## VI. REMUNERATION OF THE SUPERVISORY BOARD

The provisions and remuneration of members of the Supervisory Board are derived from section 18 of TUI AG's Articles of Association, which have been made permanently accessible to the public on the internet. The remuneration of the Supervisory Board is reviewed at appropriate intervals. In this regard the expected time required for the relevant duties and experience in companies of a similar size, industry and complexity are taken into account.

### Purpose and link to company strategy

Highly-qualified Supervisory Board members are to be acquired and retained.

### Procedure

Besides reimbursement of their expenses, which include the turnover tax due on their emoluments, the members of the Supervisory Board receive a fixed remuneration of € 90.0 k per financial year, payable upon completion of the financial year. The chairman shall receive three times, and his deputies twice, the fixed remuneration of a Supervisory Board member.

An additional fixed remuneration of € 42.0 k is paid for membership of committees (e. g. the presiding committee, the audit committee and the strategy committee, but not the nomination committee). As a result of the successful completion of the integration of TUI AG and the former TUI Travel PLC, the integration committee was dissolved as planned in December 2016, which has already been described in the Annual Report 2017. The chairman of the audit committee shall receive three times, and the chairman of the strategy committee twice, this remuneration. This remuneration is also paid out at the end of the respective financial year.

The members of the Supervisory Board receive no further remuneration components and no fringe benefits. In all cases the remuneration relates to a full financial year. For parts of a financial year and for short financial years the remuneration shall be paid on a pro rata basis.

The members of the Supervisory Board and the committees receive an attendance fee of € 1.0 k per meeting, regardless of the form the meeting takes.

Moreover, the members of the Supervisory Board are included in a financial liability insurance policy (D&O insurance) taken out in an appropriate amount by the company in its own interests. The relevant insurance premiums are paid by the company. In line with the recommendation of the GCGC, there is a deductible for which the Supervisory Board members can take out their own private insurance.

### Cap

There is no need to set a cap because the remuneration for the Supervisory Board members consists solely of fixed components.

On 9 February 2016 the Annual General Meeting of TUI AG passed a resolution to change the remuneration of the Supervisory Board to fixed remuneration only as well as to adjust the amount of the fixed remuneration components. The new remuneration model applied retroactively as of 1 October 2015, which meant that the variable remuneration granted in accordance with the provisions of the articles of association applicable until 9 February 2016 and based on the long-term success of the company was no longer paid. This variable remuneration was based on the average undiluted earnings per share (EPS) carried in the consolidated financial statements for the respective last three financial years. At the time of redemption, the members of the Supervisory Board were still entitled to the long-term remuneration granted in financial years 2014 and 2015 because of the three-year vesting period. These entitlements were redeemed on the basis of EPS planned values for financial years 2016 and 2017. Reducing the remuneration of the members of the Supervisory Board for past and current financial years is not permitted under stock corporation law. For this reason it needed / needs to be checked, also upon completion of financial years 2016 and 2017, whether this has taken place with the change to the remuneration model by taking the EPS planned value for the relevant financial years as a basis. If using the EPS values actually achieved were to lead to higher long-term incentives than taking into account the planned values, the corresponding difference is to be paid to the relevant members of the Supervisory Board upon the close of the Annual General Meeting that will vote on the ratification of the acts of the Supervisory Board for the respective financial year.

For the variable remuneration component granted in FY 2014, it was found that, upon the close of the Annual General Meeting 2017, the actual EPS value of FY 2016, € 1.78, was above the EPS planned value of € 0.81 taken as a basis for the redemption. The resulting difference was paid to the relevant members of the Supervisory Board accordingly. As a result of an incorrect formula, the gross settlement amount had been included in the credit entry as a net figure. This led to VAT being calculated a second time on the gross settlement amount so that an excessive overall amount had been paid out. A correction was made for simplified processing by offsetting it against the payment of the fixed Supervisory Board remuneration for the 2018 financial year. The correction is shown in the tables below.

**Offsetting of too high / too low variable remuneration of the Executive Board for FY 2014 and FY 2015**

| | Invoicing / Payment FY 2017 | | |
|---|---|---|---|
| | Net | VAT 19 % | Gross / Amount paid |
| Name | | | |
| Andreas Barczewski | 15,390.67 | 2,924.23 | 18,314.90 |
| Peter Bremme | 11,514.50 | 2,187.75 | 13,702.25 |
| Prof. Edgar Ernst | 15,390.67 | 2,924.23 | 18,314.90 |
| Frank Jakobi | 21,482.81 | 4,081.73 | 25,564.54 |
| Prof. Klaus Mangold | 46,172.00 | 8,772.68 | 54,944.68 |
| Michael Pönipp | 15,390.67 | 2,924.23 | 18,314.90 |
| Carola Schwirn | 11,101.22 | 2,109.23 | 13,210.45 |
| Anette Strempel | 15,390.67 | 2,924.23 | 18,314.90 |
| Ortwin Strubelt | 15,390.67 | 2,924.23 | 18,314.90 |
| **Total** | **167,223.88** | **31,772.54** | **198,996.42** |

**Offsetting of too high / too low variable remuneration of the Executive Board for FY 2014 and FY 2015**

| | Invoicing / Payment FY 2017 | | |
|---|---|---|---|
| | Gross | 30 % withheld tax | Net / Amount paid |
| Name | | | |
| Carmen Riu Güell | 8,839.93 | – 2,651.98 | 6,042.09 |
| **Total** | **8,839.93** | **– 2,651.98** | **6,042.09** |

The invoices for Mr Shemetov, Mr Strenger and Mr Witt were not subject to an incorrect formula.

