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# Remuneration Report

The Remuneration Report mainly explains the remuneration of the members of TUI AG's Executive Board and the remuneration of the members of the Supervisory Board in accordance with the Articles of Association. The underlying remuneration systems are based in particular on the recommendations of the German Corporate Governance Code (GCGC), the requirements of the German Stock Corporation Act (Aktiengesetz – AktG) and, where possible, the recommendations of the UK Corporate Governance Code (UK CGC). In addition, the Remuneration Report includes the disclosures required by Section 162 of the German Stock Corporation Act (AktG) as amended by the Act implementing the Second Shareholders' Rights Directive (SRD II). TUI AG thus also implements the requirements on the Remuneration Report resulting from the second framework agreement on the granting of stabilisation measures, which it concluded with the Economic Stabilisation Fund on 4 January 2021 (Framework Agreement II).

As a German stock corporation, TUI AG is also listed on the London Stock Exchange (LSE). Where mandatory rules on the governance structure and legal requirements of a German stock corporation are affected, these are presented accordingly in this report and, where appropriate, placed in the context of the UK CGC.

## Executive Board and Executive Board Remuneration

### CONFIRMATION OF THE REMUNERATION SYSTEM BY THE SHAREHOLDERS

Following preparatory work in financial year 2019, the Supervisory Board of TUI AG adopted a revised remuneration system for the members of the Executive Board in December 2019 with retroactive effect from the beginning of financial year 2020, i. e. 1 October 2019. The revision of the remuneration system included different performance targets for the short-term variable remuneration (STI). Furthermore, the Total Shareholder Return (TSR) performance target was removed from the calculation of the long-term variable remuneration (LTIP). In addition, the revised remuneration system now includes compliance malus and clawback rules, thus taking into account the requirements of UK-based stakeholders and the recommendations of the GCGC in particular. The remuneration system in its revised form was approved by TUI AG shareholders at the Annual General Meeting on 11 February 2020, also with retrospective effect from the beginning of financial year 2020. In addition to the statutory requirements, the revision of the remuneration system took into account the recommendations of the GCGC as amended on 7 February 2017 and the draft of the new version of the GCGC as of 16 December 2019. In addition, the recommendations of the UK CGC and a different market practice in the United Kingdom were also taken into account in the revision. Against the background of changes in market practice and further developments in the structure of Executive Board remuneration since the last fundamental revision of the remuneration system, the remuneration system for TUI AG's Executive Board was revised to include and take account of the aforementioned perspectives and approved by TUI AG's shareholders: The defined performance indicators are designed to take account of the interests of all stakeholders and create value for our equity and debt providers. In revising the Executive Board remuneration system, the Supervisory Board was supported by renowned, independent external remuneration consultants PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC).

According to the German Stock Corporation Act in the version of SRD II, the Supervisory Board must in future submit the remuneration system for approval whenever there is a significant change, but at least every four years. The Supervisory Board had to make such a submission for the first time at the first ordinary Annual General Meeting following 31 December 2020. TUI AG's previous voluntary procedure in line with the UK CGC already largely complied with these new requirements. In the context of the resolution adopted on 25 March 2021, the Annual General Meeting approved and thus adopted the remuneration system for the members of the Executive Board by 95.8%. Pursuant to the German Stock Corporation Act in the version of SRD II, the Executive Board and Supervisory Board must also prepare an annual Remuneration Report, which must comply with certain requirements (Section 162 AktG). The auditor has to check whether the Remuneration Report pursuant to Section 162 AktG contains all legally required information and, in addition, to issue an audit opinion. Pursuant to Section 120a (4) AktG, the audited Remuneration Report must be submitted to the Annual General Meeting for a decision on its approval. Under the applicable transitional law, the new provisions of the AktG on the Remuneration Report had to be applied for the first time for the first financial year beginning after 31 December 2020. Accordingly, the Remuneration Report for financial year 2022 would in principle have had to be submitted to the Annual General Meeting of TUI AG for approval for the first time in 2023. However, the Executive Board and Supervisory Board of TUI AG have made use of the option to voluntarily apply the new provisions of the German Stock Corporation Act on the Remuneration Report earlier. They thus also comply with a contractual obligation TUI AG has assumed vis-à-vis the Economic Stabilisation Fund in the framework of the granting of stabilisation measures in accordance with the Economic Stabilisation Fund Act. The Remuneration Report prepared and audited within the meaning of Section 162 AktG for financial year ended 30 September 2021 was approved by the shareholders of TUI AG on 08 February 2022 with 98.72%. The decision of the Annual General Meeting on the approval of the Remuneration Report is of recommendatory nature.

### COMPOSITION OF THE EXECUTIVE BOARD

In the financial year 2022, the Executive Board consisted of a total of six members.

- Friedrich Jousen: CEO
- David Burling: CEO Markets & Airlines
- Sebastian Ebel: CFO
- Peter Krueger: CSO
- Sybille Reiss: CPO / Labour Director
- Frank Rosenberger: CIO



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## GENERAL PRINCIPLES

Upon recommendation of the Presiding Committee, the Supervisory Board determines the remuneration of the individual members of the Executive Board in accordance with Section 87 (1) sentence 1 AktG. In addition, the Supervisory Board regularly reviews the remuneration system for the Executive Board.

In particular, the following principles are taken into account:

- Comprehensibility and transparency
- Economic situation, success and sustainable development of the Company
- Linking the shareholder interest in value enhancement and profit distribution with corresponding performance incentives for the members of the Executive Board
- Competitiveness in the market for highly qualified managers
- Appropriateness and orientation towards tasks, responsibility and success of each individual member of the Executive Board, also in a relevant environment of comparable international companies, taking into account the typical practice in other large German companies
- Linking a significant part of the total remuneration to the achievement of demanding long-term performance targets
- Appropriate relationship between the amount of the fixed remuneration and the performance-related remuneration
- Adequacy in horizontal and vertical comparison

The remuneration system and the service contracts of the members of the Executive Board stipulate in particular,

- how the target total remuneration is determined for the individual members of the Executive Board and what amount the total remuneration may not exceed (maximum remuneration),
- the relative share of fixed remuneration on the one hand and short-term variable and long-term variable remuneration components on the other hand in the target total remuneration,
- which financial and non-financial performance criteria are decisive for the granting of variable remuneration components,
- what the relationship is between the achievement of the previously agreed performance criteria and the variable remuneration,
- in which form and when the member of the Executive Board can dispose of the variable remuneration amounts.

The remuneration system adopted by the Supervisory Board at the end of 2019 and approved by the 2020 and 2021 Annual General Meetings also contains a compliance malus and clawback provision. Accordingly, in the event of a serious breach by the beneficiary of the principles contained in the Company's Code of Conduct or of due diligence in the management of the Company during the assessment period of the corresponding variable remuneration components, the Company may reduce or cancel the payment amounts in full or demand their return in full or in part after payment. The Supervisory Board shall decide on this in each individual case at its due discretion and shall take into account in its decision in particular the severity of the violation as well as the amount of the financial or reputational damage caused thereby.

## I. REMUNERATION OF THE EXECUTIVE BOARD IN FINANCIAL YEAR 2022

In financial year 2022, the remuneration of the Executive Board members consisted of: (1) a fixed remuneration, (2) a performance-related annual bonus as short-term incentive (STI), (3) virtual shares in TUI AG under the long-term incentive plan (LTIP), (4) fringe benefits and (5) pension benefits. The following table provides an overview of the individual components of the remuneration system for Executive Board members in effect and approved by the Annual General Meeting as well as the structure of the individual remuneration components. All information in the table is subject to the remuneration restrictions outlined under 'Remuneration Restrictions based on the Framework Agreement with the Economic Stabilisation Fund'.



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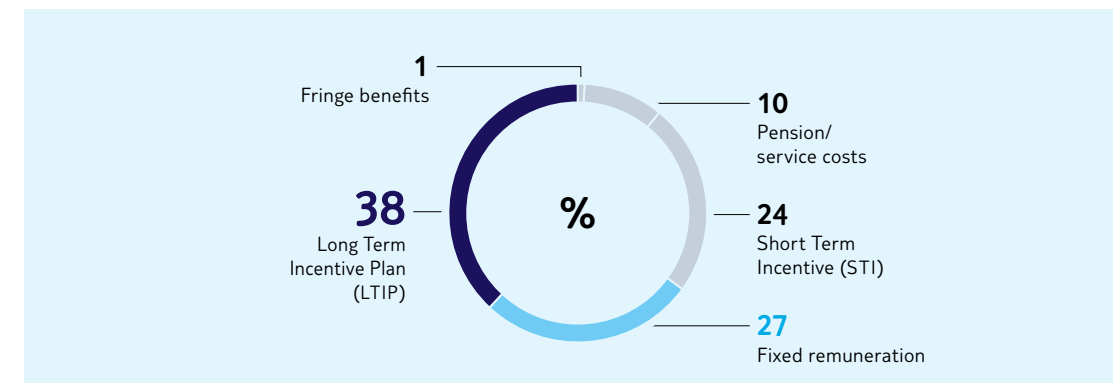
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**Target total remuneration**

**TARGET**

The target total remuneration of the members of the Executive Board was determined subject to the application of the remuneration restrictions arising from Framework Agreement II.

COMPOSITION OF THE TARGET TOTAL REMUNERATION OF ALL MEMBERS OF THE EXECUTIVE BOARD



€ '000	Fixed remuneration*	STI	LTIP
Friedrich Jousen	1,100.0	1,270.0	1,830.0
David Burling	680.0	500.0	920.0
Sebastian Ebel	680.0	500.0	920.0
Peter Krueger	600.0	465.0	765.0
Sybille Reiss	600.0	465.0	765.0
Frank Rosenberger	600.0	465.0	765.0

\*Fixed amount, no cap applied.



