

Remuneration Report

A. Introduction

The remuneration report outlines the remuneration of the members of the Executive Board of TUI AG as well as the remuneration of the members of its Supervisory Board in accordance with the articles of association. The remuneration report is based, in particular, on the recommendations of the German Corporate Governance Code (GCGC), the requirements of the German Commercial Code (Handelsgesetzbuch) and the German Stock Corporation Act (Aktiengesetz) and, to the extent practicable, the requirements of the UK Corporate Governance Code (UK CGC).

TUI AG is a German stock corporation that is also listed on the London Stock Exchange (LSE). Where mandatory provisions regarding the governance of or legal requirements for a German stock corporation are affected, these are disclosed in this report and placed in context with the UK CGC, as required.

B. Remuneration of the Executive Board

I. SHAREHOLDERS' APPROVAL OF THE REMUNERATION SYSTEM

In FY 2018 a new remuneration system for the members of the Executive Board has been established and approved with retroactive effect from the beginning of FY 2018 by the shareholders at the Annual General Meeting on 13 February 2018. With the exception of Mr Baier the new remuneration system is applicable to all members of the Executive Board. Due to Mr Baier's resignation from the Executive Board of TUI AG, which was originally planned for 8 November 2018 in accordance with the service agreement concluded between him and the company and which was brought forward to the end of FY 2018 by mutual agreement, Mr Baier was not migrated to the new remuneration system.

Although the previous remuneration system meets all legal requirements and results in appropriate remuneration, the Supervisory Board felt that the time has come to make the next step after the successful completion of the integration of former TUI Travel PLC into TUI AG. The new remuneration system contains improvements that follow best practice standards which are relevant to TUI AG as well as the Executive Board's strategy for sustainable growth. The recommendations of the UK-Code as well as a diverging UK market practice are included respectively in the position described. Considering that and in view of the latest developments of the arrangement of the remuneration in Germany it has been decided to establish a remuneration system that takes into account both perspectives. The defined performance indicators aim to take into account the interests of all stakeholders and to create value for our providers of equity and external funding.

Thereby the new remuneration system completely waives the previous possibility of the Supervisory Board of granting an additional bonus subject to its discretion and not linked to any targets or financial indicators. In fact, the variable remuneration components are subject of specific target sets which are closely oriented towards the forecast for the financial markets, which has been published within the Annual Report and Accounts and is if necessary, updated during the year.

Even though it is common practice in many companies applying the UK-Code, the shareholders of TUI AG do not vote annually on the remuneration system. This corresponds to the practice in most of the German stock companies and is in conformity with the German Stock Corporation Act. Nevertheless the targets to be achieved for FY 2018 are being retroactively clarified in the remuneration report in order to enable stakeholders to gain an understanding of the underlying target achievements in the framework of the new remuneration system.

II. GENERAL PRINCIPLES

Following a recommendation from the Presiding Committee, the Supervisory Board determines in accordance with section 87(1) sentence 1 German Stock Corporation Act the remuneration of the individual Executive Board members. It also regularly reviews the remuneration system for the Executive Board.

→ *For further remits of the Presiding Committee, please see the report of the Supervisory Board page 14*

The following principles, in particular, are taken into account in this regard:

- Clarity and transparency
- Economic position, performance and sustainable development of the company
- Tying shareholder interest to value increase and distribution of profits (e.g. total shareholder return indicator) with corresponding incentives for Executive Board members
- Ability to be competitive on the market for highly qualified Executive Board members
- Appropriateness and conformity with tasks, responsibilities and success of each individual Executive Board member, including in the relevant environment of comparable international firms, and taking into account standard practice at other major German companies
- Tying a material portion of total remuneration to the achievement of ambitious, long-term performance targets
- Appropriate correlation between the levels of fixed remuneration and performance-based remuneration

- Appropriateness in horizontal and vertical comparison (see page 144)

The remuneration system does not contain malus or clawback clauses. From the perspective of the Supervisory Board malus and clawback clauses which allow for a retroactive correction of variable remuneration are first of all an understandable request of stakeholders. However, in the German jurisdiction such clauses are still widely uncommon. Only for certain financial institutes they have recently become legally binding. It has thus not yet been clarified by the highest court, on which principles (eg. Transparency and appropriateness of malus and clawback) malus and clawback clauses are based in order to be effective and enforceable. Consequently, the Supervisory Board has abstained to include malus and clawback clauses in the service agreements of the members of the Executive Board in the course of the revision of the remuneration system. However, it has to be expressively stressed that the German law, especially the German Stock Corporation Act, does provide sufficient possibilities to enforce compensation claims towards members of the Executive Board who disregard their duties of acting in good faith.

III. REMUNERATION OF THE EXECUTIVE BOARD IN FY 2018

In FY 2018, the remuneration for the members of the Executive Board comprises: (1) a fixed remuneration; (2) an annual performance-based remuneration (Jahreserfolgsvergütung – JEV); (3) virtual shares of TUI AG in accordance with the Long-Term Incentive Plan (LTIP); (4) fringe benefits and (5) pension entitlements.

Details are set out below:

1. FIXED REMUNERATION

Purpose and link to company strategy

Highly-qualified Executive Board members who are needed to develop and implement company strategy are to be attracted and retained.

The remuneration should be commensurate with the abilities, experience and tasks of the individual Executive Board member.

Procedure

In determining the fixed remuneration the Supervisory Board takes into account, in particular, the relevant and aforementioned general principles.

The fixed remuneration is paid in twelve equal instalments at the end of each month. If the service agreement begins or ends in the course of the financial year relevant for payment of the remuneration, the fixed annual remuneration will be paid pro rata for that year.

The remuneration is generally reviewed when service agreements of Executive Board members are extended, and can be adjusted or revised for the term of the new service agreement. A review of the remuneration can also take place during the term of a service agreement in particular if there is a change with respect to the tasks or responsibility of an Executive Board member.

2. ANNUAL PERFORMANCE-BASED REMUNERATION (JEV)

Purpose and link to company strategy

The JEV is intended to motivate Executive Board members to achieve ambitious and challenging financial, operational and strategic targets throughout the financial year. The targets are reflective of the company strategy and aimed at increasing corporate value.

Procedure

The JEV is calculated on the base of three group performance indicators and the individual performance of the member of the Executive Board. The performance period is the financial year of TUI AG.

An individual target amount (Target Amount) is agreed for each Executive Board member in their service agreement. Since 1 October 2018 the performance targets are Earnings Before Taxes (EBT) at constant currency, Return on Invested Capital (ROIC) and the Cash flow to the firm (Cash flow). The target values for the one-year performance period for the EBT, ROIC and Cash flow are set by Supervisory Board at the beginning of each financial year for the respective financial year.

The target achievement is calculated as follows:

2.1 EARNINGS BEFORE TAXES (EBT)

The previous group performance indicator Group EBITA was replaced by EBT on a constant currency basis with a weighting of 50 %. This change in group performance indicators permits inclusion of the net financial result in the calculation. The adjustment for currency effects makes it possible to measure the actual management performance without distortion from currency-induced translation effects.

