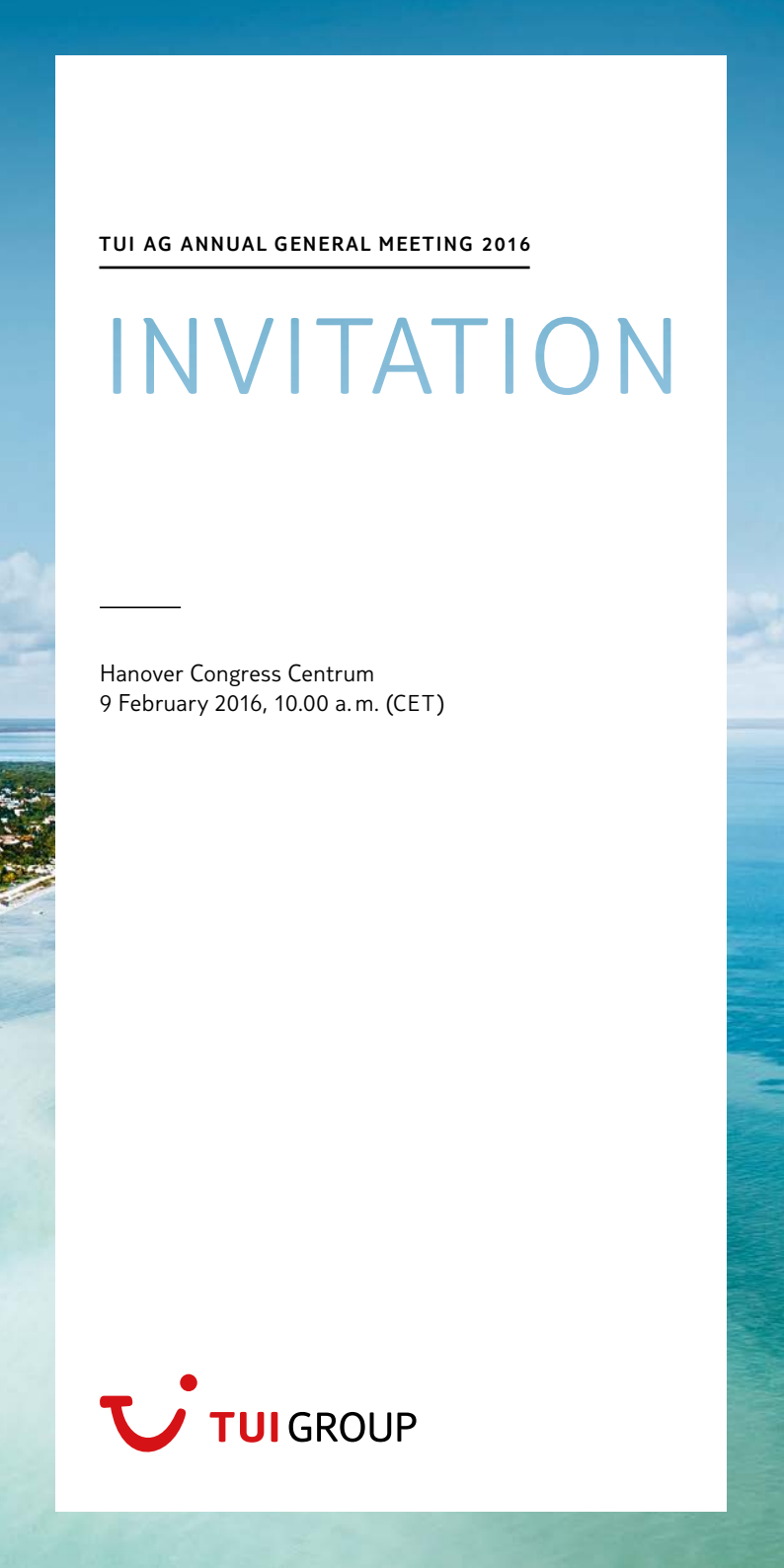


TUI AG ANNUAL GENERAL MEETING 2016

INVITATION

Hanover Congress Centrum
9 February 2016, 10.00 a.m. (CET)

TUI GROUP

TUI GROUP – FINANCIAL HIGHLIGHTS

€ million	2014/15	2013/14 restated	Var. %
Turnover	**20,011.6**	**18,536.8**	**+8.0**
Underlying EBITA[1]			
Northern Region	530.3	398.3	+33.1
Central Region	103.5	163.0	–36.5
Western Region	68.8	81.7	–15.8
Hotels & Resorts	234.6	202.8	+15.7
Cruises	80.5	9.7	+729.9
Other Tourism	–21.1	–22.3	+5.4
Tourism	**996.6**	**833.2**	**+19.6**
Specialist Group	56.2	45.5	+23.5
Hotelbeds Group	116.8	101.7	+14.8
All other segments	–100.6	–110.5	+9.0
TUI Group	**1,069.0**	**869.9**	**+22.9**
Discontinued operation	–8.5	–2.8	–203.6
Total	**1,060.5**	**867.1**	**+22.3**
EBITA[2]	**865.3**	**777.2**	**+11.3**
Underlying EBITDA	**1,505.9**	**1,199.8**	**+25.5**
EBITDA	**1,362.0**	**1,163.6**	**+17.1**
Net profit for the period	379.6	270.8	+40.2
Earnings per share €	0.64	0.26	+146.2
Equity ratio %	17.2	18.1	–0.9[3]
Cash investments in other intangible assets and property, plant and equipment	594.3	385.7	+54.1
Net debt	213.7	–292.4	n.a.
Employees	76,036	77,028	–1.3

Differences may occur due to rounding.

[1] In order to explain and evaluate the operating performance by the segments, EBITA adjusted for one-off effects (underlying EBITA) is presented. Underlying EBITA has been adjusted for gains/losses on disposal of investments, restructuring costs according to IAS 37, ancillary acquisition costs and conditional purchase price payments under purchase price allocations and other expenses for and income from one-off items.

[2] EBITA comprises earnings before net interest result, income tax and impairment of goodwill excluding losses on container shipping measured at equity and excluding the result from the measurement of interest hedges.

[3] Equity divided by balance sheet total in %, variance is given in percentage points.

CONTENTS

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 Financial Conduct Authority and for holders of depositary interests:

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION AND REQUIRES YOUR IMMEDIATE ATTENTION. If you, as holder of depositary interests issued by Capita IRG Trustees Limited relating to TUI AG shares, 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 independent professional 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 depositary interests relating to TUI AG shares, please forward this document and the accompanying documents (excluding any personalised forms) as soon as possible to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected and ask him / them to contact 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, 9 February 2016 at 10.00 a.m. (CET) at Hanover Congress Centrum, Theodor-Heuss-Platz 1 – 3, 30175 Hanover, Germany, is set out in this document, starting on page 21. This document includes information on how shareholders can participate in the Annual General Meeting and how to appoint and give instructions to a proxy. This document is also available in German at www.tuigroup.com/de-de/investoren/hauptversammlungen.

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 depositary interests. Further information, including the relevant conditions, will be sent to the holders of depositary interests separately or can be requested by such holders from Capita IRG Trustees Limited.

Dear Shareholders,

We are delighted to be able to look back on a year of positive developments for the TUI Group. They are reflected in our growth, our operating results and the integration and restructuring progress we have achieved since the merger at the end of 2014. In fact, we have made considerably faster progress than anticipated. Obviously this is good news for you, our shareholders, but also for our customers and employees.

In the past financial year we ushered in a new era for TUI AG and TUI Travel PLC. When the merger went ahead on 17 December 2014 the world's largest leisure travel group was created.

The key objective behind the merger was to combine our tour operator business with the Group's own hotel and cruise companies. This has been achieved through the new organisational structure.

A number of hierarchical levels were eliminated during the restructuring process and, as a result, we are now a leaner, more agile and more competitive organisation. It is also due to these organisational changes that we have been able to step up the pace of the integration process. The associated positive impacts on our operating performance meant that it lost no momentum during the change process. Moreover, we again achieved double-digit growth in earnings and met our ambitious underlying EBITA target of around € 1 bn.

We are pleased to share this positive business development with you by offering you an attractive dividend. A proposal to increase the dividend to 56 cents per share will be made by us at the 2014 / 15 Annual General Meeting. This represents a 70 percent year-on-year increase.

Further to the initial positive impact of the merger on our operations we have also made significant headway in delivering the synergies that we announced. We have combined TUI AG and TUI Travel PLC group functions with the aim of achieving € 50 m in savings by the end of the 2016 / 17 financial year. This is € 5 m more than we initially envisaged and announced at the time of the merger. At the same time, the non-recurring expenses necessary to deliver these synergies will be cut by € 10 m to € 35 m.

We expect to be generating additional savings of € 20 m per annum as of the 2016 / 17 financial year through the restructuring and integration of TUI Destination Services.

In light of our performance to date we are confident of being in a position to fully deliver the envisaged cost savings by the 2016 / 17 financial year.

Not only does the merger allow us to exploit cost synergies, it also means that we can cover the entire tourism value chain in an unprecedented way. We can offer our customers one-stop shop services ranging from holiday bookings and flights to hotel or club resort accommodation, plus fully comprehensive support. This is a USP that differentiates us from the traditional tour operators and online portals because we own the content, i.e. the hotels, clubs and cruise ships. Our own hotels and cruise ships are major assets that are crucial to our future growth, which is why we will continue to invest in them. In conjunction with our services they deliver a powerful brand experience to our customers and, for this reason, we will be shifting our business model's focus from tour operator business to content in future.

In this regard we will continue to follow a very clear strategic growth agenda. We aim to increase turnover, acquire new customers and launch new destinations – particularly all-year destinations. Our tour operators' strong market presence plus our (online and offline) distribution make us confident that the market will accept our growth and that our bookings will increase. The risk / reward ratio for our hotel and cruise investments is also considerable more positive today due to our strengths as an integrated tourism group.

Despite the many positive developments we have seen in the past financial year, we also experienced the devastating terrorist attack in Sousse. It shocked our Group, our sector and the holiday destination of Tunisia to the core. 33 TUI customers – mostly from the UK – lost their lives in the terrible incident. Our thoughts remain with the families and relatives of the victims.

This inhumane act of violence inspired many people to perform courageous and commendable acts. The Riu and TUI ground staff and the TUI care teams immediately did their best to care for our custom-

ers who were affected by the tragedy. They saved lives and did everything in their power to support, comfort and provide solace to our customers in Sousse. In affected source markets, particularly the UK, colleagues worked tirelessly as victims, families, friends and customers holidaying in other parts of Tunisia were brought home and holidays re-arranged for those about to start their holidays in that country. We are sure you will join us in thanking all involved for their extraordinary and moving efforts.

The TUI Group has got off to a great start. We have an excellent market position, we have a clear growth strategy and the Group itself is optimally structured. We will continue to pursue our strategy and endeavour to maintain our current pace of progress in order to ensure the TUI Group continues to be the first choice for you, our customers and our employees.

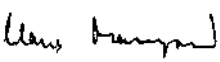
We appreciate and thank you for your confidence, support and loyalty to the TUI Group.

Invitation to the Annual General Meeting
We are pleased to invite you to attend our 2016 Annual General Meeting, which will be held at Hanover Congress Centre, Theodor-Heuss-Platz 1 – 3, D-30175 Hanover, on Tuesday, 9 February 2016, from 10:00 a.m. (CET). In addition to our shareholders, in accordance with the conditions set out in the German Stock Corporation Act (Aktiengesetz; AktG) and the Charter (and in line with the agreements on depositary interests – "DIs"), our DI holders are also entitled to participate in the AGM and to exercise the voting rights carried by the underlying TUI shares which their DIs represent.

You will find the invitation to the 2016 Annual General Meeting on pages 21 to 74 of this document. The invitation includes the agenda with the resolutions proposed by the Executive Board and the Supervisory Board. It also provides information on participation, exercise of voting rights and submission of proxy instructions by shareholders, from page 75. DI holders will receive 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 our DI holders will receive forms to register for the AGM, appoint proxies and submit voting instructions, if necessary, with the letter of invitation.

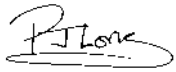
For shareholders and DI holders, we have compiled explanatory notes concerning the agenda items and the proposed resolutions on the pages below.

Recommendation regarding proposed resolutions
The Executive Board and Supervisory Board believe that the proposed resolutions 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, including to the extent that members of the Executive Board and Supervisory Board and the shares held by them are not entitled to vote on individual resolutions under the provisions of the German Stock Corporation Act.



Prof. Dr Klaus Mangold
Chairman of the Supervisory Board

Friedrich Joussen
Joint CEO



Peter Long
Joint CEO

Notes on the agenda items and proposed resolutions

Agenda items 1 to 5 contain items that are required at an annual general meeting pursuant to the German Stock Corporation Act. Agenda items 6 to 8 contain authorisations, as requested by TUI AG in the past, to issue new shares or to issue bonds to which (inter alia) warrant or conversion rights or obligations may be attached and which may therefore lead to the issue of new shares. Agenda item 9 contains the authorisation to acquire and use own shares, which has also been requested annually by TUI AG in the past. Agenda item 10 covers the election of seven of the ten Supervisory Board members representing the shareholders. Under agenda item 11, the Executive Board and the Supervisory Board request your approval of an amendment to the Charter in order to remove the time limit on the ability of the Supervisory Board to elect a second deputy chairman of the Supervisory Board and on the possibilities regarding the set-up of the presiding committee and additional committees. Under agenda item 12, the Executive Board and the Supervisory Board request your approval of an amendment to the Charter on the Supervisory Board remuneration. Further details of each agenda item are set out below:

Agenda item 1 – Presentation of the approved annual financial statements for the 2014 / 15 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 required by the German Stock Corporation Act, 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 the additional documents described in the heading. In the General Meeting, the Executive Board will present and explain the financial statements and the chairman of the Supervisory Board will present and explain the report of the Supervisory Board. A resolution of the General Meeting approving the financial statements is not required by the German Stock Corporation Act. Further information as to why a resolution of the General Meeting approving the financial statements is not required can be found under the corresponding agenda item. Additional information can also be found in the UK Corporate Governance Statement of TUI AG. For the full text of the UK Corporate Governance Statement of TUI AG, please refer to www.tuigroup.com/en-en/investors/corporate-governance/UK-Corporate-Governance-Statement.

