

**RHÖN-KLINIKUM Aktiengesellschaft**  
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## **FURTHER INFORMATION TO AGENDA ITEM 7: DESCRIPTION OF REMUNERATION SCHEME FOR THE MEMBERS OF THE BOARD OF MANAGEMENT**

According to the amendments of German stock corporation legislation by ARUG II, sections 87a, 120a of the AktG provide for the requirement of the supervisory board of an exchange-listed company to resolve on a remuneration scheme for the members of the management board and to submit it to the annual general meeting for approval. According to the transitional provisions on the introduction of this legal provision, the resolution is to be adopted for the first time by conclusion of the annual general meeting held after 31 December 2020.

In March 2021, the remuneration scheme as set out below was adopted for the members of the Board of Management. The remuneration scheme applies from 1 April 2021 for all new service contracts to be entered into with members of the Board of Management and for re-appointments.

The service contracts already entered into with the currently incumbent members of the Board of Management (hereinafter referred to collectively as the “**Old Contracts**”) will not be affected according to the legal provision in section 26j (1) of the Introductory Act to the German Stock Corporation Act (Einführungsgesetz zum Aktiengesetz, “**EGAktG**”). Nonetheless, the current remuneration practice and thus also the Old Contracts already to a large extent comply with the remuneration scheme now adopted; deviations are presented below *in italics* for informational purposes, without such statements forming part of the remuneration scheme itself.

### I. Maximum remuneration

The total remuneration of the members of the Board of Management to be granted for a financial year (sum of all remuneration amounts to be expended for the financial year concerned, including annual basic salary, variable remuneration components and fringe benefits) – irrespective of whether it is paid out in this financial year or at a later time – is limited for the individual members of the Board of Management to a maximum amount (“**Maximum Remuneration**”). The Maximum Remuneration for each individual member of the Board of Management amounts to:



- maximum amount of annual basic salary plus variable remuneration: EUR 750,000.00
- maximum amount of fringe benefits (company car and personal accident insurance): EUR 50,000.00

*For Prof. Dr. Griewing, the maximum amount made up of annual basic salary plus variable remuneration on the basis of the Old Contract is EUR 1,500,000.00 plus fringe benefits such as company car and personal accident insurance in a maximum total value of EUR 50,000.00. For Dr. Weiß, the maximum amount made up of annual basic salary plus variable remuneration on the basis of the Old Contract in force until 31 December 2021 is EUR 1,200,000.00.*

*In addition, Dr. Weiß and Prof. Dr. Griewing receive what are referred to as post-retirements benefits. The expense of such post-retirement benefits (service costs) in the case of Prof. Dr. Griewing amount to 12.5% of the relevant annual payments, in the case of Dr. Weiß up to 31 December 2021 likewise 12.5% of the annual payments relevant up to that time and from 1 January 2022 then 12.5% of the aforementioned annual basic salary plus variable remuneration.*

*The follow-on service contract entered into with Dr. Weiß for the period from 1 January 2022, with the exception of the provision on post-retirement benefits, complies with the remuneration scheme adopted by the Supervisory Board. The service contracts of Dr. Höftberger and Dr. Stranz already comply fully with the remuneration scheme adopted by the Supervisory Board.*

The individual remuneration components are explained below.

## II. Contribution of remuneration to promoting the business strategy and to the long-term performance of RHÖN-KLINIKUM AG

The financial and non-financial targets to be set annually on whose fulfilment the performance-linked annual management profit-sharing bonus (tantieme) is dependent (see III.2 below) are oriented on the strategic goals of the Company (see in this regard also the description under IV.).

### III. Remuneration components

#### 1. Fixed remuneration components

##### a) Annual basic salary

The annual basic salary is a fixed cash remuneration with reference to the full year and paid in twelve equal monthly instalments.

b) Post-retirement benefits

In the remuneration scheme adopted by the Supervisory Board there are no provisions on post-retirement benefits for the members of the Board of Management.

