



REPORT OF THE SUPERVISORY BOARD

In 2009, the Supervisory Board performed the duties assigned to it by law and by the Company's Statutes, regularly advising and monitoring the Management Board. It was closely involved in all decisions that were of major importance to the Group.

COOPERATION BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Carrying out its monitoring and advisory activities, the Supervisory Board was kept regularly informed by the Management Board – in a timely manner and comprehensively, both in writing and orally – about the business development, economic and financial position, and profitability of the Company and the Group the corporate strategy and planning, risk situation, risk management and compliance, and important business events. In all, the Supervisory Board of Fresenius SE convened for four regular meetings in 2009, in March, May, October, and December. Detailed Management Board reports and comprehensive approval documents concerning the agenda were distributed to members of the Supervisory Board before all its meetings. At each of its regular meetings, the Supervisory Board used the Management Board's reports as the basis for its comprehensive discussions about business development and important corporate decisions. All matters requiring Supervisory Board approval were submitted with sufficient time for proper scrutiny. After reviewing the related approval documents and detailed consultation with the Management Board, the Supervisory Board was able to give its approval in all matters submitted to it. The Supervisory Board was also informed about any important business events occurring between meetings and, in urgent cases, was requested to pass resolutions by written proceeding in lieu of a meeting. In addition, the Chairman of the Management Board regularly informed the Chairman of the Supervisory Board in individual discussions about the latest business

developments and forthcoming decisions. Every member of the Supervisory Board attended at least half of the Supervisory Board meetings during their term of office in 2009.

MAIN FOCUS OF THE SUPERVISORY BOARD'S ACTIVITIES

The Supervisory Board's monitoring and advisory activities were mainly centered on overall business operations as well as investments and the integration of recent acquisitions – especially APP Pharmaceuticals in the United States – in the business segments. The Supervisory Board thoroughly reviewed and discussed all other significant business activities with the Management Board. It approved the budget for 2010 and the Fresenius Group's mid-term planning, following a detailed review and discussions with the Management Board. At its regular meetings and within the Audit Committee, the Supervisory Board also kept itself informed about the Group's risk situation and risk management activities as well as compliance.

CORPORATE GOVERNANCE

Further development of corporate governance at Fresenius was reviewed by the Supervisory Board. It took note of the Act on the Appropriateness of Executive Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG) that came into force in Germany on August 5, 2009. In light of this new legislation, the Supervisory Board resolved to limit the duties of the Personnel Committee to preparing proposals in respect of the compensation system for the Management Board and the compensation of individual members of the Management Board and to resolving non-compensation-related terms of the contracts with the members of the Management Board. In addition, the Supervisory Board engaged experts to examine the appropriateness of the Management Board's compensation and whether the new provisions of the VorstAG stipulating that management compensation be oriented to sustainable long-term corporate performance might require a modification of the Management Board contracts. On May 8, 2009, the Management Board and the Supervisory Board jointly issued a Declaration of Conformity in accordance with the German Corporate Governance Code in its version as of June 6, 2008.

For more information on corporate governance at Fresenius, please see the Corporate Governance Declaration on pages 12 to 27 of the Annual Report.

The Management Board and the Supervisory Board of Fresenius SE have a duty to act in the best interests of the Company. In performing their activities, they do not pursue personal interests or bestow unjustified benefits on others. Any sideline activities or transactions with the Company by members of the corporate bodies must be reported to, and approved by, the Supervisory Board. The Supervisory Board reports to the Annual General Meeting on any conflicts of interest, and how they are dealt with.

Klaus-Peter Müller, a member of the Supervisory Board of Fresenius SE, is the chairman of the supervisory board of Commerzbank AG. The Fresenius Group maintains business relations with Commerzbank under customary conditions. Dr. Gerhard Rupprecht, a member of the Supervisory Board of Fresenius SE, is

a member of the management board of Allianz SE and the chairman of the management board of Allianz Deutschland AG. Dr. Francesco De Meo, member of the Management Board of Fresenius SE, is a member of the supervisory board of Allianz Private Krankenversicherungs-AG. In 2009, the Fresenius Group paid € 7 million for insurance premiums to Allianz (2008: € 7 million).

Consultancy and other service relationships between Supervisory Board members and the Company only existed in the case of Dr. Schenk, who is a member of our Company's Supervisory Board and is a partner in the international law firm Nörr Stiefenhofer Lutz (as of 2010: Noerr LLP). This law firm provided legal advice to the Fresenius Group in 2009. The Fresenius Group paid € 1 million to this law firm for services rendered in 2009 (2008: € 1 million), corresponding to 1.6 % of the total amount paid for legal advice in 2009. The Supervisory Board and its Audit Committee considered this mandate closely and it was approved by the Supervisory Board. Dr. Schenk did not take part in the voting. There are no other consulting or service contracts between Supervisory Board members and the Company.

There were no conflicts of interest involving members of the Supervisory or Management Boards in 2009. Members are required to notify the Supervisory Board immediately should such conflicts arise.

Fresenius has disclosed the information on related parties in the quarterly reports and on page 184 of the Annual Report.

WORK OF THE COMMITTEES

The Personnel Committee, whose responsibilities now are to prepare proposals on the compensation system for the Management Board and the compensation for the individual members of the Management Board and to resolve the non-compensation-related terms of contracts with members of the Management Board, held two meetings and one conference call.

The Audit Committee held three meetings. There were also four conference calls. The main focus of its controlling activities was on the preliminary audit of the annual financial statements of Fresenius SE and the Group for 2008 and discussions with the auditors about their report and the terms of reference of the audit, paying special heed to APP Pharmaceuticals in the United States. The Audit Committee also reviewed the 2009 quarterly reports, the risk management system, the internal control system, an audit plan as well as the audit results of the internal audit department, and a controlling report on the development of the acquisitions. The Audit Committee also discussed the implications of the Accounting Law Modernization Act (BilMoG) that came into force in Germany on May 29, 2009.

The Supervisory Board delegated the resolutions on the terms of the financing of the APP Pharmaceuticals acquisition to the special "Transaction Financing APP Pharmaceuticals, Inc." Committee set up for this purpose in 2008. In 2009, this committee held two conference calls and approved the issuance of Senior Notes to replace the bridge financing for the APP Pharmaceuticals acquisition.

The chairmen of the committees reported regularly to the next Supervisory Board meeting on the work of the committees.

The Nomination Committee did not convene. There is no Mediation Committee since the German Co-Determination Act (MitbestG), which provides for this committee, does not apply to Fresenius SE.

Information on the present composition of the committees can be found on pages 194 and 195 of the Annual Report.

PERSONNEL – COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

There were no changes in the composition of the Management Board or the Supervisory Board in 2009.

FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The accounting records, the financial statements prepared according to the German Commercial Code (HGB) and the Management Report of Fresenius SE for 2009 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. They were elected as auditors at Fresenius SE's Annual General Meeting on May 8, 2009, and were subsequently commissioned by the Supervisory Board. The auditors issued their unqualified audit opinion for these statements. The same applies to the consolidated financial statements of Fresenius SE prepared according to IFRS accounting principles and to the consolidated financial statements of Fresenius SE prepared voluntarily according to US GAAP.

Management Reports were added to the consolidated financial statements. The financial statements, the consolidated financial statements, the Management Reports, and the auditors' reports were submitted to each member of the Supervisory Board of Fresenius SE within the required time. The Supervisory Board noted and approved the auditors' findings. The Supervisory Board's own review found no objections to the financial statements of Fresenius SE or the consolidated financial statements. The Supervisory Board agrees with the Management Reports and the statements contained therein with respect to future development.

At its meeting on March 12, 2010, the Supervisory Board approved the financial statements of Fresenius SE for 2009 as presented by the Management Board, thereby adopting them as official. The Supervisory Board also approved the consolidated financial statements of Fresenius SE prepared according to IFRS standards and the consolidated financial statements for 2009 prepared voluntarily according to US GAAP.

The auditors delivered a detailed report on the results of the audit during this meeting. They found no weaknesses in the internal control system and risk management with regard to the accounting process. The auditors attended all meetings of the Supervisory Board and the Audit Committee.

