

Report of the Supervisory Board

Dear Ladies and Gentlemen,
dear Shareholders,

Financial year 2024 was another year of recovery and renewal for TUI. We significantly increased our earnings with a very good operational performance compared to the previous year. Our focus was on optimising balance sheet structures, improving credit metrics and implementing strategic measures and transformations.

The positive booking trend continued in this financial year, underlining the unabated demand for TUI products and the importance of holidays for our customers. Thanks to our diversified product portfolio and asset-right growth strategy, we also significantly exceeded expectations in the Holiday Experiences segment.

In financial year 2024, we simplified the listing structure of the TUI share. The Supervisory Board supported the delisting in the UK in favour of a single listing in Germany. The aim is to centralise liquidity, reduce complexity and facilitate compliance with EU requirements for ownership and control of the Group's own airlines. You, our esteemed shareholders, voted by a large majority in favour of the delisting in London, which enabled the TUI share to be included in the German Prime Standard and the MDAX of the German Stock Exchange.

We also intensively discussed the Group's refinancing strategy with the Executive Board. Key steps in this context were the successful placements of a sustainability-linked senior notes and a convertible bond. Both financial instruments extend our debt maturity profile and reduce our future interest costs. This in turn gives us greater financial flexibility, particularly in light of the ongoing transformation.

The Supervisory Board also dealt intensively with strategic issues, particularly in the context of the transformation of the Group. We discussed measures to accelerate profitable growth and to increase the agility and cost efficiency of the TUI Group. At the end of financial year 2024, the focus was on the transformation of the Markets + Airline segment, the implementation of globally uniform technology platforms and the strengthening of the commercial responsibility of the TUI airline.

Dear shareholders, in financial year 2024, you once again placed your trust in us and set an important course for the TUI Group. Without your support, the simplification of the listing structure would not have been possible. On behalf of the entire Supervisory Board, I would like to express my sincere thanks to you!

Cooperation between the Supervisory Board and the Executive Board

The Executive Board and Supervisory Board are closely guided by the principles of responsible and good corporate governance and work together in a spirit of trust in accordance with the principles set out in the Corporate Governance Report (page 134). The Supervisory Board primarily monitored the legality, regularity, expediency and economic efficiency of the work of the Executive Board and management with a key focus on the refinancing of the Group. Further details can be found in the following report.

The Executive Board informed us regularly, promptly and comprehensively through written and verbal reports during and outside of meetings. The reports included all relevant information on the development and implementation of strategic objectives, liquidity development, planning, business development and the Group's position during the year, risk management and the internal control system, compliance, the implementation of the sustainability strategy and current developments in sustainability reporting, as well as reports from the capital markets (e.g. from analysts) and the press. In financial year 2024, the focus was on the refinancing strategy for the Group, in particular the issue of a high-yield bond and the issue of a convertible bond. Discussions also focused on the personnel and Group strategy as well as the booking behavior of guests in the current macro-economic environment. The Supervisory Board was involved in all decisions of fundamental importance to the company in good time. We passed the resolutions required by law, the articles of association or the rules of procedure after thorough consultation. To this end, we regularly prepared ourselves on the basis of documents that the Executive Board made available to the Supervisory Board and the committees in advance. The Executive Board also informed the Supervisory Board immediately of urgent matters in writing and at extraordinary meetings convened at short notice. As Chairman of the Supervisory Board, I was also regularly informed by the Executive Board about the current business situation and significant business transactions in the company outside of Supervisory Board meetings.



- 1 Dr Dieter Zetsche
Chairman of the Supervisory Board
- 2 Frank Jakobi
Deputy Chairman
- 3 Ingrid-Helen Arnold
- 4 Sonja Austermühle
- 5 Christian Baier
- 6 Andreas Barczewski
- 7 Peter Bremme
- 8 María Garaña Corces
- 9 Dr Jutta A. Dönges
- 10 Prof. Dr Edgar Ernst
- 11 Wolfgang Flintermann
- 12 Stefan Heinemann
- 13 Janina Kugel
- 14 Coline Lucille McConville
- 15 Helena Murano
- 16 Mark Muratovic
- 17 Anette Stempel
- 18 Joan Trián Riu
- 19 Tanja Viehl
- 20 Stefan Weinhofer

Deliberations in the Supervisory Board and its committees

Prior to the Supervisory Board meetings, the shareholder and employee representatives met in separate preparatory meetings. Members of the Executive Board also regularly took part in these meetings. Unless otherwise requested by the members of the Supervisory Board, discussions of Executive Board and Supervisory Board matters take place without the members of the Executive Board. In addition, all members of the Supervisory Board can raise the need to discuss an agenda item without the presence of the Executive Board with the Chairman of the Supervisory Board. In addition, the agenda of each meeting of the Supervisory Board provides for a separate agenda item, irrespective of the topic, for which the members of the Executive Board are not present. As part of this agenda item, members of the Supervisory Board can raise all topics that are to be discussed without the Executive Board.