- The EBT component of the JEV must reach a threshold of at least 90 % of the earnings target (on a constant currency basis) (equals target achievement of 50 %), in order to be relevant for bonus purposes.
- The achievement of an earnings target of 100 % equals a target achievement of 100 %.
- Anything in excess of 110 % (on a constant currency basis) of the earnings target (corresponds to a target achievement of 180 %) is not included.

In the event of a quotient between 90 % and 100 %, linear interpolation will be used to determine the target achievement between 50 % and 100%, and in the event of a quotient between 100 % and 110%, linear interpolation will be used to determine the target achievement between 100 % and 180 %. The target achievement will be rounded to two decimal figures, as is customary in commercial practice.

2.2 RETURN ON INVESTED CAPITAL (ROIC) AS ADDITIONAL GROUP PERFORMANCE INDICATOR

The newly introduced group performance indicator ROIC will be included in the JEV with a weighting of 25 %. The Group EBITA and the average invested interest-bearing capital for the financial year will be weighed against each other to establish the ROIC of the TUI Group used to calculate the JEV. The average invested interest-bearing capital is calculated as the average value based on the invested capital balance at the beginning and end of the year. The invested capital is calculated as the equity (including non-controlling interests) plus interest-bearing liabilities, minus interest-bearing assets, plus a seasonal adjustment. By applying the average assessment previously used in the Annual Report, seasonal fluctuations and differences in capital intensity of the business model specific segments of TUI AG can be taken into account and a return on equity target can be included in the annual variable remuneration.

- The ROIC component of the JEV will only be included in the JEV where the return on investment is no more than 3 % points below the defined target (corresponds to a target achievement of 50%).
- If the return on investment corresponds to the defined target, the target achievement is 100 %.
- In order to reach maximum target achievement of 180 % the target must be exceeded by 3 % points or more.

In the event of a deviation between –3 % points and 0 % points, linear interpolation will be used to determine the target achievement between 50 % and 100 %, and in the event of a deviation between 0 % points and 3 % points, linear interpolation will be used to determine the target achievement between 100 % and 180 %. The target achievement will be rounded to two decimal figures, as is customary in commercial practice.

2.3 CASH FLOW AS ADDITIONAL GROUP PERFORMANCE INDICATOR

A cash flow component will also be included in the calculation as a third group performance indicator with a weighting of 25 %. For this purpose The cash flow is calculated based on the unadjusted earnings before interest, taxes and amortisation of goodwill reported in the approved and audited consolidated accounts of the TUI Group (EBITA according to the approved and audited consolidated accounts of the TUI Group) on a constant currency basis plus the difference between amortisations and write-backs, plus the change to the so-called Working Capital, minus the earnings from companies measured

according to the equity method, plus the dividends received by TUI AG from participating interests and minus net capex and investments. Working Capital includes short-term assets and liabilities that are not cash or cash equivalents ('cash'), income tax receivables or liabilities or derivative financial instruments. Furthermore, interest-bearing assets and liabilities as well as short-term provisions for pensions are not included.

- The cash flow component of the JEV must reach a threshold of at least 90 % of the liquidity target (adjusted for foreign exchange effects) (corresponds to a target achievement of 50 %), in order to be relevant for bonus purposes.
- The achievement of a liquidity target of 100 % equals a target achievement of 100 %.
- Anything in excess of 110 % of the liquidity target (corresponds to a target achievement of 180 %) is not included.

In the event of a quotient between 90 % and 100 %, linear interpolation will be used to determine the target achievement between 50 % and 100%, and in the event of a quotient between 100 % and 110%, linear interpolation will be used to determine the target achievement between 100 % and 180 %. The target achievement will be rounded to two decimal figures, as is customary in commercial practice.

As before, the JEV depends on an individual performance factor in addition to the target achievements of the aforementioned group performance indicators. Under the new remuneration system the Supervisory Board shall determine the individual performance factor for the JEV (0.8 to 1.2) for each Executive Board member based on the achievement of three target categories: In addition to individual performance targets, this includes targets for the overall performance of the Executive Board and stakeholder targets. The Supervisory Board will establish the targets from these three categories and their relative weighting for each Executive Board member and financial year.

The value resulting from the multiplication of the target amount by the degree of target achievement for the EBT, the ROIC, the Cash flow and the individual performance factor will be paid out in the month of the approval and audit of the consolidated accounts of the TUI Group for the relevant financial year. If the service agreement begins or ends in the course of the relevant financial year, the claims for payment of the JEV will generally be pro rata.

Cap

The JEV will be capped at 180 % prior to the consideration of the individual performance factor. As a result, there is an annual cap for the JEV and an individual cap for each member of the Executive Board, which is shown in the table on page 136.

In accordance with section 87(1) sentence 3 German Stock Corporation Act, the Supervisory Board is entitled to limit the amount of the JEV to allow for extraordinary circumstances (e. g. takeover of the company, sale of parts of the company, uncovering of hidden reserves, external influences).

3. ANNUAL PERFORMANCE-BASED REMUNERATION ACCORDING TO PREVIOUS REMUNERATION SYSTEM (ONLY APPLICABLE TO MR BAIER)

Due to his retirement from the Executive Board Mr Baier's remuneration has not been migrated to the new system in FY 2018. Thus, the provisions for the JEV of the previous remuneration system continue to be applicable for Mr Baier in FY 2018 and are set out as follows:

Procedure

The JEV is calculated on the basis of a group performance indicator and the individual performance of the Executive Board member. The performance reference period is the financial year of TUI AG.

An individual target amount (Target Amount) is agreed for Mr Baier in his service agreement. Since 1 October 2010 the performance target has been the reported earnings before interest, tax and amortisation of goodwill (Group EBITA). The target value for the one-year performance reference period for the group EBITA performance target is set each year by the Supervisory Board.

To measure performance, the target value will be compared with the corresponding actual value of the Group EBITA as reported in the audited consolidated accounts of TUI AG to be prepared in accordance with the accounting rules in force at the time. The degree of target achievement is determined as follows:

- If the actual value of the Group EBITA achieved is below the target value by 50% or more, this is equivalent to a target achievement of 0%.
- If the value achieved corresponds to the target value, this is equivalent to a target achievement of 100%.
- If the value achieved exceeds the target value by 50% or more, this is equivalent to a target achievement of 187.5%.

Between 50% below target value and target value, linear interpolation between 0% and 100% will be used to determine the degree of target achievement. Between target value and 50% above target value, linear interpolation between 100% and 187.5% will be used to determine the degree of target achievement. The degree of target achievement will be rounded to two decimal places, as is customary in commercial practice.

As in the past, the JEV depends on an individual performance factor in addition to the achievement of the above Group key performance indicator. The Supervisory Board now determines this individual

JEV performance factor (0.8 to 1.2) for Mr Baier based on the achievement of three target categories: In addition to individual performance targets, performance targets for the entire Executive Board and the stakeholder targets are also included in the determination. The Supervisory Board defined the targets from these three categories and their relative weighting for Mr Baier as well as for the other members of the Executive Board for FY 2018 at the beginning of the financial year.

The amount resulting from the multiplication of the target amount by the degree of target achievement for the Group EBITA and the individual performance factor will be paid out in cash in the month in which the Supervisory Board approves the annual accounts of TUI AG for the respective financial year.