The Supervisory Board concurs with the proposal by the Management Board on the appropriation of the 2009 retained earnings.

The Supervisory Board would like to thank the Management Board and all employees for their outstanding achievements in a difficult economic environment.

Bad Homburg v. d. H., March 12, 2010

The Supervisory Board



Dr. Gerd Krick
Chairman

CORPORATE GOVERNANCE DECLARATION.

The Management and Supervisory Boards of Fresenius SE are committed to responsible management that is focused on achieving a sustainable increase in the value of the Company. Long-term corporate strategies, solid financial management, strict adherence to legal and ethical business standards, and transparency in corporate communication are key factors. Good corporate governance is an integral part of our business philosophy at Fresenius.

In this corporate governance declaration, the Management Board and the Supervisory Board of Fresenius SE report pursuant to Section 289a of the German Commercial Code (HGB) and clause 3.10 of the German Corporate Governance Code – Corporate Governance Report. The Management and Supervisory Boards have published the corporate governance declaration pursuant to Section 289a HGB on the company website at www.fresenius.com in the Who we are/Corporate Governance section.

IMPLEMENTATION OF THE GERMAN CORPORATE GOVERNANCE GUIDELINES AND DECLARATION OF CONFORMITY

The German Corporate Governance Code (Code) was established to increase confidence in the corporate governance of publicly traded companies. It aims to provide more transparency for domestic and foreign investors on existing regulations covering the management and monitoring of companies. The Management and Supervisory Boards of Fresenius SE support the principles set out in the Code. Our value-enhancing

strategies, as well as the majority of the guidelines, recommendations, and proposals for **responsible management** contained in the Code, have been basic components of our activities for many years. Extensive information on the subject of corporate governance can be found on our website.

The Management and Supervisory Boards of Fresenius SE have issued the following **Declaration of Conformity** pursuant to Section 161 of the German Stock Corporation Act (AktG) and have made it available to shareholders:

“Declaration by the Management Board and the Supervisory Board of Fresenius SE on the recommendations of the Government Commission on the German Corporate Governance Code as amended on June 18, 2009, pursuant to Section 161 AktG:

The Management Board and the Supervisory Board of Fresenius SE declare that the recommendations of the “Government Commission on the German Corporate Governance Code” published by the Federal Ministry of Justice (Justizministerium) in the official section of the electronic Federal Gazette (Bundesanzeiger) are being complied with and that

they were complied with in the past. The Management Board and the Supervisory Board also intend to follow the recommendations of the German Corporate Governance Code in the future. Only the following recommendations have not been or are not being adhered to:

- ▶ Pursuant to clause 5.4.1 of the Code, an age limit should be determined for the members of the Supervisory Board. According to clause 5.1.2 paragraph 2, the same should apply to the members of the Management Board. As in the past, Fresenius will refrain from introducing an age limit for members of the Management Board and the Supervisory Board, as this would generally limit the selection of qualified candidates.
- ▶ Regarding the composition of the Management Board and in respect of the proposals for the election of members to the Supervisory Board (clauses 5.1.2 paragraph 2 and 5.4.1 of the Code), the Supervisory Board of Fresenius SE will, in future, continue to take diversity into account. Already now, the company's international engagement is borne in mind for both bodies.
- ▶ Pursuant to clause 4.2.3 paragraph 4 of the Code, upon termination of an employment agreement for a Management Board member, it should be ensured that the payments to the Management Board member whose service for the company is prematurely terminated shall not, including all ancillary payments, exceed the value of two annual remunerations (compensation cap) and shall remunerate for no more than the remaining term of the service agreement. The service agreements of the Fresenius SE Management Board members do not include a provision dealing with the early termination of service for the company without cause. Such compensation provision would contradict the concept to conclude the service agreements with the Management Board members for the period of their appointment, such concept practiced by Fresenius since long and in accordance with the German Stock Corporation Act (Aktiengesetz). Applying this concept, any early termination of the service agreement requires cause.
- ▶ Pursuant to clause 3.8 paragraph 2 of the Code, any D & O insurance for the Supervisory Board should provide for a deductible which reflects the mandatory deductible for Management Board members as introduced by the Act on the Appropriateness of Executive Board Compensation

(VorstAG). Such deductible amounts to 10 % of the damage, but up to a maximum amount of one and a half times the fixed annual remuneration. The D & O insurance currently taken out for the Fresenius group is a group insurance for a multitude of individuals which does not contain a deductible in the recommended amount. For the Management Board of Fresenius SE, the next periodic renewal of the D & O insurance in July 1, 2010 will provide for a deductible that complies with the requirements of the Act on the Appropriateness of Executive Board Compensation (VorstAG). It has been decided to introduce a corresponding deductible also for the Supervisory Board as from July 1, 2010.

Since the delivery of the last declaration of conformity in May 2009 with the in May 2009 declared and explained divergences from the recommendations pursuant to clauses 4.2.2 paragraph 1, 4.2.3 paragraph 3, 4.2.3 paragraph 4, 5.1.2 paragraph 2 and 5.4.1, Fresenius SE has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on 6 June, 2008.

Bad Homburg, March 2010

The Supervisory Board The Management Board"

In accordance with clause 3.10 of the Code, this declaration and all past declarations are published on our website at www.fresenius.com in the Who we are/Corporate Governance section, where they can be downloaded.

SHAREHOLDERS

The shareholders uphold their rights at the Annual General Meeting, where they exercise their **voting rights**. Each ordinary share of Fresenius SE confers one vote. Although preference shares of Fresenius SE basically carry no voting rights, holders of these shares have precedence in the distribution of earnings and are entitled to a higher **dividend**. None of the shares carry multiple or preferential voting rights. We treat all shareholders and principal interest groups equally. We make information on significant new circumstances publicly available without delay. Equal treatment is essential for building confidence in the capital market.

We report in more detail on our investor relations activities on page 10 of the section on Fresenius shares.

ANNUAL GENERAL MEETING

Our Annual General Meeting (AGM) was held on May 8, 2009, in Frankfurt am Main. Approximately 85 % of the ordinary share capital and about 42 % of the preference share capital were represented at the meeting. Those shareholders unable to attend the AGM were able to listen to the speech of the Chairman of the Management Board, which is broadcast live over the Internet in the Investor Relations/Annual General Meeting section of our website at www.fresenius.com. Additionally, shareholders were able to have their voting rights exercised by proxy, or, in line with the recommendation in the Code, by a voting representative appointed by Fresenius SE. Shareholders at the AGM voted on the appropriation of the distributable profits, and gave their approval to the actions of the Management and Supervisory Boards and to the appointment of the auditor. Other resolutions passed at the AGM included the creation of new Approved Capital and the corresponding amendment of Company's statutes; on these resolutions a separate vote had to be taken by the preference shareholders. The clearance procedure pursuant to Section 264a of the German Stock Corporation Act (AktG) is pending before the Higher Regional Court in Frankfurt am Main with the view of securing the validity of the approved capital which has already been registered in the commercial register.

Documents and information on the Annual General Meeting are available on our website at www.fresenius.com in the Investor Relations/Annual General Meeting section.

MANAGEMENT BOARD AND SUPERVISORY BOARD PROCEDURES

Fresenius SE has a **two-tier board structure**, consisting of a Management Board and a Supervisory Board. The management and control functions are strictly separated. The Management Board manages the Company on its own responsibility. The members of the Management Board have a joint responsibility for the management of the Company. The Supervisory Board appoints, supervises, and advises the Management Board, and is directly involved in decisions that are of fundamental importance for the Company.