In addition to the full Supervisory Board, a total of four committees were established in the past financial year: the Presiding Committee, the Audit Committee and the Nomination Committee. The Mediation Committee to be formed in accordance with Section 27 (3) of the German Codetermination Act did not have to meet. The chairmen of the committees reported regularly and in detail on the work of the committees at the ordinary Supervisory Board meetings. In connection with the issue of a high-yield bond in February 2024 and the issue of a convertible bond in July 2024, a Transaction Committee set up by the Supervisory Board, consisting of Dr Zetsche, Mr Jakobi, Prof. Dr Ernst and Mr Flintermann, met with the members present in each case. This enabled resolutions to be passed at very short notice within a framework set by the Supervisory Board, insofar as this was necessary. All documents and the minutes of the Transaction Committee meetings were always available to all members of the Supervisory Board. In addition, the meetings were reported on at the subsequent Supervisory Board meetings. No additional remuneration or attendance fees were paid for the meetings of the Transaction Committees.

As in previous years, a consistently high attendance rate was recorded in financial year 2024. The average attendance rate at the Supervisory Board meetings was 97.5% (previous year 96.0%) and 100.0% (previous year 97.2%) in the committees. The vast majority of members of the Supervisory Board attended all meetings of the Supervisory Board in financial year 2024 and, in accordance with their respective membership, all meetings of its committees. Members who were unable to attend meetings generally participated in the resolutions by means of voting messages. The timely advance distribution of documents to prepare for meetings by the Executive Board and the almost complete absence of table presentations made it much easier for Supervisory Board members to prepare for meetings. For organizational reasons, some Supervisory Board and committee meetings were also held as video conferences in order to ensure the availability of Supervisory Board members for meetings scheduled at short notice. The exact distribution of face-to-face and video conference meetings is shown in the table below.

Attendance at meetings of Supervisory Board in 2024				
	Supervisory Board meetings	Presiding committee	Audit committee	Nomination committee
Meetings total	4	5	5	2
thereof virtual	0	1	0	0
Name				
Dr Dieter Zetsche (Chairman)	4 (4)	5 (5)*	5 (5)	2 (2)*
Frank Jakobi (Deputy Chairman)	4 (4)	5 (5)	5 (5)	
Ingrid-Helen Arnold	4 (4)			
Sonja Austermühle	4 (4)			
Christian Baier	4 (4)		5 (5)	
Andreas Barczewski	4 (4)			
Peter Bremme	4 (4)	5 (5)		
Dr Jutta Dönges	3 (4)	5 (5)	5 (5)	2 (2)
Prof. Dr Edgar Ernst	4 (4)	5 (5)	5 (5)*	2 (2)
Wolfgang Flintermann	4 (4)			
Maria Garaña Corces	4 (4)			
Stefan Heinemann	4 (4)		5 (5)	
Janina Kugel	4 (4)			
Coline Lucille McConville	3 (4)			
Helena Murano	4 (4)			
Mark Muratovic	4 (4)		5 (5)	
Anette Strempel	4 (4)	5 (5)		
Joan Trián Riu	4 (4)			
Tanja Viehl	4 (4)			
Stefan Weinhofer	4 (4)		5 (5)	
Attendance at meetings in %	97.5	100.0	100.0	100.0
Attendance at Committee meetings in %	100.0			

(In brackets: number of meetings held)
*Chairman of Committee

Main topics of the Supervisory Board's work

Four meetings of the Supervisory Board took place, all of which were held in person. In addition, a correspondingly established Transaction Committee of the Supervisory Board met five times and two resolutions were passed by circular resolution. The individual meetings focused on the following topics:

1. At its meeting on 5 December 2023, the Supervisory Board resolved, in agreement with Mr Burling, to terminate his appointment as a member of the Executive Board prematurely. The Supervisory Board also resolved to appoint Mr Schelp as Mr Burling's successor as a member of the Executive Board of TUI AG with effect from 1 January 2024. In addition, the Supervisory Board determined the target achievement levels for the short-term variable Executive Board remuneration for financial year 2023 and the individual performance factor as well as the long-term variable Executive Board remuneration. Other topics included the review of the appropriateness of Executive Board remuneration and pensions, the review of the appropriateness of Supervisory Board remuneration and the resolution on an amended Executive Board remuneration system for submission to the Annual General Meeting 2024 for approval. In addition, the performance criteria for individual performance, the performance of the Executive Board as a whole and the achievement of stakeholder targets and their relative weighting for financial year 2024 were defined. The agenda also included the financial statements of the Group and TUI AG, each of which was issued with an unqualified audit opinion by the auditor, and the combined management report for the Group. The Executive Board and the auditors were also present. The Audit Committee had already dealt extensively with these reports on the previous day and also had the opportunity to discuss them with the auditors without the Executive Board. The members of the Supervisory Board approved the financial statements prepared by the Executive Board and the combined management report for TUI AG and the Group. The annual financial statements 2023 were thus adopted. The Supervisory Board also approved the Report of the Supervisory Board, the Corporate Governance Report and the Remuneration Report. The declarations of compliance with the German Corporate Governance Code and, for the last time, the UK Corporate Governance Code as well as the proposal to the Annual General Meeting to appoint Deloitte GmbH Wirtschaftsprüfungsgesellschaft for the half-year and annual financial statements 2024 were also approved. The Supervisory Board also received an update on the development of the TUI share and discussed the possibility of simplifying the listing structure of the TUI share by focusing the listing on the German market. Furthermore, the Supervisory Board adopted the agenda for the Annual General Meeting on 13 February 2024 and elected the Deputy Chairman of the meeting. In addition, the Board received a personnel and social report as well as an IT update.
2. As part of a circular resolution on 21 December 2023, the Supervisory Board approved the proposal to the Annual General Meeting 2024 to resolve on a delisting from the London Stock Exchange following a discussion at the Supervisory Board meeting on 5 December 2023.

3. The meeting on 12 February 2024 included explanations of the quarterly report and quarterly financial report as well as the current booking situation. In addition, the Supervisory Board received an update on the Group's refinancing strategy and, in this context, approved the issue of a bond in principle and the establishment of a corresponding transaction committee. The Supervisory Board was also informed about the current status of preparations for the forthcoming Annual General Meeting and received an update on the project to simplify the listing structure of the TUI share. The agenda also included an update on sustainability, general succession planning and an update on the amendment of Executive Board remuneration contracts to the new remuneration system.
4. At its first meeting on 26 February 2024, the Transaction Committee approved the marketing of a high-yield bond.
5. At its second meeting on 28 February 2024, the Transaction Committee approved the final terms of a high-yield bond.
6. At the meeting on 14 May 2024, the Executive Board explained the report on the current financial year, the quarterly financial statements and the first half of 2024, which the Audit Committee had already discussed on the previous day. In addition, the Executive Board provided an update on the refinancing strategy, including the possibility of issuing a convertible bond. Other key topics at the meeting included updates on sustainability, IT security and the people strategy. The Supervisory Board also dealt with general succession planning for the Executive Board and the Supervisory Board and the draft of a training and development concept for its body. It also decided on the amendment of the Executive Board contracts to the new remuneration system and discussed the requirements for the ESG factor for the upcoming financial year 2025. The Supervisory Board also took note of the EMIR certificate.
7. As part of a circular resolution on 30 May 2024, the Supervisory Board approved in principle the issue of a new convertible bond 2024 and the possible partial repurchase of the existing convertible bond 2021 as well as the establishment of a Transaction Committee of the Supervisory Board following the discussion at the Supervisory Board meeting on 14 May 2024.
8. At its first meeting on 18 July 2024, the Transaction Committee approved the marketing of a convertible bond 2024 and the partial repurchase of the existing convertible bond 2021.
9. At its second meeting on 19 July 2024, the Transaction Committee approved the final terms of the convertible bond 2024.

10. At its third meeting on 19 July 2024, the Transaction Committee approved the acceptance of the offers to partially repurchase the convertible bond 2021.
11. At its strategy meeting on 18 September 2024, the Supervisory Board discussed the strategic direction of the Group and its divisions. Updates on the people strategy, artificial intelligence and sustainability were also on the agenda.