Cap

There is an annual and individual cap for Mr Baier's JEV, which is shown on page 136.

In accordance with section 87(1) sentence 3 German Stock Corporation Act, the Supervisory Board is entitled to limit the amount of the JEV to allow for extraordinary circumstances (e. g. takeover of the company, sale of parts of the company, uncovering of hidden reserves, external influences).

4. VIRTUAL SHARES ACCORDING TO THE LONG-TERM INCENTIVE PLAN (LTIP)

4.1 FUNCTIONING OF THE NEW LONG-TERM INCENTIVE PLAN (LTIP)

Purpose and link to company strategy

The long-term objective is to increase corporate and shareholder value by defining ambitious goals that are closely linked to the company's earnings, share price performance and dividends.

Procedure

The LTIP is a performance share plan based on virtual shares and is assessed over a period of four years (Performance Reference Period). Virtual shares are granted in annual tranches.

For Executive Board members, an individual target amount (Target Amount) is agreed in the service agreement. At the beginning of each financial year a provisional number of virtual shares, commensurate with the target amount, will be set. This will constitute the basis for the determination of the final performance-based payment for the tranche in question at the end of the respective performance reference period. To set this number, the target amount will be divided by the average Xetra price of TUI AG shares over the 20 trading days prior to the beginning of the performance reference

period (1 October of each year). The claim to a payment only arises upon expiry of the performance reference period and depends on whether or not the respective performance target is achieved.

4.1.1 TOTAL SHAREHOLDER RETURN (TSR)

The relevant performance target for determining the amount of the payout after the performance reference period is the development of the Total Shareholder Return (TSR) of TUI AG in relation to the development of the TSR of the STOXX Europe 600 Travel & Leisure Index (Index). The relative TSR is being considered with a weighting of 50 %. The degree of target achievement is being determined depending on the TSR-value of TUI AG compared to the TSR-value of the companies belonging to the Index over the performance reference period. To determine the relative TSR of TUI AG the respective established TSR-value and those of the comparable companies are sorted in descending order. The relative TSR of TUI AG is expressed as a percentile (percentile rank).

Thereby the TSR is the aggregate of all share price increases plus the gross dividends paid over the performance reference period. The Data for the observation of the development of the TSR-values of TUI AG and the Index is provided by a reputable data provider (eg. Bloomberg, Thomson Reuters). The reference to determine the ranking is the composition of the Index on the last day of the respective performance reference period. The values for companies that were not listed over the entire performance reference period will be factored in on a pro rata basis. The level of target achievement (in percent) for the relative TSR of TUI AG based on the percentile is calculated as follows:

- A percentile below the median corresponds, unlike the remuneration system removed with effect from 1 October 2017, to a target achievement of 0 %
- A percentile equivalent to the median corresponds to a target achievement of 100 %.
- A percentile equivalent to the maximum value corresponds to a target achievement of 175 %.

In the event of a percentile between the median and the maximum value, linear interpolation will be used to determine the target achievement between 100 % and 175 %. The target achievement will be rounded to two decimal figures as is customary in commercial practice.

4.1.2 EARNINGS PER SHARE (EPS) AS ADDITIONAL GROUP PERFORMANCE INDICATOR

Furthermore the average development of the Earnings per Share (EPS) p.a. as additional group performance indicator with a weighting of 50 % is taken into account for the LTIP. The average over the four years performance reference period is based on a pro forma underlying earnings per share from continuing operations as they are being published in the Annual Report and Accounts already.

The target achievement for the average development of the EPS p.a. based on the annual amounts is calculated as follows:

- An average increase p.a. of less than 3 % corresponds to a target achievement of 0 %.
- An average increase p.a. of 3 % corresponds to a target achievement of 25 %.
- An average increase p.a. of 5 % corresponds to a target achievement of 100 %.
- An average increase p.a. of 10 % or more corresponds to a target achievement of 175 %.

In the event of an average increase p.a. between 3 % and 5 % linear interpolation will be used to determine the target achievement between 25 % and 100 % and in the event of an average increase p.a. between 5 % and 10 % or more, linear interpolation will be used to determine the target achievement between 100 % and 175 %. The target achievement will be rounded as well to two decimal figures as is customary in commercial practice.

If the previous year's EPS is below € 0.50 the Supervisory Board will, for each subsequent financial year, redefine absolute target values for the EPS as well as minimum and maximum values for determining the percentage target achievement.

The degree of target achievement (in percent) is calculated as the average of the respective target achievements for the performance targets relative TSR of TUI AG and EPS. To determine the final number of virtual shares the degree of target achievement at the date of the expiry of the performance reference period is being multiplied with the provisional number of virtual shares. The payout is obtained by the multiplication of the final number of virtual shares with the average XETRA price of TUI AG shares over the last 20 trading days in the respective performance reference period (until 30 September of every year). The amount will be paid out in the month of the approval and audit of the consolidated accounts of the TUI Group. If the service agreement begins or ends during the financial year relevant for the granting of the LTIP the claim to payout of the LTIP is in general calculated on a pro rata basis.

Cap

The maximum LTIP-payout is capped at 240 % of the individual target amount for each performance reference period. As a result, there is an annual cap for the LTIP and an individual cap for each member of the Executive Board, which is shown in the table on page 136.

4.2 LONG TERM INCENTIVE PLAN ACCORDING TO PREVIOUS REMUNERATION SYSTEM

For those members of the Executive Board whose service agreements already existed prior to FY 2018, the replaced remuneration system will initially continue to apply in part in parallel. This relates only to the LTIP tranches granted before FY 2018 but not yet included in the remuneration paid due to the performance period. In addition, Mr Baier did not migrate to the new remuneration system due to his aforementioned retirement from the Executive Board. Accordingly, the LTIP provisions of the former remuneration system continue to apply to Mr Baier for FY 2018, as described below:

Procedure

The LTIP is a performance share plan based on virtual shares and is assessed over a period of four years (Performance Reference Period). Virtual shares are granted in annual tranches.

For Executive Board members, an individual target amount (Target Amount) is agreed in the service agreement. At the beginning of each financial year a provisional number of virtual shares, commensurate with the target amount, will be set. This will constitute the basis for the determination of the final performance-based payment for the tranche in question at the end of the respective performance reference period. To set this number, the target amount will be divided by the average Xetra price of TUI AG shares over the 20 trading days prior to the beginning of the performance reference period (1 October of each year). The claim to a payment only arises upon expiry of the performance reference period and depends on whether or not the respective performance target is achieved.

The performance target for determining the amount of the final payout at the end of the performance reference period is the development of the total shareholder return (TSR) of TUI AG relative to the development of the TSR of the STOXX Europe 600 Travel & Leisure (Index), whereby the ranking of the TUI AG TSR in relation to the index companies will be monitored over the entire performance reference period. The TSR is the aggregate of all share price increases plus the gross dividends paid over the performance reference period. Data from a reputable data provider (e.g. Bloomberg, Thomson Reuters) will be used for the purpose of establishing the TSR values for TUI AG and the index. The reference for the purpose of determining the rankings is the composition of the index on the last day of the performance reference period. The values for companies that were not listed over the entire performance reference period will be factored in on a pro rata basis. The level of target achievement is established as follows depending on the ranking of the TSR of TUI AG relative to the TSR values of the index companies over the performance reference period:

- a TSR value of TUI AG equivalent to the bottom and second to bottom value of the index corresponds to a target achievement of 0%.
- a TSR value of TUI AG equivalent to the third to bottom value of the index corresponds to a target achievement of 25%.