Agenda item 2 – Resolution on the use of the net profit available for distribution for the 2014 / 15 financial year (resolution to approve the payment of the proposed dividend)

The Executive Board and the Supervisory Board propose, for the 2014 / 15 financial year, to pay a dividend of € 0.56 per TUI AG share carrying dividend rights. If the resolution is approved by the General Meeting, the dividend will be paid without undue delay after the conclusion of the Annual General Meeting; payment is expected to take place from 10 February 2016 onwards.

The following time schedule for payment of the approved dividend will apply to DI holders:

TIME SCHEDULE FOR DI HOLDERS

(i)	Final date for receipt by Capita of Forms of Direction / Instruction	Thursday 1 February 2016 at 4.30 p.m. (GMT), 5.30 p.m. (CET)
(ii)	Record date & time	Tuesday 9 February 2016, COB
(iii)	Annual General Meeting	Tuesday 9 February 2016
(iv)	Ordinary shares quoted ex-dividend	Wednesday 10 February 2016
(v)	Dividend payment date	Wednesday 10 February 2016
(vi)	Posting of dividend warrants and vouchers to DI holders	Tuesday 16 February 2016
(vii)	CREST credit date	Wednesday 17 February 2016

Agenda items 3 and 4 – Resolutions on the approval of the actions of the Executive Board and the Supervisory Board for the 2014 / 15 financial year

The members of the Executive Board are appointed by the Supervisory Board. The members of the Supervisory Board who are not employee representatives or appointed by court are elected by the General Meeting. Their term of appointment is normally five years. However, the German Stock Corporation Act provides that the shareholders should decide at the Annual General Meeting each year 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. This approval of the management of the Company by the members of the Executive Board and the Supervisory Board does not constitute or include a waiver of claims for compensation. It is rather a vote of confidence for the past and the future.

As was the case at the 2015 Annual General Meeting, a separate resolution on the approval of the actions will – if the chairman of the meeting does not determine otherwise – be proposed at the 2016 Annual General Meeting for each member of the Executive Board and the Supervisory Board. This is in order to align more closely with the practice of electing each Board member individually on an annual basis, which is usual for companies on the premium listing segment on the London Stock Exchange following the recommendations of the UK Corporate Governance Code.

Additional important information can be found in the UK Corporate Governance Statement of TUI AG.

Agenda item 5 – Resolution on the appointment of the auditor
Agenda item 5 covers the appointment of the auditor. The Supervisory Board, which is 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 for the auditor on a recommendation of its audit committee. The Supervisory Board further proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft be also appointed as auditor for a potential review of additional interim financial information.

Agenda items 6 to 8
Agenda items 6 to 8 cover the

- authorisation of the Executive Board to increase the share capital (authorised capital) of the Company with the option to disapply pre-emption rights in accordance with, inter alia, sections 203 (2), 186 (3) sentence 4 AktG, while cancelling the previous authorisation to increase the share capital (authorised capital) pursuant to article 4 (5) of the Charter of TUI AG – Amendment to the Charter (agenda item 6),
- authorisation of the Executive Board to increase the share capital (authorised capital) of the Company with the option to disapply pre-emption rights, including in return for contributions in kind, while cancelling the previous authorisation to increase the share capital (authorised capital) pursuant to article 4 (7) of the Charter of TUI AG – Amendment to the Charter (agenda item 7), and

- authorisation of the Executive Board to issue convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) with the option to disapply pre-emption rights pursuant to, inter alia, section 221 (4) and section 186 (3) sentence 4 AktG and to create new conditional capital in respect of such bonds or rights while cancelling the previous authorisation to increase the share capital (conditional capital) existing under article 4 (6) of the Charter of TUI AG – Amendment to the Charter (agenda item 8).

The three proposed resolutions seek authorisations for the Executive Board in respect of the Company's share capital similar to those that TUI AG has obtained in the past. In appearance, the proposed authorisations differ from comparable authorisations obtained by other companies listed on the London Stock Exchange but are in accordance with the German Stock Corporation Act and are in line with the common practice of companies subject to German law. In terms of content, however, important limits customary for companies listed at the London Stock Exchange will also be observed and in some instances the limits contained in the proposed resolutions are stricter than common UK limits:

The resolutions proposed under agenda items 6 to 8, if passed, would allow the issued share capital of the Company to be increased by an amount not to exceed € 870,000,000.00 (currently corresponding to 340,314,420 shares) which represents approx. 58 % of the issued share capital of the Company as at 30 December 2015, which is the date the General Meeting was convened and is the latest practicable date prior to publication of this document. Under this authority, shares or bonds with conversion or warrant rights or obligations relating to shares can be issued with pre-emption rights being granted to the shareholders up to the maximum amount specified. A portion of the authority can also be used to issue shares or bonds without granting pre-emption rights to shareholders in return for contributions or benefits in kind. On the basis of the proposed resolutions, the share capital issued in return for contributions in kind cannot exceed 20 % of the issued share capital, which represents (based on the issued share capital as of 30 December 2015) an amount not to exceed approx. € 300,018,149.33 (currently corresponding to 117,356,899 shares). Alternatively, a portion of the shares or bonds can be issued in return for cash without granting pre-emption rights to shareholders. However, on the basis of the proposed resolutions, the share capital issued in return for cash without granting pre-emption rights cannot exceed 10 %, which represents

(based on the issued share capital as of 30 December 2015) an amount not to exceed € 150,009,074.66 (currently corresponding to 58,678,449 shares). On the basis of the proposed resolutions, the share capital can be increased by all types of admissible issues of shares and bonds subject to a disapplication of pre-emption rights by a maximum aggregate amount that may not exceed 20 %, which represents (based on the issued share capital as of 30 December 2015) an amount not to exceed approx. € 300,018,149.33 (currently corresponding to 117,356,899 shares).

All of the above percentage limits are to be calculated on the basis of the lower of the issued share capital as of 9 February 2016 (being the date of the General Meeting), or at the time the new shares or bonds are issued. In addition, deduction clauses ensure that the issue of shares or disposals of own shares will be deducted from the limits referred to above so that the limits cannot be exceeded even when taking into account a disposal of own shares, if any. As of 30 December 2015, the Company held, and at the time of publication of this invitation holds, no own shares.

In addition to the resolutions proposed under agenda items 6 to 8, the Company has two types of existing authorisations allowing the issue of new shares to employees. On the basis of these authorisations, the share capital can be increased by an amount not to exceed € 26,940,552.09 (currently corresponding to 10,538,227 shares), i. e. (based on the issued share capital as of 30 December 2015) by an amount not to exceed approx. 2 %.

The table below provides an overview of the scope of the individual authorisations.

SCOPE OF INDIVIDUAL AUTHORISATIONS

Authority to allot shares		
1	Maximum permissible scope of share issues under the authorisations proposed under agenda items 6 to 8	
2	Maximum permissible scope of the authorisations described in no. 1 above together with all other authorisations existing after the General Meeting for the issue of new shares	
3	Maximum permissible scope of the authorisations described in no. 2 together with the authorisation proposed under agenda item 9 to acquire and use own shares	
Disapplication of pre-emption rights		
4	– aggregate limit where shares or bonds are issued in return for contributions or benefits in kind or otherwise without pre-emption rights (excluding the granting of shares to employees)	
4.1	– limit where shares or bonds are issued in return for contributions or benefits in kind (without pre-emption rights) (Pre-emption rights apply to non-cash issues under German law, but, under English law, pre-emption rights would not apply.)	
4.2	– limit where shares are issued in return for cash without pre-emption rights (excluding the granting of shares to employees)	

Each of the resolutions proposed under agenda items 6 to 8 provide authorisations for a term of five years, as permitted under the German Stock Corporation Act. It would be possible to specify a shorter term, but taking into account the need to include the authorisations and conditional capital in the Charter and considering the intent and purpose of the authorisations, TUI AG believes shorter authorisations to be less practical and, ultimately, detrimental to the Company. Further, under the statutory two-tier management structure existing at TUI AG, shareholders are protected by the Executive Board needing to obtain the consent of the Supervisory Board to issue any shares or bonds. Without the new authorisations granted at a subsequent General Meeting, the limits on the issue of new shares and bonds set out above apply for the five-year term (and are not annual limits). Therefore, while the typical term of authorisation is

	Portion of the share capital in €	Number of shares	% of the share capital existing as of 30 December 2015
	870,000,000.00	340,314,420	approx. 58 % (approx. 48 % authorised capital and 10 % conditional capital)
	896,940,552.09	350,852,647	approx. 60 % (approx. 50 % authorised capital and 10 % conditional capital)
	971,945,089.42	380,191,871	approx. 65 % (approx. 50 % authorised capital, 10 % conditional capital and 5 % any acquired own shares)
	300,018,149.33	117,356,899	20 %
	300,018,149.33	117,356,899	20 %
	150,009,074.66	58,678,449	10 %

longer than for typical UK companies listed on the premium segment of the London Stock Exchange, the level of the authorisations across the five-year period is, potentially, materially lower.

The Executive Board does not currently intend to make use of the authorisations proposed under agenda items 6 to 8, but this will be kept under review. The Executive Board will exercise the authorisations to issue shares or bonds subject to a disapplication of pre-emption rights only if the strict requirements for the disapplication of pre-emption rights provided by the German Stock Corporation Act are fulfilled in the specific situation and, in particular, the disapplication of pre-emption rights is considered to be in the best interests of the Company.

Further information that is relevant for the proposed resolutions 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 9 – Resolution on a new authorisation to acquire and use own shares in accordance with section 71 (1) no. 8 AktG with potential disapplication of pre-emption rights and rights to tender shares and the option to cancel own shares, also while reducing the share capital

Insofar as the acquisition of own shares is not already permitted by law, the Company will require special authorisation from the General Meeting. The resolution proposed under agenda item 9 will authorise the Executive Board to determine that the Company will buy back its own shares within the limits allowed under the German Stock Corporation Act and set out in the resolution. As in the past, the proposed authorisation not only permits a standard 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 applicable German law.

The authorisation to acquire own shares is limited to the lower of: (i) 5 % of the share capital existing on the date of the resolution (i. e. the date of the Annual General Meeting); or (ii) 29,339,224 shares (being 5 % of the issued share capital as of 30 December 2015). The new authorisation will remain valid up to and including 8 August 2017. However, any contract to purchase own shares based on this authorisation must be concluded before the 2017 Annual General Meeting.

The authorisation to acquire own shares provides for the same caps and floors applied earlier by TUI AG for consideration to be paid for the acquisition of own shares. These are all set out in the resolution and comply with the Listing Rules of the United Kingdom Financial Conduct Authority. The Company will, in any event, comply with the applicable regulatory rules, including the Listing Rules of the United Kingdom Financial Conduct Authority, when exercising the authorisations to acquire and use own shares.

Pursuant to the authorisations 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 the purposes set out in the resolution subject to a disapplication of statutory shareholders' pre-emption rights. The volume of acquired

shares that may be disposed of subject to a disapplication of shareholders' pre-emption rights – whether in return for contributions in cash or in kind – on the basis of the resolution is also limited to the lower of: (i) 5 % of the issued share capital at the date of the resolution (i.e. the date of the Annual General Meeting); or (ii) 29,339,224 shares, corresponding to 5 % of the issued share capital as of 30 December 2015.

The Executive Board does not currently intend to make use of the authorisations to acquire and use own shares contained in the proposed resolution and 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. 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 that is in the interests of all shareholders. The Executive Board will only exercise the authorisations to use own shares subject to a disapplication of pre-emption rights if the strict requirements for the disapplication of pre-emption rights provided by the German Stock Corporation Act are met and, in particular, if the disapplication of pre-emption rights is considered to be in the best interests of the Company.

As of 30 December 2015, the authorisation to acquire granted by the 2015 Annual General Meeting has not been used, the Company does not hold any own shares and the Company has not granted any rights to subscribe for any shares.

Further information that is relevant for the proposed resolution 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 10 – (Re-) election of several Supervisory Board members

At the close of the Annual General Meeting on 9 February 2016, the term of office of seven of the ten Supervisory Board members representing the shareholders (including Mr Maxim Shemetov, who has resigned as shareholder representative on the Supervisory Board with effect as of the close of the 2016 Annual General Meeting) will end. Therefore, seven Supervisory Board members must be newly elected by the shareholders at the Annual General Meeting on 9 February 2016. Each election is to be conducted by an individual resolution.

The Supervisory Board nominates the following candidates for election: Prof. Dr Edgar Ernst, Ms Angelika Gifford, Sir Michael Hodgkinson, Mr Peter Long, Prof. Dr Klaus Mangold, Mr Alexey A. Mordashov, and Ms Carmen Riu Güell. As set out in the German Corporate Governance Code, the Supervisory Board bases its nominations on nominations by its nomination committee, which is comprised exclusively of shareholder representatives. Each candidate is to be elected for the full term of around five years (expiring at the 2021 AGM) as stipulated in the Charter.

Prof. Dr Edgar Ernst, Sir Michael Hodgkinson, Prof. Dr Klaus Mangold, and Ms Carmen Riu Güell are currently members of the Supervisory Board and are now proposed for re-election. Ms Angelika Gifford was previously a member of the Supervisory Board until 2014. Ms Angelika Gifford had resigned from office in connection with the merger of TUI AG and TUI Travel PLC in favour of Mr Minnow Powell and thus stepped down from the Supervisory Board on 12 December 2014. She is now proposed to be elected to the Supervisory Board once more. Mr Peter Long and Mr Alexey A. Mordashov are proposed to be elected as members of the Supervisory Board for the first time.

