

## DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 GERMAN STOCK CORPORATION ACT

(as issued on 3 November 2016)

“The Board of Management and the Supervisory Board of RHÖN-KLINIKUM AG declare that the recommendations issued by the ‘Government Commission of the German Corporate Governance Code’ as amended on 5 May 2015 and published by the Federal Ministry of Justice in the official section of the Federal Gazette on 12 June 2015 have been implemented, and will be implemented, with the following exceptions:

### **Code Item 4.2.2 (2) sentence 3**

Relationship between remuneration of the Board of Management and that of senior management and staff overall

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 has not expressly determined 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, either, by application of such definitions in the case of the criteria specified in Code Item 4.2.2 (2) sentence 2.

Considering the present management structure and specific work force of a Medical Care Company the Supervisory Board does not deem such determinations to be objectively justified for the time being.

### **Code Item 4.2.3 (3)**

Pension commitments

Typical pension commitments do not exist at the Company. However, upon termination of the service contract or the decease of a member of the Board of Management the Company, subject to certain conditions, grants a “retirement benefit” explained in further detail in the Remuneration Report. It is paid as a one-time amount that is based on the number of completed years of service and additionally capped.

If the retirement benefits existing at the Company constitute provision benefits within the meaning of the recommendation pursuant to Code Item 4.2.3 (3), the “level of provision” in the view of the Supervisory Board results from the probable term of office of the respective member of the Board of Management and the formula defined in the retirement benefit. The annual as well as long-term expense for the Company is likewise derived from this.

Given the ambiguity of the recommendation pursuant to Code Item 4.2.3 (3) and the special structure of the retirement benefits existing at the Company, deviation from Code Item 4.2.3 (3) is nonetheless hereby declared as a precaution.

**Code Item 5.4.1 (2), (3)**

Stating specific objectives regarding the composition of the Supervisory Board

The Supervisory Board does not state any specific objectives regarding its composition nor does it specify an age limit or a regular duration limit on the term of membership of the Supervisory Board within the meaning of Code Item 5.4.1 (2) sentence 1. Consequently, it is not possible to comply with the recommendations based on this pursuant to Code Item 5.4.1 (3).

In the past the Supervisory Board, when nominating candidates for membership on the Supervisory Board, has been guided solely by the qualification of such candidates and the law. The shareholders' representatives on the Supervisory Board are convinced that this practice has proven itself.

**Code Item 7.1.2 sentence 4**

Period for making available the Consolidated Financial Statement

The Company's and the Group's financial year is the calendar year. The annual financial statements of the Company and the Group are published in the month of April following the end of the financial year.

The annual financial statements of the Company and the Group are completed only at the time specified in the foregoing due to the Group's special internal quality requirements.

The Board of Management and the Supervisory Board jointly decide on application of the suggestions contained in the Code on a case-by-case basis; such suggestions may be deviated from without disclosure, as set forth in both the Code and section 161 of the AktG."

Bad Neustadt a. d. Saale, 3 November 2016

For the Supervisory Board

Eugen Münch

For the Board of Management

Dr. Dr. Martin Siebert