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**(1) Fixed remuneration**

TARGET

Fixed remuneration paid in twelve equal monthly instalments in arrears at the end of a month, taking into account the applicable tax and social security regulations.

Together with the other remuneration components, the fixed remuneration forms the basis for attracting and retaining the highly qualified members required for the development and implementation of the corporate strategy for the Executive Board.

INTRA-GROUP MANDATES

No separate remuneration / offset against fixed remuneration

EXTRA-GROUP MANDATES

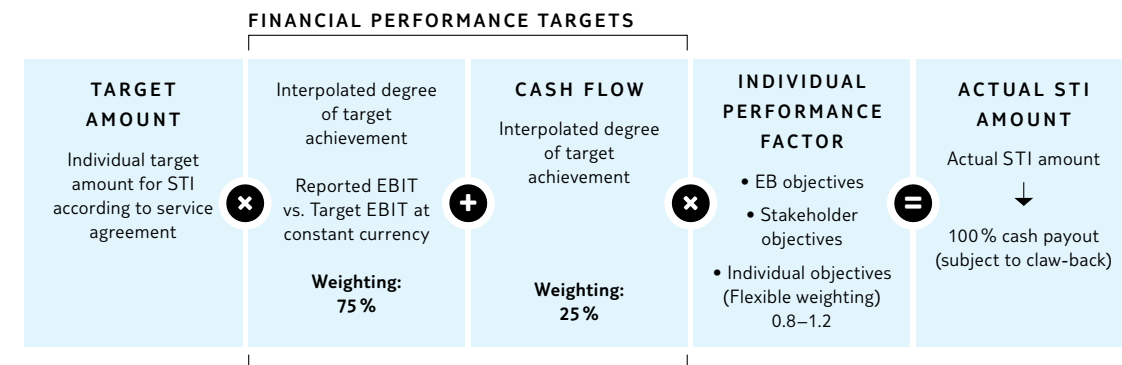
No offsetting against fixed remuneration, subject to approval by the Supervisory Board

**(2) STI**

TARGET

STI is designed to motivate members of the Executive Board to achieve demanding and challenging financial, operational and strategic goals during a financial year. The targets reflect the corporate strategy and are aimed at increasing the value of the Company. In particular, through the link to EBIT (reported), the one-year variable remuneration is linked to the achievement of a key Group performance indicator in the respective financial year.

DESCRIPTION STI



TARGET AMOUNT

Contractually agreed, individual target amount

OVERALL TARGET ACHIEVEMENT

- Total target achievement of the financial ratios
- Interpolation: 0% to 180%
- Individual power: 0.8 to 1.2
- Adjustment element pursuant to section G.11 DCGK
- Compliance Claw-back



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Group key figure 1

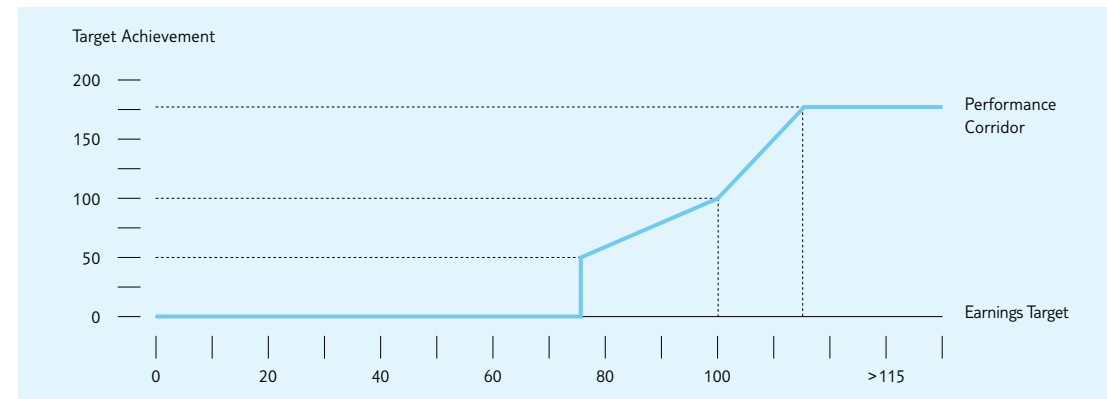
GROUP KEY FIGURE EBIT (Reported)

TARGET ACHIEVEMENT Actual vs. target value at constant currency

TARGET ACHIEVEMENT CORRIDOR 75% to 115%

PERFORMANCE CORRIDOR EBIT IN %

WEIGHTING 75%



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Group key figure 2

GROUP KEY FIGURE

Cash flow before dividends

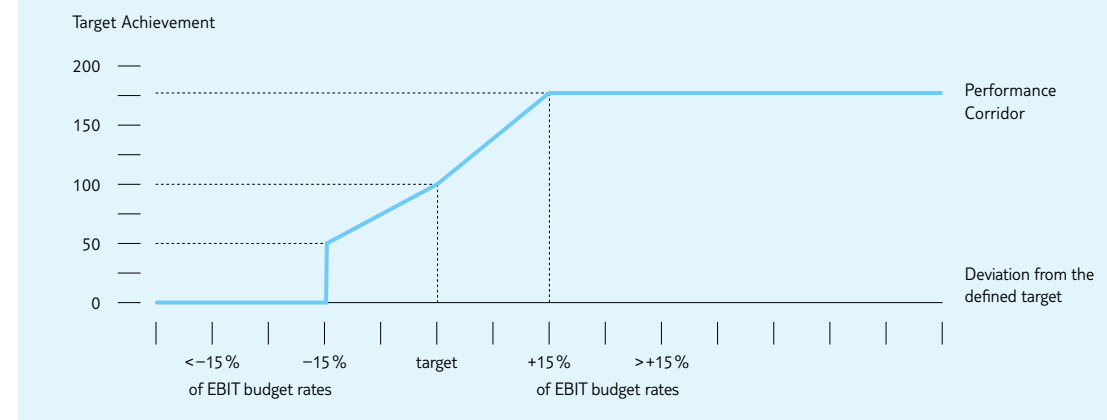
TARGET ACHIEVEMENT

Target value against +/-15 % of EBIT to budget rates

TARGET ACHIEVEMENT CORRIDOR

85% to 115 %

PERFORMANCE CORRIDOR CASH FLOW IN %



WEIGHTING

25%

Individual performance

TARGET

For each financial year, the Supervisory Board sets performance criteria for the individual performance of the beneficiary, the performance of the entire Executive Board and the achievement of stakeholder goals, as well as their weighting in relation to each other. ESG goals are always taken into account here.

TARGET ACHIEVEMENT CORRIDOR

0.8 to 1.2

**(3) LTIP**

TARGET

The Company's value and the value for the shareholders (shareholder value) are to be increased in the long term by setting ambitious targets that are closely linked to the Company's earnings, the share price development and the dividend. By linking earnings per share and share price performance, congruence is established between the interests and expectations of shareholders and the remuneration of the Executive Board. The performance period of four years helps to ensure that the actions of the Executive Board in the current financial year are also aligned with the long-term development of the Company.



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Group key figure

DESCRIPTION LTIP



TARGET AMOUNT

Contractually agreed, individual target amount

OVERALL TARGET ACHIEVEMENT

- Interpolation: 0% to 175%
- Adjustment: EPS < 0.50 €
- Compliance Malus and Clawback

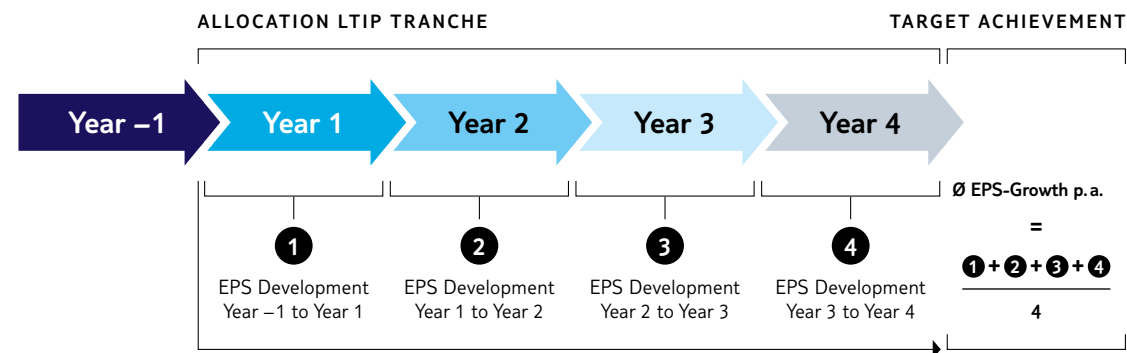
GROUP KEY FIGURE

EPS

TARGET ACHIEVEMENT

EPS p.a. based on four weighted annual amounts

ALLOCATION OF VIRTUAL SHARES



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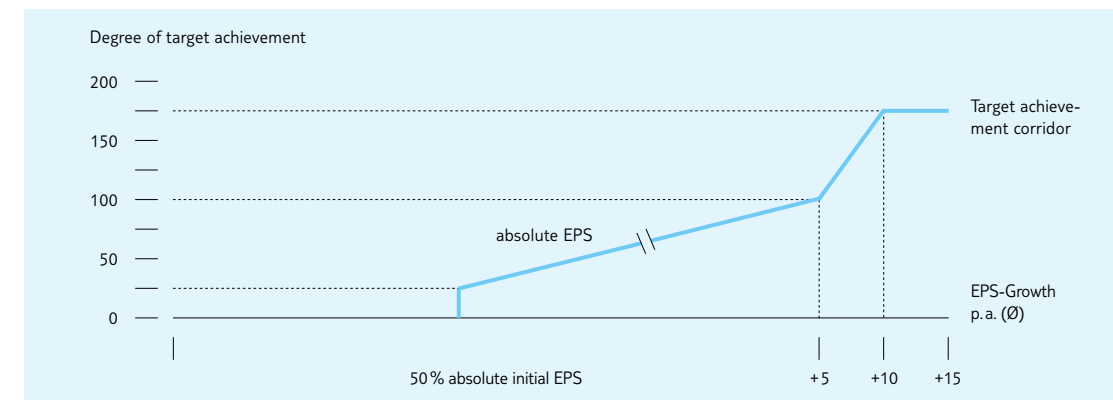
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TARGET ACHIEVEMENT CORRIDOR

Ø 50% Start EPS to Ø 10% p.a.