As Joint CEO, Mr Peter Long is currently a member of TUI AG's Executive Board. However, his term of office on the Executive Board and as Joint CEO will end at the close of the 2016 Annual General Meeting. Pursuant to section 100 (2) sentence 1 no. 4 AktG, Mr Peter Long may move from the Executive Board to the Supervisory Board and be elected as a Supervisory Board member only if proposed by TUI AG shareholders holding more than 25 % of the voting rights in TUI AG. TUI AG shareholders holding more than 25 % of the voting rights in TUI AG have made such a proposal and so Mr Long's

election may now be considered at the Annual General Meeting. The Supervisory Board also believes that it is in the best interests of the Company to retain Mr Long, who is one of the major pioneers and contributors to TUI AG's new structure, in the Group and to be able to draw on his experience and know-how while acting on the Supervisory Board in future.

The key biographical particulars of the candidates nominated for election by the Supervisory Board are as follows:

Prof. Dr Edgar Ernst has been a member of TUI AG's Supervisory Board since 9 February 2011. He started his professional career as Consultant with McKinsey in 1983. From 1986 to 1990, he was Director of Corporate Development of Quelle Group. In 1990, he moved to Deutsche Bundespost where he became Division Manager Planning and Controlling and later served as a member of the Executive Board from 1992 to 1995. From 1995 to 2007, he was a member of the Executive Board of Deutsche Post DHL AG. Since 2006, Prof. Dr Ernst is Honorary Professor at WHU Koblenz and, since 2011, President of the Financial Reporting Enforcement Panel, Berlin. Prof. Dr Ernst holds a degree in mathematics, a Master of Operations Research and a doctorate, Dr rer. pol., of RWTH Aachen.

Ms Angelika Gifford served on the Supervisory Board of TUI AG from 2012 to 2014. She started her professional career in 1987 as Head of Department and Team Leader at Deutsche Bank. After brief occupations with Sovran Bank and Compunet Computer AG between 1990 and 1992, she worked for Microsoft Corporation from 1993 until 2011, where she held various positions as Manager and became a member of the Executive Board of Microsoft Deutschland GmbH in 2006 and Senior Director of the Public Administration business unit. Currently Ms Gifford is Vice President and Managing Director of Software Deutschland at Hewlett Packard. She obtained a degree in business administration (banking) at FH Frankfurt / Deutsche Bank Academy and a Master's Degree at MCE Management Centre Europe, Brussels.

Sir Michael Hodgkinson has been a member of TUI AG's Supervisory Board and second deputy chairman since 12 December 2014. Sir Michael was Managing Director at Land Rover / Range Rover from 1978 to 1983. Between 1986 and 1992, he was CEO of Grand Metropolitan's European Food Division before he joined BAA plc (now Heathrow Airport Holdings Limited) where he was Group Airports

Director and later became CEO. From 2004 to 2006, Sir Michael was Non-Executive Director of Bank of Ireland plc. He holds a degree in Industrial Economics from the University of Nottingham.

Mr Peter Long has been member of the Supervisory Board of TUI AG since 2007 and became Joint CEO in December 2014. From 1984 to 1991 Peter Long held various senior roles at International Leisure Group. Amongst others he has been Finance Director and later became CEO of the Travel Division of Intasun Holidays. Between 1991 and 1996 he served as CEO of Sunworld Ltd before he joined First Choice Holidays PLC where he occupied the position of CEO. From 2007 until 2014 Peter Long acted CEO of TUI Travel PLC and was appointed Joint CEO of TUI AG after the merger. Peter long obtained a Higher National Diploma in Business at Southampton College of Technology as well as Professional Qualifications at the Chartered Institute of Management Accountants (CIMA). Furthermore he was awarded an honorary doctorate in Business Administration by Bournemouth University.

Prof. Dr Klaus Mangold is Chairman of the Supervisory Board of TUI AG and has been a member of the Supervisory Board since 7 January 2010. He became a member of the Executive Board of Rhodia AG in 1983 and occupied the position of Chairman of the Executive Board from 1985. From 1991 until 1994, Prof. Dr Mangold acted as Chief Executive Officer of Quelle-Schickedanz AG. From 1995 until 2003, he served as Chief Executive Officer of Daimler-Chrysler Services AG and was a member of the Executive Board of DaimlerChrysler AG. Since 2004, he has acted as Vice Chairman Rothschild Europe and is currently Chairman of the Supervisory Board of Rothschild GmbH. Prof. Dr Mangold studied law and economics at the universities of Munich, Geneva, Paris, London, Heidelberg and Mainz and graduated as doctor of law in 1973.

Mr Alexey A. Mordashov has been a significant shareholder of TUI AG for many years. He started his professional career in 1988 as Senior Economist at Tscherepowezer Metallurgical Combine ZAO Severstal. In 1992, he was appointed Finance Director and in 1996 Chief Executive Officer. At ZAO Severstal, he then acted as Chairman of the Board of Directors from 2002 until 2006. Following this, Mr Mordashov acted as Chief Executive Officer of OAO Severstal until 2014. Mr Mordashov is currently Chief Executive Officer of today's ZAO Severgroup (formerly Severstal Group) and Chairman of the Board of Directors of PAO Severstal. In 1988, Mr Mordashov obtained a Bachelor of Arts/Science degree from the Leningrad

Institute of Engineering and Economics. He was awarded an honorary doctorate from the Saint Petersburg State University of Engineering and Economics in 2001 and from the Newcastle Business School of Northumbria University in 2003.

Ms Carmen Riu Güell has been a member of TUI AG's Supervisory Board since 14 February 2005. She started her professional career in 1977 as Hotel Director within the Riu Group. Later, she was HR Director and Director for Finance and Administration. Since 1998, Ms Riu Güell has been Chief Executive Officer of the Riu Group and also Managing Director of RIUSA II S.A. She holds a degree in economics and business studies from the Autonomous University of Barcelona and completed a postgraduate course in personnel management and finance at the Instituto de la Empresa in Madrid.

Further information that is relevant for the elections is provided under the corresponding agenda item. Additional important information can also be found in the UK Corporate Governance Statement of TUI AG.

Agenda item 11 – Resolution on the removal of the time limit on the possibility to elect a second deputy chairman of the Supervisory Board and on the set-up of the presiding committee and additional committees by the Supervisory Board – Amendment to the Charter

In the context of the merger of TUI AG and TUI Travel PLC, the Charter was amended to allow the Supervisory Board, for a transitional period until the close of the 2016 Annual General Meeting, to elect a second deputy chairman of the Supervisory Board. Moreover, it provided for the possibility to temporarily expand the Supervisory Board's presiding committee by up to two members. There is currently a time limit on these possibilities up to the close of the 2016 Annual General Meeting. Based on experience over the last financial year, the Executive Board and the Supervisory Board have agreed that the structure of the Supervisory Board, with one additional deputy chairman and an enlarged presiding committee, has proven effective. It is therefore proposed that the Supervisory Board be allowed, without limit in time, to elect a second deputy chairman and to have the presiding committee as well as, if appropriate, additional committees with any number of members considered appropriate by the Supervisory Board. The time limits until the close of the 2016 Annual General Meeting stipulated in the Charter are therefore proposed to be deleted.

The current wording and the proposed future wording of the relevant Charter provisions are set out under the relevant item in the agenda.

Agenda item 12 – Resolution on the transition of the Supervisory Board remuneration model and on the remuneration of the members of the strategy committee – Amendment to the Charter
The remuneration of the members of the Supervisory Board is stipulated in the Charter, which currently provides for a performance-related variable remuneration component in addition to a fixed remuneration component. The Executive Board and the Supervisory Board are of the opinion that a pure fixed-remuneration model is more appropriate. In this regard, it should be noted that the Supervisory Board is responsible for monitoring the management and that a pure fixed-remuneration model will thus preclude potential conflicts of interests that may result from parallels, if any, to the performance-related remuneration of the Executive Board. It is proposed that the amount of the fixed remuneration be adjusted to reflect the removal of the variable remuneration component. The new remuneration model is proposed to apply for the current 2015 / 16 financial year, started 1 October 2015.

The current wording and the proposed future wording of the Charter provisions governing the remuneration of the Supervisory Board are provided under the corresponding agenda item. Additional important information can also be found in the UK Corporate Governance Statement of TUI AG.

INVITATION

We hereby invite our shareholders to the 2016 Annual General Meeting on Tuesday, 9 February 2016 at 10.00 a. m. at Hanover Congress Centrum Theodor-Heuss-Platz 1 – 3 30175 Hanover.

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

The Company's share capital
is divided, at the time of convocation, into 586,784,497 no-par value shares carrying the same number of votes.

Securities identification numbers
Voting and participating shares:

ISIN Code	**WKN**
DE 000 TUA G00 0	TUA G00
DE 000 TUA G22 4	TUA G22
DE 000 TUA G27 3	TUA G27

Voting shares:

ISIN Code	**WKN**
DE 000 TUA G28 1	TUA G28

AGENDA

for the Annual General Meeting of TUI AG on 9 February 2016

1. **Presentation of the approved annual financial statements for the 2014 / 15 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 2015, which were presented to it by the Executive Board, on 9 December 2015. 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 General Meeting. No resolution will therefore be passed by the General Meeting on the annual financial statements. The 2014 / 15 consolidated financial statements were also approved by the Supervisory Board on 9 December 2015. Pursuant to section 173 AktG, the General Meeting is not required to pass a resolution in this regard either. Likewise, the other documents set out above are, pursuant to section 176 (1) sentence 1 AktG, merely to be made available for inspection at the Annual General Meeting, without any resolution being required in this respect.

2. **Resolution on the use of the net profit available for distribution for the 2014 / 15 financial year**
   The Executive Board and the Supervisory Board propose that an amount of € 1,009,352,018.96 from the reported net profit of € 328,497,801.52 be applied towards the distribution of a dividend of € 0.56 per participating share and the remaining amount of € 680,854,217.44 be carried forward to new account.

3. **Resolution on the approval of the actions of the Executive Board for the 2014 / 15 financial year**
   The Supervisory Board and the Executive Board propose that the actions of the members of the Executive Board be approved.

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, approval 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 approved: Friedrich Joussen (Joint CEO), Peter Long (Joint CEO), Horst Baier, David Burling, Sebastian Ebel, Johan Lundgren, and William Waggott.

4. Resolution on the approval of the actions of the Supervisory Board for the 2014 / 15 financial year

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board be approved. 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, approval 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 approved: Prof. Dr Klaus Mangold (Chairman), Frank Jakobi (Deputy Chairman), Sir Michael Hodgkinson (Deputy Chairman), Andreas Barczewski, Peter Bremme, Arnd Dunse, Prof. Dr Edgar Ernst, Angelika Gifford, Valerie Frances Gooding, Dr Dierk Hirschel, Vladimir Lukin, Timothy Martin Powell, Coline Lucille McConville, Janis Carol Kong, Michael Pönipp, Wilfried Rau, Carmen Riu Güell, Carola Schwirn, Maxim G. Shemetov, Anette Strempel, Prof. Christian Strenger, Ortwin Strubelt, Marcell Witt.

5. Resolution on the appointment of the auditor

Based on the recommendation of the audit committee, the Supervisory Board proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hanover, be appointed as auditor for the 2015 / 16 financial year and also for the audit review of the half-year financial report for the first half of the 2015 / 16 financial year. The Supervisory Board further proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hanover, be appointed as auditor for a potential review of additional interim financial information within the meaning of section 37w (7) of the German Securities Trading Act (Wertpapierhandelsgesetz; WpHG) for the 2015 / 16 and 2016 / 17 financial years up to the next General Meeting.

6. Authorisation of the Executive Board to increase the share capital (authorised capital) of the Company with the option to disapply pre-emption rights in accordance with, inter alia, sections 203 (2), 186 (3) sentence 4 AktG, while cancelling the previous authorisation to increase the share capital (authorised capital) pursuant to article 4 (5) of the Charter of TUI AG (amendment to the Charter)

By the resolution under agenda item 7 of the Annual General Meeting of 13 February 2013, the Executive Board was authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital by up to € 64,500,000.00 (in words: Euro sixty-four million five hundred thousand) by issuing new registered shares with the option to disapply pre-emption rights pursuant to section 186 (3) sentence 4 AktG. In view of the fact that the share capital was increased mainly due to the merger of TUI AG and TUI Travel PLC, it is proposed that this authorised capital be cancelled and replaced by a new authorisation to ensure that the Executive Board continues to have the necessary means for raising capital at its disposal and will be able to adjust the Company's equity resources in order to meet the business requirements also in future. At the same time, it is to be ensured that all authorisations on the disapplication of pre-emption rights are limited to a share volume of 20 % in aggregate of the share capital.

It is to be ensured that the cancellation of the existing authorised capital in accordance with article 4 (5) of the Charter will take effect only if this authorised capital is replaced by new authorised capital in accordance with the following proposed resolution.

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

a) The authorisation of the Executive Board, subject to the consent of the Supervisory Board, to increase the share capital by up to € 64,500,000.00 (in words: Euro sixty-four million five hundred thousand) in total (authorised capital) until 12 February 2018 pursuant to article 4 (5) of the Charter of TUI AG will be cancelled with effect from the date of registration of the new authorised capital to be resolved in accordance with paragraphs b) and c) below.

b) The Executive Board will be authorised, subject to the consent of the Supervisory Board, to increase the share capital of the

Company once or several times until 8 February 2021 by an amount not to exceed € 150,000,000.00 (in words: Euro one hundred fifty million) in total (authorised capital) by issuing new registered shares in return for contributions in cash. Shareholders are, in principle, entitled to pre-emption rights. The shares may be acquired by one or several banks with the obligation that the shares be offered to the shareholders for subscription. The Executive Board may, with the consent of the Supervisory Board, disapply shareholders' pre-emption rights if the issue amount of the new shares is not significantly lower than the market price for previously issued shares with the same terms. The number of new shares issued on the basis of this authorisation, plus the shares issued or sold on the basis of an authorisation to sell pursuant to sections 71 (1) no. 8 sentence 5 and 186 (3) sentence 4 AktG after the Annual General Meeting has passed the resolution on this authorisation on 9 February 2016 (date of resolution) until such time as the authorisation has been exercised must not exceed the limit specified in section 186 (3) sentence 4 AktG of 10 % of the share capital existing on the date of the resolution or (if lower) the share capital existing on the date of issue of the new shares. Further, shares that are issued or to be issued on the basis of bonds with conversion or warrant rights or conversion obligations issued in accordance with section 186 (3) sentence 4 AktG after the date of resolution until such time as the authorisation has been exercised must be taken into account when calculating this limit.

