

TUI AG ANNUAL GENERAL MEETING 2015

# INVITATION

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Hannover Congress Centrum  
10 February 2015, 10.30 a.m. (CET)

## TUI GROUP – FINANCIAL HIGHLIGHTS

€ million	2012/13 restated	2013/14
<b>Turnover</b>		
TUI Travel	17,796	17,955
TUI Hotels & Resorts	403	465
Cruises	261	281
Others	17	15
<b>Group</b>	<b>18,478</b>	<b>18,715</b>
<b>EBITDA</b>		
TUI Travel	845	917
TUI Hotels & Resorts	255	267
Cruises	-19	37
Others	-70	-49
<b>Group</b>	<b>1,011</b>	<b>1,172</b>
<b>Underlying EBITDA</b>		
TUI Travel	888	968
TUI Hotels & Resorts	271	267
Cruises	-3	23
Others	-60	-49
<b>Group</b>	<b>1,097</b>	<b>1,208</b>
<b>EBITA</b>		
TUI Travel	533	598
TUI Hotels & Resorts	171	203
Cruises	-30	24
Others	-78	-51
<b>Group</b>	<b>595</b>	<b>774</b>
<b>Underlying EBITA</b>		
TUI Travel	641	708
TUI Hotels & Resorts	197	203
Cruises	-14	10
Others	-62	-51
<b>Group</b>	<b>762</b>	<b>869</b>
<b>Group earnings</b>		
Net profit for the year	166	284
Earnings per share	€ -0,14	+0,31
Dividend	€ +0,15	+0,33
<b>Assets</b>		
Non-current assets	8,646	8,647
Current assets	4,809	5,379
<b>Total assets</b>	<b>13,454</b>	<b>14,026</b>
<b>Equity and liabilities</b>		
Equity	1,997	2,517
Non-current liabilities	3,857	3,994
Current liabilities	7,600	7,515
<b>Total equity and liabilities</b>	<b>13,454</b>	<b>14,026</b>
<b>Key ratios</b>		
EBITDA margin (underlying)	% 5.9	6.5
EBITA margin (underlying)	% 4.1	4.6
ROIC	% 17.14	19.43
Equity ratio	% 14.8	17.9
Cash flow from operating activities	875	1,075
Capital expenditure	821	831
Net financial position	68	-323
Employees	30 Sep 74,445	77,309

Differences may occur due to rounding

# CONTENTS

3	<b>Letter to the Shareholders</b>
6	<b>Notes on the agenda items and resolution proposals</b>
13	<b>Agenda for the 2015 Annual General Meeting (with resolution proposals)</b>
26	<b>Report of the Executive Board concerning agenda item 7</b>
34	<b>Participation</b>
34	Registration
35	Advice on voting by proxy
36	Advice on counter-motions and nominations pursuant to sections 126 and 127 AktG
37	Advice on supplementary motions pursuant to section 122 (2) AktG
37	Advice on the shareholder's right to information
38	Information pursuant to section 124a AktG and other information on shareholder rights
39	Notes for holders of despositary interests
40	<b>Directions</b>

TUI AG

Berlin/Hanover

registered with the commercial register of the Local Court of Berlin-Charlottenburg under HRB 321 as well as with the commercial register of the Local Court of Hanover under HRB 6580 with business address at: Karl-Wiechert-Allee 4, 30625 Hanover

## Notice pursuant to the Listing Rules of the United Kingdom Listing Authority and for holders of depositary interests:

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under applicable laws (in the United Kingdom under the Financial Services and Markets Act 2000). If you have sold or otherwise transferred all your TUI AG shares or related Depositary Interests please inform as soon as possible the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected about this document and the accompanying documents (excluding any personalised forms) and ask him/them to contact the company or, if transferring Depositary Interests, Capita IRG Trustees Limited in the event of any questions in a timely manner.

The notice of the Annual General Meeting of TUI AG, which is convened for Tuesday 10 February 2015 at 10.30 am (CET) at Hanover Congress Centrum, Theodor-Heuss-Platz 1-3, 30175 Hanover, Germany, is set out in this document, starting on page 13. This document includes information on how shareholders can participate in the Annual General Meeting and how to grant proxy authorisations. This document is also available in English at [www.tui-group.com/en/ir/agm](http://www.tui-group.com/en/ir/agm).

Holders of depositary interests issued by Capita IRG Trustees Limited relating to TUI AG shares can, subject to certain conditions, participate in the Annual General Meeting themselves or via proxies and exercise the voting rights corresponding to the number of TUI AG shares underlying their DIs. Further information, including the relevant conditions, will be sent to the holders of DIs separately or can be requested by such holders from Capita IRG Trustees Limited.

## Dear shareholders

At the end of October 2014, you voted in favour of the merger between TUI AG and TUI Travel PLC by a large majority, paving the way for the creation of the world's number one integrated leisure tourism group. Since 17 December 2014, the shares in the new TUI Group have been traded on the London Stock Exchange. Our Group has thus entered a new era.

### Our new TUI Group

In future, the broad portfolio gathered under the Group umbrella will consist of strong tour operators, 1,800 travel agencies and leading online portals, six airlines with more than 140 aircraft, over 300 hotels with 210,000 beds, twelve cruise liners and countless incoming agencies in all major holiday countries around the globe. This integrated offering enables us to provide our 30 million customers with an unmatched holiday experience in 180 destinations in the world.

These numbers alone show that your Group occupies an extraordinary position in the world market. This is underpinned by its unique strategic orientation. As of now we will offer end-to-end tourism services in a manner unparalleled by our competition. This differentiation provides us with a significant competitive edge, which we intend to use to generate further growth. We will double the envisaged pace of growth, with another 30 new hotels and two new cruise ships. We will thus expand our portfolio by a total of 60 new hotels and four new ships in the next few years.

Today's shareholders in our Company know what they are getting: a clear strategic orientation, a sound operating performance and strong transparency. Together we are creating a new, more valuable TUI that will have more clout and will be equally attractive to our shareholders, customers and employees alike.

## **Leadership continuation**

The composition of the boards of the new TUI Group reflects the stability and continuity we have promised. The Executive Board comprises six members, as announced prior to the merger, with three members (Peter Long, Johan Lundgren and William Waggott) from TUI Travel and three (Friedrich Jousen, Horst Baier and Sebastian Ebel) from TUI AG.

The new composition of the Supervisory Board also reflects our leadership continuation approach. As resolved by the Extraordinary General Meeting on 28 October 2014, it consists of 20 members. Prof. Dr Klaus Mangold is the Chairman of the Supervisory Board. The new TUI AG Supervisory Board also comprises Carmen Riu Güell, Prof. Dr Edgar Ernst, Maxim G. Shemetov, Prof. Dr Christian Strenger, Frank Jakobi, Andreas Barczweski, Peter Bremme, Michael Pönipp, Wilfried Rau, Carola Schwirn, Anette Stempel, Ortwin Strubelt (TUI AG Supervisory Board members as before), Marcell Witt and Dr Dierk Hirschel (whose appointment by the local court has been applied for) as well as Sir Michael Hodgkinson, Valerie Frances Gooding, Janis Carol Kong, Coline Lucille McConville and Minnow Powell (members of the former Board of Directors of TUI Travel).

## **Invitation to the Annual General Meeting**

Through the merger of TUI AG and TUI Travel PLC, the previous TUI Travel PLC shareholders have also become shareholders in TUI AG (indirectly, via Depositary Interests – DIs – tradable on the London Stock Exchange). It is now for you, our previous and new shareholders, to jointly lay the foundations for a continued successful future of our Company.

We are pleased to invite you all to attend our ordinary Annual General Meeting 2015, which will be held at Hanover Congress Centre, Theodor-Heuss-Platz 1-3, D-30175 Hanover, on Tuesday, 10 February 2015, from 10:30 a.m. This will be the first Annual General Meeting of the new TUI Group. In accordance with the conditions set out by the German Stock Corporation Act and the Articles of Association, DI holders are also entitled to participate in the AGM and exercise their voting rights from the TUI shares to which they represent.

You will find the invitation to the ordinary Annual General Meeting 2015 from page 13 below. The invitation also includes the agenda with the resolution proposals submitted by the Executive Board and the Supervisory Board. It also provides information on participation, exercise of the voting rights and submission of proxies by the shareholders, from page 34. The DI holders will obtain information from Capita IRG Trustees Limited on how to exercise the rights carried by the underlying shares and participate in our Annual General Meeting. Both our shareholders and the DI holders will receive forms to register for the AGM, appoint proxies and submit voting instructions, if necessary, with the letter of invitation.