- a TSR value of TUI AG equivalent to the median of the index corresponds to a target achievement of 100%.
- a TSR value of TUI AG equivalent to the third to top, second to top or top value of the index corresponds to a target achievement of 175%.

For performance between the third to bottom and the third to top rank, linear interpolation will be used to determine the level of target achievement at between 25% and 175%. The degree of target achievement will be rounded to two decimal places, as is customary in commercial practice.

To determine the final number of virtual shares, the degree of target achievement will be multiplied by the provisional number of virtual shares on the final day of the performance reference period. The payout is determined by multiplying the final number of virtual shares by the average Xetra price of TUI AG shares over the 20 trading days prior to the end of the performance reference period (30 September of each year). The payout which is calculated in this way will be due in the month of the approval of the annual accounts of TUI AG for the fourth financial year of the performance reference period and is paid out in cash. If the service agreement begins or ends in the course of the financial year relevant for the grant of the LTIP, the claims for payment of the same will generally be pro rata.

Cap

The LTIP is capped annually and individually for each member of the Executive Board; for the figures, see the table on page 136.

4.3 DEVELOPMENT OF AGGREGATE VIRTUAL SHARES OF CURRENT EXECUTIVE BOARD MEMBERS IN FY 2018

	Number
Granting in FY 2018	
Friedrich Joussen	125,342
Horst Baier	56,507
David Burling	63,014
Birgit Conix	13,303
Sebastian Ebel	54,012
Dr Elke Eller	52,740
Frank Rosenberger	52,397
Decrease in FY 2018*	
Friedrich Joussen	129,484
Horst Baier	59,055
David Burling	14,582
Sebastian Ebel	35,186

* Decrease corresponds to amounts paid for LTIP-tranches that ended in FY 2018 (see DCGK-table on remuneration paid).

4.4 EXPENDITURE OF AWARDING VIRTUAL SHARES FOR THE LTIP IN FY 2018 TO CURRENT EXECUTIVE BOARD MEMBERS ACCORDING TO IFRS 2

Expenditure for granting of virtual shares in FY 2018 acc. to IFRS 2

€ '000	Part of total expenditure FY 2018	Part of total expenditure FY 2017
Friedrich Joussen	2,815.0	1,830.0
Horst Baier	1,090.3	495.1
David Burling	1,139.0	296.2
Birgit Conix	313.4	0.0
Sebastian Ebel	1,161.7	381.3
Dr Elke Eller	897.5	252.4
Frank Rosenberger	502.5	238.3
Total	7,919.4	3,493.2

The table shows the individual amounts of the total expenditure arising from the addition to the provisions to be formed pro rata according to IFRS 2 for all of the LTIP tranches to be granted during the term of the respective service agreements. According to IFRS 2, there are provisions totaling €16,504.4k (previous year: €8,585.0k) to cover entitlements under TUI AG's LTIP for current Executive Board members.

According to the German Commercial Code, there are provisions totaling €10,709.8k (previous year: €4,625.8k) for LTIP tranches currently in the lock-up period.

There are liabilities in accordance with IFRS and the German Commercial Code totaling €4,079.0k (previous year: €1,604.6k).

5. FRINGE BENEFITS

Purpose and link to company strategy

Fringe benefits offered should be competitive on the market for highly qualified Executive Board members.

Procedure

Executive Board members receive the following fringe benefits:

- Reimbursement of business travel expenses in accordance with TUI AG's general business travel guidelines; if applicable.
- Twice each financial year, the reimbursement of substantiated (e.g. by invoices) costs of a trip or individual components of a trip that take place at essentially the same time (flight, transfer in destination area, accommodation including holiday houses and apartments, cruise, rental car, round trip), from the ranges of a provider in which TUI AG holds a majority participation (section 16 German Stock Corporation Act), without any limitation

as to type of holiday, category or price. Accompanying spouses/partners shall be granted a 50% discount for these benefits, whereas accompanying own children and accompanying children of spouses/partners shall be granted a 100% discount on the regular price of the aforementioned vacations until they no longer have a claim to a child allowance or a comparable state benefit pursuant to a foreign legal order. A discount of 75% (50% for accompanying spouses/partners, accompanying children meeting the requirements mentioned before) will be granted for flights (seat-only business of an airline in which TUI AG holds a majority participation pursuant to section 16 German Stock Corporation Act) that are not part of a trip.

- A suitable company car with driver or alternatively a car allowance of €1.5k gross per month.
- Insurance cover is provided in line with the agreements applicable in Germany and the United Kingdom. This is offered as follows:

TUI AG provides an accident insurance for Mr Joussen, Mr Baier, Ms Conix, Mr Ebel, Dr Eller and Mr Rosenberger to the customary extend and pays the respective insurance contributions for the term of the service agreements. The coverage amounts to €1,500k for death and €3,000k for full disablement. Furthermore TUI AG pays an allowance towards health and long-term care insurance in the amount that would be payable for an employee but no more than half of the respective insurance premium for Mr Joussen, Mr Baier, Ms Conix, Mr Ebel, Dr Eller and Mr Rosenberger.

Insofar as this is permitted by law, Mr Burling remains a beneficiary of the UK term life, vocational disability and health insurance programs at the expense of TUI AG.

TUI AG also takes out criminal law protection insurance that provides cover for the Executive Board members regarding criminal and misdemeanor proceedings, if these proceedings are based on an act or a failure to act in the exercise of their duties for TUI AG. TUI AG also takes out a suitable financial liability insurance policy (D&O insurance) coverage for the Executive Board members to cover possible claims brought under private law on the basis of statutory liability provisions against one or more of the Executive Board members by a third party or the company for damages for a breach of duty committed in the exercise of their duties. The D&O insurance provides for a deductible of 10% of the damage up to 150 % of the fixed annual remuneration.

Amount

The value of the company car, free holidays and insurance benefits which every member of the Executive Board receives annually is taken into account within the scope of the maximum remuneration listed on page 136 as fringe benefits.

6. PENSION BENEFITS

Purpose and link to company strategy

Highly-qualified Executive Board members who are needed to develop and implement company strategy are to be acquired and retained.

The pension benefits should be competitive on the market for highly qualified Executive Board members and should provide them with a corresponding level of benefits in their retirement.

Procedure

Benefits in the form of pensions are paid to former Executive Board members if they reach the predefined age limit or are permanently incapacitated. The Executive Board members are not entitled to receive transition payments upon leaving the Executive Board, with the exception of Mr Ebel who has an acquired right to receive transition payments under a legacy contract.

With regard to pension entitlements, different principles apply to Mr Joussen, Dr Eller, Mr Baier, Mr Ebel and Mr Rosenberger on the one hand and Mrs Conix and Mr Burling on the other hand due to the legacy systems in Germany, Belgium and the UK.