The Executive Board may further, subject to the consent of the Supervisory Board, disapply shareholders' pre-emption rights in respect of fractional amounts.

However, the total portion of the share capital attributable to new shares for which pre-emption rights have been disapplied under these authorisations must not – together with the portion of the share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrant rights or obligations from bonds that were sold or issued on or after 9 February 2016 subject to the disapplication of pre-emption rights – exceed 20 % of the share capital; this threshold is to be calculated on the basis of the amount of the share capital existing either on 9 February 2016, or at the time the new shares are issued, whichever is the lowest.

The Executive Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation.

c) New authorised capital in the amount of € 150,000,000.00 will be created. To this end, article 4 (5) of the Charter will be re-stated as follows:

"The Executive Board is authorised, subject to the consent of the Supervisory Board, to increase the share capital of the Company once or several times until 8 February 2021 by an amount not to exceed € 150,000,000.00 (in words: Euro one hundred fifty million) in total (Authorised Capital 2016/I) by issuing new registered shares in return for contributions in cash. Shareholders are, in principle, entitled to pre-emption rights. The shares may be acquired by one or several banks with the obligation that the shares be offered to the shareholders for subscription. The Executive Board may, with the consent of the Supervisory Board, disapply shareholders' pre-emption rights if the issue amount of the new shares is not significantly lower than the market price for previously issued shares with the same terms. The number of new shares issued on the basis of this authorisation, plus the shares issued or sold on the basis of an authorisation to sell pursuant to sections 71 (1) no. 8 sentence 5 and 186 (3) sentence 4 AktG after the Annual General Meeting has passed the resolution on this authorisation on 9 February 2016 (date of resolution) until such time as it has been exercised must not exceed the limit specified in section 186 (3) sentence 4 AktG of 10 % of the share capital existing on the date of the resolution or (if lower) the share capital existing on the date of issue of the new shares. Further, shares that are issued or to be issued on the basis of bonds with conversion rights or conversion or warrant obligations issued in accordance with section 186 (3) sentence 4 AktG after the date of resolution until such time as the authorisation has been exercised must be taken into account when calculating this limit. However, the total portion of the share capital attributable to new shares for which pre-emption rights have been disapplied under these authorisations must not – together with the portion of the share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrant rights or obligations from bonds that were sold or issued on or after 9 February 2016 subject to the disapplication of pre-emption rights – exceed 20 % of the share

capital; this threshold is to be calculated on the basis of the amount of the share capital existing either on 9 February 2016, or at the time the new shares are issued, whichever is the lowest. The Executive Board may further, subject to the consent of the Supervisory Board, disapply shareholders' pre-emption rights in respect of fractional amounts. The Executive Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation."

d) To ensure that the cancellation of the existing authorised capital of € 64,500,000.00 (in words: Euro sixty-four million five hundred thousand) does not take effect without being replaced by the new authorised capital in accordance with the above resolution, the Executive Board is instructed to file the cancellation of the existing authorised capital of € 64,500,000.00 (in words: Euro sixty-four million five hundred thousand) in accordance with article 4 (5) of the Charter with the commercial register with the proviso that the cancellation shall not be registered until such time as the new authorised capital, which is € 150,000,000.00 (in words: Euro one hundred fifty million), is registered.

7. Authorisation of the Executive Board to increase the share capital (authorised capital) of the Company with the option to disapply pre-emption rights, including in return for contributions in kind, while cancelling the previous authorisation to increase the share capital (authorised capital) pursuant to article 4 (7) of the Charter of TUI AG (amendment to the Charter)

By resolution of the Annual General Meeting of 9 February 2011 (agenda item 7), the Executive Board was authorised, subject to the consent of the Supervisory Board, to increase the share capital of the Company by issuing registered shares with the option to disapply pre-emption rights, including in the event of a utilisation against contributions in kind (authorised capital in the amount of € 246,000,000.00). The authorisation will no longer be valid after 8 February 2016.

It is therefore proposed that a resolution be passed on the creation of new authorised capital in the amount of € 570,000,000.00 (in words: Euro five hundred seventy million) in order to ensure that the Executive Board will continue to have planning security and remain in a position to adjust the

Company's equity resources in order to quickly and flexibly meet financial requirements also in future. When utilising this new authorised capital, shareholders are, in principle, entitled to pre-emption rights; however, the Executive Board is to be authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights for specific purposes. However, this option is to be limited to a share volume of 20 % of the share capital in aggregate, taking into account all authorisations to disapply pre-emption rights.

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

a) The Executive Board will be authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital once or several times until and including 8 February 2021 by issuing new registered shares against contributions in cash or in kind by an amount not to exceed € 570,000,000 (in words: Euro five hundred seventy million) in total. Shareholders are, in principle, entitled to pre-emption rights. The pre-emption rights may be granted indirectly in that shares may also be subscribed by one or several credit institutions or equivalent entities as defined in section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. However, the Executive Board is authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights to the extent necessary in order to grant holders of bonds with conversion or warrant rights or obligations issued or to be issued by TUI AG or its subsidiaries the pre-emption rights they would be entitled to after exercising the conversion or warrant rights or fulfilling the conversion or warrant obligations. Furthermore, shareholders' pre-emption rights may be disapplied in respect of fractional amounts. In addition, the Executive Board may, with the consent of the Supervisory Board, disapply shareholders' pre-emption rights insofar as the capital increase against contributions in kind is performed in order to acquire companies, parts of companies, interests in companies or other assets (including receivables). However, the total portion of the share capital attributable to new shares for which pre-emption rights have been disapplied under these authorisations must not – together with the portion of the share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrant rights or obligations from bonds that

were sold or issued on or after 9 February 2016 subject to the disapplication of pre-emption rights – exceed 20 % of the share capital; this threshold is to be calculated on the basis of the amount of the share capital existing either on 9 February 2016, or at the time the new shares are issued, whichever is the lowest. Pre-emption rights will also be deemed disapplied if the sale or issue is effected by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis. The Executive Board is also authorised, subject to the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation.

b) New authorised capital in the amount of € 570,000,000.00 will be created. To this end, article 4 (7) of the Charter will be restated as follows:

"The Executive Board is authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital once or several times until and including 8 February 2021 by issuing new registered shares against contributions in cash or in kind by an amount not to exceed € 570,000,000.00 (in words: Euro five hundred seventy million) in total (Authorised Capital 2016/II). Shareholders are, in principle, entitled to pre-emption rights. The pre-emption rights may be granted indirectly in that shares may also be subscribed by one or several credit institutions or equivalent entities as defined in section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. However, the Executive Board is authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights to the extent necessary in order to grant holders of bonds with conversion or warrant rights or obligations issued or to be issued by TUI AG or its subsidiaries the pre-emption rights they would be entitled to after exercising the conversion or warrant rights or fulfilling the conversion or warrant obligations. Furthermore, shareholders' pre-emption rights may be disapplied in respect of fractional amounts . In addition, the Executive Board may, with the consent of the Supervisory Board, disapply shareholders' pre-emption rights insofar as the capital increase against contributions in kind is performed in order to acquire companies, parts of companies, interests in companies or other assets (including receivables). However, the total portion of the share capital attributable to new shares for which pre-emption rights

have been disapplied under these authorisations must not – together with the portion of the share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrant rights or obligations from bonds that were sold or issued on or after 9 February 2016 subject to the disapplication of pre-emption rights – exceed 20 % of the share capital; this threshold is to be calculated on the basis of the amount of the share capital existing either on 9 February 2016, or at the time the new shares are issued, whichever is the lowest. Pre-emption rights will also be deemed disapplied if the sale or issue is effected by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis. The Executive Board is also authorised, subject to the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation."

8. Granting of a new authorisation of the Executive Board to issue convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) with the option to disapply pre-emption rights pursuant to, inter alia, section 221 (4) and section 186 (3) sentence 4 AktG and to create new conditional capital in respect of such bonds or rights while cancelling the previous authorisation to increase the share capital (conditional capital) existing under article 4 (6) of the Charter of TUI AG (amendment to the Charter)

Under agenda item 6 of the Annual General Meeting on 15 February 2012 the Executive Board was authorised, subject to the consent of the Supervisory Board, to issue convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) (hereinafter collectively referred to as "bonds"). A conditional capital of up to € 120,000,000.00 was created for this purpose pursuant to article 4 (6) of the Charter. In order to ensure that the Company, in view of the fact that the share capital was increased mainly due to the merger of TUI AG and TUI Travel PLC, continues to have the necessary flexibility to use this key financing instrument in future, the proposal is made to the Annual General Meeting to resolve on a new authorisation to issue bonds and creating new conditional capital while cancelling the conditional capital set out in article 4 (6) of the Charter. The scope of the proposed new authorisation is to cover an amount of € 2,000,000,000.00. The Executive Board is also to be authorised to disapply the shareholders' rights to subscribe the bonds. In order to ensure that the proposed

authorisation scope can still be used in full in the case of subsequent adjustments in respect of conversion or warrant prices, the new conditional capital to be created upon cancellation of the conditional capital set out in article 4 (6) of the Charter, which serves to fulfil conversion or conversion or warrantrights or obligations, will be € 150,000,000.00 (in words: Euro one hundred fifty million), although if pre-emption rights are disapplied in line with section 186 (3) sentence 4 AktG, the shares to be issued to service conversion or conversion or warrantrights or obligations must not exceed 10 % of the share capital either at the time the subsequent new authorisation is resolved or, if lower, at the time it is exercised. At the same time, it is to be ensured that all authorisations on the disapplication of pre-emption rights are limited to a share volume of 20 % in aggregate of the share capital.

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

a) Authorisation to issue convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) and to disapply pre-emption rights

aa) Term of authorisation, nominal amount, number of shares, maturity, contribution in kind, currency, issue by Group companies
The Executive Board will be authorised, subject to the consent of the Supervisory Board, to issue registered or bearer convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) (hereinafter collectively referred to as "bonds") with a total nominal amount of up to € 2,000,000,000.00 (in words: Euro two billion) once or several times until and including 8 February 2021 and to grant holders and creditors (hereinafter collectively referred to as "holders") of the bonds conversion or conversion or warrantrights to Company shares representing a pro rata amount of the share capital of up to € 150,000,000.00 (in words: Euro one hundred fifty million), in accordance with the terms and conditions of the bonds (hereinafter also referred to as the "terms and conditions") or to attach conversion or warrant obligations to these bonds. The bonds and the conversion or warrant rights and obligations may be issued with or without a fixed maturity. The bonds may also be issued in return for contributions in kind.

The bonds may be issued in euros or in another legal currency of an OECD country, provided that the equivalent in euro does not exceed the stipulated amount. The bonds may be issued by downstream Group companies of the Company; in this case, the Executive Board will be authorised, subject to the consent of the Supervisory Board, to assume the guarantee for the bonds on behalf of the Company and to grant or impose conversion or warrant rights or obligations relating to Company shares to or on the holders of these bonds.

bb) Granting and disapplication of pre-emption rights
Shareholders are, in principle, entitled to pre-emption rights in respect of the bonds. Such pre-emption rights may be granted indirectly in that shares may also be subscribed by one or several credit institutions or equivalent entities as defined in section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. If bonds are issued by a downstream Group company, the Company must ensure that the statutory pre-emption rights for the Company's shareholders are guaranteed in line with the above. The Executive Board is, however, authorised to disapply shareholders' pre-emption rights to the bonds, subject to the consent of the Supervisory Board, in the following cases:

- in respect of fractional amounts;
- insofar as it is necessary in order to ensure that the holders of bonds with conversion or warrant rights or obligations relating to Company shares that have already been issued are granted pre-emption rights in the scope which would be available to them once these conversion or warrant rights had been exercised or these conversion or warrant obligations fulfilled;
- insofar as bonds with conversion or warrant rights or obligations are issued for cash and the issue price is not substantially lower than the theoretical market value of the bonds calculated on the basis of acknowledged methods of financial mathematics, although this only applies insofar as the shares to be issued in order to service the conversion or warrant rights or obligations under the bonds do not exceed 10 % of the share capital in total either at the time the authorisation is resolved or at the time it is exercised, if this value is lower. The above authorised volume of 10 % of the share capital is to be reduced by the proportion of the share capital represented

by shares, or to which conversion or warrant rights or obligations under any bonds relate, which were issued or sold on or after 9 February 2016 subject to the disapplication of pre-emption rights by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis;

- insofar as they are issued in return for contributions in kind, provided the value of the contributions in kind reasonably reflects the market value of the bonds calculated as described in the previous bullet point.

However, the total portion of the share capital attributable to the shares relating to conversion or warrant rights or obligations from bonds which were issued on or after 9 February 2016 subject to the disapplication of pre-emption rights must not – together with the portion of the share capital attributable to own shares or new shares from authorised capital – exceed 20 % of the share capital; this threshold is to be calculated on the basis of the amount of the share capital existing either on 9 February 2016, or at the time the bonds are issued, whichever is lower.