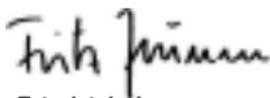
For our existing and new shareholders and DI holders, we have compiled explanatory notes concerning the agenda items and the resolution proposals on the pages below.

### **Recommendation regarding resolution proposals**

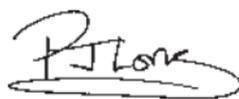
The Executive Board and Supervisory Board are convinced that the resolution proposals they have submitted are in the best interests of the Company and its shareholders as a whole. We therefore ask you for your approval of the respective resolution proposals.



**Prof. Dr Klaus Mangold**  
*Chairman of the  
Supervisory Board*



**Friedrich Jousen**  
*Co-CEO*



**Peter Long**  
*Co-CEO*

## Notes on the agenda items and resolution proposals

Agenda items 1 to 5 contain items that are essential for an annual general meeting pursuant to the German Stock Corporation Act (Aktiengesetz). The following agenda item 6 covers the election of a Supervisory Board member, agenda item 7 the authorisation to acquire and use own shares, which was also requested annually in the past. Under agenda item 8, the Executive Board and the Supervisory Board request your approval of a profit and-loss transfer agreement as required by the German Stock Corporation Act which is to be concluded with a group company of which TUI AG will be the sole shareholder at the time of conclusion of the agreement. In detail:

### **Agenda item 1 – Presentation of the approved annual financial statements for the 2013/14 financial year, the approved consolidated financial statements, the summarised management and group management report with a report explaining the information in accordance with section 289 (4) and section 315 (4) of the German Commercial Code (Handelsgesetzbuch) and the report of the Supervisory Board**

As provided by the German Stock Corporation Act as a general rule, the financial statements were prepared by the Executive Board, reviewed by the auditor and approved by the Supervisory Board. They will be made available to the General Meeting together with additional documents. In the General Meeting, the Executive Board will explain in particular the financial statements and the chairman of the Supervisory Board will explain the report of the Supervisory Board. A resolution on the financial statements is presently not stipulated by the German Stock Corporation Act. Further information as to why a resolution by the General Meeting is not required can be found under the corresponding agenda item.

### **Agenda item 2 – Resolution on the use of the net profit available for distribution for the 2013/14 financial year**

As announced prior to the merger with TUI Travel PLC, the Executive Board and the Supervisory Board propose for the 2013/14 financial year to pay a dividend of €0.33 per TUI AG share carrying dividend rights, which marks a significant increase compared to previous years. In the event of the adoption

of a corresponding resolution by the General Meeting, the dividend will be paid out immediately, probably starting from 11 February 2015.

Shares issued after 30 September 2014, in particular new shares issued in connection with the merger of TUI AG and TUI Travel PLC, will be entitled to dividend rights for the first time for the current financial year ending on 30 September 2015. The former shareholders of TUI Travel PLC received a dividend for the financial year of TUI Travel PLC ended on 30 September 2014 immediately prior to closing of the merger.

### **Agenda items 3 and 4 – Resolutions on the ratification of the actions of the Executive Board and the Supervisory Board for the 2013/14 financial year**

The members of the Executive Board are elected by the Supervisory Board. The members of the Supervisory Board are elected by the General Meeting to the extent that they are not employee representatives or appointed by court; their term of appointment is generally five years. The German Stock Corporation Act provides, however, that the Annual General Meeting each year decides whether or not to approve the management of the company by the members of the Executive Board and the Supervisory Board over the previous financial year. The ratification does not include a waiver of claims for compensation. It is rather a vote of confidence for the past and the future.

In deviation from the statutory provisions, the intention is to provide the 2015 Annual General Meeting with the option to pass a separate resolution for each member by way of ratification on an individual basis. In the interests of more closely aligning with the practice of electing all Board members individually on an annual basis, which is common for the premium listing segment on the London Stock Exchange, the General Meeting will thus be able to annually ratify the actions of each individual member of the Executive Board and the Supervisory Board. This way, TUI AG is aligning its corporate governance standards, within the limits set by the German Stock Corporation Act, with the standards of other companies listed at the London Stock Exchange.

**Agenda item 5 – Resolution on the appointment of the auditor for the 2014/15 financial year**

Agenda item 5 covers the appointment of the auditor. The Supervisory Board, which is exclusively responsible for submitting a nomination to the General Meeting pursuant to the German Stock Corporation Act, proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hanover, be appointed as auditor for the current financial year and also for the audit review of the half-year financial report for the first half of the current financial year. As stipulated by law, the Supervisory Board bases its nomination on a corresponding recommendation of its Audit Committee.

**Agenda item 6 – Election of a Supervisory Board member**

Following Vladimir Yakushev's resignation from the Board, Maxim G. Shemetov was officially appointed as a member of the Supervisory Board by the local court in March 2014. In the interests of good corporate governance, Mr Shemetov is to be elected by a resolution of the General Meeting. He is to be elected for a full term of around five years. As set out in the German Corporate Governance Code, the Supervisory Board bases its decision on a corresponding nomination by its Nomination Committee, which is comprised exclusively of shareholder representatives.

Mr Shemetov has been a member of the TUI AG Supervisory Board since his appointment by the local court on 14 March 2014. He began his career in 2003 as analyst at Trust Investment Bank in Moscow. From 2005 to 2007, he worked in the Strategy division of the management consulting company A.T. Kearney Moscow. From 2007 until 2014, Mr Shemetov was director and CFO in the Private Equity and Capital Markets division at S Group Capital Management in Moscow. Since May 2014, he has been head of Investment Management in the business division Travel of the ZAO Sever Group in Moscow. Mr Shemetov was awarded an M.A. in Finance with distinction from the Finance Academy in Moscow as well as an M.Sc. in Finance with distinction from Cass Business School at the City University in London. In 2013 and 2014, he also participated in the Program for Leadership Development (PLD) at Harvard Business School in Boston.

Further information that is relevant for the election is provided under the corresponding agenda item.

**Agenda item 7 – Resolution on a new authorisation to acquire and use own shares in accordance with section 71 (1) no. 8 of the German Stock Corporation Act with potential exclusion of pre-emption rights and rights to tender shares and the possibility to cancel own shares, also while reducing issued share capital**

Insofar as the acquisition of own shares is not expressly permitted by law, the Company will require special authorisation from the Annual General Meeting. The resolution proposed under agenda item 7 therefore authorises the Executive Board to buy back own shares within the limits provided for under the German Stock Corporation Act. As was the case in the past, the proposed authorisation not only permits the standard case of a buy-back by submitting an offer to all shareholders, but also enables a buy-back of own shares via the stock exchange which also satisfies the principle of equal treatment in line with the express wording of the law.

The volume of the authorisation to acquire is limited to the lower of the following amounts: (i) 5% of the issued share capital existing on the date of the resolution or (ii) 26,473,000 shares, which is equal to approx. 5% of the share capital existing as of 30 December 2014 and therefore at the time the General Meeting is convened. The chosen limit will ensure that the volume of the new authorisation to acquire in terms of amount is not increased compared to the volume of the authorisation to acquire resolved by the 2014 Annual General Meeting despite the significantly higher issued share capital as a result of the merger with TUI Travel PLC. The new authorisation will remain valid up to and including 9 August 2016. However, any contract to purchase own shares based on this authorisation may only be concluded prior to the next Annual General Meeting, i.e. only in the period up to and including the 2016 Annual General Meeting.

The authorisation to acquire provides for the same caps and floors currently applied by TUI AG for consideration to be paid for the acquisition of own shares. With a view to the Listing Rules of the United Kingdom Listing Authority, these are supplemented by additional limits to be observed. In addition, the Company will in any event comply with the applicable regulatory rules, including the Listing Rules of the United Kingdom Listing Authority, when exercising the authorisation to acquire as well as the authorisations to use own shares.

Pursuant to the authorisations to use own shares contained in the proposed resolution and in line with the German Stock Corporation Act, own shares acquired on the basis of this resolution may either be cancelled, sold by offering them to all shareholders or over the stock exchange or used for certain purposes set forth in the resolution under exclusion of the statutory pre-emption right of the shareholders. As the volume of the authorisation to acquire is limited correspondingly, the volume of acquired shares that may be disposed of under exclusion of the pre-emption rights of the shareholders – be it against contributions in cash or in kind - on the basis of the resolution is also limited to the lower of the two following amounts: (i) 5 % of the issued share capital existing at the time of the resolution or (ii) 26,473,000 shares corresponding to approximately 5 % of the issued share capital as of 30 December 2014 and therefore at the time of convocation of the General Meeting.