Mr Joussen, Dr Eller, Mr Baier, Mr Ebel and Mr Rosenberger are entitled to pensions according to the pension commitments granted to Executive Board members of TUI AG (TUI AG Pension Scheme). These Executive Board members receive, on an annual basis, a contractually agreed amount that is paid into an existing pension account for the respective Executive Board member. The contributions to the company pension scheme of Mr Joussen, Dr Eller, Mr Baier and Mr Ebel carry an interest rate established in the pension commitment. The interest rate stands at 5 % p.a. The annual interest for Mr Rosenberger's contributions to the company pension scheme is established by the company at its reasonable discretion in such a way that it does not exceed 5 % p.a. The beneficiary may choose between a one-off payment, payment by instalments or pension payments. The amounts agreed on in the service agreements of the aforementioned Executive Board members are:

- Mr Joussen: € 454.5 k per year. Mr Joussen becomes eligible for payment of the pension upon reaching the age of 62.
- Dr Eller: € 230.0 k per year. Dr Eller becomes eligible for payment of the pension upon reaching the age of 63.
- Mr Baier: € 267.75 k per year. Mr Baier becomes eligible for payment of the pension upon reaching the age of 60.
- Mr Ebel: € 207.0 k per year. Mr Ebel becomes eligible for payment of the pension upon reaching the age of 62.
- Mr Rosenberger: € 230.0 k per year. Mr Rosenberger becomes eligible for payment of the pension upon reaching the age of 63.

Should Mr Joussen, Dr Eller, Mr Baier, Mr Ebel and Mr Rosenberger retire from TUI AG before the normal retirement date due to an ongoing occupational disability, they will receive an occupational disability pension until they are able to work again, but at most until they reach the normal retirement date.

Under certain circumstances, spouses, partners or cohabitants of the Executive Board members will, should the respective Executive Board member die, receive a survivor's pension worth 60 % of the pension for their lifetime or until remarriage. Children of Executive Board members will, should the respective Executive Board member die, receive an orphan's pension, paid no longer than until they reach the age of 27 at the latest. Children who have lost one parent will receive 20 % of the pension, and those who have lost both parents will receive 25 %. This claim is subject to the prerequisite that the child meets the requirements set out in section 32(3), (4), sentence 1 nos. 1 to 3 and (5) German Income Tax Act (Einkommensteuergesetz).

Mr Burling receives a fixed annual amount of € 225.0 k paid out in cash for his pension.

Ms Conix receives a fixed annual amount of € 230.0 k paid out in cash for her pension.

7. PENSION PROVISIONS FOR THE CURRENT EXECUTIVE BOARD MEMBERS UNDER THE TUI AG PENSION COMMITMENTS

At 30 September 2018, pension obligations for current Executive Board members totaled € 22,061.9 k (previous year balance sheet date: € 19,731.2 k) according to IAS 19. This includes € 4,624.3 k (previous year balance sheet date: € 4,501.3 k) for claims earned by Mr Ebel during the course of his work for the TUI Group up until 31 August 2006. The remaining claims can be broken down as follows:

Pension of current Executive Board members below TUI AG Pension scheme

€ '000	Addition to/reversal from pension provision		Net present value	
	2018	2017	30 Sep 2018	30 Sep 2017
Friedrich Joussen	343.5	200.0	3,550.3	3,206.9
Horst Baier	1,080.9	89.7	10,190.7	9,109.8
Sebastian Ebel	164.3	118.7	1,558.4	1,394.1
Dr Elke Eller	313.5	277.6	1,026.7	713.2
Frank Rosenberger	305.6	805.9	1,111.5	805.9
Total	2,207.8	1,491.9	17,437.6	15,229.9

According to commercial law provisions, the pension obligations for current Executive Board members amounted to € 18,508.4 k (previous year balance sheet date: € 15,738.4 k); this includes € 3,263.2 k (previous year balance sheet date: € 2,925.0 k) for claims earned by Mr Ebel during the course of his work for the TUI Group up until 31 August 2006.

Where the above table shows a corresponding amount, the pension obligations for beneficiaries are funded via the conclusion of pledged reinsurance policies.

8. REMUNERATION CAPS

The following caps apply to the remuneration (remuneration components and total remuneration) payable to Executive Board members for a financial year:

Remuneration caps

€ '000	Fixed remuneration ²	JEV	LTIP	Maximum total remuneration ³
Friedrich Joussen	1,100.0	2,743.2	4,392.0	7,500.0
Horst Baier	740.0	1,687.5	2,475.0	4,200.0
David Burling	680.0	1,080.0	2,208.0	3,500.0
Birgit Conix ¹	680.0	1,188.0	2,208.0	3,500.0
Sebastian Ebel ¹	680.0	1,080.0	2,208.0	3,500.0
Dr Elke Eller	680.0	961.2	1,848.0	3,500.0
Frank Rosenberger	600.0	1,004.4	1,836.0	3,500.0

¹ Full-year values (12 months), possibly pro rated caps: see table on page 138

² Fixed amount, no cap applied

³ Contractually agreed cap for total remuneration (incl. fixed remuneration, JEV, LTIP, pension, additional remuneration and fringe benefits). In case the cap of total remuneration is exceeded, the LTIP is reduced accordingly.

9. PAYMENTS IN CASE OF PREMATURE DEPARTURE OF AN EXECUTIVE BOARD MEMBER

The payments to be made to a member of the Executive Board on the premature termination of his or her service agreement without good cause are in principle limited in the service agreements of Mr Joussen und Mr Baier to an amount equal twice their annual remuneration. In the service agreements of Ms Conix and Mr Rosenberger it has been agreed that payments in the event of premature termination without good cause may not – in case of premature termination during the first year after the coming into force of the service agreement – exceed the amount equal twice their annual remuneration and – in case of premature termination after the end of the first year of the service agreement – exceed the amount on an annual remuneration (severance pay cap). In the service agreements of Mr Burling, Mr Ebel and Dr Eller is has

been agreed that payments due to premature termination of the respective service agreement without good cause shall not exceed the amount of an annual remuneration (severance pay cap).

For any member of the Executive Board, payments upon premature termination shall not cover more than the remaining term of the service agreement. The severance payment is calculated based on the target direct remuneration (fixed remuneration, target amount for JEV and target amount for LTIP) of the expired financial year and, if relevant, the expected target remuneration for the current financial year, provided that the application of the GCGC does not result in a lesser sum. If the service agreement is terminated extraordinarily without notice no payments will be made to the members of the Executive Board.

In cases of premature termination of the service agreement, the annual performance-based remuneration (JEV) and payments according to the LTIP will be managed as follows:

- JEV
 - If the company terminates the service agreement without notice before the end of the one-year performance reference period for good cause attributable to the beneficiary or if the beneficiary terminates the service agreement without good cause, the claim to the JEV for the performance reference period in question will be forfeited and no alternative remuneration or compensation will be paid.
 - In all other cases of premature termination of the service agreement before the end of the one-year performance reference period, the JEV will be paid on a pro rata basis.
- LTIP:
 - If the company terminates the service agreement without notice before the end of the respective performance reference period for good cause attributable to the Executive Board member, or if the Executive Board member terminates the service agreement without good cause, all claims under the LTIP will lapse for all tranches not yet paid and no alternative remuneration or compensation will be paid.
 - If the service agreement ends before the expiry of the performance reference period for other reasons, the claims under the LTIP will be maintained for tranches not yet paid. The tranche of the current financial year will be reduced on a pro rata basis. The payout will be calculated in the same way as in the case of a continuation of the service agreement.