Where profit-sharing rights or income bonds without conversion or warrant rights or obligations are issued, the Executive Board is authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights entirely, provided these profit-sharing rights or income bonds according to their terms are similar to debt obligations, i. e. do not represent membership rights in the Company, do not grant a share in any liquidation proceeds and the interest due is not calculated on the basis of the annual net earnings, the net profit or the dividend. Moreover, in this case, the interest due and issue price of the profit-sharing rights or income bonds must reflect the market conditions for comparable debt instruments prevailing at the time of issue.

cc) Conversion right
Where bonds with conversion rights are issued, the holders can convert their bonds into Company shares in line with the terms and conditions. The proportion of the share capital attributable to the shares to be issued upon conversion must not exceed the lower of the nominal amount of the bond and its issue price. The conversion rate is calculated by dividing the nominal amount of a bond by the defined conversion price for a Company share. The conversion rate can also be calculated by dividing the issue price of a bond (if lower than the nominal amount) by the defined conversion price for a Company share. An additional cash payment can also be determined. It is also possible to determine that fractional shares are consolidated and/or settled in cash.

dd) Warrant right
Where bonds with warrants are issued, one or more warrants entitling the holders to subscribe to Company shares in line with the terms and conditions will be attached to each bond. It is possible to specify that fractional shares are consolidated and/or settled in cash. The proportion of the share capital attributable to the shares to be subscribed for each bond must not exceed the lower of the nominal amount of the respective bond and its issue price.

ee) Conversion or warrant obligation
The terms and conditions may also provide for a conversion or warrant obligation at maturity or at another point in time (in each case "final maturity") or for the Company to have the right to grant holders of the bonds on final maturity shares in the Company or another listed company in place of the whole or part of the payment due. In such cases, the conversion or warrant price for a share may reflect the average closing price of the Company's shares on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange during the ten trading days prior to or following the final maturity date, even if this is lower than the minimum price specified in paragraph ff). Section 9 (1) in conjunction with section 199 (2) AktG must be observed.

ff) Warrant / conversion price, anti-dilution protection
The conversion or warrant price is either (if pre-emption rights are disapplied) at least 60 % of the average closing price of the Company's shares on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange during the ten trading days prior to the day on which the resolution on issuing bonds is passed by the Executive Board or (if pre-emption rights are granted) at least 60 % of the average closing price of the Company's shares on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange during the subscription period, with the exception of any days in the subscription period that are required in order that the conversion or warrant price can be published on time in accordance with section 186 (2) sentence 2 AktG. If, during the term of the bonds granting or imposing a conversion or warrant right or obligation, the economic value of the existing conversion or warrant rights or obligations is diluted and no pre-emption rights are granted as compensation, the conversion or warrant rights or obligations may, notwithstanding section 9 (1) AktG, be adjusted to maintain their value, to the extent that such adjustment is not already required by mandatory law. The proportion of the share capital attributable to the shares to be subscribed per bond must not, in any case, exceed the lower of the nominal amount per bond and its issue price.

gg) Other possible structures
The terms and conditions of the bonds may in each case specify that the Company has the option, when conversion or warrant rights or obligations are exercised, also to grant new shares from conditional capital, own shares held by the Company or existing shares of another listed company. Moreover, they may also specify that the Company will not grant the holders of conversion or warrant rights Company shares, but will rather pay out the cash value.

hh) Authorisation to determine the further terms and conditions of the bonds
The Executive Board will be authorised, subject to the consent of the Supervisory Board, to define the further details relating to the issue and structure of the bonds, in particular the interest rate, the interest structure, the issue price, maturity, denomination and conversion or warrant period and any variability in the conversion ratio. Where Group companies are to issue the bonds, the Executive Board must also ensure that the corporate bodies of the Group companies issuing the bonds are in agreement.

b) Creation of new conditional capital
The share capital is to be conditionally increased by up to € 150,000,000.00 (in words: Euro one hundred and fifty million) by issuing up to 58,674,900 new registered shares with dividend rights from the beginning of the financial year in which they were issued. The conditional capital increase allows shares to be granted to holders of convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) with conversion or warrant rights or obligations issued on the basis of the above authorisation, insofar as they were issued for cash.

The new shares will be issued at the conversion or warrant price to be determined on the basis of the above authorisation. The conditional capital increase may only be effected to the extent that conversion or warrant rights under bonds issued for cash are exercised or conversion or warrant obligations under such bonds are fulfilled, providing no other forms of fulfilment are employed when servicing such obligations.

The Executive Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

c) Amendment to the Charter
Article 4 (6) of the Charter is to be cancelled and replaced with the following provision: "The share capital is conditionally increased by up to € 150,000,000.00 (in words: Euro one hundred and fifty million) by issuing up to 58,674,900 new registered shares with dividend rights from the beginning of the financial year in which they were issued (Conditional Capital 2016). The conditional capital increase will be effected only to the extent that holders or creditors of convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) with conversion or warrant rights or obligations issued by TUI AG or its Group companies for cash until and including 8 February 2021 on the basis of the authorisation resolved by the Annual General Meeting on 9 February 2016 exercise their conversion or warrant rights or to the extent that conversion or warrant obligations under these bonds are fulfilled and to the extent that no other forms of fulfilment are employed when servicing such obligations. The Executive Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase."

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

In order to acquire own shares, the Company requires a special authorisation from the General Meeting, insofar as this is not expressly permitted by law. Since the authorisation resolved by the Annual General Meeting on 10 February 2015 will lapse on 9 August 2016, it is to 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 is also intended to authorise the Executive Board to use own shares subject to the disapplication of shareholders' pre-emption rights or to cancel them, also while reducing the share capital. At the same time, it is to be ensured that all authorisations on the disapplication of pre-emption rights are limited to a share volume of 20 % in aggregate of the share capital. The volume of the authorisation to acquire is to be limited to 5 % of the share capital.

The Executive Board and the Supervisory Board therefore 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 share capital existing at the time of the resolution, but no more than 29,339,224 shares. The shares acquired, together with other own shares held by the Company or attributable to the Company in accordance with sections 71a et seq. 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 purposes 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 resolved by the Annual General Meeting on 10 February 2015, which will be cancelled once the new authorisation comes into effect and remains valid until 8 August 2017. 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 and until the 2017 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 share capital attributable to 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 on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange on the respective stock exchange trading day. In addition, the share price paid by the Company (not including incidental acquisition costs) may in this case 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,
- the price stipulated in 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 on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange on the last stock exchange trading day before the publication of the tender offer. If, following the announcement of a public offer to buy or a public call to shareholders 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 exchange 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 tender 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 may be allowed in order to avoid fractions of shares. Any further-reaching tender right on the part of shareholders is disapplied in this context.

c) Company shares that have been acquired on the basis of this authorisation (up to 5 % of the share capital existing at the time of the resolution, but no more than 29,339,224 shares) may be sold over the stock exchange or by offering them to the shareholders in accordance with the principle of equal treatment. Furthermore, the Executive Board is authorised to use these 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 share capital attributable to 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 share capital existing at the time the resolution concerning the authorisation is passed by the General Meeting or – if lower – at the time the authorisation is exercised. The above authorisation volume of 5 % of the share capital is reduced by the portion of the share capital attributable to shares or relating to bonds carrying warrant and / or conversion rights or obligations that were issued or sold after 9 February 2016 subject to the disapplication 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 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 conversion or warrantconversion or warrant rights or for the purpose of fulfilling conversion or warrantconversion or warrant obligations under convertible bonds, bonds with warrants, profit-sharing rights and / or income bonds (or combinations thereof) issued by the Company or by Group companies and carrying conversion or warrantconversion or warrant 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) Shareholders' pre-emption rights to own shares are disapplied insofar as these shares are used in accordance with the above-mentioned authorisations under c) bullet points 2 to 4. In the event that the own shares are sold by means of an offer to the shareholders, the Executive Board will be authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights for fractional amounts. However, in addition to the other restrictions under this resolution, the total portion of the share capital attributable to own shares for which pre-emption rights have been disapplied under this authorisation or through the exercise of the authorisations under c) bullet points 2 to 4 must not – together with the portion of share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrantconversion or warrant rights or obligations from bonds that were sold or issued after 9 February 2016 subject to the disapplication of pre-emption rights exceed 10 % of the share capital; this threshold is to be calculated on the basis of the amount of 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 disapplied if the sale or issue is effected by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis.

10. (Re-) election of several Supervisory Board members

At the close of the Annual General Meeting on 9 February 2016, the term of office of all ten Supervisory Board members representing the employees and of seven of the ten Supervisory Board members representing the shareholders (including Mr Maxim Shemetov, who resigned as shareholder representative on the Supervisory Board, also with effect as of the close of the 2016 Annual General Meeting) will end. The term of office of the Supervisory Board members to be newly elected will commence at this point in time. Their term of office will end at the close of the General Meeting resolving on the approval of the actions of the Supervisory Board for the financial year ending 30 September 2020, i.e. in 2021.

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. Section 96 (2) sentence 1 AktG provides that in a supervisory board comprising 20 members, at least six of the seats must be held by women and at least six of the seats must be held by men. No objection has been raised to joint compliance (Gesamterfüllung) pursuant to section 96 (2) sentence 3 AktG, according to which the minimum share of women and men of 30 percent each must be calculated by reference to the Supervisory Board as a whole.

The election of the ten Supervisory Board members representing the employees will take place on 13 January 2016.

For the seven Supervisory Board members representing the shareholders whose term of office will end, the Supervisory Board – based on a respective proposal by the nomination committee – proposes that the following persons be elected for a new term of office:

1. Prof. Dr Edgar Ernst, President of the German Financial Reporting Enforcement Panel (FREP), Berlin, Germany, resident in Bonn, Germany, for the period until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2020.

2. Angelika Gifford, Vice President and Managing Director of Software Deutschland at Hewlett Packard, Böblingen, Germany, resident in Kranzberg, Germany, for the period until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2020.
3. Sir Michael Hodgkinson, former CEO of BAA PLC, London, United Kingdom, resident in London, United Kingdom, for the period until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2020.
4. Peter Long, Joint CEO of TUI AG until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2015, resident in Kent, United Kingdom, for the period until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2020.
5. Prof. Dr Klaus Mangold, Chairman of the Supervisory Board of Rothschild GmbH, Frankfurt, Germany, resident in Stuttgart, Germany, for the period until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2020.
6. Alexey A. Mordashov, Chairman of the Board of Directors of PAO Severstal, Cherepovets, Russia, resident in Moscow, Russia, for the period until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2020.
7. Carmen Riu Güell, CEO of RIUSA II, Palma de Mallorca, Spain, residing in Playa de Palma, Spain, for the period until the close of the General Meeting resolving on the approval of actions for the financial year ending on 30 September 2020.

It is planned to have the General Meeting vote on the nominations individually (election of individual candidates).

As Joint CEO, Mr Peter Long is currently a member of TUI AG's Executive Board. However, his term of office on the Executive Board and as Joint CEO will end at the close of the 2016 Annual General Meeting. Pursuant to section 100 (2) sentence 1 no. 4 AktG, Mr Peter Long may move from the Executive Board to the Supervisory Board and be elected as a Supervisory Board member only if proposed by TUI AG shareholders holding more than 25 % of the voting rights in TUI AG. TUI AG share-

holders holding more than 25 % of the voting rights in TUI AG have made such a proposal and so Mr Long's election may now be considered at the Annual General Meeting. The Supervisory Board also believes that it is in the best interests of the Company to retain Mr Long, who is one of the major pioneers and contributors to TUI AG's new structure, in the Group and to be able to draw on his experience and know-how while acting on the Supervisory Board in future.

Following extensive consultation the Supervisory Board resolved to nominate Prof. Dr Mangold and Sir Michael Hodgkinson for re-election to the Supervisory Board, although both nominees have already passed the standard age limit of 68 years resolved for the Supervisory Board of TUI AG. Due to their long-standing contribution to the Supervisory Board of TUI AG as a member and chairman (Prof. Dr Mangold) and non-executive member and deputy chairman of the Board of Directors of former TUI Travel PLC (Sir Michael Hodgkinson), both candidates possess special experience and knowledge in the business lines of TUI AG after transition to its new structure. It is important for TUI AG to build on this knowledge in future. Moreover, Prof. Dr Mangold and Sir Michael Hodgkinson, in the view of both employees and shareholders, particularly stand for the successful integration of TUI AG and former TUI Travel PLC and are therefore also important supporters of the continuous development of the Group.

Besides, the members of the Supervisory Board, when nominating the candidates, have been guided by the objectives resolved by them for the composition of the Supervisory Board and are convinced that the Supervisory Board will possess the necessary knowledge, skills and professional experience required to properly fulfil its duties also in the proposed new composition. Moreover, the Supervisory Board has ascertained for the candidates proposed for election by the General Meeting that each of them is able to devote the expected amount of time involved in Supervisory Board membership.

Of the candidates for the Supervisory Board, Prof. Dr Ernst, among others, meets the requirements for an independent financial expert pursuant to section 100 (5) AktG in view of his long-standing professional experience and based on his independent status. The new requirements regarding the minimum

shares of women and men pursuant to section 96 (2) sentence 1 AktG have also been taken into account.

In case of his re-election to the Supervisory Board, Prof. Dr Mangold intends to apply again for the position of chair of the Supervisory Board. The Supervisory Board as currently composed welcomes this intention and considers Prof. Dr Mangold, who has already served as chairman of the Supervisory Board of TUI AG for many years, the best possible candidate for this position.

Information pursuant to section 125 (1) sentence 5 AktG and section 5.4.1 (5) to (7) of the German Corporate Governance Code:
Prof. Dr Edgar Ernst is a member of the following supervisory boards required by law: (i) Deutsche Postbank AG, Germany; (ii) DMG Mori AG, Germany; (iii) VONOVIA SE, Germany; (iv) Wincor Nixdorf AG, Germany. He is not a member of other comparable supervisory bodies in domestic or foreign commercial companies.

Ms Angelika Gifford is a member of the following supervisory board required by law: ProSiebenSat1 Media SE, Germany. She is also a member of a comparable supervisory body in the following foreign commercial company: Rothschild & Co. (formerly Paris Orléans SCA), France.

Sir Michael Hodgkinson is not a member of any other supervisory board required by law. He is, however, a member of comparable supervisory bodies in the following domestic or foreign commercial companies: (i) Keolis (UK) Limited, United Kingdom; (ii) Keolis Amey Docklands Limited, United Kingdom.

Mr Peter Long is not a member of any supervisory board required by law. He is, however, a member of comparable supervisory bodies in the following domestic or foreign commercial companies: (i) TUI Deutschland GmbH, Germany; (ii) TUI Nederland Holding N.V., Netherlands; (iii) TUI Travel Belgium N.V., Belgium; (iv) Royal Mail PLC, United Kingdom. Mr Long intends to resign from the above intragroup offices upon his election to the Supervisory Board.

Prof. Dr Klaus Mangold is a member of the following supervisory boards required by law: (i) Alstom AG, Germany; (ii) Continental AG, Germany. He is also a member of comparable supervisory bodies in the following domestic or foreign commercial companies: (i) Rothschild GmbH, Germany; (ii) Alstom S.A., France; (iii) Baiterek Holding JSC, Kazakhstan; (iv) Ernst & Young, United Kingdom; (v) Swarco AG, Austria.

