

## EXPLANATION ON SHAREHOLDER RIGHTS

Prior to and at the 2019 Annual General Meeting, the rights to which the shareholders are entitled include the following:

### 1 Supplementing the Agenda (section 122 (2) of the German Stock Corporation Act (Aktiengesetz, AktG))

Pursuant to section 122 (2) of the AktG, shareholders with an aggregate shareholding of one-twentieth of the registered share capital or the proportionate amount of the registered share capital of 500,000 euros (equal to 200,000 shares) may request that items be put on the Agenda and announced. Each new agenda item has to be submitted with a statement of reasons or a resolution proposal. This request must be addressed to the Board of Management of the Company in writing at the following address:

RHÖN-KLINIKUM AG  
– Vorstand –  
Schlossplatz 1  
97616 Bad Neustadt a.d. Saale  
Germany

It must be received by the Company at least 30 days prior to the Meeting, i.e. no later than **5 May 2019, 24.00 hrs (CEST)**. Any supplementing requests received later than that will not be considered.

The applicants must prove that they have owned the shares for at least 90 days before receipt of the request and that they hold the shares until the decision of the Board of Management on the proposal. For calculating the period of share ownership, section 70 of the AktG provides as follows: If the shareholder is required to have held the share for a certain period before being able to exercise the rights arising therefrom, a claim to transfer of ownership against a credit institution, a financial services institution or an enterprise acting pursuant to section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (Gesetz über das Kreditwesen, KWG) shall be deemed equivalent to ownership. The period of ownership of a legal predecessor shall be attributed to a shareholder if he acquired the share without consideration from his trustee, as universal successor, upon severance of co-ownership or as a result of a transfer of assets pursuant to section 13 of the Insurance Supervision Act (Versicherungsaufsichtsgesetz, VAG) or section 14 of the Building and Loan Associations Act (Gesetz über Bausparkassen, BauSparG). For such proof, a corresponding confirmation by the custodian credit institution is sufficient. Section 121 (7) of the AktG is to be applied mutatis mutandis. According to that, this period shall not include the day of receipt of the request. Such date may not be moved from a

Sunday, Saturday or holiday to a previous or subsequent workday. Sections 187 to 193 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) shall not be applied mutatis mutandis.

If timely received supplementing proposals are subject to notification, they shall – to the extent not already announced upon convening of the Annual General Meeting – be announced without undue delay after receipt of the request in the same way as with the convening, i.e. they shall be announced in the Federal Gazette and forwarded to those media for publication which can be assumed to disseminate such information throughout Europe. They shall also be announced on the Company's website and notified to the shareholders together with the convening of the Annual General Meeting pursuant to section 125 (1) sentence 3 of the AktG.

The provisions of the German Stock Corporation Act forming the basis of this shareholders' right read (in excerpt form) as follows:

***Section 122 (1), (2) of the AktG – Convening upon the request of a minority***

*(1) A general meeting shall be convened if shareholders having a aggregate shareholding amounting to one-twentieth of the registered share capital file a written request for such meeting to be held, stating the purpose and the reasons for the same; such request shall be directed to the management board. The articles of association may link the right to request that the general meeting be convened to another form and to a lesser share in the registered share capital. The applicants must prove that they have owned the shares for at least 90 days before the day of receipt of the request and that they hold the shares until the decision of the management board on the proposal. Section 121 (7) shall be applied mutatis mutandis.*

*(2) Likewise, shareholders with an aggregate shareholding of one-twentieth of the registered share capital or the proportionate amount of EUR 500,000 may request that items be put on the agenda and announced. Each new agenda item has to be submitted with a statement of reasons or a resolution proposal. The request within the meaning of sentence 1 must reach the company at least 24 days (or at least 30 days in the case of listed companies) prior to the meeting, not including the day of receipt.*

***Section 70 of the AktG – Calculation of the period of share ownership***

*If the shareholder is required to have held the share for a certain period before being able to exercise the rights arising therefrom, a claim to transfer of ownership against a credit institution, a financial services institution or an enterprise acting pursuant to section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (Gesetz über das Kreditwesen, KWG) shall be deemed equivalent to ownership. The period of ownership of a legal predecessor shall be attributed to a shareholder if he*

*acquired the share without consideration from his trustee, as universal successor, upon severance of co-ownership or as a result of a transfer of assets pursuant to section 13 of the Insurance Supervision Act (Versicherungsaufsichtsgesetz, VAG) or section 14 of the Building and Loan Associations Act (Gesetz über Bausparkassen, BauSparG).*

## 2 Shareholders' counterproposals and nominations (sections 126 (1), 127 of the AktG)

Pursuant to section 126 (1) of the AktG, each shareholder is entitled to submit counterproposals to the resolutions regarding Agenda Items. Such counterproposals must be addressed to:

RHÖN-KLINIKUM AG  
– Hauptversammlung –  
Schlossplatz 1  
97616 Bad Neustadt a. d. Saale; or  
by fax: 09771 991736; or  
by e-mail: hv@rhoen-klinikum-ag.com

Counterproposals of shareholders and the reasons stated for the same received by the Company at the above address no later than 14 days prior to the Annual General Meeting, i.e. by no later than **21 May 2019, 24:00 hrs.** (CET) with proof of the applicant's capacity as shareholder, will be made available by the Company without undue delay on the Company's website at <http://www.rhoen-klinikum-ag.com/hv>. It is pointed out that the name of the applicant will also be made available in this regard. Counterproposals are not made available where the conditions of section 126 (2) and (3) of the AktG are met. Counterproposals addressed in another manner or not received on time will not be made available. Any statements by the Management will also be published at the above Internet address subsequently.

This shall not affect the right of each shareholder to make proposals regarding the various Agenda Items during the Annual General Meeting, even without prior and timely submission to the Company. It is pointed out that counterproposals that have been submitted to the Company beforehand on time will be considered at the Annual General Meeting only if they are also put forward there orally.

Pursuant to section 127 of the AktG, these provisions will apply mutatis mutandis to the nomination by a shareholder regarding the election of Supervisory Board members or of auditors of the annual financial statements. However, no reasons have to be stated for such nominations. In addition to the reasons stated in section 126 (2) of the AktG, the Board of Management is not required to make available a nomination if the proposal does not contain the candidate's name, practised profession and place of residence. Nominations regarding the election of Supervisory Board members likewise need not be made available if they do not attach any information on the membership

of the proposed Supervisory Board candidate on other supervisory boards whose establishment is required by law within the meaning of section 125 (1) sentence 5 of the AktG.

The provisions of the German Stock Corporation Act forming the basis of this shareholders' right read (in excerpt form) as follows:

### **Section 126 of the AktG – Proposals of shareholders**

*(1) Proposals put forward by a shareholder stating the name of the shareholder, the reasons for the proposal and any comments on the part of the administration shall be made available to the entitled persons named in section 125 (1) to (3) subject to the conditions stated therein if, no later than 14 days before the date of the general meeting, the shareholder sends a counterproposal against a proposal made by the management board and the supervisory board on a particular item on the agenda to the company at the address given for this purpose in the notice convening the meeting together with his reasons for such proposal. This period shall not include the day of receipt. In the case of listed companies, the proposal shall be made available via the company's Internet homepage. Section 125 (3) shall apply mutatis mutandis.*

*(2) The counterproposal and the statement of reasons therefor need not be made available*

- 1. if the management board would render itself liable to prosecution by making such counterproposal and reasons available,*
- 2. if the counterproposal would result in a resolution of the general meeting which is either unlawful or in breach of the articles of association,*
- 3. if the reasons contain key statements which are manifestly incorrect or misleading or if they are slanderous,*
- 4. if a counterproposal of the shareholder based on the same subject matter has already been made available in connection with a general meeting of the company pursuant to section 125,*
- 5. if the same counterproposal of the shareholder with essentially the same reasons has within the previous five years already been made available in the context of at least two general meetings of the company pursuant to section 125 and less than one-twentieth of the registered share capital represented at the general meeting voted in favour of such counterproposal,*

6. *if the shareholder indicates that he shall neither attend the general meeting nor arrange for a representative to attend on his behalf,*
7. *if in the previous two years the shareholder has failed in two general meetings to make or cause to be made on his behalf a counterproposal communicated by him.*

*The reasons need not be made available if the text thereof exceeds a total of 5,000 characters.*

*(3) If several shareholders file a counterproposal in respect of the same resolution, the management board may combine the counterproposals and reasons.*

### **Section 127 of the AktG – Nominations brought by shareholders**

*Section 126 shall apply mutatis mutandis to nominations made by shareholders for the election of supervisory board members or auditors of the annual financial statements. No reasons need be stated for the nomination. Furthermore, the management board need not make the nomination available if the nomination does not contain the information pursuant to section 124 (3) sentence 4 and section 125 (1) sentence 5. The management board shall provide the proposal of a shareholder for the election of supervisory board members of listed companies subject to the Co-Determination Act (Mitbestimmungsgesetz), the Coal, Iron and Steel Co-Determination Act (Montan-Mitbestimmungsgesetz) or the Supplementary Co-Determination Act (Mitbestimmungsergänzungsgesetz) with the following content:*

1. *Reference to the requirements of section 96 (2),*
2. *Information on whether overall compliance pursuant to section 96 (2) sentence 3 was objected to, and*
3. *Information about how many of the supervisory board members must be women and how many must be men in order to fulfil the minimum number required in accordance with section 96 (2) sentence 1.*

### **Section 124 (3) sentence 4 of the AktG**

*The proposal for the election of supervisory board members or auditors of the annual financial statements shall state their name, practised profession and place of residence.*