TARGET ACHIEVEMENT CORRIDOR EPS  
IN %



Shares

- Allocation of a provisional number of virtual shares calculated from the quotient of the agreed individual target amount and the average Xetra share price of TUI AG for the twenty trading days prior to the first day of financial year.
- The final number of virtual shares is calculated from the product of the preliminary number of virtual shares and the degree of target achievement of the key figures.

Payment

Multiplication of the final number of virtual shares by the average Xetra share price of TUI AG of the last twenty trading days in the respective performance period.

**(4) Fringe benefits**

TARGET

The fringe benefits should be competitive in the market for highly qualified members of the Executive Board in order to attract and retain suitable candidates for the Company in the long term. Furthermore, an attractive working environment shall be created for the members of the Executive Board.

- For business trips, reimbursement of travel expenses
- Twice per financial year reimbursement of costs of a trip or individual travel components from programmes of tour operators in which TUI holds a majority stake (incl. discount for family members); only applies to the service agreements of Mr Joussem, Mr Burling, Mr Ebel and Mr Rosenberger; does not apply to the service agreements of Mr Krueger and Ms Reiss
- Discount of 75% on flights with a TUI airline. Applies only to the service agreements of Mr Joussem, Mr Burling, Mr Ebel and Mr Rosenberger; does not apply to the service agreements of Mr Krueger and Ms Reiss
- Accident insurance
- Subsidy for health and long-term care insurance
- Criminal law protection and D&O insurance
- Company car / car allowance





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#### (5) Maximum remuneration

TARGET

- CEO: €7,500 k
- Other Executive Board: €3,500 k
- Contractually defined upper limit for total remuneration (incl. fixed remuneration, STI, LTIP, Company pension scheme (bAV) and fringe benefits). If the contractually defined upper limit of the total remuneration is exceeded, the LTIP is reduced proportionately in the inflow. The contractually defined upper limit of the total remuneration corresponds to the respective maximum total remuneration for the members of the Executive Board determined by the Supervisory Board.

#### MAXIMUM REMUNERATION

€ '000	Fixed remuneration*	STI	LTIP	Maximum total remuneration
Friedrich Jousen	1,100.0	2,743.2	4,392.0	7,500.0
David Burling	680.0	1,080.0	2,208.0	3,500.0
Sebastian Ebel	680.0	1,080.0	2,208.0	3,500.0
Peter Krueger	600.0	1,004.4	1,836.0	3,500.0
Sybille Reiss	600.0	1,004.4	1,836.0	3,500.0
Frank Rosenberger	600.0	1,004.4	1,836.0	3,500.0

\*Fixed amount, no cap applied.

#### (6) Severance payment cap in the event of early termination of contract

TARGET

- CEO: Severance payment limited to the value of two years' remuneration
- Other Executive Board members: Severance payment limited to the value of one year's remuneration
- No change of control clauses agreed

#### (7) Pension benefits

TARGET

The aim is to attract and retain the highly qualified members of the Executive Board necessary for the development and implementation of the corporate strategy. The pension benefits or the pension subsidy should be competitive in the market for highly qualified members of the Executive Board and offer them an appropriate level of benefits in retirement.

Contributions to the company pension scheme

- Mr Jousen: €454.5 k per year. In the case of Mr Jousen, the resulting pension can be paid out when he reaches the age of 62.
- Mr Ebel: €207.0 k per year. In the case of Mr Ebel, the resulting pension can be paid out when he reaches the age of 62.
- Mr Rosenberger: €230.0 k per year. In the case of Mr Rosenberger, the resulting pension can be paid out when he reaches the age of 63.

Fixed annual payout amounts for the purpose of retirement benefits

- Mr Burling: €225.0 k per year
- Mr Krueger: €230.0 k per year
- Ms Reiss: €230.0 k per year



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#### I.1 PENSION PROVISIONS FOR THE CURRENT MEMBERS OF THE EXECUTIVE BOARD UNDER TUI AG'S PENSION SCHEME

Pension obligations for active members of the Executive Board in accordance with IAS 19 totalled €13,235.3 k as at 30 September 2022 (previous year €15,984.5 k). Of this amount, €4,210.9 k (previous year €5,762.4 k) related to entitlements earned by Mr Ebel in the framework of his work for TUI Group until 31 August 2006. The remaining entitlements were distributed as follows:

#### Pensions and the amounts spent or accrued for this purpose by the current members of the Executive Board under TUI AG's pension plan

€ '000	Addition to/reversal from pension provisions		Net present value	
	2022	2021	30 Sep 2022	30 Sep 2021
Friedrich Joussem	-694.7	497.2	4,751.1	5,445.8
Sebastian Ebel	-140.2	235.4	2,279.0	2,419.2
Frank Rosenberger	-362.7	342.8	1,994.3	2,357.0
<b>Total</b>	<b>-1,197.6</b>	<b>1,075.4</b>	<b>9,024.4</b>	<b>10,222.0</b>

For the pension obligations of Mr Ebel and Mr Rosenberger, corresponding assets were transferred in each case to a trustee on a fiduciary basis in line with the contractual agreement in order to finance the pension rights and to secure them in case of a security event.

No changes to these commitments were made in financial year 2022.

#### I.2 BENEFITS IN THE EVENT OF PREMATURE TERMINATION OF BOARD MEMBERSHIP

The payments to be made to a member of the Executive Board in the event of premature termination of his employment contract without good cause are limited in principle in Mr Joussem's service agreement to the value of two years' remuneration (severance payment cap).

In the service agreements of Mr Burling, Mr Ebel, Mr Krueger, Ms Reiss and Mr Rosenberger, it is agreed that payments in the event of premature termination of their Executive Board activities without good cause may not exceed the value of one year's remuneration (severance payment cap).

For all members of the Executive Board, no more than the remaining term of the service agreement is compensated. For the calculation of the severance payment cap, the target direct remuneration (fixed remuneration, target amount of the STI and target amount of the LTIP) of the past financial year and, if applicable, also the expected target direct remuneration for the current financial year are taken into account. If the service contract is terminated for cause, the members of the Executive Board do not receive any benefits.

If the appointment of a member of the Executive Board is revoked, the respective service agreement shall also end. If the revocation is not based on a reason which at the same time constitutes an important reason for termination of the service agreement without notice, the service agreement shall end upon expiry of a period of expiry. This expiry period is generally twelve months. An expiry period of 24 months was agreed with Mr Joussem.

In the event of premature termination of the service contract, the STI and the payments from the LTIP are regulated as follows:

- STI:
  - If the service agreement is terminated by the Company before the end of the one-year performance period for good cause for which the member of the Executive Board is responsible, or if the member of the Executive Board resigns without good cause, the entitlement to an annual bonus for the performance period in question shall lapse without replacement or compensation.
  - In all other cases of early termination of the service agreement before the end of the one-year performance period, the STI shall be paid pro rata temporis.
- LTIP:
  - Claims under the LTIP shall lapse without replacement or compensation for all tranches not yet disbursed if the service agreement is terminated by TUI AG before the end of the performance period for cause for which the Executive Board member is responsible or by the Executive Board member without cause.
  - If the service agreement ends before the end of the performance period for other reasons, the entitlements under the LTIP for tranches not yet paid out are retained. The tranche for the current financial year is reduced pro rata temporis. The amount to be paid out is determined in the same way as in the case of a continuation of the service agreement.

It was agreed with Mr Joussem and Mr Burling that they may unilaterally resign from their positions as members of the Executive Board from 1 June 2022 with three months' notice to 30 September 2022, whereby the STI and LTIP would be paid out in accordance with the service agreement and would not lapse. In the event of Mr Joussem or Mr Burling exercising this right of resignation, an expiry period of 24 and 9 months respectively was agreed for the respective service agreement. On 24 June 2022, Mr Joussem exercised his right of resignation from his office as member of the Executive Board of TUI AG ahead of schedule as per 30 September 2022. During the expiry period of 24 months, TUI AG has agreed to process the service agreement in accordance with the service agreement until the termination date. Mr Burling did not exercise his right of resignation.

TUI AG shall be entitled to release the members of the Executive Board in connection with a termination of the service agreement, in particular following a termination of this service agreement, irrespective of the party declaring which such termination, or following the conclusion of a termination agreement, in whole or in part from the obligation to perform work with continued payment of remuneration. The release shall initially be irrevocable for the duration of any outstanding holiday entitlements, which are thereby settled. Subsequently, the release shall be maintained until the termination of the service agreement. It is revocable



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if there are questions in connection with the settlement of the employment relationship or if a temporary activity becomes necessary for operational reasons.

The rest of the service agreement is not affected by this. The service agreements of the members of the Executive Board do not contain any change of control clauses.

#### I.3 BENEFITS AND BENEFIT COMMITMENTS TO MEMBERS OF THE EXECUTIVE BOARD WHO HAVE LEFT THE EXECUTIVE BOARD IN FINANCIAL YEAR 2022

In financial year 2022, no members resigned from TUI AG's Executive Board.