Mr Alexey A. Mordashov is not a member of any supervisory board required by law. He is, however, a member of comparable supervisory bodies in the following domestic or foreign commercial companies: (i) AO "Severstal Management", Russia; (ii) OAO "Power Machines", Russia; (iii) ZAO SVEZA, Russia; (iv) Nordgold N.V., Netherlands.

Ms Carmen Riu Güell is not a member of any supervisory board required by law. She is, however, a member of comparable supervisory bodies in the following domestic or foreign commercial companies: (i) Hotel San Francisco S.A., United States of America; (ii) Riu Hotels S.A., Spain; (iii) RIUSA II S.A., Spain; (iv) Productores Hoteleros Reunidos S.A., Spain.

According to his most recent voting rights notification, Mr Alexey Mordashov directly or indirectly holds approx. 15.02 % of the voting shares in TUI AG. In addition, Mr Mordashov indirectly holds 75 % of the shares in the joint venture TUI Russia & CIS, Russia. In the assessment of the Supervisory Board, there are no further personal or business relations with companies of the TUI Group, the corporate bodies of TUI AG or any shareholder that directly or indirectly holds more than 10 % of the voting shares in TUI AG which require disclosure pursuant to section 5.4.1 (5) to (7) of the German Corporate Governance Code.

11. Resolution on the removal of the time limit on the possibility to elect a second deputy chairman of the Supervisory Board and on the set-up of a presiding committee and additional committees by the Supervisory Board – Amendment to the Charter

Article 12 (1) of TUI AG's Charter currently reads as follows:

"The Supervisory Board elects the chairman and one or (until the close of the Annual General Meeting 2016) more deputy chairmen from amongst its numbers, with section 27 MitbestG to be applied to the election of the chairman and the first deputy chairman. The presiding committee is comprised in equal parts of three shareholder representatives and three employee representatives. In deviation from this, the Supervisory Board may decide to appoint two additional members to the presiding committee for the period up to the close of the Annual General Meeting 2016."

Based on last year's experience, the Executive Board and the Supervisory Board have arrived at the opinion that the structure of the Supervisory Board with one additional deputy chairman of the Supervisory Board and a presiding committee composed as needed has proven effective. The Supervisory Board is therefore proposed to be allowed also in future to use the possibility to elect more than one deputy chairman of the Supervisory Board and to set up a presiding committee as well as, if appropriate, additional committees with any number of members considered reasonable by the Supervisory Board. The time limits until the close of the 2016 Annual General Meeting stipulated in the Charter are to be deleted.

The Executive Board and the Supervisory Board therefore propose that article 12 (1) of the Charter be amended and restated as follows:

"The Supervisory Board elects the chairman and one or more deputy chairmen from amongst its numbers, with section 27 MitbestG to be applied to the election of the chairman and the first deputy chairman. The Supervisory Board may set up a presiding committee and additional committees from amongst its numbers."

12. Resolution on the transition of the Supervisory Board remuneration model and on the remuneration of the members of the strategy committee – Amendment to the Charter

a) Since May 2012, the German Corporate Governance Code no longer recommends a variable remuneration of the members of the Supervisory Board reflecting the performance of the company. The Charter of TUI AG currently still provides for such a performance-related remuneration in addition to the fixed remuneration and in its article 18 contains the following provision regarding the Supervisory Board remuneration as a whole:

"(1) Apart from reimbursement of their expenses, which also include the turnover tax due on their emoluments, the members of the Supervisory Board shall each receive:

(a) fixed remuneration payable at the end of the fiscal year totalling € 50,000.00; and

(b) a variable remuneration reflecting the long-term success of the Company (long-term variable remuneration) of € 400.00 per € 0.01 of the average undiluted results per share (profit per share) as reported in the Group financial statements for each of the last three fiscal years ended;
Should a member step down from the Supervisory Board before the end of the three-year reference period, the determination of the average profit per share shall end with the fiscal year in which the member steps down.
The amount payable shall not exceed a cap of € 50,000.00.

(c) the remuneration pursuant to subparagraph 1 (b) shall be payable after conclusion of the Annual General Meeting responsible for approving the actions of the Supervisory Board for the preceding fiscal year.

(2) The chairman of the Supervisory Board shall receive three times, and the deputies one-and-a-half times the remuneration as specified in subparagraphs 1 (a) and (b).

(3) For their roles, the members of the presiding committee and the audit committee as well as the integration committee shall – in addition to the remuneration

pursuant to paragraphs 1 (a), 1 (b) and 2 – receive a further remuneration of € 40,000.00, payable after the end of the financial year; the chairman of the audit committee shall receive three times this remuneration.

(4) In all cases the remuneration relates to a full fiscal year. For parts of a fiscal year or short fiscal years, the remuneration shall be paid pro rata temporis. In the case of short fiscal years the correct ratio shall be ensured by determining suitable adapted values.

(5) Members of the Supervisory Board, of the presiding committee, the nomination committee and the audit committee as well as the integration committee shall receive an attendance fee for attending meetings, irrespective of their form, of € 1,000.00 per meeting.

(6) The members of the Supervisory Board shall be included in a D&O insurance, if any, taken out by the Company in a reasonable amount in the interest of the Company covering the members of the Boards and certain managers. The premiums shall be paid by the Company."

In line with the prevailing market practice, the Executive Board and the Supervisory Board are of the opinion that a pure fixed-remuneration model now is the more appropriate system. In the course of the transition, the remuneration for each Supervisory Board member is proposed to be set at € 90,000.00, with the chairman of the Supervisory Board receiving three times and the deputies receiving twice this amount. The members of the presiding committee, the audit committee, the integration committee and the newly formed strategy committee (see b) below) are each proposed to receive a further remuneration of € 42,000.00, with the chairman of the audit committee receiving three times and the chairman of the strategy committee receiving twice this amount.

The new remuneration rules are proposed to apply for the current 2015/16 financial year already, started 1 October 2015, and a variable remuneration component will therefore cease to apply. Under the current provisions of the Charter, the members of the Supervisory Board, however, are still entitled to the variable portion of their remuneration for the past 2012/13,

2013 / 14 and 2014 / 15 financial years. This portion, pursuant to article 18 (1) (b) of the current Charter, is determined by reference to the average profit per share for each of the last three financial years ended. For the purposes of settling any outstanding variable remuneration, the Executive Board and the Supervisory Board support the following course of action:

The variable remuneration for the 2012 / 13 financial year will still be calculated and paid in line with article 18 (1) (b) and (c) of the current Charter. As the actual profit for the 2015 / 16 and 2016 / 17 financial years has not been determined as yet, the variable remuneration for the 2013 / 14 and 2014 / 15 financial years will be calculated using the budgeted figures for the future 2015 / 16 and 2016 / 17 financial years in order to determine the average profit per share. In respect of the variable remuneration for 2013 / 14, the actual profit per share in 2013 / 14 and 2014 / 15 and the budgeted profit per share for 2015 / 16 will therefore be relevant. The variable remuneration attributable to the 2014 / 15 financial year will be calculated by reference to the average of the actual profit per share generated in the 2014 / 15 financial year and the corresponding budgeted figures for the 2015 / 16 and 2016 / 17 financial years. The variable remuneration attributable to the 2013 / 14 and 2014 / 15 financial years based on this calculation amounts to € 23,466.67 (2013 / 14) and € 34,133.33 (2014 / 15) for ordinary members of the Supervisory Board, and one-and-a-half times this amount for the deputy chairmen of the Supervisory Board and three times this amount for the chairman of the Supervisory Board. For parts of a financial year the remuneration will be paid pro rata temporis. Payment of the amounts due to the members of the Supervisory Board will be effected in the course of the current 2015 / 16 financial year once the proposed amendment to article 18 of the Charter has become effective. It is not permissible under applicable stock corporation law to reduce the remuneration of the Supervisory Board members for past and current financial years. It must therefore be ensured that the remuneration of the Supervisory Board members for the past 2013 / 14 and 2014 / 15 financial years and the current 2015 / 16 financial year is not reduced as a result of the transition to a pure fixed-remuneration system. To this end, the following scheme is proposed: If the long-term variable remuneration payable for the 2013 / 14 and / or 2014 / 15 financial years in accordance with article 18 (1) (b) of the Charter in the version currently in force (i.e. based on the average profit per share actually generated) is higher than it

would be based on a calculation using budgeted figures, the respective difference will additionally be payable after the close of the Annual General Meeting resolving on the approval of the actions of the Supervisory Board for the 2015/16 and 2016/17 financial years. If the current remuneration system yields a remuneration for the current 2015/16 financial year that is higher than it would be under the new remuneration system (fixed remuneration in the amount of €90,000.00), the difference will be payable after the close of the Annual General Meeting resolving on the approval of the actions of the Supervisory Board for the 2017/18 financial year.

b) Irrespective of the issue of the transition from a variable-remuneration system to a fixed-remuneration system, the Supervisory Board resolved to set up a new committee to take up work after the 2016 Annual General Meeting that is to more closely advise and monitor the Executive Board in connection with the development and implementation of the corporate strategy ("strategy committee"). As the decision on the remuneration of the members of Supervisory Board committees is reserved to the Annual General Meeting pursuant to section 113 (1) AktG, it is proposed that paragraphs (3) and (5) of article 18 of the Charter be supplemented accordingly.

c) The Company has for some time now taken out a so-called D&O insurance with a reasonable cover amount for the members of its Supervisory Board. This is in line with the prevailing customary practice in Germany, and a D&O insurance is thus a key element in attracting suitable candidates for Supervisory Board positions. It is therefore in the best interests of the Company to maintain the D&O insurance also in future. It is proposed that the wording in paragraph (6) of article 18 of the Charter be adjusted accordingly.

d) The Executive Board and the Supervisory Board therefore propose that article 18 of the charter of TUI AG be amended and restated as follows:

"(1) Apart from reimbursement of their expenses, which also include the turnover tax due on their emoluments, the members of the Supervisory Board shall each receive, for financial years commencing after 30 September 2015, fixed remuneration of €90,000.00 payable at the end of the financial year.

The long-term variable remuneration payable to the members of the Supervisory Board for the 2013 / 14 and 2014 / 15 financial years in accordance with article 18 (1) (b) of the Charter in the version in force until registration of this new version will be paid after this new version is entered in the Commercial Register.

For the purpose of calculating the long-term variable remuneration for the 2013 / 14 and 2014 / 15 financial years, the budgeted profit per share of € 0.81 for the 2015 / 16 financial year and the budgeted profit per share of € 1.11 for the 2016 / 17 financial year will be used to calculate the average profit per share within the meaning of article 18 (1) (b) of the Charter in the version in force until this new version is registered. If the long-term variable remuneration payable for the 2013 / 14 and / or 2014 / 15 financial years in accordance with article 18 (1) (b) of the Charter in the version in force until this new version is registered is higher than it would be in accordance with the preceding sentence, the difference shall be payable after the close of the Annual General Meeting resolving on the approval of the actions of the Supervisory Board for the 2015 / 16 and / or 2016 / 17 financial years.

If the remuneration payable for the 2015 / 16 financial year in accordance with article 18 (1) (a) and (b) of the Charter in the version in force until this new version is registered is higher than € 90,000.00, the difference shall be payable after the close of the Annual General Meeting resolving on the approval of the actions of the Supervisory Board for the 2017 / 18 financial year.

(2) The chairman of the Supervisory Board shall receive three times and his deputies twice the remuneration specified in paragraph 1.

(3) For their roles, the members of the presiding committee, the audit committee, the integration committee and the strategy committee shall receive – in addition to the remuneration pursuant to paragraphs (1) and (2) – a further remuneration of € 42,000.00, payable after the end of the financial year. The chairman of the audit committee shall receive three times and the chairman of the strategy committee twice this remuneration.

(4) In all cases the remuneration relates to a full financial year. For parts of a financial year or short financial years the remuneration shall be paid pro rata temporis.

(5) The members of the Supervisory Board, the presiding committee, the nomination committee, the audit committee, the integration committee and the strategy committee shall receive a fee for attending meetings, irrespective of their form, of € 1,000.00 per meeting.

(6) The members of the Supervisory Board shall be included in a D&O insurance taken out by the Company in a reasonable amount in the interests of the Company. The premiums shall be paid by the Company."

Report of the Executive Board concerning agenda items 6 to 9

Report of the Executive Board to the Annual General Meeting on the disapplication of pre-emption rights pursuant to, inter alia, sections 186 (4) sentence 2, 203 (2) sentence 2, 221 (4) sentence 2 and 71 (1) no. 8 sentence 5 AktG, discussed under agenda items 6 to 9

Regarding the basic relationship between the new authorisations to disapply pre-emption rights proposed under agenda items 6, 7 (authorised capital), 8 (conditional capital) and 9 (acquisition and use of own shares)

Whenever the authorisations for carrying out capital measures contained in agenda items 6 to 9 are exercised, shareholders are as a rule to be granted pre-emption rights; however, there should also be an option for shares to be issued or sold for specific purposes subject to the disapplication of pre-emption rights. However, this option is to be limited to a share volume of 20 % of the share capital in aggregate, taking into account all authorisations to disapply pre-emption rights for shares and bonds. The amount of share capital relevant for the calculation of this threshold is to be the following:

- **in the event of an exercise of the authorisation pursuant to agenda items 6 to 8:** the share capital existing either on 9 February 2016, or at the time the new shares are issued from authorised capital, and
- **in the event of an exercise of the authorisation pursuant to agenda item 9:** the share capital existing either at the time the authorisation pursuant to agenda item 9 takes effect, or at the time the authorisation to sell own shares is exercised,

whichever is the lowest. Pre-emption rights will also be deemed disapplied if the sale or issue is effected by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis.

The authorisations proposed under agenda items 6, 8 and 9 provide, inter alia, for the option, citing the provisions of section 186 (3) sentence 4 AktG, of increasing TUI AG's share capital, issuing bonds and selling acquired own shares, while in each case disapplying shareholders' pre-emption rights, provided that the relevant statutory limit of 10 % of the share capital in aggregate is not exceeded.