On the second day of its meeting on 19 September 2024, the Supervisory Board received a report on the current financial year as part of its ordinary meeting. The Board also approved the budget for the upcoming financial year and the three-year plan. In addition to the report on security, health and safety, the Supervisory Board received an update on IT security. The Supervisory Board also discussed succession planning for the Executive Board and Supervisory Board and set the financial targets for the STI and LTI of the Executive Board as well as the performance criteria for the ESG factor of the STI for the following financial year. The Supervisory Board discussed the results of the self-assessment assessment (please see also the Corporate Governance Report from page 134) and passed a resolution on its training and development concept. Another topic was the independence of the shareholder representatives in accordance with the German Corporate Governance Code.

Presiding Committee

The Presiding Committee is responsible for Executive Board matters (including succession planning for the Executive Board, appointments, terms and conditions of employment contracts, Executive Board remuneration, proposals for the Executive Board's remuneration system). The Presiding Committee also prepares the meetings of the Supervisory Board. Five meetings were held in the reporting period. Four of these were held as face-to-face meetings, while one was held as a video conference.

The Presiding Committee, which is made up of equal numbers of members, consists of:

- Dr Dieter Zetsche (Chairman)
- Peter Bremme
- Dr Jutta Dönges
- Prof. Dr Edgar Ernst
- Frank Jakobi
- Anette Stempel

1. At its extraordinary meeting on 1 November 2023, the Presiding Committee dealt with possible changes to the Executive Board and potential succession options for the position of CEO Markets + Airline. The Presiding Committee also discussed the refined proposal for an amendment of the Executive Board remuneration system. The committee also received an update on the Supervisory Board's self-assessment, which was carried out with the support of an external consultant at a later date in financial year 2024.

2. On 4 December 2023, the Presiding Committee dealt with the mutually agreed premature termination of Mr Burling's appointment to the Executive Board of TUI AG and the appointment of Mr Schelp as his successor. In addition, the target achievement for the variable remuneration components of the Executive Board in financial year 2023 was discussed. Other items on the agenda were the review of the appropriateness of Executive Board remuneration and pensions and an amended Executive Board remuneration system for submission to the Annual General Meeting 2024 for approval. Furthermore, the Presiding Committee dealt with the determination of the targets for the performance criteria of the individual performance of the Executive Board members, the performance of the Executive Board as a whole and the achievement of stakeholder targets and their weighting in relation to each other for the financial year 2024. The review of the appropriateness of Supervisory Board remuneration was also on the agenda.
3. At its meeting on 12 February 2024, the Presiding Committee discussed the general succession planning for the Executive Board of TUI AG.
4. On 13 May 2024, the Board dealt with the general succession planning for the Executive Board and the Supervisory Board, the amendment of the Executive Board service agreements to the amended remuneration system and the specifications for the ESG factor for financial year 2025. The meeting also dealt with the draft of a training and development concept for the Supervisory Board of TUI AG.
5. On 17 September 2024, the Presiding Committee discussed the determination of the financial targets for the STI and LTI as well as the performance criteria for the ESG factor for the financial year 2025. The committee also dealt with succession planning for the Executive Board and Supervisory Board and the results of the self-assessment for the Supervisory Board. The Presiding Committee also discussed the training and development concept for the Supervisory Board. Another item on the agenda was the independence of the shareholder representatives on the Supervisory Board in accordance with the German Corporate Governance Code.

Audit Committee

The Audit Committee held five ordinary meetings in financial year 2024, all of which were held as face-to-face meetings with the option of virtual participation. Please refer to the Audit Committee's detailed report on page 19 for information on its composition and duties as well as the matters discussed and resolved.

Nomination Committee

The Nomination Committee, which is composed exclusively of shareholder representatives, nominates suitable shareholder candidates to the Supervisory Board for its election proposals to the Annual General Meeting or for appointment by the local court.

The Nomination Committee, which met twice in face-to-face meetings, consisted of the following members

- Dr Dieter Zetsche (Chairman)
- Dr Jutta Dönges
- Prof. Dr Edgar Ernst

1. At its meeting on 4 December 2023, the Nomination Committee dealt with the resolution recommendation for the nomination of Ms Arnold, Ms Garaña Corces, Ms McConville and Mr Trían Riu (shareholder representative) for election at the subsequent Annual General Meeting.
2. On 13 May 2024, the Nomination Committee dealt with succession planning for the Supervisory Board and the Audit Committee.