For the remuneration component granted in FY 2015, it was found that, upon the close of the Annual General Meeting 2018, the actual EPS value of FY 2017, € 1.17, was above the planned EPS value of € 0.85 taken as a basis for the redemption. The resulting difference was paid to the relevant members of the Supervisory Board accordingly and is shown in the following tables.

In addition, regarding the remuneration granted in FY 2016, it will be reviewed – upon the close of the Annual General Meeting 2019 – whether applying the remuneration model valid until 9 February 2016 would have resulted in higher remuneration than applying the new model. If this is the case, the corresponding difference has to be paid to the members of the Supervisory Board upon the close of the Annual General Meeting 2019.

## VII. REMUNERATION OF THE SUPERVISORY BOARD AS A WHOLE

**Remuneration of the Supervisory Board**

| € '000 | **2018** | 2017 |
|---|---|---|
| Fixed remuneration | 2,160.1 | 2,160.0 |
| Long-term variable remuneration | 225.1 | 176.1* |
| Remuneration for committee memberships | 1,050.0 | 1,096.2 |
| Attendance fee | 323.0 | 321.0 |
| Remuneration for TUI AG Supervisory Board mandate | 3,758.2 | 3,753.3 |
| Remuneration for Supervisory Board mandates in the Group | 35.6 | 41.4 |
| **Total** | **3,793.8** | **3,794.7** |

* The 'Long-term variable remuneration' of the Supervisory Board reported in the 2017 Annual Report was subject to a correction in FY 2018, see page 146.

In addition, travel and other expenses totaling € 529.0 k (previous year: € 507.6 k) were reimbursed. Total remuneration of the Supervisory Board members, including reimbursement of travel and other expenses, thus amounted to € 4,321.8 k (previous year: € 4,302.2 k).

## VIII. REMUNERATION OF INDIVIDUAL SUPERVISORY BOARD MEMBERS FOR FY 2018

### Individual remuneration of Supervisory Board in FY 2018

| € '000 | Fixed remuneration | Ex-post adjustment of long-term variable remuneration | Remuneration for committee memberships | Attendance fee | Remuneration for Supervisory Board mandates in the Group | **Total** |
|---|---|---|---|---|---|---|
| Prof. Klaus Mangold (Chairman) | 270.0 | 38.4 | 126.0 | 33.0 | | 467.4 |
| Frank Jakobi (Deputy Chairman) | 180.0 | 19.2 | 84.0 | 22.0 | | 305.2 |
| Sir Michael Hodgkinson[1] (Deputy Chairman until 13 Feb 2018) | 66.5 | 17.6 | 15.5 | 11.0 | | 110.6 |
| Peter Long[2] (Deputy Chairman) | 146.8 | | 110.5 | 18.0 | | 275.3 |
| Andreas Barczewski | 90.0 | 12.8 | 42.0 | 15.0 | 17.5 | 177.3 |
| Peter Bremme | 90.0 | 12.8 | 42.0 | 16.0 | | 160.8 |
| Prof. Edgar Ernst | 90.0 | 12.8 | 126.0 | 15.0 | | 243.8 |
| Wolfgang Flintermann | 90.0 | | 0.0 | 9.0 | | 99.0 |
| Angelika Gifford | 90.0 | | 42.0 | 13.0 | | 145.0 |
| Valerie Gooding | 90.0 | 12.0 | 42.0 | 11.0 | | 155.0 |
| Dr Dierk Hirschel | 90.0 | 11.5 | 42.0 | 16.0 | | 159.5 |
| Janis Kong | 90.0 | 12.0 | 42.0 | 16.0 | | 160.0 |
| Coline McConville | 90.0 | 12.0 | 42.0 | 16.0 | | 160.0 |
| Alexey Mordashov | 90.0 | | 84.0 | 13.0 | | 187.0 |
| Michael Pönipp | 90.0 | 12.8 | 42.0 | 16.0 | 18.1 | 178.9 |
| Carmen Riu Güell | 90.0 | 12.8 | 42.0 | 16.0 | | 160.8 |
| Carola Schwirn | 90.0 | 12.8 | 0.0 | 9.0 | | 111.8 |
| Anette Strempel | 90.0 | 12.8 | 42.0 | 19.0 | | 163.8 |
| Ortwin Strubelt | 90.0 | 12.8 | 84.0 | 25.0 | | 211.8 |
| Stefan Weinhofer | 90.0 | | 0.0 | 9.0 | | 99.0 |
| Dr Dieter Zetsche[3] | 56.8 | | 0.0 | 5.0 | | 61.8 |
| **Total** | **2,160.1** | **225.1** | **1,050.0** | **323.0** | **35.6** | **3,793.8** |

[1] Pro-rated disclosure of all remuneration components until 13 February 2018.
[2] Pro-rated disclosure of remuneration for committee memberships.
[3] Pro-rated disclosudre of all remuneration components as of 13 February2018.

Apart from the work performed by the employees' representatives pursuant to their contracts, none of the members of the Supervisory Board provided any personal services such as consultation or agency services for TUI AG or its subsidiaries in FY 2018 and thus did not receive any additional remuneration arising out of this.