MANAGEMENT BOARD PROCEDURES

The Management Board conducts the business of Fresenius SE. It formulates the Company's strategy, coordinates this with the Supervisory Board, and sees to its implementation. Its actions and decisions are guided by the Company's best interests. The Management Board has an obligation to increase the value of the Company on a sustainable basis. The Management Board's rules of procedure define the activities within the Board more specifically, especially with regard to the individual duties and responsibilities of the members, matters reserved for the full Management Board, and resolutions to be passed by the full Management Board. The **Management Board meetings** are convened as required, but at least once a month, by the Chairman of the Management Board, or, if he is incapacitated, by the Chief Financial Officer, or, if he is also incapacitated, by the Management Board member present who is the most senior in age. However, Management Board meetings are usually held twice a month. The person chairing the meeting decides the order in which the items on the agenda are dealt with, and the form in which the voting is conducted. Except in cases where mandatory provisions of law or the Company's statutes require a unanimous vote or action by all the Management Board members, the Management Board passes its resolutions by a simple majority of the votes cast, or, outside its meetings, by a simple majority of its members. The Chairman of the Management Board has the casting vote if a vote is tied. If the Chairman is not present, is incapacitated, or abstains, the motion is deemed rejected if a vote is tied. The rules of procedure also regulate the dealings between the Management Board and the Supervisory Board, and the matters that require the Supervisory Board's approval. The Management Board consists of seven members. They are listed on page 193 of the Annual Report.

The chief executive officers of the four business segments are members of the Management Board of Fresenius SE. This ensures that the full Management Board of Fresenius SE is kept constantly informed about important events, plans, developments, and measures within the business segments. There are no Management Board committees, owing to Fresenius SE's role as operating holding company.

SUPERVISORY BOARD PROCEDURES

The Supervisory Board of Fresenius SE consists of twelve members who are elected at the AGM. The nominations for election to the Supervisory Board take account of the knowledge, skills, and professional experience required to perform the duties and the diversity of the Board's composition. A Nomination Committee has been created for proposals on the **shareholders'** side. Its activities are aligned with the provisions of law and the Corporate Governance Code. Of the twelve members of the Supervisory Board, six are proposed directly by the **employees**; the AGM is bound by these nominations. The term of office of the current Supervisory Board members will end at the close of the Company's AGM in 2013. The Supervisory Board includes an, in its opinion, sufficient number of independent members who have no business or personal relations with the Company or its Management Board that could cause a conflict of interest. The **statutes** of Fresenius SE regulate the details with regard to the Supervisory Board's election, constitution, and term of office, its meetings and resolutions, and its rights and duties. They are published on our website at www.fresenius.com in the Who we are/Corporate Governance section, where they can be downloaded.

The Supervisory Board has established its rules of procedure in accordance with clause 5.1.3 of the Code. The Chairman of the Supervisory Board is responsible for coordinating the activities of the Supervisory Board, chairing its **meetings**, and representing its interests externally. The Supervisory Board should convene once each calendar quarter, and must convene twice each calendar half-year. The meetings are convened and chaired by the Chairman, or, if he is incapacitated, by a chairperson named by the Chairman. The person chairing the meeting decides the order in which the items on the agenda are dealt with and the form in which the voting is conducted. Unless other majorities are mandatory by law, the Supervisory Board passes its resolutions by a simple majority of the votes submitted in the voting. If a vote is tied, the Chairman has the casting vote or, if he does not take part in the voting, the matter is decided by the vote of the Deputy Chairman who is a shareholders' representative.

The Supervisory Board conducts its business in accordance with the provisions of law, the Company's statutes, and its rules of procedure. Regular dialogue with the Management Board ensures that the Supervisory Board is well informed

at all times about the Company's operating performance, corporate development and planning and strategy. It approves all corporate planning and, taking into account the auditor's reports, approves the Group's annual financial statements. Another important part of the Supervisory Board's activities is the work conducted within the committees formed in accordance with the requirements of the German Stock Corporation Act (AktG) and the recommendations of the Code.

The members of the Supervisory Board keep themselves regularly informed, through internal and external sources, about the latest requirements with regard to their supervisory activities. The Supervisory Board ensures at all times that its members are suitably qualified, keep their professional knowledge up to date, and further develop their judgement and expertise to the extent necessary for the proper performance of their duties, including those of its committees. Information is sourced from various external experts, and representatives from the Company's specialist divisions keep the members informed about important developments, for instance about relevant new laws or changes in the US GAAP and IFRS accounting and auditing standards.

The members of the Supervisory Board are listed on pages 194 to 195 of the Annual Report. The Supervisory Board reports on the main focuses of its activities and those of its committees in 2009 on pages 188 to 192 of the Annual Report.

COMPOSITION AND PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

The Supervisory Board of Fresenius SE has three permanent committees: the Audit Committee, consisting of five members, and the Personnel Committee and the Nomination Committee, each comprising three members. The members of the committees are elected by a majority of the Supervisory Board votes for the duration of their term of office on the Supervisory Board. The provisions applying to the Supervisory Board apply analogously to the committees. The committees hold meetings as required. The meetings are convened by the committee chairmen. They report on the activities of the committees at the next Supervisory Board meeting. The rules of

procedure for the committees are regulated in the Supervisory Board's rules of procedure. The committees do not have their own rules of procedure. The members of the committees are listed on pages 194 to 195 of the Annual Report.

AUDIT COMMITTEE

The Chairman of the Audit Committee satisfies the requirements of clause 5.3.2 of the Corporate Governance Code. Prof. Dr. Roland Berger, Chairman of the Audit Committee, meets the required standards to qualify as a financial expert on the Supervisory Board of Fresenius SE pursuant to Section 100 paragraph 5 of the German Stock Corporation Act (AktG). The Audit Committee's function is, among other things, to prepare the Supervisory Board's approval of the financial statements and the consolidated financial statements, and the Supervisory Board's proposal to the AGM on the appointment of the auditor for the financial statements, and to make a preliminary review of the proposal on the appropriation of distributable profits. It also reviews the quarterly reports before they are published, and – following discussions with the Management Board – engages the auditor for the financial statements (and concludes the agreement on the auditor's fees), determines the main focuses of the audit, and defines the auditor's reporting duties in relation to the Supervisory Board. Other matters within its remit are, especially, the review of the Company's risk management and compliance issues.

In 2009, the members of the Audit Committee were Prof. Dr. Roland Berger (Chairman), Roland Kölbl, Dr. Gerd Krick, Dr. Karl Schneider, and Rainer Stein.

PERSONNEL COMMITTEE

The Personnel Committee submits proposals to the Supervisory Board on the compensation system for the Management Board and on the compensation of the individual Management Board members. It determines the terms of the contracts with the members of the Management Board that are not compensation-relevant. The Supervisory Board Chairman is the Chairman of the Personnel Committee.

In 2009, the members of the Personnel Committee were Dr. Gerd Krick (Chairman), Wilhelm Sachs, and Dr. Karl Schneider.

NOMINATION COMMITTEE

The Nomination Committee proposes suitable candidates to the Supervisory Board for the nominations it makes to the AGM for the election of Supervisory Board members on the shareholders' side. It consists solely of shareholder representatives. In making its proposals, the Nomination Committee is guided by the requirements of the Corporate Governance Code.

In 2009, the members of the Nomination Committee were Dr. Gerd Krick (Chairman), Dr. Dieter Schenk, and Dr. Karl Schneider.

MEDIATION COMMITTEE

A listed German stock corporation, which as a rule has more than 2,000 employees, is required to form a so-called mediation committee pursuant to Section 27 paragraph 3 of the German Co-determination Act. By shareholder resolution at the General Meeting on December 4, 2006, Fresenius AG was converted into a European company (Societas Europaea). The conversion became effective with its entry in the Commercial Register on July 13, 2007. A mediation committee has not been necessary for Fresenius SE since then because the German Co-determination Act does not apply to Fresenius SE, and the Corporate Governance Code does not require such a committee.

"TRANSACTION FINANCING

APP PHARMACEUTICALS, INC." COMMITTEE

In 2008, the Supervisory Board delegated to the Transaction Financing APP Pharmaceuticals, Inc. Committee, among other things, the decisions on the final acquisition price and on those terms of the APP Pharmaceuticals transaction's financing that required the Supervisory Board's approval. The committee consisted of two shareholder representatives and two employee representatives. The committee also approved the issuance of Senior Notes to replace the acquisition's bridge financing in 2009. Its work ended with the successful completion of the financing of the APP Pharmaceuticals

acquisition in January 2009. The members of the committee were Dr. Gerd Krick (Chairman), Dr. Karl Schneider, Stefan Schubert, and Niko Stumpfögger.

