district, as well as considerations regarding the future orientation of the Marburg site through establishment of a health campus along the lines of the model in Bad Neustadt.

The **Nomination Committee** selects candidates from the shareholders' representatives to be members of the Supervisory Board and proposes them to the Supervisory Board for nomination. During the reporting year, the Committee held two meetings (attendance rate: 100 per cent) in the form of conference calls. The subject of the consultations was the preparation for the re-election of representatives of shareholders to the Supervisory Board at the Annual General Meeting on 10 June 2015. When making its proposals for candidates, the Committee, in addition to the qualification of the individual candidates, took into account the requirements of the German Corporate Governance Code and the Articles of Association as well as the criteria and objectives which the Supervisory Board has defined for its composition in a profile of requirements.

During the reporting year, a total of four ordinary meetings were held by the **plenary session** (attendance rate: 99 per cent) as well as the constituting meeting of the newly elected Supervisory Board following the Annual General Meeting. No member of the Supervisory Board attended fewer than half the meetings. The members of the Board of Management attended the meetings of the Supervisory Board except in the case of agenda items relating to internal matters of the Supervisory Board and matters pertaining to the Board of Management.

At the four ordinary meetings of the Supervisory Board the plenary session, based on detailed reports of the chairman of the Board of Management on current developments and the business position of the Group, the written reports and presentations by the Board of Management, regularly deliberated together with the Board of Management on the net assets, financial position and results of operations, the trend in revenues and earnings, the performance data, key figures and personnel of the Company and Group as well as of the individual Group subsidiaries. The respective interim reports for the past quarters were explained by the Board of Management in detail at the plenary session prior to publication.

At the first meeting of the financial year on 26 February 2015, the Supervisory Board first of all closely examined the report of the chairman of the Board of Management on the current business position of the Group. Reports from the committees prompted a thorough discussion in the plenary session once again regarding the planned structural changes at the subsidiary Universitätsklinikum Gießen und Marburg GmbH (UKGM) at the Marburg site as well as the demand by the trade union ver.di for a health collective agreement at UKGM together with an employee survey. We received the report of the Board of Management on the preliminary 2014 annual financial statements and discussed the proposal of the Board of Management on appropriation of profit for financial year 2014. In this context, the possibility of a further distribution of net distributable profit taking account of the authorisation issued by the 2014 Annual General Meeting to the Board of Management for a further share repurchase in 2015 was discussed.

At the balance sheet meeting on 16 April 2015 also attended by the statutory auditors, the plenary session discussed the annual financial statements and management report of RHÖN-KLINIKUM AG as well as the consolidated financial statements and the Group management report for financial year 2014 together with the Board of Management and the statutory auditor PwC. The auditors reported on the essential findings and results of the audits and were available to the Supervisory Board for questions and additional information. The plenary session approved the annual financial statements. Also discussed at this meeting were the preparations for the Annual General Meeting on 10 June 2015, in particular the adoption of resolution recommendations of the Supervisory Board on the resolution proposals in the agenda items for the Annual General Meeting after a prior discussion of the agenda items. This also included the resolution of the shareholders' representatives on the approval of the list of candidates defined by the Nomination Committee for the election of the Supervisory Board at the Annual General Meeting. Approval resolutions were adopted for the Report of the Supervisory Board, the Corporate Governance Report and the Declaration on Corporate Governance pursuant to section 289 a of the German Commercial Code (Handelsgesetzbuch, HGB). By way of resolution, the Supervisory Board delegated to the Audit Committee, as a further task, the handling of all matters in connection with the 2015 Share Repurchase, in particular the consents to be granted to the further execution measures to be taken by the Board of Management in this regard.

At the constituting meeting of the Supervisory Board on 10 June 2015 immediately following the Annual General Meeting, the newly constituted Supervisory Board once again elected Mr. Eugen Münch as chairman of the Supervisory Board and Mr. Georg Schulze-Ziehaus as first deputy and Mr. Wolfgang Mündel once again as second deputy. At the same time, the committees were formed and filled and the chairmen of the committees elected. The Supervisory Board adopted a resolution of principle on the independence of its members and appointed two financial experts.