## II REMUNERATION RESTRICTIONS BASED ON THE FRAMEWORK AGREEMENT WITH THE ECONOMIC STABILISATION FUND

### Principle

On 4 January 2021, TUI AG concluded a framework agreement with the Economic Stabilisation Fund (Wirtschaftsstabilisierungsfonds – WSF) on the granting of stabilisation measures, which sets out various requirements for the remuneration of Executive Board members during the utilisation of stabilisation measures (Framework Agreement II). According to this agreement, any member of the Executive Board already appointed on 31 December 2019 may not receive any remuneration in excess of the basic remuneration of this member of the Executive Board as at 31 December 2019 (including any Group remuneration in the event of dual employment at another Group Company), as long as at least 75% of the stabilisation measure has not been repaid. The framework agreement also stipulates that, as long as TUI AG makes use of the stabilisation measure, it will not grant and thus not constitute any bonuses, other variable or comparable remuneration components or special payments in the form of share packages, bonuses or other separate remuneration in addition to the fixed salary, other remuneration components and benefits at the discretion of the Company or severance payments not required by law to members of the Executive Board 'including any Group remuneration'.

For members of the Executive Board who are appointed as members of the Executive Board at the time the stabilisation measure is granted or thereafter, the upper limit shall be the basic remuneration of members of the Executive Board with the same level of responsibility as at 31 December 2019.

### Procedure

TUI AG has agreed corresponding amendments to the service agreements with all Executive Board members, adjusting the benefits generally promised under the remuneration system to the remuneration restrictions agreed with the Economic Stabilisation Fund.

Due to the corresponding amendment of the service agreements and the waivers of the Executive Board members, TUI AG deviates from the remuneration system in place in financial year 2022 with regard to the Short Term Incentive (STI) and the Long Term Incentive Plan (LTIP). The deviation is in the interest of TUI AG and is a prerequisite for TUI AG to be able to take advantage of stabilisation measures in accordance with the Economic Stabilisation Fund Act, if required. Apart from that, there were no deviations from the current remuneration system in financial year 2022.

## III OVERVIEW: INDIVIDUAL REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD

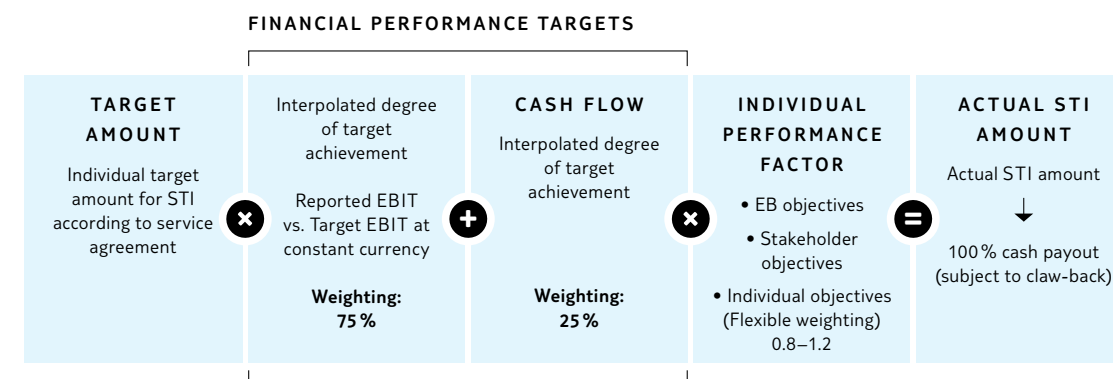
### III.1 ACHIEVEMENT OF TARGETS

The following describes how the performance criteria were applied and the targets for the variable remuneration components were achieved in financial year 2022.

#### III.1.1 STI

The multiplication of the target amounts with the weighted target achievement levels for EBIT and cash flow and the individual performance factor results in the amount taken into account for the payment of the STI per member of the Executive Board.

### Description STI



With regard to STI's individual performance factor for financial year 2022, the Supervisory Board decided before the start of financial year 2022 to defer the individual targets in favour of the overall Executive Board targets against the background of the Company-wide transformation process. Thus, the further implementation of the transformation through the simplification of the system landscape was a key target. Operationally, the focus was on expanding the range and variety of products, but also on the automation and analysis of processes.



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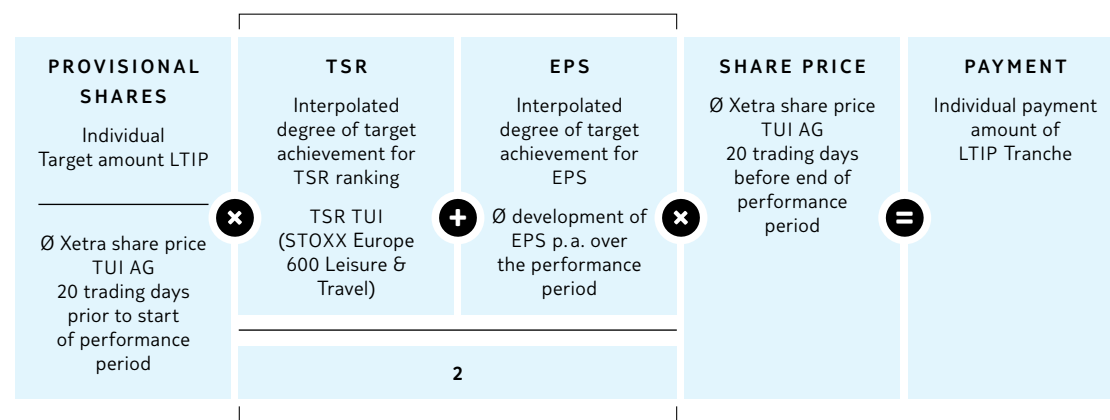
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In addition, the members of the Executive Board have been given ESG targets. These include the development of a pilot project to create a sustainable destination and the implementation of strategic targets of a new sustainability agenda. Due to remuneration restrictions, the Supervisory Board has refrained from determining target achievement for EBIT (reported) and cash flow. The effects of the COVID-19 pandemic, which in the meantime has led to significant restrictions in business operations and to far-reaching disruptions in air traffic, as well as the impact of the sustained increase in inflation, have led to the achievement of the two performance targets in financial year 2022 being impaired, despite a significant recovery in booking numbers compared to the previous year and restrictive cost management. In principle, around 74% of the EBIT (reported) target for the financial year 2022 and 66% of the cash flow target would have been achieved. As a result of the remuneration restrictions, there is no granted and owed remuneration within the meaning of Section 162 para. 1 sentence 1, sentence 2 no. 1 AktG from the STI for financial year 2022.\*

In applying the remuneration restrictions, the Supervisory Board accordingly waived the determination of the individual performance factor. With the immense amount of work of the Executive Board members once again had to deliver due to the extraordinary challenges of financial year 2022, they demonstrated above-average commitment and dedication, while remaining focused on the agreed targets. In its discussions, the Supervisory Board agreed that the entire Executive Board did an excellent job in financial year 2022 in a persistently challenging environment. The balance sheet was further stabilised through very stringent cash management, massive cost reductions and the development of extensive sources of financing. The Supervisory Board expressly acknowledges this extraordinary performance.

III.1.2 LTIP

The payment of the LTIP tranche 2019–2022 is governed by the provisions of the remuneration system, which came into effect retroactively as of 1 October 2017.



The LTIP tranche was based on an average TUI AG share price of €9.87 at the time of allocation. At the end of the performance period, TUI AG's average stock price was €1.509. Due to the degree of target achievement of TUI AG's TSR rank compared with the TSR values of the companies in the STOXX Europe 600 Travel

& Leisure over the performance period, the target achievement for LTIP was 0%. EPS also failed to reach a level of target achievement that would generally lead to a payout. Although the EPS was below the €0.50 mark for financial years 2020, 2021 and 2022, at which point the Supervisory Board is to set new absolute target values for the EPS as well as minimum and maximum values for determining the percentage target achievement in accordance with the relevant remuneration system. As a result, however, the remuneration restrictions of Framework Agreement II would not allow a payout. The Supervisory Board has therefore decided not to set any new absolute target values for the EPS and no minimum and maximum values for determining the percentage target achievement for the LTIP tranche 2019–2022. For the LTIP tranche 2019–2022, there is no remuneration granted and owed in December 2022 within the meaning of Section 162 para. 1 sentence 1, sentence 2 no. 1 AktG.\*

III.2 LOANS OR ADVANCES

No loans or advances were granted to the members of the Executive Board in financial year 2022, as in the previous year and the previous years.

III.3 APPLICATIONS

III.3.1 'REMUNERATION GRANTED AND OWED' WITHIN THE MEANING OF SECTION 162 (1)

SENTENCE 1 AKTG IN FINANCIAL YEAR 2022

Pursuant to Section 162 para. 1 sentence 1, sentence 2 no. 1 AktG, all fixed and variable remuneration components 'granted and owed' to the individual members of the Executive Board in financial year 2022 must be disclosed. The values stated for both the STI and the LTIP for financial year 2022 refer to the remuneration components 'granted and owed' in the respective financial year pursuant to Section 162 (1) sentence 1 AktG. They thus include all benefits earned in the respective financial year. The value of the STI therefore corresponds to the amount for the STI for financial year 2022, which would not be paid out until financial year 2023 in accordance with the service agreement. The value of the LTIP tranche 2019–2022 therefore corresponds in value to the amount for the LTIP whose four-year term ended on 30 September 2022, but which would not be paid out until the 2023 financial year in accordance with the service agreement.

In the previous year, the term 'remuneration granted and owed' within the meaning of Section 162 para. 1 sentence 1, sentence 2 no. 1 AktG was defined differently. According to this definition, the remuneration granted and owed included the benefits actually received in the respective financial year, regardless of financial year for which they would have been received by the members of the Executive Board. The value of the STI therefore corresponded to the amount for the STI from the 2020 financial year, which would not have been paid out until the 2021 financial year in accordance with the service agreements. The value of the 2017–2020 LTIP tranche therefore corresponded in terms of value to the amount for the LTIP whose four-year term ended on 30 September 2020, but which would not have been paid out until the 2021 financial year in accordance with the service agreements. The change in definition is based on the use of an option resulting from a clarification by the Institute of Public Auditors (Institut der Wirtschaftsprüfer). The change in definition had no effect on the disclosure of the amount of Executive Board remuneration, as no variable remuneration components were paid out due to the remuneration restrictions.