The Executive Board does not currently intend to make use of the authorisations to acquire and use own shares contained in the proposed resolution. In particular, the Executive Board has not made a decision as to the extent to which own shares acquired on the basis of the resolution should be cancelled. If the General Meeting approves the proposed resolution, the Executive Board will review the option contained in this resolution from time to time, however, and may decide to repurchase shares on the basis of this authorisation and to use the shares so acquired for a certain purpose. However, the Executive Board will only exercise the authorisation to repurchase shares if it believes that this will result in an improvement in the earnings per share and is in the interests of all shareholders. The Executive Board will only exercise the authorisations to use own shares under exclusion of the pre-emption rights if the strict requirements for the exclusion of pre-emption rights provided by the German Stock Corporation Act are met in the situation in question and in particular if the exclusion of pre-emption rights is justified as being in the best interest of the Company.

The authorisation to acquire granted by the 2014 Annual General Meeting has so far not been used. The Company does not hold any own shares.

TUI AG has no warrants in issue in relation to its shares and no options to subscribe for its shares outstanding.

Further information that is relevant for the resolution proposal is provided in the report prepared by the TUI AG Executive Board for the shareholders, a copy of which is attached to the agenda.

**Agenda item 8 – Resolution on the approval of a profit-and-loss transfer agreement between TUI AG and Leibniz-Service GmbH**

Agenda item 8 relates to the conclusion of a group-internal profit-and-loss transfer agreement between TUI AG and Leibniz-Service GmbH. The agreement, which provides for a profit transfer by Leibniz-Service GmbH and a compensation of any losses by TUI AG, is necessary for a tax-effective consolidation of profits and losses between the two companies. The conclusion of such inter-company agreements within a group is not only expedient in commercial terms, but also constitutes common practice.

The profit-and-loss transfer agreement is due to be concluded once all the shares in Leibniz-Service GmbH have been transferred to TUI AG. At the time of conclusion of the agreement, Leibniz-Service GmbH will be a direct, wholly-owned subsidiary of TUI AG. The share transfer is scheduled to close before the end of the current financial year, following completion of the merger between TUI AG and TUI Travel PLC on 11 December 2014. Under the German Stock Corporation Act, the General Meeting of TUI AG, and others, must approve the profit-and-loss transfer agreement in order for it to take effect. The Executive Board and the Supervisory Board thus propose a corresponding authorisation which, as provided for here, can be issued before the agreement is concluded.

Further information that is relevant for the approval decision, in particular information relating to the contracting parties, conclusion of the agreement and the grounds, as well as the parties' rights and duties as provided for in the agreement, is provided in the corresponding agenda item and in the joint report prepared by the Executive Board of TUI AG and the management of Leibniz-Service GmbH for the shareholders. The agreement was audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich, which has prepared a report on the results of its audit. The two reports are also available on the TUI AG website at: <http://www.tui-group.com/en/ir/agm>.

# INVITATION

*We hereby invite our shareholders to the  
2015 Annual General Meeting  
on Tuesday, 10 February 2015  
at 10.30 a.m. at the  
Hannover Congress Centrum  
Theodor-Heuss-Platz 1-3  
30175 Hanover.*

**TUI AG**  
**Berlin/Hanover**  
**Karl-Wiechert-Allee 4**  
**30625 Hanover**

## **The Company's issued share capital**

is divided, at the time of convocation, into 533,602,135 no-par value shares carrying the same number of votes.

## **Securities identification numbers**

### **Voting and participating shares:**

<b>ISIN Code</b>	<b>WKN</b>
DE 000 TUA G00 0	TUA G00
DE 000 TUA G20 8	TUA G20
DE 000 TUA G22 4	TUA G22

### **Voting shares:**

<b>ISIN Code</b>	<b>WKN</b>
DE 000 TUA G23 2	TUA G23
DE 000 TUA G27 3	TUA G27
DE 000 TUA G26 5	TUA G26

# AGENDA

*for the Annual General Meeting of TUI AG  
on 10 February 2015*

**1. Presentation of the approved annual financial statements for the 2013/14 financial year, the approved consolidated financial statements, the summarised management and group management report with a report explaining the information in accordance with section 289 (4) and section 315 (4) of the German Commercial Code (*Handelsgesetzbuch; HGB*) and the report of the Supervisory Board**

The Supervisory Board approved the annual financial statements for TUI AG as at 30 September 2014, which were presented to it by the Executive Board, on 9 December 2014. The annual financial statements have thus been approved in accordance with section 172 of the German Stock Corporation Act (*Aktiengesetz; AktG*). No circumstances therefore exist that would necessitate one-off approval of the annual financial statements by the Annual General Meeting. No resolution will therefore be passed by the Annual General Meeting on the annual financial statements. The 2013/14 consolidated financial statements were also approved by the Supervisory Board on 9 December 2014. Therefore, and pursuant to section 173 AktG, the Annual General Meeting is not required to pass a resolution on the consolidated financial statements either. The other documents set out above are, pursuant to section 176 (1) sentence 1 AktG, also merely to be available for inspection at the Annual General Meeting, but without any resolution being required in respect of such documents.

**2. Resolution on the use of the net profit available for distribution for the 2013/14 financial year**

The Executive Board and the Supervisory Board propose that an amount of €161,271,260.53 from the reported net profit of €94,565,177.19 be applied towards the distribution of a dividend of €0.33 per participating share and the remaining amount of €66,706,083.34 be carried forward to new account.

**3. Resolution on the ratification of the actions of the Executive Board for the 2013/14 financial year**

The Supervisory Board and the Executive Board propose that the actions of the members of the Executive Board be ratified.

Due to the fact that TUI AG's shares are listed on the London Stock Exchange and in view of the corporate governance standards applicable there, ratification is to take place on an individual basis, i.e. a separate resolution is to be passed for each member. The actions of the following members holding office on the Executive Board in the preceding financial year are to be ratified: Friedrich Jousen (chairman), Horst Baier, Peter Long.

#### **4. Resolution on the ratification of the actions of the Supervisory Board for the 2013/14 financial year**

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board be ratified. Due to the fact that TUI AG's shares are listed on the London Stock Exchange and in view of the corporate governance standards applicable there, ratification is to take place on an individual basis, i.e. a separate resolution is to be passed for each member. The actions of the following members holding office on the Supervisory Board in the preceding financial year are to be ratified: Prof. Dr Klaus Mangold (chairman), Petra Gerstenkorn (deputy chairwoman until 15 May 2014), Frank Jakobi (deputy chairman from 15 May 2014 onwards), Anass Hourir Alami, Andreas Barczewski, Peter Bremme, Arnd Dunse, Prof. Dr Edgar Ernst, Angelika Gifford, Ingo Kronsfoth, Vladimir Lukin, Mikhail Noskov, Michael Pönipp, Carmen Riu Güell, Carola Schwirn, Maxim G. Shemetov, Anette Stempel, Prof. Christian Strenger, Ortwin Strubelt, Vladimir Yakushev.

#### **5. Resolution on the appointment of the auditor for the 2014/15 financial year**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hanover, be appointed as auditor for the 2014/15 financial year and also for the audit review of the half-year financial report for the first half of the 2014/15 financial year.

#### **6. Election of a Supervisory Board member**

On 14 March 2014, Mr Maxim G. Shemetov was appointed Supervisory Board member by the Local Court (*Amtsgericht*) of Hanover after Mr Vladimir Yakushev resigned from the Supervisory Board with effect as of 7 February 2014. Regarding the term of the appointment, the Local Court of Hanover went further with its appointment than the application of TUI AG according to which the appointment was to be for a limited term until the next General Meeting pursuant to the recommen-

dition in section 5.4.3 of the German Corporate Governance Code. In view of the aforesaid, Mr Shemetov is now to be elected by resolution of the General Meeting as a good corporate governance practice.

The Supervisory Board of the Company will comprise ten shareholder representatives and ten employee representatives pursuant to sections 96 (1) and 101 (1) AktG and section 7 (1) sentence 3 and sentence 1 no. 3 of the German Codetermination Act of 1976 (Mitbestimmungsgesetz 1976; MitbestG 1976) in conjunction with Article 11 (1) sentence 1 of the Charter of TUI AG. When electing the shareholder representatives, the General Meeting is not bound to elect one of the nominees.