In connection with a termination of an Executive Board Member's service agreement, in particular subsequent to a termination of the service agreement, regardless of by which party, or the conclusion of a termination agreement, TUI AG shall be entitled to release the respective Executive Board Member in full or in part from his or her obligation to perform work subject to continued payment of the remuneration. Such release shall initially be irrevocable for the period of any still outstanding holiday entitlement, which shall hereby be deemed exhausted. The release shall subsequently be maintained until the service agreement ends. The release shall be revocable in the event that questions exist in connection with the winding-up of the service relationship or temporary work becomes necessary for business reasons. This shall not affect the remainder of the service agreement.

The service agreements of the Executive Board members do not contain change of control clauses.

10. OTHER PAYMENTS / BENEFITS FOR EXECUTIVE BOARD MEMBERS WHO LEFT THE BOARD IN FY 2018

The Chief Financial Officer of TUI AG, Mr Horst Baier, has retired from the Executive Board at the end of FY 2018. The service agreement of Mr Baier stipulated an appointment until 8 November 2018. Given Mr Baier's request to not further extend his appointment in view of his impending retirement and following the succession planning process, on 15 July 2018 a successor, Ms Conix, has been introduced to this position. This way an orderly hand-over process has been ensured whereby the Supervisory Board and Mr Baier could mutually agree on the termination of his activity as of the expiry of 30 September 2018. For the remaining term of his service agreement Mr Baier received – due to the premature termination – a severance payment in the amount of €234,689.50 (gross). Moreover, Mr Baier will be at the company's disposal as an advisor for one year wherefore he receives a fixed fee of €10 k (net) per month. For the time until 8 November 2018 this salary has been deducted from his severance payment. Subjects of counseling as well as place and time are stipulated by contract.

11. PENSION PAYMENTS MADE TO PAST EXECUTIVE BOARD MEMBERS

In FY 2018, the pension payments to former Executive Board members and their surviving dependents totaled €4,963.6 k (previous year: €13,497.1 k).

Pension provisions for former members of the Executive Board and their dependents amounted as at the balance sheet date to €63,738.2 k (previous year: €64,683.5 k) as measured according to IAS 19, not including Mr Ebel's claims in the amount of €4,624.3 k (previous year: €4,501.3 k) which he earned before 31 August 2006 during the course of his work for the TUI Group.

According to commercial law provisions, the pension obligations for former members of the Executive Board and their dependents amounted to €56,021.4 k (previous year: €55,074.1 k), not including Mr Ebel's claims in the amount of €3,263.2 k (previous year: €2,925.0 k) which he earned before 31 August 2006 during the course of his work for the TUI Group.

IV. OVERVIEW: INDIVIDUAL REMUNERATION OF EXECUTIVE BOARD MEMBERS

1. INDIVIDUAL REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD MEMBERS FOR FY 2018 (PURSUANT TO SECTION 314(1), NO. 6(A) GERMAN COMMERCIAL CODE)

The amount for the LTIP shown in the following table corresponds to the fair value of the LTIP tranches of the respective member of the Executive Board at the grant date in accordance with the provisions of the German Commercial Code (HGB) covering the entire term of the respective service agreement. The values of the fixed remuneration and the JEV, on the other hand, reflect the remuneration paid for FY 2018.

**Remuneration of individual Executive Board members granted by TUI AG for FY 2018
(acc. to section 314, paragraph 6 lit a of the German Commercial Code)**

€ '000	Fixed remuneration ¹	JEV	Additional remuneration	LTIP ²	Total 2018	Total 2017
Friedrich Joussen	1,191.6	2,078.1	0.0	3,915.7	7,185.4	3,248.3
Horst Baier	795.0	965.3	0.0	935.8	2,696.1	1,746.1
David Burling	688.5	892.5	0.0	3,496.9	5,077.9	1,584.4
Birgt Conix ³	143.6	190.0	0.0	2,786.1	3,119.7	0.0
Sebastian Ebel ⁴	582.9	701.3	0.0	2,887.8	4,172.0	2,899.2
Dr Elke Eller	715.5	794.3	0.0	4,036.1	5,545.9	1,371.6
Frank Rosenberger	619.5	657.1	0.0	2,397.7	3,674.3	2,266.0
Total	4,736.6	6,278.6	0.0	20,456.1	31,471.3	
Previous year	4,528.8	3,097.4	2,600.0	2,889.5	13,115.7	

¹ Incl. fringe benefits (without insurances under Group coverage).

² Based on the price of TUI AG share this corresponds for Mr Joussen to a number of 269,674 virtual shares, for Mr Baier to a number of 64,446 virtual shares, for Mr Burling to a number of 240,829 virtual shares, for Ms Conix to a number of 191,878 virtual shares, for Mr Ebel to a number of 198,882 virtual shares, for Dr Eller to a number of 240,829 virtual shares and for Mr Rosenberger to a number of 165,131 virtual shares.

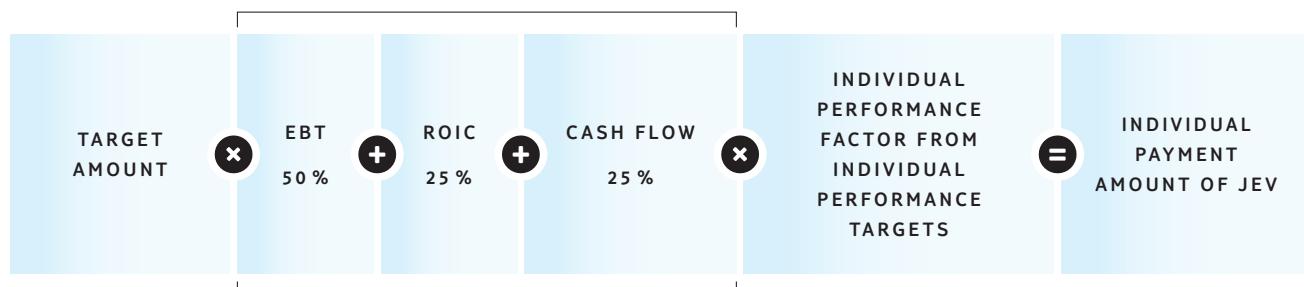
³ Pro-rated disclosure of all remuneration components as of 15 July 2018.

⁴ Reduction due to his sabbatical from 26 April 2018 to 15 June 2018.

2. TARGET ACHIEVEMENT

The multiplication of the target amounts by the weighted degrees of target achievement for EBT, ROIC, Cash flow and the individual

performance factor results in the amount paid to member of the Executive Board as JEV.



The targets set by the Supervisory Board for EBT, ROIC and Cash flow are based on the annual operating plan and are in line with the financial communication. The achieved EBT of €1,059.5k and the achieved Cash flow of €759.8k each lead to a degree of target achievement of more than 100%. At 22.8%, the target value for the ROIC could not be achieved in full, which was taken into account accordingly in the calculation of the JEV with a partial target achievement. All in all, the three key figures result in an excess amount of the defined target values of 48.8%. Mr Baier is not taken into account in this consideration, as he was not migrated to the new remuneration system.