\*The definition of the remuneration granted and owed within the meaning of Section 162 para. 1 sentence 1, sentence 2 no. 1 AktG can be found in Section III. 3.1.



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## Remuneration 'granted and owed remuneration' pursuant to section 162 (1) sentence 1 AktG

			Friedrich Jousen CEO, since 14 February 2013 <sup>1</sup>		David Burling Member of the Executive Board, since 1 June 2015		Sebastian Ebel Member of the Executive Board, since 12 December 2014					
	€ '000 2021	in % <sup>2</sup>	€ '000 2022	in % <sup>2</sup>	€ '000 2021	in % <sup>2</sup>	€ '000 2022	in % <sup>2</sup>	€ '000 2021	in % <sup>2</sup>	€ '000 2022	in % <sup>2</sup>
Fixed remuneration	1,100.0	63.0	1,100.0	63.6	680.0	73.4	680.0	73.6	680.0	70.2	680.0	70.7
Fringe benefits <sup>3</sup>	52.1	3.0	57.6	3.3	21.1	2.3	19.2	2.1	18.0	1.9	18.0	1.9
<b>Total</b>	<b>1,152.1</b>	<b>66.0</b>	<b>1,157.6</b>	<b>66.9</b>	<b>701.1</b>	<b>75.7</b>	<b>699.2</b>	<b>75.7</b>	<b>698.0</b>	<b>72.0</b>	<b>698.0</b>	<b>72.6</b>
STI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LTIP												
LTIP Tranche (2018–2021)	0.0	0.0			0.0	0.0			0.0	0.0		
LTIP Tranche (2019–2022)			0.0	0.0			0.0	0.0			0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claw Back according to § 162 para. 1 sen. 2 no. 4 AktG <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>1,152.1</b>	<b>66.0</b>	<b>1,157.6</b>	<b>66.9</b>	<b>701.1</b>	<b>75.7</b>	<b>699.2</b>	<b>75.7</b>	<b>698.0</b>	<b>72.0</b>	<b>698.0</b>	<b>72.6</b>
Pension/service costs <sup>5</sup>	592.7	34.0	571.6	33.1	225.0	24.3	225.0	24.3	271.1	28.0	263.5	27.4
<b>Total remuneration</b>	<b>1,744.8</b>	<b>100.0</b>	<b>1,729.2</b>	<b>100.0</b>	<b>926.1</b>	<b>100.0</b>	<b>924.2</b>	<b>100.0</b>	<b>969.1</b>	<b>100.0</b>	<b>961.5</b>	<b>100.0</b>

<sup>1</sup> Member of the Executive Board since 15 October 2012 until 30 September 2022; Co-Chairman of the Executive Board from 9 December 2014 to 9 February 2016.

<sup>2</sup> The relative shares stated here refer to the remuneration components 'granted and owed' in the respective financial year in accordance with section 162 (1) sentence 1 AktG. They thus include all benefits actually granted in the respective financial year, irrespective of the financial year for which they were paid to the Executive Board members. The relative shares are therefore not comparable with the relative shares in the description of the remuneration system pursuant to section 87a (1) no. 3 AktG, which will be submitted to the Annual General Meeting together with this Remuneration Report. The shares stated in the remuneration system refer to the respective target values.

<sup>3</sup> Without insurance from group contracts.

<sup>4</sup> The service agreements of the members of the Executive Board include – in accordance with the remuneration system adopted by the Supervisory Board in December 2019 – a compliance malus and clawback provision. In financial year 2022 TUI AG did not use this provision.

<sup>5</sup> For Mr Jousen, Mr Ebel and Mr Rosenbeger service costs according to IAS 19, therefore not constituting 'awarded and owed' remuneration' within the meaning of section 162 (1) sentence 1 AktG. For Mr Burling, Mr Krueger and Mrs Reiss payments for pension contribution and therefore part of 'awarded and owed' remuneration within the meaning of Section 162 (1) sentence 1 AktG.

<sup>6</sup> Member of the Executive Board until 31 October 2022.

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## Remuneration 'granted and owed remuneration' pursuant to section 162 (1) sentence 1 AktG

			Peter Krueger Member of the Executive Board, since 1 January 2021				Sybille Reiss Member of the Executive Board, since 1 July 2021				Frank Rosenberger Member of the Executive Board, since 1 January 2017 <sup>6</sup>	
	€ '000 2021	in % <sup>2</sup>	€ '000 2022	in % <sup>2</sup>	€ '000 2021	in % <sup>2</sup>	€ '000 2022	in % <sup>2</sup>	€ '000 2021	in % <sup>2</sup>	€ '000 2022	in % <sup>2</sup>
Fixed remuneration	450.0	70.8	600.0	70.8	150.0	70.8	600.0	70.8	600.0	59.2	600.0	60.8
Fringe benefits <sup>3</sup>	13.5	2.1	18.0	2.1	4.5	2.1	18.0	2.1	30.5	3.0	25.2	2.6
<b>Total</b>	<b>463.5</b>	<b>72.9</b>	<b>618.0</b>	<b>72.9</b>	<b>154.5</b>	<b>72.9</b>	<b>618.0</b>	<b>72.9</b>	<b>630.5</b>	<b>62.3</b>	<b>625.2</b>	<b>63.3</b>
STI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LTIP												
LTIP Tranche (2018–2021)									0.0	0.0		
LTIP Tranche (2019–2022)											0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claw Back according to § 162 para. 1 sen. 2 no. 4 AktG <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>463.5</b>	<b>72.9</b>	<b>618.0</b>	<b>72.9</b>	<b>154.5</b>	<b>72.9</b>	<b>618.0</b>	<b>72.9</b>	<b>630.5</b>	<b>62.3</b>	<b>625.2</b>	<b>63.3</b>
Pension/service costs <sup>5</sup>	172.5	27.1	230.0	27.1	57.5	27.1	230.0	27.1	382.2	37.7	362.3	36.7
<b>Total remuneration</b>	<b>636.0</b>	<b>100.0</b>	<b>848.0</b>	<b>100.0</b>	<b>212.0</b>	<b>100.0</b>	<b>848.0</b>	<b>100.0</b>	<b>1,012.7</b>	<b>100.0</b>	<b>987.5</b>	<b>100.0</b>

<sup>1</sup> Member of the Executive Board since 15 October 2012 until 30 September 2022; Co-Chairman of the Executive Board from 9 December 2014 to 9 February 2016.

<sup>2</sup> The relative shares stated here refer to the remuneration components 'granted and owed' in the respective financial year in accordance with section 162 (1) sentence 1 AktG. They thus include all benefits actually granted in the respective financial year, irrespective of the financial year for which they were paid to the Executive Board members. The relative shares are therefore not comparable with the relative shares in the description of the remuneration system pursuant to section 87a (1) no. 3 AktG, which will be submitted to the Annual General Meeting together with this Remuneration Report. The shares stated in the remuneration system refer to the respective target values.

<sup>3</sup> Without insurance from group contracts.

<sup>4</sup> The service agreements of the members of the Executive Board include – in accordance with the remuneration system adopted by the Supervisory Board in December 2019 – a compliance malus and clawback provision. In financial year 2022 TUI AG did not use this provision.

<sup>5</sup> For Mr Joussem, Mr Ebel and Mr Rosenberger service costs according to IAS 19, therefore not constituting 'awarded and owed' remuneration' within the meaning of section 162 (1) sentence 1 AktG. For Mr Burling, Mr Krueger and Mrs Reiss payments for pension contribution and therefore part of 'awarded and owed' remuneration within the meaning of Section 162 (1) sentence 1 AktG.

<sup>6</sup> Member of the Executive Board until 31 October 2022.



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#### III.3.2 COMPLIANCE WITH THE MAXIMUM REMUNERATION AS REMUNERATION CAPS

For financial year 2022, in addition to the maximum amounts for the one-year and multi-year variable remuneration, a maximum amount for the remuneration for financial year as a whole (including fringe benefits and pension commitment) is provided for in accordance with Section 87a para. 1 sentence 2 no. 1 AktG. This maximum remuneration is €7.5 m for the Chairman of the Executive Board and €3.5 m for an ordinary member of the Executive Board and relates to the remuneration granted for a financial year. If the remuneration for financial year 2022 exceeds the aforementioned maximum limit, the LTIP will be reduced accordingly. As the multi-year variable remuneration component is not available until the third year after the end of the reporting year due to the four-year performance period, compliance with the maximum remuneration for financial year 2022 can only be reported conclusively as part of the Remuneration Report for financial year 2025.

#### III.3.3 COMPARISON OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD WITH THE DEVELOPMENT OF EARNINGS AND THE AVERAGE REMUNERATION OF EMPLOYEES OF TUI AG

The following table shows a comparison of the percentage change in the remuneration of the Executive Board members with the development of TUI AG's earnings and with the average remuneration of employees on a full-time equivalent basis as against the previous financial year.\* The remuneration of the Executive Board members included in the table reflects the benefits earned in the respective financial year. For active members of the Executive Board, these values for financial year 2022 correspond to the values stated in the table 'Remuneration granted and owed within the meaning of Section 162 (1) sentence 1 AktG'.