*The currently existing Old Contracts with Dr. Weiß and Prof. Dr. Griewing contain provisions on post-retirement benefits. If the service contract ends or the member of the Board of Management deceases during his term of office, the member of the Board of Management or, as the case may be, his heirs thereafter receive for each full year of work as member of the Board of Management a payment equal to 0.125 times the annual payments owed (annual basic salary plus management profit-sharing bonus (tantieme)) for the calendar year of the departure or decease. The amount of the payment is limited to 1.5 times the annual payments last owed. If the annual payments in the year of termination or, as the case may be, decease are lower than the average remuneration during the entire period of work for the Board of Management, the latter remuneration shall apply.*

c) Fringe benefits

In accordance with the Company's guidelines, members of the Board of Management are provided with a company vehicle which they may also use for personal purposes. There is also D&O insurance cover subject to a deductible in accordance with the requirements of the German Stock Corporation Act equal to 10% of the claim up to one-and-a-half times the annual basic salary. There is also a personal accident insurance policy in favour of the members of the Board of Management.

2. Variable remuneration components

As variable remuneration components, the members of the Board of Management receive a performance-linked annual management profit-sharing bonus (tantieme) based on an annual target agreement to be entered into each year. The Supervisory Board and the member of the Board of Management re-negotiate the criteria for the amount of the tantieme to be paid for each financial year before or at the commencement of such financial year. In the event the negotiations fail, the Supervisory Board is entitled to define the criteria according to its reasonably exercised discretion (section 315 of the German Civil Code (Bürgerliches Gesetzbuch – BGB)).

The performance-linked annual tantieme is a maximum of 50% of the annual basic salary.

*The currently existing Board of Management contracts with Dr. Weiß and Prof. Dr. Griewing contain provisions on (partial) variable remuneration components.*

*The follow-on service contract entered into with Dr. Weiß for the period from 1 January 2022 with respect to the variable remuneration components complies with the remuneration scheme adopted by the Supervisory Board, as do the service contracts of Dr. Höftberger and Dr. Stranz.*

#### IV. Performance criteria for grant of variable remuneration components and payment of the variable remuneration

The financial and non-financial performance criteria contribute to promoting the business strategy and long-term performance of RHÖN-KLINIKUM AG as follows.

If consolidated profit or EBITDA (earnings before interest, taxes, depreciation and amortisation) pursuant to IFRS consolidated financial statements is defined as the performance criterion, this provides incentives to strengthen the Company's operative earnings strength.

In the same way the non-financial targets also contribute to promoting the business strategy. They will be oriented on the strategic goals in the interest of a sustainable Company performance. In this regard the Supervisory Board takes into account the strategic focus issues for the respective remuneration year.

The amount of the annual management profit-sharing bonus (tantieme) is defined after expiry of the reference period. The Supervisory Board and the members of the Board of Management try to reach agreement on the extent to which the non-financial targets are to be achieved. If no agreement can be reached, it is defined by the Supervisory Board according to its reasonably exercised discretion. The payment is made as a one-off payment at the earliest after the corresponding values have been calculated for the reference period.

#### V. Remuneration-specific transactions

##### 1. Terms and requirements for termination (including the respective termination notice periods) as well compensation for dismissal

The service contracts of the members of the Board of Management have the following contractual terms and termination provisions:

For first-time appointments, an appointment period and a term of the service contract of three years is provided for based on the recommendation in the German Corporate Governance Code.

For re-appointments, an appointment period and a term of the service contract of up to five years is provided for.