### **Section 125 (1) sentence 5 of the AktG**

*In the case of publicly listed companies, a nomination for election of supervisory board members shall also attach information on membership on other supervisory boards whose establishment is required by law; information on their membership in similar supervisory bodies of commercial enterprises in Germany and abroad must be attached.*

## **3 Right to information**

Pursuant to section 131 (1) of the AktG, each shareholder is entitled upon request to obtain information from the Board of Management regarding the matters of the Company in the Annual General Meeting provided that such information is required for an appropriate evaluation of the relevant Agenda Item and no right to refuse information exists. As a rule, requests for information at the Annual General Meeting must be made orally. The obligation of the Board of Management to provide information also extends to the legal and business relationships of RHÖN-KLINIKUM AG to its affiliates. Moreover, the obligation to provide information also relates to the situation of the RHÖN-KLINIKUM Group and of the companies included in the consolidated financial statements of RHÖN-KLINIKUM AG.

The information shall comply with the principles of conscientious and true accounting. The Board of Management may refuse to provide the information in the cases stated in section 131 (3) of the AktG.

If a shareholder has been given information outside the general meeting on account of his capacity as shareholder, such information shall be given to any other shareholder at the general meeting upon request, even if such information is not necessary for a proper assessment of the item of the agenda. The Board of Management in this case may not refuse to give the information based on section 131 (3) sentence 1 nos. 1 to 4 of the AktG.

If information is refused to a shareholder, such shareholder may request that his question and the reason given for the refusal of the information be notarially recorded in the minutes of the Annual General Meeting.

The provisions of the German Stock Corporation Act forming the basis of the shareholders' right read as follows:

### **Section 131 of the AktG – Shareholder's right to obtain information**

*(1) Each shareholder shall upon request be given information from the management board regarding the company's affairs to the extent required to allow a proper*

*assessment of the items on the agenda. The obligation to provide information shall also extend to the legal and business relationships between the company and an affiliated enterprise. If a company makes use of the facilitations pursuant to section 266 (1) sentence 3, section 276 or section 288 of the German Commercial Code (Handelsgesetzbuch, HGB), each shareholder may request that the annual financial statements be presented to him at the general meeting dealing with the annual financial statements in the form they would take without such facilitations. The obligation of the part of the management board of a parent enterprise (section 290 (1), (2) of the HGB) to provide information at the general meeting at which the consolidated financial statements and consolidated management report are presented shall also extend to the situation of the group of companies and the enterprises included in the consolidated financial statements.*

*(2) The information shall comply with the principles of conscientious and true accounting. The articles of association or the rules of procedure pursuant to section 129 may authorise the chairman of the general meeting to reasonably restrict the shareholder's right to ask questions and to speak in terms of the time allotted for this, and to specify further details in that regard.*

*(3) The management board may refuse to provide information*

- 1. insofar as according to sound business judgment the provision of such information is likely to cause not inconsiderable damage to the company or an affiliated enterprise;*
- 2. insofar as it pertains to tax valuations or the amount of individual taxes;*
- 3. concerning the difference between the value at which items are shown in the annual balance sheet and a higher value of such items, unless the general meeting formally adopts the annual financial statements;*
- 4. concerning the accounting and valuation methods, provided that the details given in the notes concerning such methods are sufficient to give a true and fair view of the of the company's net assets, financial position and results of operations within the meaning of section 264 (2) of the HGB; this shall not apply if the general meeting formally adopts the annual financial statements;*
- 5. insofar as the management board would make itself liable to prosecution by giving such information;*
- 6. insofar as, in the case of a credit institution or a financial services institution, there is no requirement for information concerning the*

*accounting and valuation methods used and recognitions made to be given in the annual financial statements, management report or consolidated management report;*

7. *insofar the information is available continuously over a period of at least seven days prior to the commencement of the general meeting and at the general meeting.*

*Information may not be refused for any other reason.*

*(4) If a shareholder has been given information outside the general meeting on account of his capacity as shareholder, such information shall be given to any other shareholder at the general meeting upon request, even if such information is not necessary for a proper assessment of the item of the agenda. The management board may not refuse to give the information based on paragraph (3) sentence 1 nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (section 290 (1), (2) of the HGB), a joint venture (section 310 (1) of the HGB) or an associated enterprise (section 311 (1) of the HGB) provides the information to a parent enterprise (section 290 (1), (2) of the HGB) for the purpose of including the company in the parent enterprise's consolidated annual financial statements and the information is required for this purpose.*

*(5) If information is refused to a shareholder, such shareholder may request that his question and the reason given for the refusal of the information be recorded in the minutes of the proceedings.*

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**INFORMATION ON DATA PROTECTION**

*In a **Data Protection Statement**, the information relating to the processing of personal data in connection with the Annual General Meeting on 5 June 2019 will be published on the Company's website at <http://www.rhoen-klinikum-ag.com/hv>.*