At the meeting on 9 July 2015, the discussions essentially focused on the items of key importance of the reports of the chairman of the Board of Management on investments and projects that will have a decisive impact on the Group's re-orientation over the next few years. These include the development of the Bad Neustadt and Marburg campus projects and the further development of the network partnership "Wir für Gesundheit". These developments enjoy expert support at the level of the Board of Management with a "Group Development" project group. The Supervisory Board was informed on the stage reached and will prospectively and closely watch the further steps taken in these projects.

At the Supervisory Board meeting on 5 November 2015, the plenary session, after prior deliberation in the Personnel Affairs Committee, approved the revised guidelines on the remuneration of the members of the Board of Management, resolved the expansion of the Board of Management to include a chief medical officer (CMO) and appointed Prof. Dr. Bernd Griewing as member of the Board of Management as of 1 January 2016 for the term of five years. At the same time, the body prepared the termination of the previous appointments of members of the Board of Management and their re-appointment in order to harmonise the terms as of 1 January 2016 for five years and the adjustment of the service contracts of the members of the Board of Management to the revised guidelines. Final adoption of the resolution then took place for the end of the financial year in written form. The Board of Management informed on the execution and result of the share repurchase and remitted a report on IT equipment and IT developments within the Group. On recommendation of the Personnel Affairs Committee, the body granted an approval in principle regarding the possibility of the Management to take a participating interest in an investment company yet to be founded for investing in innovative companies (start-ups). Further resolutions were adopted after prior discussion, including on the Declaration of Compliance pursuant to section 161 AktG, on defining the target and time limit for the proportion of women on the Board of Management in accordance with law for equal participation of men and women in management positions, and on approval of the Terms of Reference of the Board of Management as of 1 January 2016.

## **CORPORATE GOVERNANCE CODE AND DECLARATION OF COMPLIANCE**

During the past financial year, the Supervisory Board also examined the further development and implementation of the recommendations and suggestions as set out in the German Corporate Governance Code. The Declaration of Compliance issued on 6 November 2014 pursuant to section 161 of the Stock Corporation Act (AktG) was revised and, giving due regard to the revision of the Code on 5 May 2015, was replaced by an updated Declaration of Compliance issued on 5 November 2015 by the Board of Management and the Supervisory Board. The declarations were permanently made available to the shareholders on the Company's website. In accordance with Item 3.10 of the German Corporate Governance Code, the Board of Management and the Supervisory Board jointly report on corporate governance from page 29 of this Annual Report.

## **EXAMINATION AND APPROVAL OF THE 2015 FINANCIAL STATEMENTS**

The Board of Management adopted the financial statements of the Company and the management report for the year ended 31 December 2015 in accordance with the provisions of the German Commercial Code (HGB), while the consolidated financial statements and Group management report for the year ended 31 December 2015 were adopted pursuant to section 315 a of the German Commercial Code (HGB) in accordance with the principles set out in the International Financial Reporting Standards (IFRS). The auditors, PricewaterhouseCoopers Aktiengesellschaft



Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, have examined the financial statements of the Company and Management's report as well as the consolidated financial statements and Management's consolidated report for the year ended 31 December 2015. The auditors of the accounts issued an unqualified auditor's report in each case.

The financial statements of the Company and management report, the consolidated financial statements and Group management report as well as the reports of the auditors on the result of their audit were received by all members of the Supervisory Board together with the Management's proposal for the appropriation of the net distributable profit for the year. These documents were examined by the Supervisory Board and thoroughly discussed by the Audit Committee and Supervisory Board with representatives of the auditors at the respective balance sheet meetings. As part of the audit, the Audit Committee and the Supervisory Board examined both the accounting findings and the procedures and processes relating to the accounting findings. As the standard of their review, they primarily applied the criterion of legality and verified whether the documents submitted comply with legislation in force and in particular with applicable accounting rules. Furthermore, in addition to their review of legality they also conducted an expediency review in terms of accounting, financial and business policy aspects. Based on the findings of the preliminary review by the Audit Committee, the Supervisory Board concurred with the findings of the auditors and, having conducted its own review, determined that it sees no grounds for objections.