**Based on a respective proposal by the Nomination Committee, the Supervisory Board proposes that the following resolution be passed:**

Mr Maxim Shemetov, resident in Moscow, Russian Federation, Head of Investment Management, business division Travel, ZAO Sever Group with its seat in Moscow, Russian Federation, is elected to the Supervisory Board by the General Meeting for the period until the close of the General Meeting resolving on the discharge of the Supervisory Board for the financial year ending on 30 September 2019.

**Information pursuant to section 125 (1) sentence 5 AktG and section 5.4.1 (4) to (6) of the German Corporate Governance Code:**

Mr Maxim Shemetov is not a member of any other supervisory board that is required by law. He is, however, a member in comparable supervisory bodies in the following domestic or foreign commercial companies: LLC Svoy-TT with its seat in Moscow, Russian Federation.

ZAO Sever Group, where Mr Shemetov works, is controlled by Mr Alexey Mordashov, who controls the exercise of approximately 13.7% of the voting rights in TUI AG, including the voting rights attributable to him.

**7. Resolution on a new authorisation to acquire and use own shares in accordance with section 71 (1) no. 8 AktG with potential exclusion of pre-emption rights and rights to tender shares and the possibility to cancel own shares, also while reducing issued share capital**

In order to acquire own shares, the Company requires a special authorisation from the Annual General Meeting, insofar as this is not expressly permitted by law. Since the authorisation granted by the Annual General Meeting on 12 February 2014 will lapse on 11 August 2015, it should be proposed to the Annual General Meeting that it once again grant the Company an authorisation to acquire own shares and that the existing authorisation be cancelled early. The new authorisation to acquire and use own shares should also authorise the Executive Board to use own shares subject to an exclusion of shareholders' subscription rights or to cancel them, also while reducing share capital. The volume of the authorisation to acquire should be limited to 5 % of the issued share capital. This will ensure that the volume of the new authorisation to acquire in terms of amount is not increased compared to the volume of the current authorisation despite the significantly higher issued share capital as a result of the merger with TUI Travel PLC.

**The Executive Board and the Supervisory Board propose that the following resolution be passed:**

- a) The Executive Board is authorised to acquire own shares up to a maximum of 5 % of the issued share capital existing at the time of this resolution, but no more than 26,473,000 shares. The shares acquired, together with other own shares held by the Company or attributable to the Company in accordance with sections 71 a ff. AktG, must at no time exceed 10 % of the share capital. In addition, the requirements of section 71 (2) sentences 2 and 3 AktG must be complied with. The authorisation must not be used for the purpose of trading in own shares.
- b) The authorisation may be used in whole or in part, once or several times, and in pursuit of one or several objectives. The acquisition may be effected by the Company, by dependent

companies or companies that are majority-owned by the Company, or by third parties acting for their account or for the account of the Company. The authorisation replaces the authorisation to acquire own shares agreed upon by the Annual General Meeting on 12 February 2014, which will be cancelled once the new authorisation comes into effect and remains valid up to and including 9 August 2016. However, any contract to purchase own shares based on this authorisation may only be entered into prior to the next Annual General Meeting, i.e. only in the period up and until the 2016 Annual General Meeting. The acquisition will be effected, depending on the preference of the Executive Board, either on the stock exchange or by means of a public offer to buy or a public call to shareholders to submit an offer to sell (together "public tender offer"). The lowest share price to be paid by the Company (not including incidental acquisition costs) equals €2.56 (being the calculated pro-rata portion of the issued share capital represented by one share, rounded to two decimal places).

- If the shares are acquired on the stock exchange, the share price paid by the Company (not including incidental acquisition costs) must not be more than 10% above or below the market price determined during the opening auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the respective stock exchange trading day. In addition, the share price paid by the Company (not including incidental acquisition costs) may not exceed the higher of:
  - 105% of the average of the middle market quotations of the share or the depositary interest representing the share derived from the London Stock Exchange Daily Official List for the five trading days directly preceding the day on which such share is contracted to be purchased, or
  - the price stipulated by Article 5 (1) of Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments.

- If the shares are acquired by means of a public tender offer to all shareholders, the offer price per share paid by the Company (not including incidental acquisition costs) must not be more than 10% above or below the price for the Company's shares determined during the closing auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the last stock exchange trading day before the publication of the acquisition offer. If, following the announcement of a public offer to buy or a public call to submit an offer to sell, there are significant variations in the relevant price, the offer or the call to shareholders to submit an offer to sell may be adjusted. In this case, the average price during the three stock market trading days prior to the public announcement of any such adjustment will be used. If the total number of shares tendered in response to a public acquisition offer exceeds the volume of the latter, the acquisition may be effected in accordance with the ratio of shares tendered (tender ratio); in addition, preference may be given to accepting small quantities (up to 50 shares per shareholder) and rounding in accordance with common business practice allowed in order to avoid fractions of shares. Any further-reaching tender right on the part of shareholders is excluded in this context.
- c) Company shares that have been acquired on the basis of this authorisation (up to 5% of the issued share capital existing at the time of this resolution, but no more than 26,473,000 shares) may be sold over the stock exchange or by offering them to shareholders in accordance with the principle of equal treatment. Furthermore, the Executive Board is authorised to use those shares for the following purposes instead:
- The shares may be cancelled, with the consent of the Supervisory Board, without such cancellation or the execution of such cancellation requiring any further resolution by the General Meeting. They may also be cancelled without a capital reduction by adjusting the calculated pro rata amount of the Company's issued share capital represented by the remaining shares. The cancellation may be restricted to only a portion of the shares acquired. If cancellation takes place without a capital reduction, the Executive Board is authorised to modify the number of the shares in the Charter accordingly.

- The shares may, with the consent of the Supervisory Board, also be sold by means other than a sale on the stock exchange or an offer to shareholders provided that the shares are sold for cash at a price that is not significantly below the market price (at the time of the sale) of shares of the Company that are subject to the same terms. In this case, the total number of shares to be sold is limited to 5 % of the issued share capital existing at the time the resolution concerning this authorisation is passed or – if lower – at the time the authorisation is exercised. The above authorisation volume of 5 % of the issued share capital is reduced by the portion of the issued share capital attributable to shares or relating to bonds carrying warrant and/or conversion rights or obligations that were issued or sold after 10 February 2015 subject to an exclusion of pre-emption rights in accordance with section 186(3) sentence 4 AktG applied directly, analogously or mutatis mutandis; however, this reduction will only be made insofar as the respective amount exceeds 5 % of the issued share capital.
  - The shares may, with the consent of the Supervisory Board, also be sold against contributions in kind, in particular in connection with the acquisition of companies, parts of companies, interests in companies or other assets (including receivables), and within the context of mergers.
  - The shares may also be used in connection with the exercise of warrant or conversion rights or for the purpose of fulfilling warrant or conversion obligations under convertible bonds, bonds with warrants, profit-sharing rights and/or income bonds (or combinations of these instruments) issued by the Company or by Group companies and carrying warrant or conversion rights or obligations.
- d) The authorisation under c) bullet points 2 to 4 also relates to the use of Company shares acquired on the basis of section 71 d sentence 5 AktG.

- e) The authorisations under c) may be exercised once or several times, in full or in part, and individually or together, while the authorisations under c) bullet points 2 to 4 may additionally be exercised by dependent companies or companies that are majority-owned by the Company, or by third parties acting for their account or for the account of the Company.
- f) The pre-emption rights of shareholders to own shares are excluded insofar as these shares are used in accordance with, and subject to the limitations set out in, the above-mentioned authorisations under c) bullet points 2 to 4. In the event that the own shares are sold by means of a tender offer to the shareholders, the Executive Board will be authorised, with the consent of the Supervisory Board, to exclude the pre-emption rights of shareholders for fractional amounts. However, in addition to the other restrictions under this resolution, the total portion of the issued share capital attributable to own shares for which pre-emption rights have been excluded under this authorisation or through the exercise of the authorisations under c) bullet points 2 to 4 must not – together with the portion of issued share capital attributable to own shares or new shares from authorised capital or relating to warrant or conversion rights or obligations from bonds that were sold or issued after 10 February 2015 subject to an exclusion of pre-emption rights – exceed 10% of the issued share capital. This threshold is to be calculated on the basis of the amount of issued share capital existing at the time the authorisation takes effect or at the time the own shares are sold, whichever is lower. Pre-emption rights will also be deemed excluded if the sale or issue is effected by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis.

