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Luther advises Stadtkrankenhaus Delmenhorst on an employee participation plan that has received nationwide attention

Hanover – Stadtkrankenhaus Delmenhorst GmbH is planning to grant the employees of Josef Hospital in Delmenhorst a share in the hospital's financial success. This was recently decided by the Delmenhorst Town Council. A team from Luther Rechtsanwaltsgesellschaft that specialises in the hospital sector helped develop the employee participation plan.

The Council of Delmenhorst decided at the end of March 2021 that the employees of Josef Hospital should participate in the financial success of the hospital. The first EUR 300,000 of the pre-tax profit is to be distributed in full to the employees. After that, there will be a graduation. The maximum amount is EUR 750,000, which would correspond to about 1.5 per cent of the total payroll. Doctors, nurses and employees from other divisions who hold a full-time position are to each receive EUR 500 tax-free. That amount would be reduced accordingly for part-time positions.

Stadtkrankenhaus Delmenhorst GmbH is breaking new ground in the hospital market with its employee participation plan. According to Axel Jahnz, Mayor of Delmenhorst and Chairman of the Supervisory Board of the hospital, which is operated by the Town of Delmenhorst, this is possible because the hospital is in a good financial position for the first time in years. Jahnz said that it was primarily thanks to the employees' commitment that the financial situation stabilised to such an extent in the last two and a half years. However, the audit of the annual financial statements is still pending. For the current year, lower revenues are expected due to the coronavirus crisis, which makes a profit-sharing payment unlikely.

In 2017, Josef Hospital posted an operating loss of more than EUR 10 million and had to file for insolvency. The Town of Delmenhorst then took over the hospital with the support of a team led by Dr Oliver Kairies and Dr Hendrik Sehy, both from Luther Rechtsanwaltsgesellschaft, who specialise in distressed hospital transactions, and set out to rigorously reorganise the hospital.

About Stadtkrankenhaus Delmenhorst GmbH

Since 2015, the Delmenhorst Josef Hospital has united the former hospitals “Klinikum Delmenhorst” and “St. Josef-Stift Delmenhorst”. As a result of the takeover by the Town of Delmenhorst and in the course of extensive restructuring, the operating company Stadtkrankenhaus Delmenhorst GmbH has now taken on the task of developing a sustainable hospital. With a total of 340 beds and around 830 employees, the hospital forms an integral part of the inpatient care system in Delmenhorst.

On behalf of Stadtkrankenhaus Delmenhorst GmbH:

Luther, Corporate/M&A: Dr Oliver Kairies (Lead Partner), Dr Daniel Schubmann (Counsel)

Luther, Hospital Law: Dr Hendrik Bernd Sehy (Counsel)

Luther, Employment Law: Dr Hilmar Rölz (Senior Associate)

Luther, Tax Law: Jens Röhrbein (Partner)

Brief profile of Luther Rechtsanwaltsgesellschaft mbH

Luther is a leading German commercial law firm that offers comprehensive legal and tax advice. The full-service law firm employs over 420 lawyers and tax advisors and is represented in ten German economic hubs as well as with ten of its own international offices in key investment locations and financial centres in Europe and Asia. Its clients include medium-sized enterprises and large corporations, as well as the public sector.

Luther works closely with other commercial law firms in all the prevailing jurisdictions. On the Continent, Luther is part of a group of independent leading law firms who have worked together for many years on joint cross-border projects.

Luther Rechtsanwaltsgesellschaft mbH is a law firm with a business approach: our innovative awareness aspires us to provide our clients with customised legal advice that addresses individual needs and delivers the greatest possible economic benefit. All of Luther’s lawyers and tax advisers have a solid understanding of interdisciplinary

matters and a wealth of experience in collaborating on complex tasks. Luther was named "Law Firm of the Year 2019" by the German legal publisher JUVE. Further information is available at: www.luther-lawfirm.com

Press contacts at Luther Rechtsanwaltsgesellschaft mbH

Saskia Leininger

saskia.leininger@luther-lawfirm.com

T +49 221 9937 24679

Caroline Scheller

caroline.scheller@luther-lawfirm.com

T +49 40 18067 10251