The Executive Board will, with the consent of the Supervisory Board, exercise any such authorisation based on an application of section 186 (3) sentence 4 AktG only in such a manner as to ensure that the limit specified in section 186 (3) sentence 4 AktG of 10 % of the share capital existing at the time the resolutions regarding the authorisations are adopted by the General Meeting is not exceeded in aggregate at any time during the term of the respective authorisation until such time as it is exercised. If the share capital at the time the respective authorisation is exercised is less than that at the time the resolutions were adopted, the lower share capital amount will apply.

Irrespective of whether the authorisations providing for an option to disapply pre-emption rights are exercised separately or cumulatively, the limit of 10 % of the share capital must not be exceeded in aggregate when disapplying pre-emption rights pursuant to the rules set out in section 186 (3) sentence 4 AktG. The sole purpose of the proposed authorisations offering the option to disapply pre-emption rights pursuant to section 186 (3) sentence 4 AktG is to provide the Executive Board with the option to use the instrument that is most suitable in a specific situation – taking into consideration the interests of the shareholders and the Company – but not to make multiple use of the various options for a simplified disapplication of pre-emption rights provided in the proposed authorisations, thereby disapplying shareholders' pre-emption rights above and beyond the limit of 10 % of the share capital specified in section 186 (3) sentence 4 AktG.

The authorisation proposed under agenda item 7 provides for pre-emption rights to be disapplied insofar as the capital increase against contributions in kind is performed in order to acquire companies, parts of companies, interests in companies or other assets (including receivables). However, the total portion of the share capital attributable to new shares for which pre-emption rights have been disapplied under this authorisation must not – together with the portion of share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrant rights or obligations from bonds that were sold or issued after the beginning of 9 February 2016 subject to the disapplication of pre-emption rights – exceed 20 % of the share capital. This threshold is to be calculated on the basis of the amount of share capital existing either on 9 February 2016, i.e. the date on which the resolution was adopted, or at the time the new shares are issued or sold, whichever is the lowest. Pre-emption rights will also be deemed disapplied if the sale or issue is effected by applying section 186 (3) sentence 4 AktG

directly, analogously or mutatis mutandis. The resolution proposals under agenda items 6, 8 and 9 also provide for corresponding volume restrictions, and item 9 on the agenda even stipulates a 10 % limit for the issue of own shares, so that own shares subject to the disapplication of pre-emption rights may only be issued as long as no other authorisations regarding the disapplication of shareholders' pre-emption rights relating to 10 % of the share capital have been used earlier.

Regarding item 6 of the agenda
(authorised capital in the amount of € 150,000,000.00)

The authorisation to increase the share capital by € 64,500,000.00 according to the resolution under agenda item 7 of the Annual General Meeting on 13 February 2013 will expire on 12 February 2018. In view of the fact that the share capital was increased mainly due to the merger of TUI AG and TUI Travel PLC it is proposed that this authorised capital be cancelled early and replaced by a new authorisation to ensure that the Company will in future be able to adjust the Company's equity resources in order to flexibly meet any arising requirements. Thus, the Executive Board is to be authorised for a period of five years, subject to the consent of the Supervisory Board, to increase the Company's share capital by an amount not to exceed € 150,000,000.00. When utilising this authorised capital, pre-emption rights can be disapplied with the consent of the Supervisory Board if the new shares are issued in the context of cash capital increases in accordance with section 186 (3) sentence 4 AktG for an amount that is not significantly lower than the market price. This authorisation puts the company in a position to use market opportunities in its various areas of business quickly and flexibly and, if necessary, to meet resulting capital requirements even at very short notice. The disapplication of pre-emption rights makes it possible not only to act quickly, but also to place the shares at a price close to the market price, in other words without the fairly large discount that is generally necessary in the case of rights issues. This generates greater issue proceeds, to the benefit of the Company. If the authorisation is exercised, the Executive Board will ensure that the discount applied is as low as possible, taking into account the market conditions prevailing at the time of the placement. The discount on the market price at the time of utilisation of this authorised capital will, however, in no case represent more than 5 % of the then-current market price (the closing price for the Company's shares on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange on the trading day before the placement of the new shares).

The shares issued subject to the disapplication of pre-emption rights in accordance with section 186 (3) sentence 4 AktG must, in aggregate, not exceed 10 % of share capital, either on the date of the resolution on this authorisation, or on the date on which it is exercised. If the share capital on the date on which the authorisation is exercised is lower than on 9 February 2016, then the lower share capital value will apply. The sale of own shares is to be taken into account when calculating this limit, provided that it takes place after 9 February 2016 and before the authorisation is exercised subject to the disapplication of pre-emption rights in accordance with section 186 (3) sentence 4 AktG. Further, such shares as are issued or to be issued for servicing bonds with conversion rights or warrants or conversion obligations are also to be taken into account when calculating this limit, provided that the bonds are issued after 9 February 2016 and before the authorisation is exercised under disapplication of pre-emption rights in accordance with section 186 (3) sentence 4 AktG.

This specification also accommodates the need to protect shareholders' equity holdings against dilution, in accordance with the applicable statutory provisions. Due to the limitation placed on the degree of capital increase subject to the disapplication of pre-emption rights, each shareholder in general always has the option to acquire the shares necessary in order to maintain his or her percentage share via the stock exchange on approximately the same terms. Thus, in compliance with the statutory valuation in section 186 (3) sentence 4 AktG, it is ensured that relevant interests relating to shareholding and voting rights remain appropriately protected when this authorised capital is utilised subject to the disapplication of pre-emption rights, and at the same time further scope for action is opened up for the Company, which is in the interests of all shareholders.

The option provided granted to the Executive Board, subject to the consent of the Supervisory Board, to disapply pre-emption rights with regard to fractional amounts facilitates the processing of rights issues where fractional amounts occur as a result of the issue volume, or due to the need for a practicable subscription ratio.

Regarding item 7 of the agenda (authorised capital of € 570,000,000)

The new authorised capital of € 570,000,000 is proposed so that TUI will also in future be in a position to adjust its equity resources in order to meet the business requirements at any time. The Executive Board sees it as its duty to ensure that the Company – regardless of any specific plans for exercising such authorisation – always has suitable instruments available for the purposes of raising capital. As decisions concerned with meeting capital requirements must generally be taken at short notice, it is important that the Company will not be forced to wait for the next Annual General Meeting to take the relevant steps. German legislation has responded to this requirement by offering the instrument of 'authorised capital'. Authorised capital is most commonly used to strengthen a company's equity base or to finance the acquisition of interests in companies.

When authorised capital is utilised by means of capital increases against contributions in cash, shareholders generally have a pre-emption right. The pre-emption rights may be granted indirectly in that shares may also be subscribed by one or more credit institutions or equivalent entities as defined in section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. However, the Executive Board is to be authorised to disapply, subject to the consent of the Supervisory Board, the shareholders' statutory pre-emption rights in certain cases when issuing new shares. Nonetheless, the option to disapply pre-emption rights is to be limited to new shares representing 20 % in aggregate of the current share capital. A suitable clause is also to be introduced to ensure, in the interests of the shareholders, that the option to disapply pre-emption rights is limited to 20 % in aggregate of the share capital, taking into account all further authorisations to disapply pre-emption rights; this threshold is to be calculated on the basis of the amount of the share capital existing either on 9 February 2016, or at the time the new shares are issued, whichever is the lowest. Pre-emption rights will also be deemed disapplied if the sale or issue is effected by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis.

It should be possible to disapply pre-emption rights insofar as this is necessary in order to grant holders of existing and future bonds with conversion or warrant rights or obligations pre-emption rights to new shares where the terms of the bonds so provide. Such bonds are generally protected against dilution in that their holders may,

in the context of subsequent share issues with shareholders' pre-emption rights, be granted pre-emption rights to new shares they would be entitled to after exercising the conversion or warrant rights or fulfilling the conversion or warrant obligations, instead of being offered a reduction of the conversion or warrant price. The authorisation enables the Executive Board to choose between these two alternatives, after a careful consideration of interests, when utilising the authorised capital in accordance with article 4 (7) of the Charter. The holders of such bonds are thus treated as if they had already exercised their conversion or warrant rights or fulfilled their conversion or warrant obligations. This has the advantage of allowing the Company to secure a higher issue price for the shares to be issued upon a conversion or the exercise of a warrant, which would not be the case if the protection against dilution was realised by reducing the conversion or warrant price.

The Executive Board is also to be authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights in respect of fractional amounts. This allows the authorisation to be exercised using round figures, thereby making an issue easier to handle. The shares that are disapplied from shareholders' pre-emption rights as 'unallotted fractional shares' will be utilised on the best possible terms for the Company either through a sale on the stock exchange or in any other way.

There is also to be an option, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights in the case of capital increases against contributions in kind. In this case, the Executive Board will make use of the authorisation to disapply shareholders' pre-emption rights only up to a maximum amount of 20 % of the share capital; this threshold is to be calculated on the basis of the amount of share capital existing either on 9 February 2016, or at the time the new shares are issued, whichever is the lowest. This allows the Executive Board to use Company shares in suitable individual cases to acquire companies, parts of companies, interests in companies or other assets (such as hotels, ships or aircraft, or receivables). In some cases, shares rather than cash payments are required as consideration for takeovers. The possibility to offer Company shares as consideration thus creates an advantage for the Company in the competition for attractive acquisition targets, and also creates the necessary leeway permitting the Company to take advantage of opportunities that arise with regard to acquiring companies, parts of companies, interests in companies or other

assets in such a way as to protect its liquidity. Offering shares can also make sense from the point of view of ensuring an optimum financing structure. The Company does not suffer any disadvantage, as the issue of shares against contributions in kind requires that the value of the contribution in kind be in reasonable proportion to the value of the share.

The Executive Board is also to be authorised to make use of this authorised capital in cases where the Company, for instance, has initially committed to paying for an acquisition in cash, in order to then fully or partially grant Company shares, rather than making the relevant cash payment, to the holders of such (certificated or uncertificated) monetary claims. This provides the Company with additional flexibility.

It is also to be possible to utilise this authorised capital – subject to the disapplication of pre-emption rights – to fulfil conversion or warrant rights or to fulfil conversion obligations under bonds for which the subscribers made contributions in kind rather than in cash. In this way, bonds carrying conversion and / or warrant rights or obligations can be used as currency for the acquisition of companies, parts of companies, interests in companies or other assets, thereby increasing the chances of securing attractive acquisition opportunities.

In each individual case, the Executive Board will examine carefully whether it will make use of the authorisation to increase the capital subject to the disapplication of shareholders' pre-emption rights. The Executive Board will only do so if both its members and those of the Supervisory Board consider this to be in the interests of the Company and thus of its shareholders.

The Executive Board will report to the General Meeting on any specific exercise of the proposed authorisation.

Regarding item 8 of the agenda (granting of a new authorisation to issue convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof))

The authorisation of the Executive Board of 15 February 2012, subject to the consent of the Supervisory Board, to issue convertible bonds, bonds with warrants, profit-sharing rights or income bonds (or combinations thereof) (hereinafter collectively referred to as "bonds") will expire on 14 February 2017. For this purpose, a conditional capital of up to € 120,000,000.00 was created.

In view of the fact that the share capital was increased mainly due to the merger of TUI AG and TUI Travel PLC and to ensure that the Company continues to have the necessary flexibility in raising capital in future, it is proposed to cancel the existing authorisation to issue bonds dated 15 February 2012 together with the existing conditional capital early and to replace them by a new authorisation to issue bonds with a total nominal amount of up to € 2,000,000,000.00 and a new conditional capital. This enables the Company to respond flexibly to the market conditions prevailing when a bond is issued and thus, in the interests of the Company and its shareholders, to achieve the best possible financing terms. The conditional capital to be created upon cancellation of the conditional capital set out in article 4 (6) of the Charter, which serves to fulfil conversion or warrant rights or obligations resulting from the authorisation, will be € 150,000,000.00.

The ability to issue bonds offers TUI AG another option, besides the traditional methods of debt and equity financing, namely to exploit attractive alternative financing instruments available on the capital market depending on the prevailing market conditions and thus to lay the foundations for future business developments. Moreover, the ability to grant conversion or warrant rights or obligations also offers the Company the option to secure as equity at least part of the funds borrowed when issuing bonds.

By issuing bonds, the Company can also borrow capital on attractive terms which, depending on the terms and conditions of the bonds, can be booked as equity or near-equity for the purposes of credit assessments and on balance sheets. The conversion or warrant premiums generated and the qualification as equity boost the Company's capital base and thus enable it to access cheaper financing options. The other options provided for, namely to create conversion or warrant obligations, as well as conversion or warrant rights and to combine convertible bonds, bonds with warrants, profit-sharing rights

or income bonds, allows greater room for manoeuvre when developing these financial instruments. Since, in the field of hybrid financing instruments, products with an unlimited term have become established, the authorisation provides for the option to issue bonds with conversion or warrant rights or obligations that do not have a particular term. The authorisation also gives the Company the necessary flexibility to decide whether to issue the bonds itself or to place them with directly or indirectly associated companies. The bonds may be issued in euros or in another legal currency of an OECD country.

In order to be able to make the most of the spectrum of possible capital market instruments that carry conversion or warrant rights or obligations, it would appear appropriate to specify that the permitted issue volume under the proposed new authorisation is limited to a total nominal amount of € 2,000,000,000.00 and the conditional capital which serves to fulfil the conversion or warrant rights or obligations is € 150,000,000.00. This ensures that the scope of this authorisation can be exploited in full. The number of shares required to fulfil any conversion or warrant rights or obligations under a bond with a particular issue volume generally depends on the market price of TUI shares when the bond is issued. Having sufficient conditional capital available ensures that it is possible to exploit the full scope of the authorisation for issuing convertible bonds or bonds with warrants.

Shareholders must, as a rule, be granted pre-emption rights where convertible bonds, bonds with warrants, profit-sharing rights or income bonds are issued.