**8. Resolution on the approval of a profit-and-loss transfer agreement between TUI AG and Leibniz-Service GmbH**

TUI AG intends to conclude a profit-and-loss transfer agreement with Leibniz-Service GmbH ("LSG"), which has its registered seat in Hanover and is registered in the commercial register of the Local Court (Amtsgericht) of Hanover under HRB 6100. The final draft of the profit-and-loss transfer agreement was prepared on 9 December 2014. The agreement is to be concluded as soon as all shares in LSG have been transferred by TUI Travel PLC to TUI AG and thus LSG has

become a direct, wholly owned subsidiary of TUI AG. The Supervisory Board of TUI AG has already approved the conclusion of the agreement. In order that the agreement can be validly concluded, the approval of the shareholders' meeting of LSG is required, which is scheduled for after the aforementioned transfer of shares, as well as the approval of the General Meeting of TUI AG. The agreement will then take effect when its existence is entered in the commercial register for LSG.

**The Executive Board and the Supervisory Board propose that the following resolution be passed:**

The profit-and-loss transfer agreement between TUI AG and Leibniz-Service GmbH, Hanover, registered in the commercial register of the Local Court of Hanover under HRB 6100, is approved in its final draft form dated 9 December 2014.

**Details of the material content of the agreement:**

The material content of the final draft of the profit-and-loss transfer agreement dated 9 December 2014 is as follows:

- a) Preamble (Statements relating to the time of conclusion of the agreement): TUI AG holds all shares in LSG after the shares in LSG have been effectively transferred from TUI Travel PLC to TUI AG. It is intended to implement a tax group between TUI AG and LSG with effect as of the beginning of the financial year ending on 30 September.
- b) § 1. Transfer of profits: During the term of this agreement, commencing at the start of the current financial year, LSG undertakes to transfer, in accordance with section 301 AktG in its respective current version, all of its profits to TUI AG. The amount of the profits to be transferred may not exceed the amount calculated in accordance with section 301 AktG in its respective current version. With the consent of TUI AG, LSG may allocate a proportion of its annual net income into its earned surplus (section 272 (3) HGB), if and to the extent this is in line with commercial law and economically reasonable from a prudent business perspective. Other earned surplus established during the term of the agreement shall, upon the request of TUI AG, be dissolved to the extent this is legally possible and shall be used to compensate an annual deficit or be trans-

ferred as profits. Earned surplus other than the earned surplus mentioned above, in particular earned surplus accrued prior to the conclusion of the agreement, may not be transferred as profits or be used to compensate an annual deficit of LSG. The same shall apply to retained earnings generated prior to the conclusion of the agreement or to other surplus. The obligation to transfer all profits shall apply for the first time for LSG's financial year, in which the agreement becomes effective. The claim to receive profits vests as of the end of the financial year of LSG and will be due at the same point in time. (The current applicable version of section 301 AktG reads as follows: "Irrespective of any agreements made regarding the calculation of the amount of profit to be transferred, a company may in no event transfer as profit an amount exceeding the net income accruing with no transfer of profits, after deducting any loss carried forward from the previous year, the amount to be transferred to the legal reserve pursuant to section 300 and the amount blocked from distribution pursuant to section 268 (8) HGB. If amounts have been allocated to other retained earnings during the term of the agreement these amounts can be taken from other retained earnings and transferred as profit.")

- c) § 2. Assumption of losses: The provisions set forth in section 302 AktG in its respective current version apply correspondingly. The obligation to absorb any net loss shall be applicable for the first time for LSG's financial year in which the agreement becomes effective. Unless otherwise provided for in the agreement, the claim for the loss absorption vests as of the end of the financial year of LSG and becomes due at the same point in time. (The current applicable version of the relevant subparagraphs 1, 3, and 4 of section 302 AktG reads as follows: "(1) In the case of a control or profit and loss transfer agreement, the other contracting party shall compensate any annual net loss occurring during the term of the agreement to the extent that such loss is not compensated by taking amounts from other retained earnings, which have been allocated to them during the term of the agreement. (3) The subsidiary may waive or settle any claim for compensation after the expiration of three years from the date on which the registration of the cancellation or termination of the agreement in the commercial register shall be deemed to have been announced pursuant to § 10 HGB. The foregoing shall not apply if the party

liable for compensation is unable to make payments when due and enters into composition with its creditors to avoid insolvency proceedings or if the liability for compensation is subject to an insolvency plan. The waiving or settlement shall only enter into effect if the external shareholders approve by means of a special resolution, and if a minority whose shares collectively make up one tenth of the capital stock represented with the resolution does not request that an objection be recorded in the minutes. (4) The claims arising from these provisions shall expire after ten years from the date on which the registration of the cancellation or termination of the agreement in the commercial register has been announced pursuant to § 10 HGB.”)

- d) § 3. Consent requirement; effectiveness: The agreement requires the consent of the shareholders of LSG and TUI AG. Upon conclusion of the agreement the consenting resolution of the shareholders’ meeting of TUI AG already exists. The agreement shall become effective with its registration in the commercial register at the headquarters of LSG.
- e) § 4. Term; termination: The agreement is effective for a term of five calendar years, starting at the beginning of the financial year of LSG, in which the obligations to transfer profits (§ 1 of the agreement) and to compensate losses (§ 2 of the agreement) apply for the first time. During this term the agreement may only be terminated with cause (*aus wichtigem Grund*). If the expiration of the five calendar years (e.g. due to the implementation of an abbreviated financial year) occurs in the course of a financial year of LSG, the agreement shall terminate at the earliest at the end of such financial year. The agreement is extended by one year if it is not terminated by giving one month’s prior notice to the end of the financial year (*ordentliche Kündigung*), such notice being admissible for the first time upon lapse of the financial year after the minimum period of the tax group established by the agreement has been met. For purposes of determining whether or not a notice was given in good time, the notice shall be deemed to be effected not on dispatch but upon receipt by the respective other party. A termination of the agreement prior to the expiration of its term is possible for good cause (*aus wichtigem Grund*). Good cause within the meaning of the agreement is specifically the full or partial termination of the indirect or direct participation of TUI AG, in LSG by TUI AG as well as the sale of its

shares in LSG or any other reorganisation such as for example a contribution of the shares in LSG or a conversion of LSG into a partnership, a merger or de-merger of any of the Parties or liquidation of any of the Parties.

- f) § 5. Final provisions: In deviation from section 307 AktG the shareholders of LSG (including any new shareholders) may resolve unanimously to continue the agreement. In this case the term of the agreement pursuant to § 4 of the agreement shall not be disrupted. Modifications of and amendments to the agreement are required to be in written form in order to be effective. This shall also apply for a waiver of the requirement of written form. In addition, section 295 AktG shall apply. Should any individual provision of this contract be or become fully or partially void, or should there be a gap in the agreement, the validity of the remaining provisions shall not be effected. In such case, the void provision or gap shall be replaced by a valid and enforceable provision coming as close as legally possible to the legal and economic purpose of the void provision. In addition, the Parties shall agree on an alternative provision coming as close as possible to the legal and economic purpose of the provision to be replaced. The place of fulfilment of the respective obligations and the exclusive place of jurisdiction, including with regard to the question of the validity of the agreement, shall be Hanover.
- g) Upon conclusion of the agreement and approval of the agreement by the shareholders' meeting of LSG, TUI AG will be the sole shareholder in LSG. TUI AG will therefore not be obliged to pay any compensation or settlement to external shareholders in LSG in line with sections 304 and 305 AktG. The agreement therefore does not contain any provisions concerning compensation or settlement payments.

### **Information on the available documents**

As of the date on which the invitation to the Annual General Meeting is sent, the final draft of the agreement dated 9 December 2014, the annual financial statements and management reports of TUI AG and LSG for the 2011/12, 2012/13 and 2013/14 financial years, the joint report of the Executive Board of TUI AG and the management of LSG pursuant to section 293a AktG and the report pursuant to section 293e AktG

prepared by the common contract auditor selected and appointed by court will be made available on the TUI AG website, [www.tui-group.com/en/ir/agma](http://www.tui-group.com/en/ir/agma), and will also be available for inspection in the offices of TUI AG at Karl-Wiechert-Allee 4, 30625 Hanover. The aforementioned documents will also be made available at TUI AG's Annual General Meeting.