As a matter of principle, the development of earnings is presented on the basis of the development of TUI AG's net profit for the year in accordance with Section 275 (2) no 17 of the German Commercial Code (HGB). Since the remuneration of the Executive Board members also depends to a significant extent on the development of Group key figures, TUI Group's earnings trend also includes the development of TUI Group's underlying EBIT shown in the consolidated financial statements for financial years 2020, 2021 and 2022 and TUI Group's underlying EBITA shown in the consolidated financial statements for financial years 2017 to 2019.

The comparison with the development of average employee remuneration is based on the average remuneration of TUI AG's workforce. Since the employee and remuneration structures in the subsidiaries are diverse, in particular in the case of employees abroad, it is appropriate to base the comparison of the development of average remuneration only on TUI AG's workforce. This comparative group was also used to review the appropriateness of the remuneration of the Executive Board members. The remuneration of all employees, including executive employees within the meaning of Section 5 (3) German Works Council Constitution Act (Betriebsverfassungsgesetz – BetrVG), was taken into account. Where employees also received remuneration as members of TUI AG's Supervisory Board, this remuneration was not taken into account. In order to ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

\* Pursuant to Section 26j, (2), sentence 2 of the Introductory Act to the Stock Corporation Act (EGAktG), a comparison of the average remuneration of employees on a full-time equivalent basis over the last five financial years pursuant to Section 162, (1), sentence 2, no. 2 of the German Stock Corporation Act (AktG) is not yet to be included in the Remuneration Report.

#### Comparison of annual change to Executive Board remuneration according to section 162 para. 1 no. 2 AktG

Annual change (in %)	2022 vs. 2021 <sup>6</sup>	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017
<b>Executive Board remuneration<sup>1</sup></b>					
Friedrich Joussen	0	5	-1	-74	31
David Burling	0	7	-8	-55	14
Sebastian Ebel	0	4	-2	-58	30
Peter Krueger <sup>7</sup>	33				
Sybille Reiss <sup>7</sup>	300				
Frank Rosenberger	-1	5	-1	-45	36
Horst Baier (CFO until 30 September 2018) <sup>2</sup>	0	5	10	-73	8
Birgit Conix (CFO until 31 December 2020)	-100	-32	-4	144	
Dr Elke Eller (CHRO until 30 June 2021)	-97	-1	0	-48	9
<b>Earnings performance</b>					
TUI AG <sup>3</sup>	-177	30	-1,994	-88	33
TUI Group <sup>4</sup>	120	69	-435	-22	4
<b>Average employee remuneration on FTE basis</b>					
Company employees <sup>5</sup>	10	6	-2		

<sup>1</sup> Remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG (fixed remuneration, STI, LTIP, fringe benefits and fixed annual pension payment for Mr Burling, Mr Krueger and Ms Reiss). In addition to the active members of the Executive Board, those former Executive Board members were taken into account who still received remuneration from their active activities within the comparison period.

<sup>2</sup> Mr Baier received a payout from his pension plan in financial years 2019 to 2022. In financial year 2021, he received a final payout from the remuneration granted and owed from the 2017 – 2020 LTIP tranche.

<sup>3</sup> Annual result within the meaning of section 275 para 2 no. 17 HGB.

<sup>4</sup> Adjusted EBIT of TUI Group for financial years 2022, 2021 and 2020. For financial years 2017 to 2019, adjusted EBITA of TUI Group.

<sup>5</sup> Due to the achievement of the company's targets, a higher bonus is paid out this year than last year.

<sup>6</sup> The comparison for financial years 2021 and 2022 was based on the amended definition of remuneration granted and owed pursuant to section 162 (1) no. 2 AktG.

<sup>7</sup> Pro rata remuneration in financial year 2021.



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#### REVIEW OF THE APPROPRIATENESS OF EXECUTIVE BOARD REMUNERATION AND PENSIONS

The Supervisory Board conducted the annual review of the Executive Board remuneration and pensions for financial year 2022. It came to the conclusion that the amount of the Executive Board remuneration and the pensions are appropriate from a legal point of view pursuant to Section 87 (1) of the German Stock Corporation Act (AktG).

For the assessment of the appropriateness of the Executive Board remuneration and pensions, the Supervisory Board also regularly calls on external advice. This involves assessing the relationship between the amount and structure of Executive Board remuneration and the remuneration of senior management and the workforce as a whole from an external perspective (vertical comparison). In addition to a status quo analysis, the vertical comparison also takes into account the development of remuneration ratios over time. Secondly, the remuneration level and structure are assessed on the basis of TUI AG's positioning in a comparative market (horizontal comparison). The comparative market consists of a combination of DAX and MDAX companies falling within the scope of the German Stock Corporation Act (AktG), belonging to related sectors or having comparable core characteristics and being of a similar size. In addition to the fixed remuneration, the horizontal comparison also includes the short- and long-term remuneration components as well as the amount of the Company pension plan.

#### Companies for the assessment of the appropriateness of Executive Board remuneration (as at 30 September 2022)

Company	Stock market segment	Company	Stock market segment
Adidas AG	DAX	Infineon Technologies AG	DAX
Aixtron SE	MDAX	K+S AG	MDAX
Aurubis AG	MDAX	KION GROUP AG	MDAX
BASF SE	DAX	LANXESS AG	MDAX
Bayer AG	DAX	LEG Immobilien AG	MDAX
Bechtle AG	MDAX	Mercedes-Benz AG	DAX
Beiersdorf AG	DAX	Merck KGaA	DAX
Brenntag AG	DAX	MTU Aero Engines AG	DAX
Carl Zeiss Meditec AG	MDAX	Nemetschek SE	MDAX
Continental AG	DAX	ProSiebenSat.1 Media SE	MDAX
Covestro AG	DAX	PUMA SE	DAX
CTS Eventim AG & Co. KGaA	MDAX	QIAGEN N.V.	DAX
Delivery Hero AG	MDAX	Rheinmetall AG	MDAX
Deutsche Lufthansa AG	MDAX	RTL Group SA	MDAX
Deutsche Post AG	DAX	RWE AG	DAX
Deutsche Telekom AG	DAX	SAP SE	DAX
Deutsche Wohnen AG	MDAX	Scout24 AG	MDAX
Dürr AG	MDAX	Siemens AG	DAX
ENCAVIS AG	MDAX	Siemens Healthineers AG	DAX
E.ON SE	DAX	Siltronic AG	MDAX
Evonik Industries AG	MDAX	Software AG	MDAX
Evotec AG	MDAX	Stabilus SE	MDAX
Fraport AG	MDAX	Ströer SE & Co. KGaA	MDAX
freenet AG	MDAX	Symrise AG	DAX
Fresenius Medical Care AG & Co KGaA	DAX	TAG Immobilien AG	MDAX
Fresenius SE & Co KGaA	DAX	TeamViewer AG	MDAX
Fuchs Petrolub SE	MDAX	Telefónica Deutschland Holding AG	MDAX
GEA Group AG	MDAX	ThyssenKrupp AG	MDAX
Gerresheimer AG	MDAX	United Internet AG	MDAX
HeidelbergCement AG	DAX	Volkswagen AG	DAX
HelloFresh SE	MDAX	Vonovia SE	DAX
Henkel AG & Co KGaA	DAX	Wacker Chemie AG	MDAX
Hugo Boss AG	MDAX	Zalando SE	DAX





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Against the backdrop of the remuneration restrictions and the resulting elimination of the payment of variable remuneration components, the Supervisory Board did not commission a corresponding expert opinion on the appropriateness of the remuneration level for members of the Executive Board for financial year 2022. As in financial years 2019, 2020 and 2021, the remuneration was significantly below that of financial year 2018, the appropriateness of which was again assessed and confirmed. The amount of the remuneration granted and owed, which for financial year 2022 consists only of fringe benefits and pension contributions in addition to the fixed remuneration, was largely known to the Annual General Meeting which approved the remuneration system in financial year 2021 and the 2021 Remuneration Report in financial year 2022.

#### III.3.4 BENEFITS TO FORMER MEMBERS OF THE EXECUTIVE BOARD

For former members of the Executive Board and their surviving dependents, total pension payments in financial year 2022 amounted to €6,248.9 k (previous year €6,074.2 k). Of this amount, €917.5 k was attributable to Michael Frenzel, who left the Executive Board on 31 March 2014, and €1,003.6 k to Horst Baier, who left the Executive Board on 30 September 2018, in financial year 2022. The remaining payments related to former members of the Executive Board who left TUI AG's Executive Board more than ten years ago.

At the balance sheet date, pension provisions for former members of the Executive Board and their surviving dependants totalled €62,985.5 k (previous year €71,766.5 k) measured in accordance with IAS 19 – excluding Mr Ebel's entitlements of €4,210.9 k (previous year €5,762.4 k) earned in the framework of his service for TUI Group before 31 August 2006.

TUI AG and Dr Eller agreed on the premature termination of the Executive Board mandate and the Labour Director mandate as per 30 June 2021. On the occasion of the termination, TUI AG concluded a termination agreement with Dr Eller. The subject matter of the termination agreement included the continuation of the employment contract until the end of the regular termination date, i.e. until 14 October 2021. TUI AG has agreed to Dr Eller that it would continue to pay her remuneration in accordance with the service agreement until the termination date of the service agreement. TUI AG also continued to make contributions to the Company pension scheme until that date. In financial year 2022, Dr Eller was thus entitled to a pro rata fixed remuneration of around €26.4 k.

## Supervisory Board and Supervisory Board Remuneration

### CONFIRMATION OF THE REMUNERATION SYSTEM BY THE SHAREHOLDERS

According to the German Stock Corporation Act (AktG) in the version of the SRD II, the Annual General Meeting of a listed Company must resolve on the remuneration of the members of the Supervisory Board at least every four years. A resolution confirming the existing remuneration is also permissible. The resolution must comply with new formal requirements. Such a resolution was passed by the Annual General Meeting on 25 March 2021. The remuneration system for the members of the Supervisory Board was approved by 99.7% and thus adopted. In addition, the Remuneration Report prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG) for financial year ended 30 September 2021 was approved by the shareholders of TUI AG on 08 February 2022 with 98.72%.