Where convertible bonds or bonds with warrants (or profit-sharing rights or income bonds) with conversion or warrant rights or obligations are issued, the Executive Board, in line with section 186 (3) sentence 4 AktG, is to be authorised to disapply shareholders' pre-emption rights, subject to the consent of the Supervisory Board, provided the issue price of the bonds is not substantially lower than their market value. This may be useful in order to be able to respond quickly to favourable market conditions and to be in a position to fast and flexibly place a bond with attractive terms on the market. Stock and credit markets have become much more volatile in recent years. It is thus imperative that the Executive Board can react to market developments as quickly as possible when issuing

bonds in order to ensure the best possible result. Favourable conditions that are as close-to-market as possible can generally only be achieved if the Company is not bound to them for too long an offer period. In the case of rights issues, it is as a rule necessary to take a not insubstantial haircut in order to ensure the sustained attractiveness of the terms and thus the issue's success prospects for the entire offer period. Although section 186 (2) AktG permits that the subscription price (and thus, in the event of bonds with conversion or warrant rights or obligations, the terms and conditions of these bonds) be published up to three days before the end of the subscription period, the volatility of the stock and credit markets means that a certain market risk then exists over several days, which makes haircuts necessary when defining the terms and conditions, which are thus no longer close-to-market. Moreover, if the Company were to grant the shareholders pre-emption rights, it would be more difficult to achieve an alternative placement with third parties or this would generate additional expense, owing to the uncertainty as to whether or not shareholders will actually exercise their pre-emption rights (subscription behaviour). Finally, if the Company grants pre-emption rights it cannot respond quickly to changes in market conditions due to the length of the subscription period, and this in turn can mean that the Company is forced to accept less favourable conditions when raising capital.

The fact that the bonds are issued at a price that is not substantially lower than the market value ensures that shareholders' interests are protected. The market value must be calculated on the basis of acknowledged methods of financial mathematics. When setting the price, the Executive Board will take account of the prevailing capital market conditions and endeavour to keep the difference between the issue price and market value as low as possible. This ensures that the hypothetical market value of the pre-emption rights would be close to zero, and that the shareholders would not suffer any significant financial disadvantage as a result of their pre-emption rights being disapplied. Insofar as the Executive Board deems necessary in view of the prevailing situation, it will refer to specialist advice and rely on the support of experts. Such advice may be provided by the underwriting banks supporting the issue or by an independent investment bank or auditor. All of this ensures that the value of the Company's shares is protected against significant dilution as a result of the disapplication of pre-emption rights. The shareholders are also able to maintain the proportion of their holdings in

the Company's share capital by purchasing bonds via the stock exchange on almost equal terms, thus ensuring that their financial interests have been adequately taken into account.

The power to disapply pre-emption rights pursuant to section 186 (3) sentence 4 AktG applies only to bonds carrying rights to shares representing a proportion of the share capital that does not exceed 10 % in total either at the time the authorisation is resolved or at the time it is exercised, if this value is lower. The above authorised volume of 10 % of the share capital is to be reduced by the proportion of share capital represented by shares, or to which conversion or warrant rights or obligations under any bonds relate, which were issued or sold on or after 9 February 2016 subject to the disapplication of pre-emption rights by applying section 186 (3) sentence 4 AktG directly, analogously or mutatis mutandis. This reduction is effected in the interests of the shareholders to ensure that their shareholding is subject to as little dilution as possible.

Where profit-sharing rights or income bonds without conversion or warrant rights or obligations are to be issued, the Executive Board is authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights entirely, provided these profit-sharing rights or income bonds according to their terms are similar to debt obligations, i.e. do not represent membership rights in the Company, do not grant a share in any liquidation proceeds and the interest due is not calculated on the basis of the annual net earnings, the net profit or the dividend. Moreover, in this case, the interest due and issue price of the profit-sharing rights or income bonds must reflect the market conditions for comparable debt instruments prevailing at the time of issue. If the above requirements are met, the disapplication of pre-emption rights does not place the shareholders at a disadvantage, since the profit-sharing rights or income bonds do not represent membership rights and do not grant a share in any liquidation proceeds or in profits generated by the Company. While the bonds may provide for any interest payable to be subject to annual net earnings, net profit or a dividend being generated, it would not be permissible for higher net earnings, higher net profit or a higher dividend to generate higher interest. The issue of profit-sharing rights or income bonds therefore neither changes nor dilutes the shareholders' voting rights nor their participation in the Company and its profits. Moreover, the binding requirement that, where pre-emption rights are disapplied, the bonds are issued on fair market terms ensures that pre-emption rights have no significant value.

The above options for disapplying pre-emption rights will give the Company the flexibility to respond quickly and exploit favourable capital market situations and put it in a position to respond flexibly and quickly to secure low interest and / or favourable demand for a bond issue. Disapplying pre-emption rights, and thus eliminating the lead time, brings decisive advantages, both in view of the costs of raising capital and in view of the placement risk as compared to bonds with pre-emption rights. Where pre-emption rights are disapplied, the haircut and the placement risk, which would otherwise apply, can be reduced, thus enabling the Company to raise capital more cheaply, which is in its own interests and those of its shareholders. Where bonds with conversion or warrant rights or obligations are issued with pre-emption rights disapplied, the conversion or warrant price for a share is at least 60 % of the average price of TUI shares on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange during the ten trading days prior to the day on which the resolution on issuing bonds is passed by the Executive Board. Insofar as shareholders have pre-emption rights in respect of the bonds, it is also possible to define the conversion or warrant price for a share on the basis of the average price of the Company's shares on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange during the subscription period, with the exception of any days in the subscription period that are required in order that the conversion or warrant price can be published on time in accordance with section 186 (2) sentence 2 AktG, although this price must also be at least 60 % of the average price of TUI shares on the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London Stock Exchange.

The Executive Board is also authorised, subject to the consent of the Supervisory Board, to disapply pre-emption rights in respect of fractional amounts. Such fractional amounts may result from the amount of the respective issue volume and from ensuring a practicable subscription ratio. The bonds representing fractional shares subject to the disapplication of shareholders' pre-emption rights will be realised either by sale on the stock exchange or by other means in the best interests of the Company. In this case, disapplying pre-emption rights facilitates the processing of the capital increase.

The Executive Board is also to have the option to disapply shareholders' pre-emption rights, subject to the consent of the Supervisory Board, in order to grant the holders of bonds with conversion or warrant rights or obligations pre-emption rights to the extent they would be entitled to such rights after exercising their conversion or warrant rights or once their conversion or warrant option obligations have been fulfilled. This means that it is possible to grant holders of conversion or warrant rights or obligations already existing at the time pre-emption rights as a form of anti-dilution protection, rather than having to reduce the conversion or warrant price. Furnishing bonds with such anti-dilution protection is standard market practice.

Bonds may also be issued in return for contributions in kind, insofar as this is in the interests of the Company. In this case, the Executive Board is authorised, subject to the consent of the Supervisory Board, to disapply shareholders' pre-emption rights, provided the value of the contributions in kind reasonably reflects the hypothetical market value of the bonds calculated on the basis of acknowledged methods of financial mathematics. This in turn makes it possible to grant bonds as consideration for acquisitions in appropriate individual cases, for instance when purchasing companies, parts of companies, interests in companies or other assets (such as hotels, ships or aircraft). In such cases, it may prove necessary during negotiations that a form of consideration other than cash is offered. The option to offer bonds as consideration thus offers a competitive edge in respect of interesting acquisitions as well as the necessary leeway to exploit opportunities for acquiring companies, parts of companies, interests in companies or other assets while protecting the Company's own liquidity. This may also prove useful in view of achieving an optimum financing structure. The Executive Board will in each case carefully consider whether or not to use its power to issue convertible bonds or bonds with warrants (or profit-sharing rights or income bonds) in return for contributions in kind while disapplying

pre-emption rights. It will only exercise this power if it is in the interests of the Company and thus of its shareholders.

The proposed new conditional capital is designed to service the conversion or warrant rights or to fulfil the conversion or warrant obligations relating to Company shares attached to convertible bonds, bonds with warrants, profit-sharing rights or income bonds, insofar as these bonds were issued for cash. Other forms of fulfilment may be used in place of the above.

Conversion or warrant rights or obligations under bonds issued in return for contributions in kind, however, cannot be serviced from the new conditional capital.

Regarding item 9 of the agenda (authorisation to acquire and use own shares)

The proposal under agenda item 9 provides for an authorisation to acquire own shares in accordance with section 71 (1) no. 8 AktG representing up to 5 % of the share capital, but no more than 29,339,224 shares, which is restricted to a period of 18 months. 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 2017 Annual General Meeting.

At the Annual General Meeting on 10 February 2015, TUI AG passed an authorisation resolution for the acquisition of own shares that is limited to a term ending on 9 August 2016. As this authorisation will lapse in the current financial year, this authorisation resolution is to be cancelled once the new authorisation that is to be resolved at this Annual General Meeting comes into effect. In addition to the requirements of the German Stock Corporation Act, the new authorisation is to take into account the requirements to be met by the Company on account of the listing of the TUI AG share 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, is also to 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 manner 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 wish 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 ratios). 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 must 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 must 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 disapplication of any further-reaching tender rights of 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 at the Frankfurt Stock Exchange (Xetra trading) or the depositary interests representing the shares at the London 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 such 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, by means other than a sale on the stock exchange or an offer to shareholders for cash. For this to take place, the shares must be sold 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. This authorisation makes use of the option of a simplified disapplication 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 market 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 market price as low as possible, taking into account the market conditions at the time of placement. The discount from the market price at the time this authorisation is exercised is not expected to be more than 3 % and will definitely not exceed 5 % of the current market price (closing price for the Company's shares determined on the Frankfurt Stock Exchange (Xetra trading) or the

depositary interests at the London Stock Exchange on the trading day before the placement of the shares). The authorisation is granted on the condition that the own shares sold subject to the disapplication of pre-emption rights pursuant to section 186 (3) sentence 4 AktG in aggregate do not exceed 5 % of the 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 lower than on 9 February 2016, the lower share capital will be relevant. Any exercise of other authorisations to disapply 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 share capital. Shareholders generally have the option to maintain their proportion of shareholdings by purchasing TUI shares on the stock exchange. This option to disapply 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 way of fixing a price that is near market 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 pricechange 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 will be unable to react quickly to favourable market conditions owing to the length of the subscription period. Although the authorised capital also serves the above purpose, the Company should be given the option, after a repurchase of the own shares, 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 may, subject to the consent of the Supervisory Board, also be sold against contributions in kind subject to the disapplication 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 disapplication 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 also serves the above purposes, the Company should be given the option, after a repurchase of own shares, 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 the opportunity 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 so, however, if it firmly believes that the delivery of TUI shares as consideration is in the best interests of the Company. When determining 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 market price of the TUI share. A formal link to a market price is not intended, largely in order to prevent the results of negotiations being put in question by variations in the market 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 be used, subject to the disapplication 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 thereof) issued by the Company or other Group companies and carrying conversion or warrant rights or obligations. It can make sense to use own shares, either in whole or in part, instead of new shares from a capital increase in order to fulfil conversion rights as 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 directly 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, subject to 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 no par-value shares without a reduction in the Company's 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 share capital represented by the remaining no par-value shares will be increased automatically. 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 no par-value shares that will result from any cancellation.

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

In all cases where a disapplication 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 disapplications of those pre-emption rights into account which are provided for in other authorisations. According to this resolution, the total portion of the share capital attributable to own shares for which pre-emption rights have been disapplied under the proposed authorisation resolution must not – together with the portion of the share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrant rights or obligations from bonds that were sold or issued after 9 February 2016 subject to the disapplication of pre-emption rights – exceed 10 % of the share capital, namely either at the time the authorisation is resolved or at the time it is exercised.

Having given due consideration to all the above factors, the Executive Board and the Supervisory Board regard the disapplication of pre-emption rights as justified and appropriate visà-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 Financial Conduct 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 2 February 2016) 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 by the beginning of 26 January 2016 at the latest 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 14 January 2016)	
www.tuigroup.com/en-en/investors/agm	

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 14 January 2016 at www.tuigroup.com/en-en/investors/agm. The shareholder number and individual access number required for access to the personal 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 online service. Shareholders whose registration has been received by the Company by midnight on 2 February 2016 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 8 February 2016. This also applies to authorisations and instructions that were given to Company-appointed proxies before 2 February 2016. Admission tickets must have been ordered by midnight on 2 February 2016 at the latest.

Shareholders who have not already been entered in the share register by the beginning of 26 January 2016, but by the end of 2 February 2016 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 2 February 2016 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.

Notes 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.tuigroup.com/en-en/investors/agm. 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. 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.tuigroup.com/en-en/investors/agm, 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.

Notes 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
Telefax: +49 (0)511 566 – 1996
Email: 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, 25 January 2016 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.tuigroup.com/en-en/investors/agm.

Notes 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 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, 9 January 2016 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.

Notes 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.tuigroup.com/en-en/investors/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 2015
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

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 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 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 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

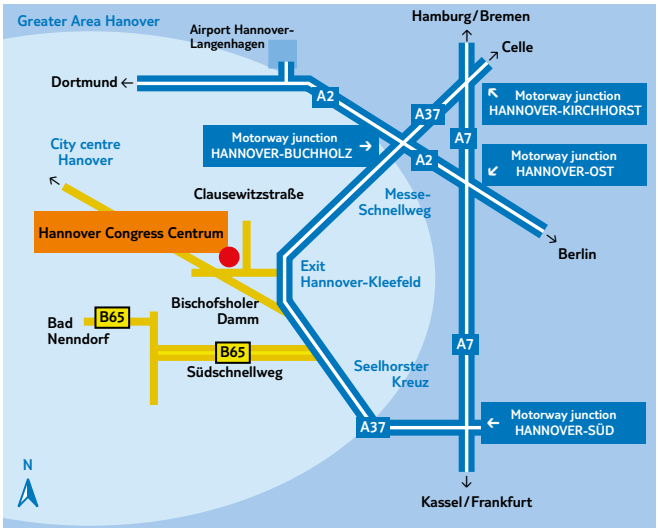
By public transport

Schedules are available at: **www.efa.de/gvh/**

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



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Karl-Wiechert-Allee 4
30625 Hanover
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