**Report of the Executive Board to the Annual General Meeting on the exclusion of pre-emption rights in connection with the authorisation to acquire and use own shares pursuant to section 71(1) no. 8 AktG, as provided for in agenda item 7**

The proposal in agenda item 7 concerns an authorisation, restricted to a period of 18 months, to acquire own shares in accordance with section 71(1) no. 8 AktG representing up to 5% of the issued share capital, but no more than 26,473,000 shares. However, any contract to purchase own shares based on this authorisation may only be entered into prior to the next Annual General Meeting, i.e. only in the period up and until the 2016 Annual General Meeting.

In the Annual General Meeting on 12 February 2014, TUI AG passed an authorisation resolution for the acquisition of own shares that is limited to a term ending on 11 August 2015. As this authorisation will lapse in the current financial year, this authorisation resolution should be cancelled once the new authorisation that is to be resolved at this Annual General Meeting comes into effect. The proposed new authorisation takes account of the merger with TUI Travel PLC and the capital increase of TUI AG made in order to implement the merger. Limiting the volume of the proposed authorisation to acquire to 5% ensures that the volume of the new authorisation to acquire in terms of amount is not increased compared to the volume of the current authorisation despite the significantly higher issued share capital of TUI AG. In addition to the requirements of the German Stock Corporation Act, the new authorisation should also take into account the requirements to be met by the Company on account of the listing of TUI AG's shares on the London Stock Exchange and with a view to the local corporate governance standards.

Under the new authorisation, the Company, in addition to being able to acquire own shares on the stock exchange, should also be able to acquire own shares by means of a public tender offer to buy or a public call to submit an offer to sell to all shareholders. The principle of equal treatment, as specified in German stock corporation law, must be observed regardless of the way in which the acquisition is effected. In the case of a public tender offer to buy or a public call to submit an offer to sell, shareholders can decide how many shares they would like to offer to the Company and – where a price range is specified – at what price. In the event that the volume offered at the specified price exceeds the number of shares the Company wishes to acquire, it is to be possible for the acquisition to be effected in accordance with the ratio of shares tendered (tender ratio). Only where an acquisition is made according to tender ratios rather than participation ratios will it be possible to handle the acquisition process effectively in technical terms. It should also be possible for preference to be given to accepting small offers or small parts of offers up to a maximum of 50 shares per shareholder. This makes it possible to avoid small, generally uneconomical residual amounts, thereby preventing the risk of small shareholders being put at a de facto disadvantage. It also serves to simplify the technical handling of the acquisition process. It should be possible, in all cases, to permit rounding in accordance with common business practice in order to avoid fractions of shares. This also serves to simplify the technical handling in that it allows to ensure that only whole shares are acquired. In all of these cases, the exclusion of any further-reaching tender rights of the shareholders is necessary, and is considered by the Executive Board and the Supervisory Board to be justified and appropriate vis-à-vis the shareholders. The purchase price or the upper and lower limits of the purchase price range offered for each share (not including incidental acquisition costs) must not be more than 10% above or below the price for the Company's shares determined during the closing auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock exchange on the last trading day before the publication of the tender offer. If, following the announcement of a public tender offer to buy or a public call to submit an offer to sell, there are significant variations in the relevant price, the offer or the call to submit an

offer to sell may be adjusted. In this case, the average price during the three stock market trading days prior to the public announcement of any such adjustment will be used.

The authorisation may be used in whole or in part, once or several times, and in pursuit of one or several objectives. The acquisition may be effected by the Company, by dependent companies or companies that are majority-owned by the Company, or by third parties acting for their account or for the account of the Company. The own shares acquired may be sold on the stock exchange. In this case, shareholders have no pre-emption rights. In accordance with section 71(1) no. 8 sentence 4 AktG, the sale of own shares on the stock exchange – as well as the acquisition of shares on the stock exchange – complies with the principle of equal treatment as defined in section 53a AktG. However, the acquired own shares may also be sold by way of an offer to shareholders in compliance with the principle of equal treatment. Furthermore, the Executive Board is authorised to sell the acquired own shares in another way or to cancel them. In detail:

The proposed resolution authorises the Executive Board to sell the acquired own shares, subject to the consent of the Supervisory Board, for cash by means other than a sale on the stock exchange or an offer to shareholders. For this to take place, the shares must be sold at a price that is not significantly below the exchange price (at the time of the sale) of shares of the Company that are subject to the same terms. This authorisation makes use of the possibility for a simplified exclusion of pre-emption rights permitted under section 71(1) no. 8 sentence 5 AktG and section 186(3) sentence 4 AktG, applied analogously. The need to protect shareholders against dilution is accounted for by the fact that the shares may only be sold at a price that is not significantly below the relevant exchange price. The sales price for the own shares will be finally determined shortly before the sale takes place. The Executive Board will set any discount from the exchange price as low as possible, taking into account the market conditions at the time of placement. The discount from the exchange price at the time this authorisation is exercised is not expected to be more than 3% and will definitely not be more than 5% of the current exchange price. The authorisation is valid provided that the shares sold subject to an exclusion of pre-emption rights pursuant to section 186(3) sentence 4 AktG in aggregate do not

exceed 5 % of the issued share capital, either at the time the resolution on this authorisation is passed or at the time this authorisation is exercised. If the issued share capital at the time the authorisation is exercised is less than on 10 February 2015, the lower issued share capital amount shall apply. Any exercise of other authorisations to exclude pre-emption rights in accordance with section 186(3) sentence 4 AktG applied analogously or mutatis mutandis is to be taken into account and will reduce the permitted authorisation volume, to the extent that it exceeds the limit of 5 % of the issued share capital. Shareholders generally have the possibility to maintain their stake by purchasing TUI shares on the stock exchange. This option to exclude pre-emption rights helps the Company to secure the best possible price when selling own shares. It enables the Company to take advantage of any opportunities offered by the relevant stock exchange conditions quickly, flexibly and cost-effectively. The sale proceeds that can be achieved by setting a near-market price generally result in a substantially higher cash inflow per share sold than in the case of a share placement with pre-emption rights. Furthermore, by forgoing the lengthy and expensive pre-emption rights process, capital requirements can be met quickly by utilising market opportunities that arise in the short term. Although section 186(2) sentence 2 AktG allows the purchase price to be published three days before the expiry of the subscription period at the latest, the volatility of the stock markets means that a market risk – namely a price change risk – nonetheless exists for a period of several days, resulting in the possibility of haircuts during the determination of the sales price, and thus in terms that are not near-market. In addition, if pre-emption rights are granted, the Company is unable to react quickly to favourable market conditions owing to the length of the subscription period. Although the authorised capital, as set out in article 4 (5) of the Company's Charter, also serves the above purpose, the Company should be given the opportunity to achieve this end in suitable cases without having to perform a capital increase, which is a substantially slower and in some cases more expensive process due to the time required to update the commercial register.

Own shares which have been purchased may, with the consent of the Supervisory Board, also be sold against contributions in kind subject to an exclusion of shareholders' pre-emption rights. The proposed authorisation is to place the Company in

a position to offer own shares directly or indirectly as consideration in connection with mergers or acquisitions of companies, parts of companies, interests in companies or other assets (e.g. hotels, ships or aircraft, or receivables). As the Company is exposed to national and global competition, it must be in a position to act quickly and flexibly on the national and international markets at all times. This also includes the possibility to improve its competitive position by merging with other companies or by acquiring companies, parts of companies, interests in companies or other assets. The ideal way to implement this possibility is to carry out a merger or acquisition in such a way that shares in the acquiring company are granted. Practical experience also shows that, on both national and international markets, shares in the acquiring company are often demanded in return for attractive acquisition targets. In addition, it can be more advantageous to deliver own shares than to sell these shares in order to generate the funds required for an acquisition, as selling shares can have the effect of pushing down prices. The authorisation proposed here is to create the necessary leeway permitting the Company to quickly and flexibly take advantage of opportunities in terms of mergers or acquisitions of companies, parts of companies, interests in companies or other assets that may arise both nationally and on international markets. For this to be possible, the proposed exclusion of pre-emption rights is essential. By contrast, if pre-emption rights are granted, it is not possible to deliver own shares as consideration for a merger with other companies or for the acquisition of companies, parts of companies or interests in companies so that the Company would have to forgo the related benefits. Although the authorised capital, as set out in article 4 (5) of the Company's Charter, also serves the above purposes, the Company should be given the opportunity to achieve these ends in suitable cases without having to perform a capital increase, which is a substantially slower and in some cases more expensive process due to the time required to update the commercial register. At present, there are no specific plans to exercise this authorisation. Should possibilities to merge with other companies or to acquire companies, parts of companies, interests in companies or other assets arise, the Executive Board will examine carefully whether or not to make use of the option to grant own shares. The Executive Board will only do this if it firmly believes that the delivery of TUI shares as consideration is in the well-considered interest of the Company. In defining the valuation ratios, the Executive Board will

ensure that the interests of the shareholders are suitably accommodated. When assessing the value of the shares granted as compensation, the Executive Board will base its decision-making on the exchange price of the TUI AG share. A formal link to an exchange price is not intended, largely in order to prevent the results of negotiations being put in question by variations in the exchange price. The Executive Board will report on the details of the exercise of this authorisation at the General Meeting following any merger or acquisition in return for which TUI AG shares were delivered.