The Supervisory Board approved the financial statements of the Company and the consolidated financial statements prepared by the Board of Management at the meeting on 14 April 2016 on recommendation of the Audit Committee; the financial statements of the Company are thus adopted as final. The proposal of the Board of Management on the appropriation of net distributable profit was reviewed in particular with regard to the economic position, liquidity situation and in view of the funds required for restructuring the Company as well as giving due regard to the justified interests of the shareholders. The Supervisory Board approves the Board of Management's proposals for the appropriation of net distributable profit.

## **CHANGES AND COMPOSITION OF THE BOARD OF MANAGEMENT**

This Annual Report presents the composition of the Board of Management and the personal data, functions and duties of the individual members of the Board of Management under the heading "Corporate bodies of the Company".

Prof. Dr. Bernd Griewing was appointed with effect from 1 January 2016 as member of the Board of Management for the term of five years. As chief medical officer (CMO), he assumes responsibility for the newly created corporate division Medical. The appointments of the other members of the Board of Management were in each case harmonised by termination of the previous appointment and re-appointment as of 1 January 2016 for a further term of five years in each case.

## **CHANGES WITHIN THE SUPERVISORY BOARD**

In accordance with the requirements of the Co-Determination Act (MitBestG) and after the effective date of the amendment of the Articles of Association in section 10 (Size and composition of Supervisory Board) adopted by the 2014 Annual General Meeting, the Supervisory Board of RHÖN-KLINIKUM AG as of 10 June 2015 is comprised of 16 (previously 20) members. Eight Supervisory Board members were elected by the shareholders and eight Supervisory Board members by the employees.

In the period under review, the period of office of the previous Supervisory Board ended on conclusion of the Annual General Meeting on 10 June 2015. The Annual General Meeting elected as shareholders' representatives on an individual basis Dr. Brigitte Mohn, Christine Reißner and Dr. Katrin Vernau as well as Prof. Dr. h. c. Ludwig Georg Braun, Prof. Dr. Gerhard Ehninger, Stephan Holzinger, Eugen Münch and Wolfgang Mündel. Of the employee representatives, the following members were elected to the Supervisory Board: Bettina Böttcher, Meike Jäger and Evelin Schiebel as well as Peter Berghöfer, Björn Borgmann, Stefan Härtel, Klaus Hanschur and Georg Schulze-Ziehaus.

At the constituting meeting of the Supervisory Board on 10 June 2015, Mr. Eugen Münch was once again elected as chairman of the Supervisory Board, Mr. Georg Schulze-Ziehaus as first deputy and Mr. Wolfgang Mündel once again as second deputy. At this meeting, the Supervisory Board appointed Mr. Wolfgang Mündel and Dr. Katrin Vernau as financial experts pursuant to section 100 (5) of the AktG.

The personal details of the members of the Supervisory Board in 2015 are set out in the Notes to the consolidated financial statements. The section also provides information on the professional qualifications of the Supervisory Board members as well as their further mandates. The organisational structure of the Supervisory Board and the composition of the committees during the past financial year and at the present time are set out in overview provided further on in this Report. The Supervisory Board thanks all members leaving the Supervisory Board for their good work and dedication to the Company over the past years.

The Supervisory Board thanks the members of the Board of Management, all employees of the Group as well as the employee representatives of all Group companies for their commitment and work performed during the past financial year.