### COMPOSITION OF THE SUPERVISORY BOARD

In accordance with the Articles of Association, the Supervisory Board of TUI AG comprises a total of 20 members. At the Annual General Meeting on 8 February 2022, there were no new or renewed mandates to be filled by shareholder representatives.

Ms Carola Schwirn resigned from the Supervisory Board at the end of 28 February 2022. By court appointment on 1 April 2022, Ms Sonja Austermühle was appointed as a member of the Supervisory Board as an employee representative.

On 2 March 2022, Mr Mordashov notified the Company that he was resigning from his mandate as a member of TUI AG's Supervisory Board with immediate effect. On 3 March 2022, Mr Vladimir Lukin also notified us that he was resigning from his mandate as shareholder representative on TUI AG's Supervisory Board with immediate effect. Ms Helena Murano and Mr Christian Baier were appointed as members of TUI AG's Supervisory Board by court order on 31 May 2022 to fill the vacancies. The applications for court appointment were each submitted until the next ordinary Annual General Meeting.



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## Composition of the Supervisory Board

Dr Dieter Zetsche	Member since 13 February 2018, Chairman
Frank Jakobi*	Member since 15 August 2007, Vice-Chairman
Ingrid-Helen Arnold	Member since 11 February 2020
Sonja Austermühle*	Member since 1 April 2022
Christian Baier	Member since 31 May 2022
Andreas Barczweski*	Member since 10 May 2006
Peter Bremme*	Member since 2 July 2014
Dr Jutta Dönges	Member since 25 March 2021
Prof. Dr Edgar Ernst	Member since 9 February 2011
Wolfgang Flintermann*	Member since 13 June 2016
María Garaña Corces	Member since 11 February 2020
Stefan Heinemann*	Member since 21 July 2020
Janina Kugel	Member since 25 March 2021
Helena Murano	Member since 31 May 2022
Mark Muratovic*	Member since 25 March 2021
Vladimir Lukin	Member from 12 February 2014 to 28 October 2014 and from 5 June 2019 to 3 March 2022
Coline McConville	Member since 11 December 2014
Alexey Mordashov	Member since 9 February 2016 to 2 March 2022
Carola Schwirn*	Member since 1 August 2014 to 28 February 2022
Anette Stempel*	Member since 2 January 2009
Joan Trián Riu	Member since 12 February 2019
Tanja Viehl*	Member since 25 March 2021
Stefan Weinhofer*	Member since 9 February 2016

\* Employee representatives.

#### I REMUNERATION OF THE SUPERVISORY BOARD IN FINANCIAL YEAR 2022

The rules and remuneration of the members of the Supervisory Board are set out in Section 18 of TUI AG's Articles of Association, permanently accessible to the public on the internet. Supervisory Board remuneration is reviewed at appropriate intervals. It takes account of the expected time commitment for the mandate and the practice in companies of a comparable size, industry and complexity.



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#### (1) Fixed remuneration Supervisory Board

TARGET The aim is to attract and retain highly qualified members of the Supervisory Board. This will promote the efficiency of the Supervisory Board's work and the long-term development of TUI AG.

- Chairman: €270.0 k
- Vice-Chairman: €180.0 k
- Member: €90.0 k
- In each case plus the value-added tax on the remuneration

In accordance with the provisions of TUI AG's Articles of Association, retired members of the Supervisory Board shall receive (pro rata temporis) fixed remuneration from TUI AG for the last time immediately after the end of financial year in which they resigned for the duration of their membership of TUI AG's Supervisory Board. After the final payment of the (pro rata temporis) fixed remuneration, retired members of the Supervisory Board shall no longer receive any remuneration from TUI AG for their former Supervisory Board activities.

#### (2) Fixed remuneration Committees

PRESIDING COMMITTEE

- Chairman: €42.0 k
- Member: €42.0 k

AUDIT COMMITTEE

- Chairman: €126.0 k
- Member: €42.0 k

STRATEGY COMMITTEE\*

- Chairman: €84.0 k
- Member: €42.0 k

NOMINATING COMMITTEE

- None

TRANSACTION COMMITTEES

- None

\*The Strategy Committee was dissolved at the end of financial year 2022. Accordingly, the committee remuneration for the Strategy Committee will not be received for the following years.

#### (3) Attendance fees

- Supervisory Board: €1.0 k per meeting
- Presiding Committee: €1.0 k per meeting
- Audit Committee: €1.0 k per meeting
- Strategy Committee: €1.0 k per meeting
- Nomination Committee: €1.0 k per meeting
- Transaction Committees: none

#### (4) Maximum remuneration

Since the remuneration of the members of the Supervisory Board does not consist of variable but exclusively of fixed components, there is no need to determine a maximum total remuneration for the members of the Supervisory Board. The provisions of the German Stock Corporation Act (AktG) in the version of the SRD II expressly provide for the determination of a maximum remuneration only for the members of the Executive Board, but not for the members of the Supervisory Board.

#### (5) D&O

OBJECTIVE In addition, the members of the Supervisory Board are included in a pecuniary damage liability insurance policy (so-called D&O insurance) taken out by the Company in the interest of the Company at an appropriate amount. The premiums for this are paid by the Company. There is no deductible.



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#### I.1 TOTAL REMUNERATION OF THE SUPERVISORY BOARD

##### I.1.1 REMUNERATION 'GRANTED AND OWED' WITHIN THE MEANING OF SECTION 162 PARA. 1 SENTENCE 1 OF THE GERMAN STOCK CORPORATION ACT (AKTG) IN FINANCIAL YEAR 2022

Pursuant to Section 162 (1) sentence 1, sentence 2 no. 1 AktG, all fixed and variable remuneration components 'granted and owed' to the individual members of the Supervisory Board in financial year 2022 must be disclosed. The values stated refer to the remuneration components 'granted and owed' in the respective financial year pursuant to Section 162 (1) sentence 1 AktG. They thus include all benefits earned in the respective financial year, regardless of whether they were received by the members of the Supervisory Board in the respective financial year. In terms of value, the amounts for financial year 2022 are therefore also taken into account, which, according to the Articles of Association, will only be paid out in financial year 2023. The remuneration granted and owed to the Supervisory Board includes the fixed remuneration earned for financial year 2022, but which, according to the Articles of Association, will only be paid in financial year 2023. The attendance fees, on the other hand, are usually paid immediately after the respective meetings, so that the attendance fees for the Supervisory Board meetings in 2022 were also paid in the financial year 2022.

In the previous year, the term of remuneration granted and owed within the meaning of Section 162 para. 1 sentence 1, sentence 2 no. 1 AktG was defined differently. According to this definition, the remuneration granted and owed included the benefits actually received in the respective financial year, regardless of financial year for which they would have been received by the members of the Supervisory Board. In terms of value, the amounts for the 2020 financial year were taken into account, which would not have been paid out until the 2021 financial year in accordance with the Articles of Association. The change in definition is based on the use of an option resulting from a clarification by the Institute of Public Auditors (Institut der Wirtschaftsprüfer).

#### Total remuneration granted and owed to the Supervisory Board

€ '000	2022	2021 adjusted*
Fixed remuneration	1,980.9	1,896.0
Remuneration for committee memberships	906.3	865.9
Attendance fees	245.0	372.0
Total remuneration for TUI AG Supervisory Board mandate	3,132.2	3,133.9
Remuneration for Supervisory Board mandates in the Group	50.7	26.5
<b>Total</b>	<b>3,182.9</b>	<b>3,160.4</b>

\* Financial year 2021 adjusted due to a change in the definition of the term 'granted and owed'.

In addition, travel costs and expenses amounting to €72.5 k (previous year €0 k) were reimbursed. The remuneration of the Supervisory Board in financial year 2022, together with the reimbursement of travel costs and expenses, amounted to €3,255.4 k (previous year €3,160.4 k).

##### I.2. REMUNERATION 'GRANTED AND OWED' WITHIN THE MEANING OF SECTION 162 PARA. 1 SENTENCE 1 OF THE GERMAN STOCK CORPORATION ACT (AKTG) IN FINANCIAL YEAR 2022

Pursuant to Section 162 (1) sentence 1, sentence 2 no. 1 of the German Stock Corporation Act (AktG), all fixed and variable remuneration components 'granted and owed' to the individual members of the Supervisory Board in financial year 2022 must be disclosed. The values stated refer to the remuneration components 'granted and owed' in the respective financial year pursuant to Section 162 (1) sentence 1 AktG. They thus include all benefits earned in the respective financial year, regardless of whether they were received by the members of the Supervisory Board in the respective financial year. In terms of value, the amounts for financial year 2022 are therefore also taken into account, which, according to the Articles of Association, will only be paid out in financial year 2023.