The authorisation furthermore allows that own shares which have been purchased be used, subject to an exclusion of shareholders' pre-emption rights, in order to fulfil conversion or pre-emption rights of holders of convertible bonds, bonds with warrants, profit-sharing rights and/or income bonds (or combinations of these instruments) issued by the Company or other Group companies and carrying warrant or conversion rights or obligations. It can make sense to use own shares instead of new shares from a capital increase, either solely or partially, in order to fulfil conversion rights because this is a suitable means of countering a dilution of shareholders' capital holdings and voting rights, which can occur to a certain extent if these rights are fulfilled by delivering newly created shares.

The above options for use may be exercised not only in respect of shares that were acquired on the basis of this authorisation resolution. Rather, the authorisation also covers shares acquired pursuant to section 71d sentence 5 AktG. Transferring these own shares in the same way as the shares acquired on the basis of the authorisation resolution is advantageous and can create additional flexibility. Furthermore, it is intended that the aforementioned options for use should be available not only to the Company itself but also to dependent companies or companies that are majority-owned by the Company, or to third parties acting for their account or for the account of the Company.

According to the proposal, the own shares acquired on the basis of this authorisation resolution may also be cancelled by the Company, with the consent of the Supervisory Board, without a new resolution by the General Meeting being required. According to section 237(3) no. 3 AktG, the Company's General Meeting may decide to cancel its fully paid-in shares without a

reduction in the Company's issued share capital being required. In addition to a cancellation of shares with a capital reduction, the proposed authorisation expressly provides for this alternative, although this too is intended to no longer require a new resolution by the General Meeting. If own shares are cancelled without a capital reduction, the calculated pro-rata share in the Company's issued share capital represented by the remaining registered shares automatically increases. The Executive Board therefore is also to be authorised to make the necessary amendment to the Charter with regard to the change in the number of shares that will result from any cancellation.

Finally, the Executive Board is to be authorised, with the consent of the Supervisory Board, to exclude the pre-emption rights of shareholders for fractional amounts if the own shares are sold by offering them to shareholders. The exclusion of pre-emption rights for fractional amounts serves to achieve a technically feasible subscription ratio. The shares that are excluded from the shareholders' pre-emption rights as unallotted fractions will be utilised on the best possible terms for the Company by selling them on the stock exchange or in another way. Due to the restriction to fractional amounts, the possible dilutive effect will be small.

In all cases where an exclusion of pre-emption rights is envisaged for the options for use contained in the proposed authorisation resolution, the resolution provides for an additional restriction regarding scope which also takes exclusions of those pre-emption rights into account which are provided for in other authorisations. According to this resolution, the total portion of the issued share capital attributable to own shares for which pre-emption rights have been excluded under the proposed authorisation must not - together with the portion of issued share capital attributable to own shares or new shares from authorised capital or relating to warrant or conversion rights or obligations from bonds that were sold or issued after 10 February 2015 subject to an exclusion of pre-emption rights - exceed 10% of the issued share capital.

Having given due consideration to all the above factors, the Executive Board and the Supervisory Board regard the exclusion of pre-emption rights as justified and appropriate vis-à-vis the shareholders in those cases for the stated reasons, also taking into account the possible dilutive effects suffered by shareholders. The Company will in any event comply with the applicable regulatory rules, in particular the Listing Rules of the United Kingdom Listing Authority.

If this authorisation is exercised, the Executive Board will notify the next General Meeting accordingly. The Executive Board does not currently intend to make use of the authorisation to acquire own shares. The Executive Board will review this option from time to time, however, and may then decide to repurchase shares on the basis of this authorisation. However, the Executive Board will only exercise the authorisation to repurchase shares if it believes that this will result in an improvement in the earnings per share and is in the interests of all shareholders.

# PARTICIPATION

## Registration

Pursuant to article 21 of the Charter, all shareholders of the Company who are entered in the Company's share register on the day of the Annual General Meeting and in respect of whose shareholdings the shareholders themselves or their proxies have registered **for attendance by the end of the registration period (midnight on 3 February 2015)** are entitled to participate and vote in the Annual General Meeting. Pursuant to article 21 (2) of the Charter, no entries will be deleted from and no new entries made in the share register on the day of the Annual General Meeting and in the six days prior to it. We will send the convening notice, together with a personal cover letter, to all shareholders who are entered in the share register on or before 27 January 2015 and such shareholders may then register themselves or their proxies in the following ways:

In writing to the following postal address:	By fax to:
TUI AG Aktionärsservice Postfach 1460 61365 Friedrichsdorf Germany	+49 (0) 69 22 22 34 29 4
Electronically via the following internet address (from 15 January 2015)	
<a href="http://www.tui-group.com/en/ir/agm">www.tui-group.com/en/ir/agm</a>	

Shareholders of TUI AG will again have the opportunity at this Annual General Meeting to register themselves or a proxy and to order admission tickets for the Annual General Meeting or give authorisation and instructions to Company-appointed proxies electronically via the internet. This service will be available from 15 January 2015 at [www.tui-group.com/en/ir/agm](http://www.tui-group.com/en/ir/agm).

The shareholder number and individual access number required for access to the personal AGM Online-Service are printed on the reverse of the personal cover letter. Shareholders who have registered for e-mail correspondence should use their chosen user ID and password to access the AGM Online-Service. Shareholders whose registration has been received by the Company by midnight on 3 February 2015 may give authorisation and instructions to Company-appointed proxies, change previously issued instructions or revoke an authorisation of Company-appointed proxies using the addresses set out above until midnight on 9 February 2015. This also applies to authorisations and instructions that were given to Company-appointed proxies before 3 February 2015. Admission tickets must have been ordered by midnight on 3 February 2015 at the latest.

Shareholders who have not already been entered in the share register by the beginning of 27 January 2015, and not by the end of 3 February 2015 at the latest, can only register themselves or their proxies and order admission tickets in writing or by fax from the postal address or fax number listed above (such orders must be received by midnight on 3 February 2015 at the latest). Registration prior to receipt of the personal cover letter is also only possible in writing or by fax to the postal address or fax number listed above, unless the shareholder has registered for e-mail correspondence.

## Advice on voting by proxy

Shareholders who are registered in the share register and have registered themselves or a proxy in respect of their shareholdings for the Annual General Meeting in time have the option to have their voting right exercised by a credit institution, a shareholder association, the Company-appointed proxies or another proxy of their choice at the Annual General Meeting. The proxy authorisation must be granted or revoked and proof of authorisation to be provided to the Company must be provided in text form. Authorisation forms can be found in the personal cover letter as well as at [www.tui-group.com/en/ir/aggm](http://www.tui-group.com/en/ir/aggm). If shareholders' proxies are required to prove their authorisation to the Company, i.e. if they do not fall under the exception that applies to credit institutions, commercial agents and

shareholder associations pursuant to section 135 AktG, the proof of a proxy's appointment may also be provided to the Company electronically by sending an e-mail to [tui.hv@rsgmbh.com](mailto:tui.hv@rsgmbh.com). The special rules contained in section 135 AktG apply, in derogation from the above sentences, to the authorisation of and exercise of voting rights by credit institutions, commercial agents, shareholder associations and equivalent persons or entities. The following special provisions apply to the authorisation of proxies appointed by the Company.

Shareholders of TUI AG have the opportunity to have their voting rights represented at the Annual General Meeting by employees of the Company who are bound to comply with their instructions. Shareholders can grant authorisation and issue instructions to the Company-appointed proxies in writing using the response form included in the personal cover letter or alternatively using the authorisation and instruction form to be found under [www.tui-group.com/en/ir/aggm](http://www.tui-group.com/en/ir/aggm), in writing, by fax or via the internet (as described in the section entitled "Registration") using the above addresses/fax number. The Company-appointed proxies are obliged to vote in accordance with the instructions issued. If no instructions have been issued, the authorisation will not be exercised. If instructions are not clear, the Company-appointed proxies will abstain from voting on the corresponding agenda items. This always applies in the case of unforeseen motions.