In addition, the Supervisory Board set ambitious targets for FY 2018 both for the individual performance of the members of the Executive Board and for the performance of the Executive Board as a whole as well as for stakeholder targets. These targets, like the individual performance criteria, were largely based on the Company's current strategic planning. During the definition phase, care is taken to ensure that these targets are precisely defined, contain measurability criteria or can be verified, have both a challenging and a positive, motivating dimension, and include a specific point in time at which the targets should be met.

Taking these prerequisites into account, the Supervisory Board's decision on setting the individual performance factors was based not only on strategic goals in the individual areas of responsibility of the respective members of the Executive Board but also on the development of a corporate, management and work culture that optimally supports digital innovations in our tourism business, the establishment of a reporting process on and the implementation of measures for gender diversity below Executive Board level and the implementation of measures to maintain or increase high customer satisfaction. After intensive deliberation and detailed discussion by the Supervisory Board, an individual performance factor was determined for each member of the Executive Board. Overall, the multiplication of the target amounts by the weighted degree of target achievement for EBT, ROIC and Cash flow as well as the individual performance factor leads to a JEV for the members of the Executive Board that is in reasonable proportion to the results of the financial year.

The target achievement was also determined for the LTIP. The payment of the LTIP tranche 2015/18 is based on the provisions of the remuneration system applicable before 1 October 2017.



The LTIP tranche was granted on the basis of an average stock market price of TUI AG of €11.43. At the end of the performance period, TUI AG's average share price was €15.46. Taking these figures into account, the level of target achievement was determined on the basis of TUI AG's TSR ranking compared with the TSR values of the STOXX Europe 600 Travel & Leisure companies over the performance period, resulting due to interpolation in a level of target achievement of 110.7%.

3. ADDITIONAL INFORMATION

As in the previous year, no loans or advances were granted to the members of the Executive Board in FY 2018.

For her activities – which were approved by the Supervisory Board of TUI AG – in supervisory boards or comparable domestic and foreign supervisory bodies of companies to be set up in accordance with section 125 of the German Stock Corporation Act (AktG) which are not carried out on the basis of a shareholding of TUI AG in the companies concerned Dr Eller received €3.1 k from Nord/LB.

Additionally, she acquired a claim of €3.0 k from Nord/LB, which is due for payment in December 2018. Furthermore, Dr Eller received €0.8 k from K+S AG and acquired a claim there amounting to €44.8 k. For his mandate on the Supervisory Board of SIXT SE, Mr Joussen received €25.2 k in FY 2018 and acquired a claim of €74.8 k, due for payment after the end of SIXT SE's financial year. This remuneration was not offset against the Executive Board remuneration paid by TUI AG.

Pursuant to 4.2.5, attachment tables 1 and 2 GCGC, the two tables below (remuneration awarded and remuneration paid) show the benefits granted by TUI AG and the payments received. The table of 'remuneration awarded' in accordance with the GCGC shows the amount awarded in each financial year. The table 'remuneration paid' for the financial year under review shows the actual cash payment from the LTIP for the performance period 'LTIP 2015 – 2018' for Mr Joussen, Mr Baier, Mr Burling and Mr Ebel. The other members of the Executive Board are not entitled to LTIP-payments, yet due to their length of membership in the Executive Board.

4. REMUNERATION AWARDED

Remuneration awarded

	Friedrich Joussen CEO, since 14 February 2013 ¹				Horst Baier CFO, since 8 November 2007			
€ '000	2017	2018	2018 (min.)	2018 (max.)	2017	2018	2018 (min.)	2018 (max.)
Fixed remuneration	1,100.0	1,100.0	1,100.0	1,100.0	740.0	740.0	740.0	740.0
Fringe benefits	132.3	91.6	91.6	91.6	20.0	55.0	55.0	55.0
Total	1,232.3	1,191.6	1,191.6	1,191.6	760.0	795.0	795.0	795.0
JEV	920.0	1,270.0	–	2,743.2	450.0	750.0	–	1,687.5
Additional remuneration	920.0	–	–	–	450.0	–	–	–
LTIP					681.8			
LTIP (2017 – 2020)	1,494.8							
LTIP (2018 – 2021)		1,729.0	–	4,392.0		644.2	–	2,475.0
Total	4,567.1	4,190.6	1,191.6	8,326.8	2,341.8	2,189.2	795.0	4,957.5
Pension/service costs ⁵	625.7	563.5	563.5	563.5	–	–	–	–
Total remuneration⁶	5,192.8	4,754.1	1,755.1	7,500.0	2,341.8	2,189.2	795.0	4,200.0

Remuneration awarded

	David Burling					Birgit Conix
	Member of the Executive Board, since 1 June 2015				Member of the Executive Board, since 15 July 2018	
€ '000	2017	2018	2018 (min.)	2018 (max.)	2017	2018 ²
Fixed remuneration	600.0	680.0	680.0	680.0	—	143.6
Fringe benefits	107.9	8.5	8.5	8.5	—	—
Total	707.9	688.5	688.5	688.5	—	143.6
JEV	400.0	500.0	—	1,080.0	—	116.1
Additional remuneration	400.0	—	—	—	—	—
LTIP						
LTIP (2017–2020)	505.0				—	
LTIP (2018–2021)		869.2	—	2,208.0	—	183.3
Total	2,012.9	2,057.7	688.5	3,976.5	—	443.0
Pension/service costs ⁵	225.0	225.0	225.0	225.0	—	47.9
Total remuneration⁶	2,237.9	2,282.7	913.5	3,500.0	—	490.9

Remuneration awarded

	Sebastian Ebel					Dr Elke Eller
	Member of the Executive Board, since 12 December 2014				Member of the Executive Board/Labour Director, since 15 October 2015	
€ '000	2017	2018 ³	2018 (min.)	2018 (max.)	2017	2018
Fixed remuneration	680.0	582.9	582.9	582.9	680.0	680.0
Fringe benefits	18.0	—	—	—	34.3	35.5
Total	698.0	582.9	582.9	582.9	714.3	715.5
JEV	320.0	428.6	—	1,080.0	300.0	445.0
Additional remuneration	320.0	—	—	—	300.0	—
LTIP					424.2	
LTIP (2017–2020)	505.0				—	
LTIP (2018–2021)		745.1	—	2,208.0	—	727.5
Total	1,843.0	1,756.6	582.9	3,870.9	1,738.5	1,888.0
Pension/service costs ⁵	286.1	259.2	259.2	259.2	345.1	323.7
Total remuneration⁶	2,129.1	2,015.8	842.1	3,500.0	2,083.6	2,211.7

Remuneration awarded

Frank Rosenberger

Member of the Executive Board,
since 1 January 2017

€ '000	2017 ⁴	2018	2018 (min.)	2018 (max.)
Fixed remuneration	375.0	600.0	600.0	600.0
Fringe benefits	41.4	19.5	19.5	19.5
Total	416.4	619.5	619.5	619.5
JEV	210.0	465.0	—	1,004.4
Additional remuneration	210.0	—	—	—
LTIP				
LTIP (2017–2020)	227.3	722.8	—	1,836.0
LTIP (2018–2021)		1,807.3	619.5	3,459.9
Total	1,063.7	382.6	342.1	961.6
Pension/service costs ⁵				
Total remuneration⁶	1,446.3	2,149.4	342.1	3,500.0

¹ Joint-CEO until 09.02.2016; member of the Executive Board since 15 October 2012.