Information on positions held by committee members on statutorily required supervisory boards and comparable domestic and foreign control bodies of other business enterprises can be found on pages 194 and 195 of the Annual Report.

In accordance with the statutes of Fresenius SE, only members of the Audit Committee and the Personnel Committee receive additional compensation (Section 14 paragraph 2).

SUPERVISORY BOARD EFFICIENCY EVALUATION

The Supervisory Board of Fresenius SE deliberated on the efficiency evaluation in accordance with clause 5.6 of the Code at two of its meetings in 2009. It reviews the efficiency of its activities through an open discussion within the full Supervisory Board. A **company-specific questionnaire** covering the salient points for a self-evaluation serves as the basis for the discussion. Among other things, this includes the organization and structuring of the meetings, the amount of information, and how it is provided. The self-evaluations conducted so far have shown that the Supervisory Board is efficiently organized and that the cooperation between the Management Board and the Supervisory Board functions very well.

COOPERATION BETWEEN THE MANAGEMENT AND SUPERVISORY BOARDS

Good corporate governance requires **trusting and efficient cooperation** between the Management Board and the Supervisory Board. The Management and Supervisory Boards of Fresenius SE work closely together in the interests of the Company. Open communication is of great importance. The Management Board discusses the Company's strategic focus with the Supervisory Board. As the monitoring body, the Supervisory Board also needs to be informed comprehensively about operating performance and corporate planning, as well as the risk situation, including risk management and compliance. Important business transactions require the approval of the Supervisory Board.

AVOIDANCE OF CONFLICTS OF INTEREST

The Management Board and the Supervisory Board of Fresenius SE have a duty to act in the best interests of the Company. In performing their activities, they do not pursue personal interests or bestow unjustified benefits on others. Any sideline activities or transactions with the Company by members of the corporate bodies must be reported to, and approved by, the Supervisory Board. The Supervisory Board reports to the AGM on any conflicts of interest and how they are dealt with.

Mr. Müller is a member of our Company's Supervisory Board and is Supervisory Board Chairman of Commerzbank AG. The Fresenius Group keeps business relations with Commerzbank under customary conditions. In 2008, the Fresenius Group paid € 4 million for services rendered in connection with the commitment relating to the financing for the APP acquisition. The Supervisory Board member Dr. Rupprecht is a member of the Management Board of Allianz SE and Chairman of the Management Board of Allianz Deutschland AG. Dr. De Meo, member of the Management Board of Fresenius SE, is member of the Supervisory Board of Allianz Private Krankenversicherungs-AG. The Fresenius Group pays insurance premiums to Allianz on normal terms and in normal amounts. They amounted to € 7 million in 2009 (2008: € 7 million).

Consultancy and other service relationships between Supervisory Board members and the Company only existed in the case of Dr. Schenk, who is a member of our Company's Supervisory Board and is a partner in the international law firm Nörr Stiefenhofer Lutz (as of 2010: Noerr LLP). This law firm provided legal advice to the Fresenius Group in 2009. The Fresenius Group paid € 1 million to this law firm for services rendered in 2009 (2008: € 1 million), corresponding to 1.6 % of the total amount paid for legal advice in 2009. The Supervisory Board and its Audit Committee considered this mandate closely, and it was approved by the Supervisory

Board. Dr. Schenk did not take part in the voting. There are no other consulting or service contracts between Supervisory Board members and the Company.

There were no conflicts of interest involving members of the Supervisory or Management Boards in 2009. Members are required to notify the Supervisory Board immediately should such conflicts arise.

Fresenius has disclosed the information on related parties in the quarterly reports and on page 184 of the Annual Report for 2009.

RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

The members of the Management Board of Fresenius SE, who are responsible for managing Fresenius SE, conduct its business with the due care and diligence of a prudent and conscientious company director in compliance with the provisions of law, the Company's statutes, the Management Board's rules of procedure, the resolutions passed by the full Management Board, and the respective employment contracts. Corporate governance practices extending beyond the requirements of law are defined in the **Fresenius SE Code of Conduct**. This Code of Conduct contains the key principles and rules for our conduct within the Company and in our relations with external partners and with the public. The principles of this Code of Conduct and the rules in place for complying with them are binding for all employees of Fresenius SE. They must be observed in business relations of any kind. The Fresenius SE Code of Conduct serves as a model for the further elaboration and adoption of proprietary codes of conduct within the business segments. It was implemented by the Fresenius SE Management Board. Ensuring compliance

with the principles of the Code of Conduct is regarded as part of our executives' managerial responsibilities. The Code of Conduct is published on our website at www.fresenius.com in the Who we are/Corporate Governance section, where it can be downloaded.

DISCLOSURES ON DIRECTORS' DEALINGS AND SHAREHOLDINGS IN 2009

Members of the Management and Supervisory Boards, other executive officers, and persons closely related to them are required, pursuant to Section 15a of the German Securities Trading Act (WpHG), to disclose purchases and sales of shares of Fresenius SE and financial instruments based on them (Directors' Dealings). Directors' dealings in 2009 are disclosed in the table below.

In compliance with clause 6.6 of the German Corporate Governance Code, ownership of shares of the Company and financial instruments based on them must be disclosed by Management and Supervisory Board members if more than 1 % of the shares issued by Fresenius SE are held either directly or indirectly. No member of either board holds, directly and indirectly, more than 1 % of these shares. Members of the Management and Supervisory Boards together held 1.3 % of the Fresenius SE shares outstanding as of December 31, 2009, in the form of shares or financial instruments and stock options under the stock option plans respectively, based on them. Of the total, the Management Board held 0.6 % and the Supervisory Board 0.7 %.

We received no notifications that the shareholdings of members of the Management and Supervisory Boards had reached, exceeded, or fallen below the reporting thresholds stipulated in the German Securities Trading Act.

DIRECTORS' DEALINGS

2009	Name	Position	Class of share	Quantity	Price in €	Total volume in €	Type of transaction
March 11	S. Sturm	Member of the Management Board	Preference share	1,000	33.20	33,200.00	Purchase

TRANSPARENCY AND COMMUNICATION

Fresenius adheres to all recommendations of clause 6 of the Code. Transparency is guaranteed by continuous communication with the public. In that way we are able to validate and extend the trust given to us. Of particular importance to us is the **equal treatment** of all recipients. To ensure that all market recipients receive the same information at the same time, we post all important publications on our website www.fresenius.com in the Investor Relations section. These publications include financial reports and disclosures on directors' dealings in accordance with Section 15a of the German Securities Trading Act (WpHG). We report in detail on our 2009 investor relations activities in the section on Fresenius shares on page 10 of the Annual Report.

RISK MANAGEMENT AND CONTROL SYSTEM

In our view, the responsible handling of risks is an element of good corporate governance. Fresenius has a systematic risk management and control system that allows the Management Board to make early identifications of market trends and to react promptly to relevant changes in our risk profile. Our risk management and control system and efficiently designed processes help to enhance the Company's performance. Our risk management is reviewed as part of the annual audit of the financial statements and through audits by the Internal Audit division. The control system is regularly reviewed by the Management Board and the Internal Audit division. Further information can be found on pages 90 to 91 of the Management Report.

The **Internal Audit division** supports the Management Board as an independent function outside the Company's day-to-day operations. The division assesses internal processes from an objective viewpoint and with the necessary distance. Its mission is to create value for Fresenius, and thus help to achieve its organizational goals, through improved internal controls, optimized business processes, enhanced cost reduction and efficiency, and by preventing corruption. Fresenius Medical Care & Co. KGaA has its own internal risk management and control system.