### **Advice on counter-motions and nominations pursuant to sections 126 and 127 AktG**

Counter-motions relating to proposals made by the Executive Board and the Supervisory Board on a particular agenda item and proposals for the election of Supervisory Board members may be addressed to:

TUI AG  
Vorstandsbüro  
Karl-Wiechert-Allee 4  
30625 Hanover  
Fax: +49 (0)511 566-1996  
Email: [gegenantraege.hv@tui.com](mailto:gegenantraege.hv@tui.com)

Any motions and nominations sent to other addresses will not be published pursuant to sections 126 and 127 AktG. All motions and election proposals that are received from shareholders by midnight on Monday, 26 January 2015 at the latest and that require publication will be published, together with the relevant shareholder's name, the grounds cited (only required in the case of counter-motions) and any statement made by the management, at [www.tui-group.com/en/ir/agm](http://www.tui-group.com/en/ir/agm).

### **Advice on supplementary motions pursuant to section 122 (2) AktG**

Shareholders whose combined stakes represent a total pro rata amount of €500,000 of the Company's issued share capital may request, analogous to section 122 (1) AktG, that items are included in the agenda and published. Each new item must be accompanied by the pertinent grounds or a resolution proposal. The request for an addition to the agenda must be addressed to the Executive Board and must have been received in writing by the Company by midnight on Saturday, 10 January 2015 at the latest. The applicants must prove that they have held the relevant shares for at least three months prior to the date on which the request was received by the Company and that they will continue to hold these shares until a decision on the request for an addition to the agenda has been taken by the Executive Board. If the request is denied, applicants may have recourse to the courts pursuant to section 122 (3) AktG.

### **Advice on the shareholder's right to information**

Pursuant to section 131 AktG, any shareholder must, on request, be given information by the Executive Board on the Company's affairs at the Annual General Meeting, provided such information is necessary in order to make an informed judgement on an agenda item. This right to information also extends to TUI AG's legal and commercial relations with affiliated companies, as well as the situation of the group as a whole and the companies included in the consolidated financial statements.

Pursuant to article 22 (2) sentence 2 of the Company's Charter, the chairman may apply reasonable time limits to the question and answer rights of shareholders at the Annual General Meeting. The Executive Board may refuse to disclose information citing the grounds set out in section 131 (3) AktG, in particular if the information was continuously available on the Company's website for at least seven days prior to the beginning of the Annual General Meeting and is available at the Annual General Meeting. If a shareholder is refused information, that shareholder may, pursuant to section 131 (5) AktG, request that the question and the reason for such refusal be included in the notarial record of the Annual General Meeting and, if appropriate, apply to a court to rule on the right to information pursuant to section 132 AktG.

### **Information pursuant to section 124a AktG and other information on shareholder rights**

The website of TUI AG via which information pursuant to section 124a AktG and further explanations relating to shareholder rights can be accessed is: [www.tui-group.com/en/ir/agm](http://www.tui-group.com/en/ir/agm). For further information, the TUI shareholder AGM hotline is available under (0800) 56 00 841 (from within Germany) or +49 (0) 6196 8870 701 (from abroad) from Monday to Friday between 8 a.m. and 6 p.m. (CET).

## Notes for holders of depositary interests

Holders of depositary interests (“DIs”) issued by Capita IRG Trustees Limited relating to TUI AG shares can, subject to certain conditions, participate in the Annual General Meeting themselves or via proxies and exercise the voting rights corresponding to the number of TUI AG shares underlying their DIs. Further information, including the relevant conditions, will be sent to the holders of DIs separately or can be requested by such holders from Capita IRG Trustees Limited.

Berlin/Hanover, December 2014  
The Executive Board

# DIRECTIONS

## How to get to the Venue

### By car

Hanover has established an environmental zone in its inner city. The Hannover Congress Centrum is located within that environmental zone. Should you wish to come to the AGM by car, your vehicle will need to have a pertinent green windscreen sticker. For more detailed information you can also go to:

[www.hannover.de/Leben-in-der-Region-Hannover/Umwelt/Umweltinformation/Luft,-Lärm-und-Strahlung/Umweltzone](http://www.hannover.de/Leben-in-der-Region-Hannover/Umwelt/Umweltinformation/Luft,-Lärm-und-Strahlung/Umweltzone)

#### From the north ↓

Exit the motorway A7 at junction Hannover-Kirchhorst, follow the motorway A37/ Messeschnellweg. Turn right at the exit Hannover-Kleefeld, turn right again at the first traffic lights into Clausewitzstraße. Parking deck Schackstraße

#### From the west →

Follow the motorway A2 to the junction Hannover-Buchholz. Exit the A2 and follow the motorway A37/ Messeschnellweg. Turn right at the exit Hannover-Kleefeld, turn right again at the first traffic lights into Clausewitzstraße. Parking deck Schackstraße

#### From the south ↑

Follow the motorway A7 to Hannover-Süd. Exit the A7 and follow the A37/Messeschnellweg. Turn left at the exit Hannover-Kleefeld, turn right at the first traffic lights into Clausewitzstraße. Parking deck Schackstraße

#### From the east ←

Follow the motorway A2 right across junction Hannover-Ost up to junction Hannover-Buchholz. Exit the A2 and follow the motorway A37/ Messeschnellweg. Turn right at the exit Hannover-Kleefeld, turn right again at the first traffic lights into Clausewitzstraße. Parking deck Schackstraße

### By public transport

Schedules are available at: [www.efa.de/gvh/](http://www.efa.de/gvh/)

#### From Hanover main station

take the **bus lines 128 or 134** towards Peiner Straße **directly to Hannover Congress Centrum**. The trip will take approx. 10 minutes. Or: by the tram lines

**1** (direction Laatzen/Sarstedt)

**2** (direction Rethen)

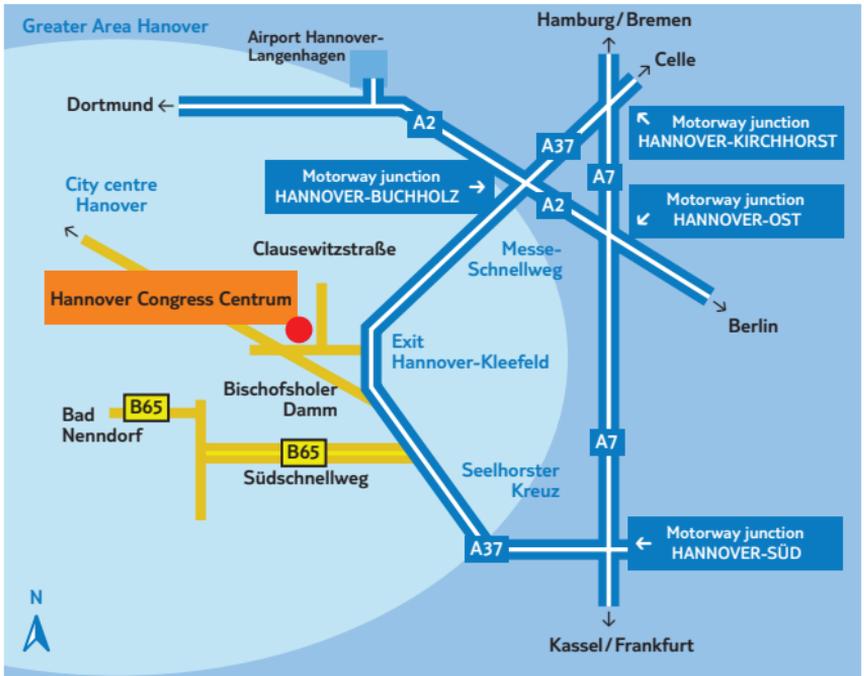
**8** (direction Messe/Nord)

**10 or 17** (both directions Aegidientorplatz) **to Aegidientorplatz**. Change for **line 11** (direction Zoo) **to Hannover Congress Centrum**. The trip will take approx. 15 minutes.

#### From Hanover airport

take the S-Bahn S5 to **Hauptbahnhof**, there the public transport as described adjoining **directly to Hannover Congress Centrum**. The trip will take approx. 35 minutes.

**Destination:**  
Hannover Congress Centrum  
Theodor-Heuss-Platz 1-3  
30175 Hanover  
Germany



World of  TUI

TUI AG  
Karl-Wiechert-Allee 4  
30625 Hanover  
Germany