² Pro-rated disclosure of all remuneration components as of 15 July 2018.

³ Reduction due to his sabbatical from 26 April 2018 until 15 June 2018.

⁴ Pro-rated disclosure of all remuneration components as of 1 January 2017.

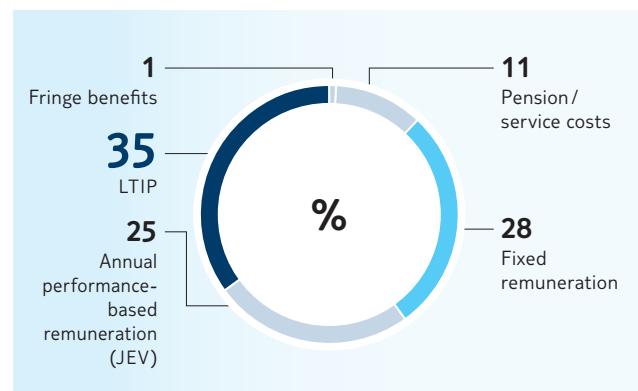
⁵ For Mr Joussen, Mr Baier, Mr Ebel, Dr Eller and Mr Rosenberger service costs aa. to IAS19; for Mr Burling and Ms Conix payments for pension contribution.

⁶ When contractually agreed cap for total remuneration to be paid is exceeded, LTIP is reduced proportionally.

The following overview of the total remuneration awarded to the members of the Executive Board in FY 2018 illustrates the distribution of the individual remuneration components in relation to each other. It has to be emphasized that the share of variable components of the total remuneration awarded is quite considerable: The LTIP accounts for 35 % of the total remuneration awarded, the JEV accounts for 25 %. It can be stated that variable components account for 60 % of the total remuneration awarded to the members of the Executive Board.

Composition of total remuneration awarded 2018

in %



5. REMUNERATION PAID

Remuneration paid

	Friedrich Joussen CEO, since 14 February 2013 ¹	Horst Baier CFO, since 8 November 2007	David Burling Member of the Executive Board, since 1 June 2015			
€ '000	2017	2018	2017	2018	2017	2018
Fixed remuneration	1,100.0	1,100.0	740.0	740.0	600.0	680.0
Fringe benefits	132.3	91.6	20.0	55.0	107.9	8.5
Total	1,232.3	1,191.6	760.0	795.0	707.9	688.5
JEV	1,096.0	2,078.1	536.1	965.3	476.5	892.5
Additional remuneration	920.0	–	450.0	–	400.0	–
LTIP						
LTIP (2014–2017)	820.0		784.6			
LTIP (2015–2018)		2,216.2		1,010.8		249.6
Others	–	–	–	–	–	–
Total	4,068.3	5,485.9	2,530.7	2,771.1	1,584.4	1,830.6
Pension/service costs ⁵	625.7	563.5	–	–	225.0	225.0
Total remuneration	4,694.0	6,049.4	2,530.7	2,771.1	1,809.4	2,055.6

Remuneration paid

	Birgit Conix	Sebastian Ebel	Dr Elke Eller
	Member of the Executive Board, since 15 July 2018	Member of the Executive Board, since 12 December 2014	Member of the Executive Board/ Labour Director, since 15 October 2015
€ '000	2017	2018 ²	2017
Fixed remuneration	—	143.6	680.0
Fringe benefits	—	—	582.9
Total	—	143.6	680.0
JEV	—	190.0	34.3
Additional remuneration	—	—	35.5
LTIP	—	—	714.3
LTIP (2014–2017)	—	—	715.5
LTIP (2015–2018)	—	—	357.4
Others	—	—	300.0
Total	—	333.6	1,371.7
Pension/service costs ⁵	—	47.9	1,509.8
Total remuneration	—	381.5	1,833.5

Remuneration paid

Frank Rosenberger

Member of the Executive Board,
since 1 January 2017

€ '000	2017 ⁴	2018
Fixed remuneration	375,0	600,0
Fringe benefits	41,4	19,5
Total	416,4	619,5
JEV	250,2	657,1
Additional remuneration	210,0	–
LTIP		
LTIP (2014–2017)		
LTIP (2015–2018)		
Others	–	–
Total	876,6	1.276,6
Pension/service costs ⁵	382,6	342,1
Total remuneration	1.259,1	1.618,7

¹ Joint-CEO until 9 February 2016; member of the Executive Board since 15 October 2012. Mr Joussen received a prepayment for the LTIP-tranche in the amount of € 1,280 k and consequently in FY 2017 only a remaining payment in the amount of € 820 k.

² Pro-rated disclosure of all remuneration components as of 15 July 2018.

³ Reduction due to his sabbatical from 26 April 2018 until 15 June 2018.

⁴ Pro-rated disclosure of all remuneration components as of 1 January 2017.

⁵ For Mr Joussen, Mr Baier, Mr Ebel, Dr Eller and Mr Rosenberger service costs aa. to IAS19; for Mr Burling and Ms Conix payments for pension contribution.org.e.

An examination of the total remuneration paid also clearly shows that the majority of payments made to the members of the Executive Board consist of variable components: The LTIP accounts for 25 % of the total amount paid, while JEV accounts for 39 %. It can be stated that 64 % of the total remuneration paid to the members of the Executive Board consists of variable components.

V. REVIEW OF APPROPRIATENESS OF THE REMUNERATION AND PENSIONS OF EXECUTIVE BOARD MEMBERS

Following the end of FY 2018, the Supervisory Board carried out the annual review of the remuneration and pensions of Executive Board members for FY 2018. It concluded that these are appropriate in accordance with section 87(1) German Stock Corporation Act.

The Supervisory Board also regularly makes use of external advisors when assessing the appropriateness of the remuneration and pensions of Executive Board members. This involves assessing the level and structure of the remuneration of Executive Board members in relation to the remuneration of senior management and the workforce as a whole (vertical comparison) from an outside perspective. In addition to a status quo review, the vertical comparison also takes into account how this relationship changes over time. Secondly, the remuneration level and structure are assessed based on the position of TUI AG in a peer market consisting of a combination of DAX and MDAX companies that are similar to TUI AG in terms of size and complexity of business (horizontal comparison). In addition to the fixed remuneration, the horizontal comparison also covers the short- and long-term remuneration components as well as the amount of company pension. For FY 2018, the Supervisory Board commissioned the consultancy company hkp Deutschland GmbH to prepare an expert report on the appropriateness of the remuneration level for Executive Board members. The partner of hkp Deutschland GmbH commissioned by the Supervisory Board and responsible for carrying out the assessment is independent of the Executive Board of TUI AG and the company. The finding of the external advisor supports the judgment of the Supervisory Board that the level of remuneration of Executive Board members complies with section 87(1) German Stock Corporation Act as well as the recommendations of the GCBC.

Composition of total remuneration paid 2018

in %