COMPLIANCE

At Fresenius, compliance with national and international legal and ethical principles is an integral part of our corporate culture. These principles, which underpin our professionalism, include honesty and integrity in relations with our patients, customers, suppliers, governments, employees, shareholders, and the general public. We make every effort to ensure that our employees know and comply with the relevant national and international rules. The **Fresenius SE Code of Conduct** contains the key principles and rules for conduct within the Company and in relations with external partners and the public. They are embodied in Company guidelines and procedures. Their purpose is to help our employees make the right decisions in their day-to-day work. The Fresenius SE Code of Conduct serves as model for the adoption and further elaboration of proprietary codes of conduct within all the business segments. As a rule, this does not affect the **compliance programs** already in place if they do not conflict with the spirit and intent of the principles of the Fresenius SE Code of Conduct. The Code's principles and rules apply globally, through the business segments' compliance programs, to all employees of the Fresenius Group. By complying with the laws and observing the principles and rules of the Fresenius SE Code of Conduct, every employee makes his or her contribution toward ensuring that Fresenius is perceived as an honest and reliable partner in the health care sector for patients, customers, suppliers, governments, and the public.

We have published the Fresenius SE Code of Conduct on our website at www.fresenius.com in the Who we are/Corporate Governance section.

At Fresenius SE, compliance is regarded generally as a management task on all decision levels. As a corporate governance function, the Corporate Compliance division reports to the **Chief Compliance Officer**, the member of the Fresenius SE Management Board responsible for Legal Affairs, Compliance, and Human Resources. The division supports the Chief Compliance Officer in establishing and implementing guidelines and procedures which shall ensure the applicable statutory requirements as well as the requirements of the Fresenius SE compliance program are adhered to.

Compliance activities and guidelines have been implemented in each business segment and a chief compliance officer has been appointed who is responsible for communicating information and for introducing, elaborating, and monitoring the compliance procedures in the respective business segment. He is supported by additional compliance officers appointed on the basis of the organizational and business structures. The employees of the Corporate Compliance departments support and advise the compliance officers at the business segment, regional and country levels so as to ensure that the same high ethical standards are applied throughout the Company and that Group values, applicable international and local laws and regulations, and the Company's guidelines and procedures are adhered to. We organize **training programs** to instruct our employees about the applicable statutory requirements and internal company guidelines. Their superiors and the compliance officers in the business segments and at Fresenius SE are available as contact persons for guidance. An **internal reporting system** and individual audits by the Internal Audit division help to monitor and ensure adherence to legal requirements and compliance standards. The Internal Audit division conducts audits at the companies and in the business segments worldwide. The auditors have unrestricted authority, within the scope of their audit assignment, to demand information and inspect records at the companies audited.

FINANCIAL ACCOUNTING AND REPORTING

Fresenius prepares its consolidated financial statements in accordance with the United States Generally Accepted Accounting Principles (US GAAP). As of the 2005 fiscal year, Fresenius, as a publicly traded company based in a member country of the European Union, has been required to prepare and publish its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) pursuant to Section 315a of the German Commercial Code (HGB). Our largest subsidiary, Fresenius Medical Care, prepares its financial statements in accordance with US GAAP. We therefore publish our consolidated financial statements in accordance with US GAAP and our statutory consolidated financial statements in accordance with IFRS. This enables us to disclose our financial results to all our shareholders in a comparable and transparent manner.

COMPENSATION REPORT

The compensation report of Fresenius SE summarizes the main elements of the compensation system for the members of the Management Board of Fresenius SE and in this connection notably explains the amounts and structure of the compensation paid to the Management Board as well as the principles for determining the compensation of the Supervisory Board and the amounts of the compensation. The compensation report is part of the Management report. The compensation report is prepared on the basis of the recommendations made by the German Corporate Governance Code and also includes the disclosures as required pursuant to the applicable statutory regulations, notably in accordance with the German Commercial Code.

COMPENSATION OF THE MANAGEMENT BOARD OF FRESENIUS SE

The entire Supervisory Board is responsible for determining the compensation of the Management Board. The Supervisory Board is assisted in this task by a personnel committee. In the year under review, the personnel committee was composed of Dr. Gerd Krick, Dr. Karl Schneider and Wilhelm Sachs.

The objective of the compensation system is to enable the members of the Management Board to participate reasonably in the sustainable development of the Company's business with the compensation paid and to reward them based on their duties and performance as well as their successes in managing the Company's economic and the financial position while giving due regard to the peer environment.

The compensation of the Management Board is, as a whole, performance-oriented and was composed of three elements in the fiscal year 2009:

- ▶ non-performance-related compensation (basic salary)
- ▶ performance-related compensation (variable bonus)
- ▶ components with long-term incentive effects (stock options)

In addition, three members of the Management Board had pension commitments in the reporting period.

The design of the individual components is based on the following criteria:

The non-performance-related compensation was paid in twelve monthly installments as basic salary in the fiscal year 2009. In addition, the members of the Management Board received additional benefits consisting mainly of insurance premiums, the private use of company cars, special payments such as rent supplements and reimbursement of certain other charges as well as contributions to pension and health insurance.

The performance-related compensation will also be granted for the fiscal year 2009 as a variable bonus. The amount of the bonus in each case generally depends on the achievement of the individual targets relating to the net income attributable to Fresenius SE and its segments. For the total

performance-related compensation, the maximum achievable bonus is fixed.

For the fiscal years 2009 and 2008, the amount of cash payment of the Management Board of Fresenius SE consisted of the following:

in thousand €	Non-performance-related compensation				Performance-related compensation		Cash compensation (without long-term incentive components)	
	Salary		Other ¹		Bonus		2009	2008
	2009	2008	2009	2008	2009	2008		
Dr. Ulf M. Schneider	800	800	56	39	1,032	1,165	1,888	2,004
Rainer Baule	425	425	41	40	800	900	1,266	1,365
Dr. Francesco De Meo	425	425	18	18	543	490	986	933
Dr. Jürgen Götz	325	325	28	29	424	360	777	714
Dr. Ben Lipps ²	860	816	251	202	1,200	963	2,311	1,981
Stephan Sturm	425	425	85	84	732	850	1,242	1,359
Dr. Ernst Wastler	375	375	27	17	473	390	875	782
Total	3,635	3,591	506	429	5,204	5,118	9,345	9,138

¹ Includes insurance premiums, private use of company cars, contributions to pension and health insurance as well as other benefits.

² Dr. Ben Lipps receives his compensation only from Fresenius Medical Care, of which Fresenius SE held 35.58 % of the total subscribed capital.

As Dr. Ben Lipps is a member of the Management Board of Fresenius SE, his compensation has to be included in the compensation report of the Fresenius Group.

In the fiscal year 2009, stock options based on the Fresenius SE Stock Option Plan 2008 and the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2006 were granted as com-

ponents with long-term incentive effects. The principles of both plans are described in more detail in note 34 of the notes of the Fresenius Group, Stock options.

For the fiscal years 2009 and 2008, the number and value of stock options issued is shown in the following table:

LONG-TERM INCENTIVE COMPONENTS

	Stock options ¹			
	Number		Value in thousand €	
	2009	2008	2009	2008
Dr. Ulf M. Schneider	51,600	51,600	425	815
Rainer Baule	25,800	25,800	213	408
Dr. Francesco De Meo	25,800	25,800	213	408
Dr. Jürgen Götz	25,800	25,800	213	408
Dr. Ben Lipps	99,600	99,600	761	976
Stephan Sturm	25,800	25,800	213	408
Dr. Ernst Wastler	25,800	25,800	213	408
Total	280,200	280,200	2,251	3,831

¹ Stock options that were granted in 2009 and 2008 under the Fresenius SE stock option plan.

Dr. Ben Lipps received stock options under the Fresenius Medical Care stock option plan.

The stated values of the stock options granted to members of the Management Board in the fiscal year 2009 correspond to their fair value at the time of grant, namely a value of € 8.24 (2008: € 15.80) per stock option of Fresenius SE and € 7.64 (2008: € 9.80) per stock option of FMC-AG & Co. KGaA.