If a member of the Board of Management is removed before expiry of the appointment period, the service contract remains in force. In the event of early removal, the member of the Board of Management is entitled to terminate the service contract on two weeks' notice for the end of the month following the removal. In such case he is entitled to 80% of the total remuneration (basic salary and management profit-sharing bonus (tantieme)) which he still would have received in the event of his contract having been continued to its end in accordance with the contractual provisions, unless the removal was validly effected for good cause attributable to the member of the Board of Management. At the most, however, the mem-

ber of the Board of Management shall receive payments equal to double an annual remuneration (basic salary and tantieme). In this regard, the amount of the annual remuneration of the financial year ending before the termination, or of the financial year under way upon termination, is to be applied, whichever annual remuneration is lower. The maturity of the payments is governed by the maturity that would apply if the service contract had been continued.

If the member of the Board of Management resigns his Board of Management mandate, the remuneration claim under the service contract ends at the same time. If the resignation is submitted for good cause, however, the member of the Board of Management receives the aforementioned payments as in the case of a self-termination after removal without good cause, unless at the same time a good cause for a removal or for a termination of the service contract by the Company exists.

No special termination rights in the event of a change of control are provided.

## 2. Main aspects of provisions on pensions and early retirement

No provisions on pension and early retirement exist.

*The provisions on transitional allowance or survivors' pensions in the Old Contracts with Dr. Weiß and Prof. Dr. Griewing are already described under I. and III.1 above.*

## VI. Inclusion of remuneration and employment terms of employees in defining the remuneration scheme

Although the Supervisory Board has taken account of the wage and salary structure within the Company when setting the remuneration of the Board of Management, the Supervisory Board does not expressly determine how the senior management and the relevant overall staff are to be differentiated. The relationship of the remuneration of the Board of Management to the remuneration of the senior management and the relevant overall staff is consequently not reflected by application of such definitions either.

In view of the management structure and the specific staffing of a hospital company, the Supervisory Board does not find such definitions to be objectively justified.

## VII. Procedure for defining and implementing as well as reviewing the remuneration scheme

The remuneration scheme for the members of the Board of Management is defined by the Supervisory Board of RHÖN-KLINIKUM AG. The Supervisory Board is assisted in this task by its Personnel Affairs Committee. The latter develops corresponding recommendations for the scheme of remuneration of the Board of Management on which the Supervisory Board deliberates and adopts resolutions.

When defining the remuneration, the Supervisory Board and its Personnel Affairs Committee are guided by the remuneration structures in those companies in which the indirect main shareholder of RHÖN-KLINIKUM AG holds a sole or majority interest.

The provisions for dealing with conflicts of interests are also observed in the procedure for defining and implementing as well as reviewing the remuneration scheme

The remuneration scheme is submitted to the Annual General Meeting for approval.

The Personnel Affairs Committee prepares the Supervisory Board's regular review of the remuneration scheme for the members of the Board of Management. If required, it recommends the Supervisory Board to make changes. In the event of material changes, but at least every four years, the remuneration scheme is submitted once again to the Annual General Meeting for approval.

If the Annual General Meeting does not approve the remuneration scheme submitted for approval in each case, a reviewed remuneration scheme is submitted no later than at the next Annual General Meeting.

The present remuneration scheme applies to all members of the Board of Management for all new service contracts to be entered into with members of the Board of Management and for re-appointments.

The Supervisory Board may temporarily deviate from the remuneration scheme if this is necessary in the interest of the long-term well-being of the Company. This includes, for example, approximating the remuneration scheme to a significantly changed corporate strategy to ensure adequate incentives, or in the case of a serious economic crisis. The extraordinary circumstances underlying and justifying such deviation are to be established by way of Supervisory Board resolution. The components of the remuneration scheme that may be deviated from are the procedure, the provisions on the remuneration structure and its amount, as well as the individual remuneration components. Furthermore, the Supervisory Board may, according to reasonably exercised discretion if required in the event of a significant change in requirements being determined, reimburse the expenditures for extraordinary additional benefits (e.g. security measures). Moreover, the Supervisory Board has the right to grant newly joining members of the Board of Management special payments as compensation for losses in salary under a previous service relationship or to cover the costs arising from a relocation.