

„The Board of Management and the Supervisory Board of RHÖN-KLINIKUM AG declare that the Company has and will in 2003 adopt the recommendations made by the „Government Commission German Corporate Governance Code“ and published on 7 November 2002 by the Federal Minister of Justice in the official section of the electronic Federal Gazette (eBundesanzeiger), with the exception of the following **recommendations**:

- Item 2.1 RHÖN-KLINIKUM AG has issued a total of 17,280,000 ordinary shares and 8,640,000 non-voting preference shares.
- Item 3.10 The Board of Management and the Supervisory Board have taken position on the question of the application of the German Corporate Governance Code in its version of 7 November 2002, and a corresponding joint declaration has been published on the Company's web site, in accordance with § 161 of the Companies Act (AktG). There will be no further information on the subject in the Company's Annual Report, nor any further explanation regarding possible deviations from the recommendations contained in that Code.
- Item 4.2.3 No stock option programmes or similar schemes have been agreed to form part of the compensation for the members of the Board of Management.
- Item 5.1.3 The tasks of the Supervisory Board are laid down in detail in the Company's Articles of Association, §§ 10 - 14; the Supervisory Board has therefore refrained from issuing additional Terms of Reference to define its tasks.
- Item 5.3.1 Information about the committees established by the Supervisory Board is given in the Report of the Supervisory Board on RHÖN-KLINIKUM AG's financial year from 1 January to 31 December 2002 (§ 171 AktG).
- Item 5.3.2 The Supervisory Board handles issues of accounting, risk management, the necessary independence required of the auditors, the issuing of the audit mandate to the auditors, and the determination of auditing focal

points, in direct responsibility of the full Supervisory Board. Therefore, no Audit Committee has been set up.

Item 5.4.1 An age limit is not been specified for the members of the Supervisory Board.

Item 5.4.5 The compensation for members of the Supervisory Board is ruled by the Company's Articles of Association, § 14. Exercising of the chair position as well as membership in committees has been considered in the general compensation provisions, as laid down in § 14, Item 2, of the Company's Articles of Association; other specific consideration for such functions is not provided.

The compensation for the members of the Supervisory Board is shown in the notes to the annual consolidated financial statements on an individualised basis and broken down by its components. Equally, any amounts paid or benefits granted by the Company to members of the Supervisory Board for personal services rendered, particularly consulting and intermediary or similar services, are recorded as a separate item in the notes to the annual consolidated financial statements, with the exception of the compensation, particularly the wages and salaries, of employee representatives appointed to the Supervisory Board in accordance with the provisions of the German co-determination law.

Item 5.5.3 Two members of the Supervisory Board of RHÖN-KLINIKUM AG are representatives of the trade union ver.di, and six members are representatives of the workforce of the Company, pursuant to the provisions of the Codetermination Act (Mitbestimmungsgesetz) of 4 May of 1976. This legally prescribed composition of the Supervisory Board is bound to involve conflicts of interest. This is why, in general, the Supervisory does not apply item 5.5.3. of the code.

Item 5.6 The Supervisory Board monitors the observance of its resolutions and recommendations by the Board of Management. For the rest, the Board will not apply Item 5.6 of the Code.

- Item 6.5 The Company has generally not published any corporate information abroad, as such publicity has so far not been required under ruling capital market legislation.
- Item 6.6 The Board of Management and the Supervisory Board will report to the Company any purchase or sale of shares in the Company or any of its subsidiaries or of any options or other derivatives, in accordance with the provisions of the Securities Trading Act (WpHG). Item 6.6 of the Code will not be applied.
- Item 6.7 The Company's financial calendar is published on the Company's web site , exclusively.
- Item 7.1.2 The Company's and the Group's financial year is identical with the calendar year. The annual financial statements of the Company and the Group are regularly published in the month of April following the end of the financial year.

The Board of Management and the Supervisory Board will decide on the application of the **suggestions** contained in the Code as the case may be selective; neither the Code itself nor § 161 AktG (Stock Corporation Act) provide compulsory disclosure in case of non-compliance or deviations from the recommendations of the Code.”

Bad Neustadt/Saale , July 2003

RHÖN-KLINIKUM AG

The Board of Management