As the financial targets of the year 2009 were achieved, Dr. Ben Lipps is entitled to a stock-based compensation in an amount of € 341 thousand (2008: € 425 thousand). The entitlement is based on the development of the ordinary share of

Fresenius Medical Care and has a three years vesting period. At the end of the fiscal year 2009, the members of the Management Board held a total of 901,500 (2008: 720,900) stock options and convertible bonds of Fresenius SE and 703,416 (2008: 818,411) stock options and convertible bonds of FMC-AG & Co. KGaA.

The development and the status of the stock options of the Management Board in the fiscal year 2009 are shown in the following table:

	Dr. Ulf M. Schneider	Rainer Baule	Dr. Francesco De Meo	Dr. Jürgen Götz	Dr. Ben Lipps ¹	Stephan Sturm	Dr. Ernst Wastler	Total ²
Options outstanding on January 1, 2009								
number	270,900	161,250	55,800	62,730	818,411	113,520	56,700	720,900
average exercise price in €	36.61	34.02	51.18	50.79	24.57	42.71	47.29	40.19
Options granted during fiscal year								
number	51,600	25,800	25,800	25,800	99,600	25,800	25,800	180,600
average exercise price in €	36.89	36.89	36.89	36.89	31.97	36.89	36.89	36.89
Options exercised during fiscal year								
number	0	0	0	0	214,595	0	0	0
average exercise price in €					15.32			
average stock price in €					28.50			
Options outstanding on December 31, 2009								
number	322,500	187,050	81,600	88,530	703,416	139,320	82,500	901,500
average exercise price in €	36.65	34.42	46.66	46.74	28.44	41.63	44.04	39.53
average remaining life in years	5.7	5.2	6.4	6.4	4.2	6.2	6.2	5.9
range of exercise prices in €	13.59 to 57.27	13.59 to 57.27	36.89 to 57.27	29.92 to 57.27	14.47 to 35.49	29.92 to 57.27	21.33 to 57.27	13.59 to 57.27
Exercisable options on December 31, 2009								
number	175,438	113,516	14,996	19,310	404,616	65,786	20,396	409,442
average exercise price in €	27.81	26.14	46.41	43.71	24.48	35.41	37.01	30.46

¹ Dr. Ben Lipps holds stock options under the Fresenius Medical Care stock option plan.

² Only stock options and convertible bonds of Fresenius SE, excluding stock options of Dr. Ben Lipps.

The following table shows the total compensation for the years 2009 and 2008:

in thousand €	Cash compensation (without long-term incentive components)		Long-term incentive components		Total compensation (including long-term incen- tive components)	
	2009	2008	2009	2008	2009	2008
Dr. Ulf M. Schneider	1,888	2,004	425	815	2,313	2,819
Rainer Baule	1,266	1,365	213	408	1,479	1,773
Dr. Francesco De Meo	986	933	213	408	1,199	1,341
Dr. Jürgen Götz	777	714	213	408	990	1,122
Dr. Ben Lipps	2,311	1,981	1,102	1,401	3,413	3,382
Stephan Sturm	1,242	1,359	213	408	1,455	1,767
Dr. Ernst Wastler	875	782	213	408	1,088	1,190
Total	9,345	9,138	2,592	4,256	11,937	13,394

The components with long-term incentive effect can be exercised only after the expiry of the specified vesting period. Their value is recognized over the vesting period as expense

in the respective fiscal year. The expenses attributable to the fiscal years 2009 and 2008 are stated in the following table.

in thousand €	Expenses for long-term incentive components	
	2009	2008
Dr. Ulf M. Schneider	694	714
Rainer Baule	347	357
Dr. Francesco De Meo	171	68
Dr. Jürgen Götz	289	219
Dr. Ben Lipps	1,857	1,348
Stephan Sturm	357	383
Dr. Ernst Wastler	171	68
Total	3,886	3,157

The non-performance-related compensation components and the basic structures of the performance-related compensation components are agreed in the service agreements with the individual Management Board members. The stock options are granted on an annual basis by the Supervisory Board to the Management Board.

COMMITMENTS TO MEMBERS OF THE MANAGEMENT BOARD FOR THE EVENT OF THE TERMINATION OF THEIR APPOINTMENT

There are individual contractual pension commitments for the Management Board members Dr. Ulf M. Schneider, Rainer Baule and Stephan Sturm based on their service agreements. With regard to these pension commitments,

the Fresenius Group had pension obligations of € 3,316 thousand as of December 31, 2009 (2008: € 2,787 thousand). The additions to pension liability in the fiscal year 2009 amounted to € 529 thousand (2008: € 759 thousand). Each of the pension commitments provides a pension and survivor benefit, depending on the amount of the most recent basic salary, from the 63rd year of life, or, in the case of termination because of professional or occupational incapacity, from the time of ending active work. The starting percentage of 30 % increases with every year of service by 1.5 percentage points, 45 % being the attainable maximum. 30 % of the gross amount of any later income from an occupation of the Management Board member is set-off against the pension.

With the Management Board member Dr. Ben Lipps, there is an individual agreement, instead of a pension provision, to the effect that, taking account of a competitive restriction after the ending of the service agreement between him and FMC Management AG, he can, for a period of ten years, act in a consultative capacity for the Company. The consideration to be granted annually by FMC Management AG in return would amount to approximately 33 % of the non-performance-related compensation components paid to him in the fiscal year 2009.

The service agreements of the members of the Management Board contain no express provisions for the case of a change of control and for the event of the ending of their service agreement.

MISCELLANEOUS

In the fiscal year 2009, no loans or advance payments of future compensation components were made to members of the Management Board of Fresenius SE.

As far as legally permitted, Fresenius SE undertook to indemnify the members of the Management Board against claims against them arising out of their work for the Company

and its affiliates, if such claims exceed their responsibilities under German law. To secure such obligations, the Company concluded a Directors' & Officers' insurance with an appropriate excess. The indemnity applies for the time in which each member of the Management Board is in office and for claims in this connection after the ending of the membership of the Management Board in each case.

At December 31, 2007, Andreas Gaddum resigned from the Management Board of Fresenius SE. Until the expiration of his service agreement on June 30, 2008, he received his stipulated non-performance-related compensation in an amount of € 162,500 as well as related benefits and a performance-related compensation on a pro rata basis according to the service agreement. For the period from July 1, 2008 to June 30, 2009, Andreas Gaddum obtained a waiting allowance of € 262,500 for the agreed non-competition clause.

Based on these agreements and on pension commitments, to former members of the Management Board, € 875 thousand and € 1,386 thousand were paid in the years 2009 and 2008, respectively. The benefit obligation for these persons amounted to € 9,878 thousand in 2009 (2008: € 10,056 thousand).

ADJUSTMENTS TO SYSTEM OF COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD

From 2010 on, the currently applicable system of compensation for the members of the Management Board will be adjusted to the new requirements of the German Act on the Appropriateness of Executive Board Compensation (VorstAG), which took effect on August 5, 2009, as follows:

In line with the existing compensation system, each member of the Management Board will receive an annual fixed basic compensation to be paid out in twelve equal monthly installments. The amount of the fixed basic compensation is assessed differently for the respective members of the Management Board to reflect the special individual areas of tasks and responsibilities as well as performance contribution.

In addition, the members of the Management Board receive a performance-related bonus whose amount in each case is dependent on certain target parameters oriented on the consolidated result of the Fresenius Group and/or of the relevant corporate segments being achieved. In the case of the members of the Management Board with functional responsibility for the entire Group – such members being Dr. Schneider, Mr. Sturm and Dr. Götz –, the amount of the variable bonus is based in its entirety on the respective consolidated net annual profit of Fresenius SE (after deduction of minority interests). For Mr. Baule and Dr. De Meo, half of the amount of the variable bonus in each case depends on the development of the consolidated net annual profit as well as the development of the net annual profit of the corporate segment (in each case after deduction of minority interests) for which the respective member of the Management Board is responsible. The variable bonus of Dr. Wastler in each case is oriented on the consolidated net annual profit of Fresenius SE (after deduction of minority interests) as well as on the consolidated annual result before tax and extraordinary income/expenditures of the VAMED group. As in the past, Dr. Lipps will continue to receive his compensation only from Fresenius Medical Care.