Corporate Governance

Following the approval of the Annual General Meeting in February 2024, the listing structure of the TUI AG share was simplified. The delisting from the London Stock Exchange was completed with effect from 21 June 2024. Inclusion in the Prime Standard of Deutsche Börse took place on 8 April 2024. Inclusion in the MDAX took place on 24 June 2024. In this context, the organization of TUI AG as a stock corporation under German law requires the Supervisory Board to deal regularly and in great detail with the principles of German corporate governance. In addition to mandatory compliance with the provisions of the German Stock Corporation Act (AktG) and the German Co-Determination Act (MitbestG), TUI AG complies with the principles and recommendations of the German Corporate Governance Code (GCGC). Until its delisting from the London Stock Exchange, TUI AG had also complied with the Listing Rules and the Disclosure and Transparency Rules of the United Kingdom and also, to the extent practicable, with the UK Corporate Governance Code (UK CGC).

For the GCGC, the basic concept of which is based, among other things, on the AktG, we were able to issue the Declaration of Conformity 2024 with the Executive Board in accordance with section 161 AktG. For further details, please refer to the Corporate Governance Report in this Annual Report (from page 134) and to the TUI AG website.

In carrying out the audit, the auditor did not identify any facts that would indicate that the declaration on the GCGC issued by the Executive Board and Supervisory Board is incorrect.

Conflicts of interest that have arisen

The Supervisory Board continuously monitored the existence of conflicts of interest in the current financial year and determined that no conflicts of interest arose in financial year 2024.

Audit of the annual and consolidated financial statements of TUI AG and the TUI Group

The Supervisory Board examined whether the annual and consolidated financial statements and the other financial reporting complied with the applicable requirements. The annual financial statements of TUI AG prepared by the Executive Board in accordance with the provisions of the German Commercial Code (HGB), the combined management report of TUI AG and the TUI Group and the consolidated financial statements for financial year 2024 prepared on the basis of the International Financial Reporting Standards (IFRS) were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover, and each received an unqualified audit opinion. The aforementioned documents, the Executive Board's proposal for the appropriation of net retained profits and the auditor's reports were submitted to all members of the Supervisory Board in good time. We discussed them in detail at the Audit Committee meeting on 9 December 2024 and at our balance sheet meeting on 10 December 2024, at which the Executive Board explained the financial statements to us in detail. At these meetings, the Chairman of the Audit Committee and the auditor reported on the results of their audits, the focus points of which had previously been determined with the Audit Committee for the reporting year. Neither the auditor nor the Audit Committee identified any weaknesses in the early risk detection and internal control system. Following our own audit of the annual financial statements, the consolidated financial statements and the combined management report, we had no reason to raise any objections and therefore concur with the Executive Board in its assessment of the position of TUI AG and the TUI Group.

On the recommendation of the Audit Committee, we approve the financial statements for financial year 2024; the annual financial statements of TUI AG are thus adopted.

Composition of the Executive Board and Supervisory Board

The composition of the Executive Board and Supervisory Board as at 30 September 2024 is shown in the overviews on pages 130 for the Supervisory Board and on page 132 for the Executive Board.

SUPERVISORY BOARD

In the following, I will give you an overview of the personnel changes on the Supervisory Board.

As proposed by the Supervisory Board, Ms Arnold, Ms Garaña Corces, Ms McConville and Mr Trían Riu were re-elected by the Annual General Meeting 2024.

PRESIDING COMMITTEE

There were no changes in the composition of TUI AG's Presiding Committee in financial year 2024.

AUDIT COMMITTEE

There were no changes in the composition of TUI AG's Audit Committee in financial year 2024.

NOMINATION COMMITTEE

There were no changes in the composition of TUI AG's Nomination Committee in financial year 2024.

EXECUTIVE BOARD

Mr Burling, CEO Markets & Airlines, has decided to leave the Group with effect from the end of 5 January 2024. Mr Burling worked for the Group for 34 years and has been a member of the Executive Board of TUI AG since 2015. In this role, he was responsible for the Group’s tour operators and airlines. As his successor, Mr Schelp was appointed as a member of the Executive Board of TUI AG as from 1 January 2024. Mr Schelp already held various management positions for the TUI Group from 2002 to 2022.

Thanks to

The Supervisory Board would also like to take this opportunity to thank all employees for their tireless efforts in financial year 2024. Their commitment forms the basis for the Group’s success and will continue to make a significant contribution to the success of the TUI Group’s transformation in the future.

Hanover, 10 December 2024

For the Supervisory Board



Dr Dieter Zetsche
Chairman of the Supervisory Board