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#### Granted and owed remuneration of the Supervisory Board (individual) in financial year 2022

	Fixed remuneration € '000	in %	Remuneration for committee € '000	in %	Attendance fee € '000	in %	Remuneration for Supervisory Board mandates in the Group € '000	in %	Total
Dr Dieter Zetsche (Chairman)	270.0	58.4	168.0	36.4	24.0	5.2			462.0
Frank Jakobi (Vice Chairman)	180.0	54.5	126.0	38.2	24.0	7.3			330.0
Ingrid-Helen Arnold	90.0	92.8		0.0	7.0	7.2			97.0
Sonja Austermühle <sup>1</sup>	45.0	74.1		0.0	2.0	3.3	13.7	22.6	60.7
Christian Baier <sup>2</sup>	30.3	61.3	14.1	28.5	5.0	10.1			49.4
Andreas Barczewski	90.0	75.9		0.0	7.0	5.9	21.5	18.1	118.5
Peter Bremme	90.0	62.1	42.0	29.0	13.0	9.0			145.0
Dr Jutta Dönges <sup>3</sup>	90.0	42.8	100.5	47.7	20.0	9.5			210.5
Prof. Dr Edgar Ernst	90.0	27.8	210.0	64.8	24.0	7.4			324.0
Wolfgang Flintermann	90.0	92.8		0.0	7.0	7.2			97.0
María Garaña Corces	90.0	92.8		0.0	7.0	7.2			97.0
Stefan Heinemann	90.0	61.6	42.0	28.8	14.0	9.6			146.0
Janina Kugel	90.0	92.8		0.0	7.0	7.2			97.0
Vladimir Lukin <sup>4</sup>	38.3	46.1	35.7	43.0	9.0	10.8			83.0
Coline McConville	90.0	64.3	42.0	30.0	8.0	5.7			140.0
Alexey Mordashov <sup>5</sup>	0.0	0.0	0.0	0.0	7.0	100.0			7.0
Helena Murano <sup>2</sup>	30.3	93.8		0.0	2.0	6.2			32.3
Mark Muratovic	90.0	55.7	42.0	26.0	14.0	8.7	15.5	9.6	161.5
Carola Schwirn <sup>6</sup>	37.0	92.5		0.0	3.0	7.5			40.0
Anette Stempel	90.0	62.1	42.0	29.0	13.0	9.0			145.0
Joan Trían Riu	90.0	92.8		0.0	7.0	7.2			97.0
Tanja Viehl	90.0	92.8		0.0	7.0	7.2			97.0
Stefan Weinhofer	90.0	61.6	42.0	28.8	14.0	9.6			146.0
<b>Total</b>	<b>1,980.9</b>	<b>62.2</b>	<b>906.3</b>	<b>28.5</b>	<b>245.0</b>	<b>7.7</b>	<b>50.7</b>	<b>1.6</b>	<b>3,182.9</b>

<sup>1</sup> Pro rata temporis view of all remuneration components as of 1 April 2022.

<sup>2</sup> Pro rata temporis view of all remuneration components as of 31 May 2022.

<sup>3</sup> Pro rata temporis view of committee remuneration from 10 May 2022.

<sup>4</sup> Pro rata temporis view of all remuneration components until 3 March 2022.

<sup>5</sup> Pro rata temporis view of all remuneration components until 2 March 2022. No pay-outs 28 February 2022 onwards, as Mr Mordashov is subject to EU sanctions since that date. Actual pay-outs in conjunction with the meeting of the Presiding Committee (4 February 2022) and the Supervisory Board (7 February 2022) have been made prior to listing on sanctions list on 16 February 2022. A pay-out in conjunction with the meeting of the Strategy Committee (21 February 2022) has not been paid out because of EU sanctions.

<sup>6</sup> Pro rata temporis view of all remuneration components until 28 February 2022.



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#### I.3 COMPARISON OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD WITH THE DEVELOPMENT OF EARNINGS AND THE AVERAGE REMUNERATION OF TUI AG EMPLOYEES

The following table shows a comparison of the percentage change in the remuneration of the members of the Supervisory Board with the development of TUI AG's earnings and with the average remuneration of employees on a full-time equivalent basis as against the previous financial year\*. The remuneration of the members of the Supervisory Board included in the table reflects the amounts earned in the respective financial year. For financial year 2022, these values correspond to the values stated in the table 'Remuneration granted and owed within the meaning of Section 162 (1) sentence 1 AktG'. Where members of the Supervisory Board had previously been members of TUI AG's Executive Board and had received remuneration for this, this would not be included in the comparative presentation. However, this does not apply to any member of the Supervisory Board.

The development of earnings is generally presented on the basis of the development of TUI AG's profit for the year in accordance with Section 275 (2) no 17 of the German Commercial Code (HGB).

The comparison with the development of average employee remuneration is based on the average remuneration of TUI AG's workforce. Since the employee and remuneration structures in the subsidiaries are diverse, in particular in the case of employees abroad, it is appropriate to base the comparison of the development of average remuneration only on the workforce of TUI AG. The remuneration of all employees, including executive staff as defined in Section 5 (3) of the German Works Constitution Act (BetrVG), was taken into account. Employee remuneration did not include remuneration received by employees as members of TUI AG's Supervisory Board. In order to ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

\* Pursuant to Section 26j, paragraph 2, sentence 2 of the Introductory Act to the Stock Corporation Act (EAG AktG), a comparison of the average remuneration of employees on a full-time equivalent basis over the last five financial years pursuant to Section 162, paragraph 1, sentence 2, no. 2 of the Stock Corporation Act (AktG) is not yet to be included in the Remuneration Report.

#### Comparison of annual change to Supervisory Board remuneration according to section 162 para 1 no. 2 AktG

Annual change (in %)	2022 vs. 2021 <sup>6</sup>	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017
<b>Supervisory Board remuneration<sup>1</sup></b>					
Dr Dieter Zetsche	2	17	71	268	
Frank Jakobi	-3	18	0	-6	-3
Ingrid-Helen Arnold	-5	91			
Sonja Austermühle					
Christian Baier					
Andreas Barczewski	-22	-6	-13	5	-5
Peter Bremme	-5	9	-14	1	2

#### Comparison of annual change to Supervisory Board remuneration according to section 162 para 1 no. 2 AktG

Annual change (in %)	2022 vs. 2021 <sup>6</sup>	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017
Dr Jutta Dönges	111				
Prof. Dr Edgar Ernst	4	15	-6	17	-5
Wolfgang Flintermann	-8	16	-10	1	1
María Garaña Corces	-6	96			
Angelika Gifford		-47	12	14	
Stefan Heinemann	12	914			
Dr Dierk Hirschel		-46	-15	3	9
Janina Kugel	81				
Peter Long		-46	-8	21	47
Vladimir Lukin	-54	47	279		
Coline McConville	-8	10	-16	3	3
Alexey Mordashov <sup>2</sup>	-96	8	-8	5	-4
Helena Murano					
Marc Muratovic	92				
Michael Pönipp		-34	-8	2	-2
Carola Schwirn	-62	16	-21	3	2
Anette Stempel	-5	8	-14	0	0
Joan Trián Riu	-8	16	41		
Tanja Viehl	78				
Stefan Weinhofer	12	44	-10	1	2
<b>Earnings performance</b>					
TUI AG <sup>3</sup>	-177	30	-1,994	-88	33
TUI Group <sup>4</sup>	120	69	-435	-22	4
<b>Average employee remuneration on FTE basis</b>					
Company employees <sup>5</sup>	10	6	-2		

<sup>1</sup> Changes result in particular from the date of entry into the Supervisory Board, committee membership and the respective date of resignation.

<sup>2</sup> No pay-outs from 28 February 2022 onwards, as Mr Mordashov has been subject to EU sanctions since that date. Actual pay-outs in conjunction with the meeting of the Presiding Committee (4 February 2022) and the Supervisory Board (7 February 2022) have been made prior to listing on sanctions list on 16 February 2022. A pay-out in conjunction with the meeting of the Strategy Committee (21 February 2022) has not been paid out because of EU sanctions.

<sup>3</sup> Annual result within the meaning of section 275 (2) no. 17 HGB.

<sup>4</sup> Adjusted EBIT of the TUI Group for financial years 2022, 2021 and 2020. For financial years 2017 to 2019, adjusted EBITA of the TUI Group.

<sup>5</sup> Due to the achievement of the company's targets, a higher bonus is paid out this year than last year.

<sup>6</sup> The comparison for 2021 and 2022 was based on the amended definition of remuneration granted and owed pursuant to Section 162 (1) no. 2 AktG.



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Apart from the work performed by the employee representatives in the framework of their employment contracts, the members of the Supervisory Board did not provide any personal services, such as consultancy or agency services, for TUI AG or its subsidiaries in financial year 2022 and therefore did not receive any additional remuneration based on such services.



**REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT IN ACCORDANCE  
WITH  
SEC. 162 (3) GERMAN STOCK CORPORATION ACT (AKTG)**

To TUI AG, Berlin and Hanover/Germany

**Audit opinion**

We have formally audited the remuneration report of TUI AG, Berlin and Hanover/Germany, for the financial year from 1 October 2021 until 30 September 2022 whether the disclosures pursuant to Sec. 162 (1) and (2) AktG were made in the remuneration report. In line with Sec. 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the remuneration report contains all the information required by Sec. 162 (1) and (2) AktG in all material respects. Our audit opinion does not cover the content of the remuneration report.

**Basis for the Audit Opinion**

We conducted our audit of the remuneration report in accordance with Sec. 162 (3) AktG and in compliance with IDW Auditing Standard: The Audit of the Remuneration Report in Accordance with Sec. 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibility under that provision and standard is further described in the section "Responsibilities of the Auditor" of our report. Our audit firm applies Quality Assurance Standard: Requirements for Quality Assurance in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW). We have fulfilled the professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Code of Conduct for German Public Auditors and Sworn Auditors (BS WP/vBP) including the requirements for independence.

**Responsibilities of the Management Board and the Supervisory Board**

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, which complies with the requirements of Sec. 162 AktG. They are further responsible for such internal control as they determine is necessary to enable the preparation of the remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

**Responsibilities of the Auditor**

Our objective is to obtain reasonable assurance about whether the information required by Sec. 162 (1) and (2) AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.



We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Sec. 162 (1) and (2) AktG. In accordance with Sec. 162 (3) AktG, we did not audit the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Hanover/Germany, 12 December 2022

**Deloitte** GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Christoph B. Schenk

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Annika Deutsch

Wirtschaftsprüferin

(German Public Auditor)

**TRANSLATION**

– German version prevails –

# General Engagement Terms

for

## Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]  
as of January 1, 2017

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as “German Public Auditors” – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.