Besides the variable bonus, which as a rule is to be paid out annually in cash and which is limited in its amount, the members of the Management Board receive a further variable compensation component in the form of stock options as a performance-related component of long-term incentive compensation. Stock options are allotted on the basis of the Stock Option Plan 2008 of Fresenius SE. The number of stock options to be allotted is defined in each case by the Supervisory Board at its discretion, with all members of the Management Board, except for the Chairman of the Management Board who receives double the number of stock options, receiving the same number of stock options.

To ensure that the overall system of compensation of the members of the Management Board is oriented towards long-term and sustained corporate development, the new compensation system provides that the share of long-term variable compensation components is at least equal in its amount to half of the total variable compensation components granted to the respective member of the Management Board. As a means of ensuring this minimum ratio in favor of the compensation components oriented towards the long term, it is expressly provided that the Supervisory Board may determine that the variable bonus to be paid as a rule annually is converted (pro rata) into a variable compensation component based on a multi-year assessment in order to also take account of any negative developments within the assessment period. This is done in such a way that the maturity of the bonus earned on a variable basis is postponed at the discretion of the Supervisory Board, either on a pro rata basis or in its entirety, by two years. At the same time it is ensured that any payment is made to the member of the Management Board after expiry of such multi-year period only if (i) no subsequent adjustment of the decisive (i. e. adjusted by extraordinary effects) consolidated net annual profit of Fresenius SE (after deduction of minorities) beyond an amount equal to a tolerance range of 10 % is made, and (ii) the amount of consolidated net annual profit (adjusted for extraordinary effects) of Fresenius SE in the two relevant subsequent years is not substantially less than the consolidated net annual profits (adjusted by extraordinary effects, after deduction of minority interests) of the respective preceding fiscal years. In the event of the aforementioned conditions for payment being missed only to a minor and/or partial extent, the Supervisory Board may resolve on a correspondingly pro rata payment of the converted portion of the variable bonus. No interest is payable on the converted bonus claim from the time when it first arises until the time of its effective payment. In this way the variable bonus can be converted pro rata or in its entirety

into a genuine variable compensation component on a multi-year assessment basis which also participates in any negative developments during the relevant assessment period.

In line with the aim and purpose of the provisions of the German Act on the Appropriateness of Executive Board Compensation (VorstAG), the new system of compensation for the Management Board moreover provides for a contractually stipulated cap or possibility of capping the amount of the annual compensation to be claimed by the member of the Management Board overall, i. e. including all variable compensation components. This makes it possible to adequately take account in particular of those extraordinary developments which are not in any relevant proportion to the performance of the Management Board.

Under the new compensation system, the amount of the basic compensation of the members of the Management Board was and will be assessed giving particular regard to the relevant comparison values of other DAX companies and similar companies of comparable size and performance from the relevant industrial sector. By this, a predominantly conservative position in relation to relevant comparative companies was deliberately chosen on average. In addition to this horizontal comparative view, due regard was also given to the vertical (company-internal) comparative view in assessing the compensation components for the members of the Management Board.

The existing system of compensation for the members of the Management Board applicable up to now, given its long-term compensation components as well as the ratios that

were decisive for the achievement of targets for the short-term variable compensation components, was already oriented towards sustained corporate development. However, the new system of compensation for the members of the Management Board, thanks to the aforementioned provisions, will be oriented to an even greater extent towards the interests of sustained corporate development within the meaning of the provisions of the German Act on the Appropriateness of Executive Board Compensation (VorstAG).

INFORMATION ON THE SUPERVISORY BOARD

The compensation of the Supervisory Board is determined by the Annual General Meeting and is subject to the provisions contained in Section 14 of the Company statutes of Fresenius SE. Each member of the Supervisory Board shall receive a fixed compensation of € 13 thousand. The members of the Audit Committee and the Personnel Committee of the Supervisory Board receive an additional € 10 thousand each and the Chairman of the committee a further € 10 thousand. For each full fiscal year, the remuneration increases by 10 % for each percentage point that the dividend paid on each ordinary share for that year (gross dividend according to the resolution of the Annual General Meeting) exceeds 3.6 % of the amount equal to the subscribed capital divided by the number of non-par value shares; residual amounts are interpolated. The Chairman receives twice this amount and the deputies to the Chairman one and a half times the amount of a Supervisory Board member. All members of the Supervisory Board receive appropriate compensation for costs of travel and accommodation incurred in connection with their duties as members of the Supervisory Board. Fresenius SE provides to the members of the Supervisory Board insurance coverage in an adequate amount (relating to their function) and on an adequate excess amount basis.

For the years 2009 and 2008, the compensation for the members of the Supervisory Board of Fresenius SE, including compensation for committee services, was as follows:

in thousand €	Fixed compensation		Compensation for committee services		Variable compensation		Total compensation	
	2009	2008	2009	2008	2009	2008	2009	2008
Dr. Gerd Krick	26	26	30	30	186	173	242	229
Dr. Dieter Schenk	20	20	0	0	139	129	159	149
Niko Stumpfögger	20	20	0	0	139	129	159	149
Prof. Dr. h. c. Roland Berger (since May 21, 2008)	13	8	20	12	93	53	126	73
Dario Ilossi	13	13	0	0	93	86	106	99
Konrad Kölbl	13	13	10	10	93	86	116	109
Dr. Gabriele Kröner (until May 21, 2008)	0	5	0	0	0	33	0	38
Klaus-Peter Müller (since May 21, 2008)	13	8	0	0	93	53	106	61
Dr. Gerhard Rupprecht	13	13	0	0	93	86	106	99
Wilhelm Sachs	13	13	10	10	93	86	116	109
Dr. Karl Schneider	13	13	20	20	93	86	126	119
Stefan Schubert	13	13	0	0	93	86	106	99
Rainer Stein	13	13	10	10	93	86	116	109
Dr. Bernhard Wunderlin (until May 21, 2008)	0	5	0	8	0	33	0	46
Total	183	183	100	100	1,301	1,205	1,584	1,488

DIRECTORS & OFFICERS INSURANCE

Fresenius SE has concluded a consequential loss liability insurance policy (D & O insurance), on an excess amount basis, for the members of the Management Board and the Supervisory Board of Fresenius SE and for all representative bodies of affiliates in Germany and elsewhere. The D & O policy

applies throughout the world and runs until the end of June 2010. The policy covers the legal defense costs of a member of a representative body when a claim is made and, where relevant, any damages to be paid which are covered by the policy.

MANAGEMENT BOARD

Dr. Ulf M. Schneider

Frankfurt am Main

Chairman

Corporate Offices

Supervisory Board

Eufets AG (until May 31, 2009; Chairman)
 Fresenius HemoCare Netherlands B.V., Netherlands
 Fresenius Kabi AG (Chairman)
 Fresenius Kabi Austria GmbH, Austria
 Fresenius Kabi España S.A., Spain
 Fresenius Medical Care Groupe France S.A.S., France
 (Chairman)
 Fresenius Medical Care Management AG (Chairman)
 HELIOS Kliniken GmbH (Chairman)

Board of Directors

APP Pharmaceuticals, Inc., USA (Chairman)
 FHC (Holdings) Ltd., Great Britain
 Fresenius Kabi Pharmaceuticals Holding, Inc., USA
 (Chairman until November 1, 2009)

Rainer Baule

Ettlingen

Business Segment Fresenius Kabi

Corporate Offices

Supervisory Board

Fresenius HemoCare Netherlands B.V.,
 Netherlands (Chairman)
 Fresenius Kabi Austria GmbH, Austria (Chairman)
 Fresenius Kabi España S.A., Spain
 Labesfal – Laboratórios Almiro, S.A., Portugal

Administrative Board

Fresenius Kabi Groupe France S.A., France (Chairman)
 Fresenius Kabi Italia S.p.A., Italy