Bad Neustadt a. d. Saale, 14 April 2016

The Supervisory Board

Eugen Münch  
Chairman

## OVERVIEW OF THE ORGANISATIONAL STRUCTURE OF THE SUPERVISORY BOARD AND COMPOSITION OF THE STANDING COMMITTEES

(period of 1 January – 10 June 2015)

### CHAIR OF THE SUPERVISORY BOARD

Chairman Eugen Münch	1st deputy chairman Joachim Lüddecke	2nd deputy chairman Wolfgang Mündel
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### COMPOSITION OF THE COMMITTEES

#### INVESTMENT, STRATEGY AND FINANCE COMMITTEE

Eugen Münch\*  
*Chairman*  
Peter Berghöfer  
Stefan Härtel\*  
Klaus Hanschur  
Dr. Heinz Korte  
Joachim Lüddecke\*  
Michael Mendel  
Wolfgang Mündel\*

#### PERSONNEL AFFAIRS COMMITTEE

Eugen Münch  
*Chairman*  
Stefan Härtel  
Joachim Lüddecke  
Dr. Brigitte Mohn

#### MEDIATION COMMITTEE

Eugen Münch  
*Chairman*  
Sylvia Bühler  
Dr. Heinz Korte  
Joachim Lüddecke

#### AUDIT COMMITTEE

Wolfgang Mündel  
*Chairman*  
Reinhard Hartl  
Stephan Holzinger  
Dr. Heinz Korte  
Michael Mendel  
Oliver Salomon  
Georg Schulze-Ziehaus

#### COMMITTEE FOR COMPLIANCE AND COMMUNICATION

Stephan Holzinger  
*Chairman*  
Bettina Böttcher  
Helmut Bühner  
Dr. Katrin Vernau

#### MEDICAL INNOVATION AND QUALITY COMMITTEE

Eugen Münch  
*Chairman*  
Prof. Dr. Gerhard Ehninger  
Dr. Franz-Josef Schmitz  
Georg Schulze-Ziehaus

#### NOMINATION COMMITTEE

Eugen Münch  
*Chairman*  
Dr. Brigitte Mohn  
Wolfgang Mündel

\* Simultaneously member of the "Network Medicine" working group.

## OVERVIEW OF THE ORGANISATIONAL STRUCTURE OF THE SUPERVISORY BOARD AND COMPOSITION OF THE STANDING COMMITTEES

(period of 10 June – 31 December 2015)

### CHAIR OF THE SUPERVISORY BOARD

Chairman Eugen Münch	1st deputy chairman Georg Schulze-Ziehaus	2nd deputy chairman Wolfgang Mündel
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### COMPOSITION OF THE COMMITTEES

#### INVESTMENT, STRATEGY AND FINANCE COMMITTEE

Eugen Münch\*  
*Chairman*  
Björn Borgmann\*  
Prof. Dr. Ludwig Georg Braun  
Stefan Härtel  
Klaus Hanschur  
Stephan Holzinger  
Wolfgang Mündel\*  
Georg Schulze-Ziehaus\*

#### PERSONNEL AFFAIRS COMMITTEE

Eugen Münch  
*Chairman*  
Stefan Härtel  
Dr. Brigitte Mohn  
Georg Schulze-Ziehaus

#### MEDIATION COMMITTEE

Eugen Münch  
*Chairman*  
Prof. Dr. Ludwig Georg Braun  
Meike Jäger  
Georg Schulze-Ziehaus

#### AUDIT COMMITTEE

Wolfgang Mündel  
*Chairman*  
Peter Berghöfer  
Stephan Holzinger  
Meike Jäger  
Christine Reißner  
Dr. Katrin Vernau

#### COMMITTEE FOR COMPLIANCE AND COMMUNICATION

Stephan Holzinger  
*Chairman*  
Bettina Böttcher  
Evelin Schiebel  
Dr. Katrin Vernau

#### MEDICAL INNOVATION AND QUALITY COMMITTEE

Eugen Münch  
*Chairman*  
Prof. Dr. Ludwig Georg Braun  
Prof. Dr. Gerhard Ehninger  
Klaus Hanschur  
Evelin Schiebel

#### NOMINATION COMMITTEE

Eugen Münch  
*Chairman*  
Dr. Brigitte Mohn  
Wolfgang Mündel

\* Simultaneously member of the "Network Medicine" working group.