Board of Directors

APP Pharmaceuticals, Inc., USA
 Dabur Pharma (Thailand) Co. Ltd., Thailand
 FHC (Holdings) Ltd., Great Britain
 Fresenius Kabi Asia Pacific Ltd., Hong Kong
 Fresenius Kabi Oncology Inc., USA
 Fresenius Kabi Oncology Plc., Great Britain
 Fresenius Kabi Pharmaceuticals Holding, Inc., USA
 Fresenius Kabi (Singapore) Pte Ltd., Singapore
 (since January 1, 2010)

Dr. Francesco De Meo

Petersberg

Business Segment Fresenius Helios

Corporate Offices

Supervisory Board

HELIOS Klinikum Bad Saarow GmbH (Chairman)
 HELIOS Klinikum Emil von Behring GmbH (Chairman)
 HELIOS Klinikum Erfurt GmbH (since December 8, 2009)
 HELIOS Klinikum Krefeld GmbH
 HELIOS Kliniken Leipziger Land GmbH
 (since November 16, 2009)
 HELIOS Kliniken Schwerin GmbH (Chairman)
 HELIOS Spital Überlingen GmbH
 (since January 1, 2010; Chairman)

Offices

Supervisory Board

Allianz Private Krankenversicherungs-AG

Dr. Jürgen Götz

Bad Soden am Taunus

Chief Legal and Compliance Officer,
 and Labor Relations Director

Corporate Offices

Supervisory Board

HELIOS Kliniken GmbH
 Wittgensteiner Kliniken GmbH (Chairman)

Dr. Ben Lipps

Boston, Massachusetts (USA)

Business Segment

Fresenius Medical Care

Corporate Offices

Management Board

Fresenius Medical Care Management AG (Chairman)

Stephan Sturm

Hofheim am Taunus

Chief Financial Officer

Corporate Offices

Supervisory Board

Fresenius HemoCare Netherlands B.V., Netherlands
 Fresenius Kabi AG (Deputy Chairman)
 Fresenius Kabi España S.A., Spain
 HELIOS Kliniken GmbH
 Labesfal – Laboratórios Almiro, S.A., Portugal
 VAMED AG, Austria (Deputy Chairman)
 Wittgensteiner Kliniken GmbH

Administrative Board

Fresenius Kabi Groupe France S.A., France

Board of Directors

FHC (Holdings) Ltd., Great Britain

Dr. Ernst Wastler

Linz, Austria

Business Segment Fresenius Vamed

Corporate Offices

Supervisory Board

Charité CFM Facility Management GmbH
 (Deputy Chairman)
 VAMED-KMB Krankenhausmanagement und
 Betriebsführungsges. m.b.H., Austria (Chairman)

SUPERVISORY BOARD

Dr. Gerd Krick

Königstein

Former Chairman of the
Management Board of Fresenius SE
Chairman

Member of the Audit Committee
Chairman of the Nomination Committee
Chairman of the Personnel Committee

Offices

Supervisory Board

Fresenius Medical Care AG & Co. KGaA (Chairman)
Fresenius Medical Care Management AG
VAMED AG, Austria (Chairman)

Prof. Dr. h. c. Roland Berger

Munich

Management Consultant

Chairman of the Audit Committee

Offices

Supervisory Board

Live Holding AG (Deputy Chairman until April 1, 2009;
Chairman since April 1, 2009)
Prime Office AG (Chairman)
Roland Berger Strategy Consultants Holding GmbH
(Chairman)
Schuler AG
Senator Entertainment AG
Wilhelm von Finck AG (Deputy Chairman)
WMP EuroCom AG (Chairman)

Administrative Board

Wittelsbacher Ausgleichsfonds

Board of Directors

Fiat S.p.A., Italy
Loyalty Partner Holdings S.A., Luxembourg
Roland Berger AG, Switzerland
(until August 4, 2009; Chairman)
Special Purpose Acquisition Company (SPAC) Germany 1
Acquisition Limited, Guernsey (Co-Chairman)
Telecom Italia S.p.A., Italy

Dario Anselmo Ilossi

Rome, Italy

Secretary of the Trade Union FEMCA
Cisl – Energy, Fashion and Chemicals

Konrad Kölbl

Hof am Laithagebirge, Austria

Full-time Works Council member

Member of the Manual Workers' Works
Council VAMED-KMB Krankenhaus-
management und Betriebsführungs-
ges. m.b.H.

Chairman of the Group Works Council
VAMED AG

Member of the SE-Works Council of
Fresenius SE

Member of the Audit Committee

Corporate Offices

Supervisory Board

VAMED-KMB Krankenhausmanagement und
Betriebsführungs-ges. m.b.H., Austria

Klaus-Peter Müller

Bad Homburg v. d. H.

Chairman of the Supervisory Board of
Commerzbank AG

Offices

Supervisory Board

Commerzbank AG (Chairman)
Fraport AG
Linde AG
Steigenberger Hotels AG (until July 31, 2009)

Administrative Board

Assicurazioni Generali S.p.A., Italy
KfW Kreditanstalt für Wiederaufbau
(until March 23, 2009)
Landwirtschaftliche Rentenbank (since July 16, 2009)
Liquiditäts-Konsortialbank GmbH (until March 23, 2009)

Board of Directors

Parker Hannifin Corporation, USA

Dr. Gerhard Rupprecht

Gerlingen

Member of the Management Board
Allianz SE
Chairman of the Management Board
Allianz Deutschland AG

Offices

Supervisory Board

Allianz Beratungs- und Vertriebs-AG (Chairman)
Allianz Elementar Lebensversicherungs-AG (Chairman)
Allianz Elementar Versicherungs-AG (Chairman)
Allianz Investmentbank AG (Deputy Chairman)
Allianz Lebensversicherungs-AG (Chairman)
Allianz Private Krankenversicherungs-AG (Chairman)
Allianz Suisse Lebensversicherungs-AG, Switzerland
Allianz Suisse Versicherungs-AG, Switzerland
Allianz Versicherungs-AG (Chairman)
Heidelberger Druckmaschinen AG

Wilhelm Sachs

Friedrichsdorf

Full-time Works Council member

Deputy Chairman of the Works Council
Friedberg plant

Member of the Joint Works Council
Fresenius SE/Friedberg plant

Chairman of the General Works Council
Fresenius SE

Member of the SE-Works Council of
Fresenius SE

Member of the Personnel Committee

Dr. Dieter Schenk

Munich

Lawyer and tax consultant

Deputy Chairman

Member of the Nomination Committee**Offices****Supervisory Board**

Fresenius Medical Care AG & Co. KGaA

(Deputy Chairman)

Fresenius Medical Care Management AG

(Deputy Chairman)

Gabor Shoes AG (Chairman)

Greiffenberger AG (Deputy Chairman until April 23, 2009
and since July 14, 2009; Chairman from April 23, 2009
until July 14, 2009)

TOPTICA Photonics AG (Chairman)

Administrative Board

Else Kröner-Fresenius-Stiftung (Chairman)

Dr. Karl Schneider

Mannheim

Former Spokesman Südzucker AG

Member of the Audit Committee**Member of the Nomination Committee****Member of the Personnel Committee****Offices****Administrative Board**

Else Kröner-Fresenius-Stiftung (Deputy Chairman)

Stefan Schubert

Limburg-Staffel

Hospital nurse and full-time Works

Council member

Chairman of the Works Council of
HELIOS Klinik Bad Schwalbach and of
HELIOS Klinik IdsteinChairman of the Group Works Council
of Wittgensteiner Kliniken GmbHMember of the SE-Works Council of
Fresenius SE**Corporate Offices****Supervisory Board**

Wittgensteiner Kliniken GmbH

Rainer Stein

Berlin

Full-time Works Council member

Chairman of the Group Works Council
HELIOS Kliniken GmbHChairman of the SE-Works Council of
Fresenius SE**Member of the Audit Committee****Corporate Offices****Supervisory Board**

HELIOS Kliniken GmbH

Niko Stumpfögger

Zeuthen

Secretary of the Trade Union ver.di,

Betriebs- und Branchenpolitik im

Bereich Gesundheit und Soziales

Deputy Chairman

Offices**Supervisory Board**

HELIOS Kliniken GmbH (Deputy Chairman)