

TUI AG ANNUAL GENERAL MEETING 2017

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# INVITATION

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TUI Arena  
14 February 2017, 10.00 a.m. (CET)



## TUI GROUP – FINANCIAL HIGHLIGHTS

€ million	2014 / 15 restated	2015 / 16	Var. %
<b>Turnover</b>	<b>17,515.5</b>	<b>17,184.6</b>	<b>–1.9</b>
<b>Underlying EBITA<sup>1</sup></b>			
Northern Region	538.4	460.9	–14.4
Central Region	103.5	88.5	–14.5
Western Region	68.7	86.1	+25.3
Hotels & Resorts	234.6	287.3	+22.5
Cruises	80.5	129.6	+61.0
Other Tourism	8.4	4.6	–45.2
<b>Tourism</b>	<b>1,034.1</b>	<b>1,057.0</b>	<b>+2.2</b>
All other segments	–80.8	–56.5	+30.1
<b>TUI Group</b>	<b>953.3</b>	<b>1,000.5</b>	<b>+5.0</b>
Discontinued operations	107.2	92.9	–13.3
<b>Total</b>	<b>1,060.5</b>	<b>1,093.4</b>	<b>+3.1</b>
<b>EBITA<sup>2</sup></b>	<b>794.6</b>	<b>898.1</b>	<b>+13.0</b>
<b>Underlying EBITDA</b>	<b>1,344.1</b>	<b>1,379.6</b>	<b>+2.6</b>
<b>EBITDA</b>	<b>1,214.7</b>	<b>1,305.1</b>	<b>+7.4</b>
Net profit for the period (continuing operations)	407.6	464.9	+14.1
Earnings per share (continuing operations)	€ 0.66	0.61	–7.6
Equity ratio	% 17.2	22.5	+5.3 <sup>3</sup>
Net capex and investments	659.0	691.0	+4.9
Net financial position	213.7	–31.8	n.a.
Employees	76,036	66,779	–12.2

Differences may occur due to rounding.

<sup>1</sup> 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.

<sup>2</sup> EBITA comprises earnings before net interest result, income tax and impairment of goodwill excluding losses on container shipping and excluding the result from the measurement of interest hedges.

<sup>3</sup> Equity divided by balance sheet total in %, variance is given in percentage points.

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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 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, 14 February 2017 at 10.00 a.m. (CET) at TUI Arena, Expo Plaza 7, 30539 Hanover, Germany, is set out in this document, starting on page 12. 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](http://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, is included within a Form of Direction / Form of Instruction which the holders of depositary interests will receive from Capita IRG Trustees Limited together with this invitation; the information can also be requested from Capita IRG Trustees Limited.

## Dear shareholders

We are delighted to report that TUI Group recorded an excellent development in the completed financial year 2015 / 16. Despite continued major geopolitical challenges, we managed to increase our operating result again by 14.5 per cent. Our positive performance underpins the great resilience of our strategic positioning as a vertically integrated tourism group. Thanks to our access to all elements of the value chain, we are very flexible in responding to changes in our customers' travel preferences. Your Company is therefore in an excellent state of health. Let me thank you all for your interest and support in the completed year.

And yet we will not rest on our laurels but will press ahead with our growth roadmap. In the cruise business, we have expanded our fleet to 14 ships with the launch of Mein Schiff 5 in the German market and TUI Discovery in the UK. We are aiming to become one of Europe's leading cruise liners. That is why we will continue to invest in new ships in the next few years, at both TUI Cruises and Thomson Cruises and in our luxury cruise subsidiary Hapag-Lloyd Cruises.

We are also pursuing an ambitious growth roadmap in Hotels & Resorts. In early summer, we opened the first two hotels of our new hotel brand TUI Blue. Overall, our hotel portfolio for our core brands Riu, Robinson, TUI Blue and TUI Magic Life and our hotel concepts Sensatori, Sensimar and Family Life grew by nine hotels in the completed financial year. In expanding our portfolio of Group-owned hotels, we find year-round destinations offering 365 days of sunshine particularly attractive. Our investments focus on the Caribbean, a destination for customers from both Europe and the United States.

The consistent expansion of the cruise and hotel segment will gradually change the structure of your Company. We are steadily transforming from a group with a strong trading business to a content provider with strong market positions in the cruise and hotel sector, which already contribute around half of our profits today. Our transformation will take us from a tour operator to a hotel and cruise group, further reducing the strong seasonality of our business, which currently still impacts the valuation by rating agencies.

To build TUI Group further, we are relying on a mix of centrally managed areas and our strong local companies in the individual markets. This will enable us to benefit from economies of scale on a global level without

losing customer centricity and our focus on their individual needs and expectations. We have identified six areas in which we can benefit from the strength of a global player: brand, IT, aviation, hotels and product purchasing, cruises, and destination services.

We have exited or are planning to sell business operations that will not deliver synergies under the umbrella of TUI. In the completed financial year, we sold Hotelbeds Group, world market leader for bedbanks, to the British investor Cinven Capital Management and the Canada Pension Plan Investment Board for 1.2 billion euros. This very successful transaction is good for the future of Hotelbeds and good for you, TUI Group's shareholders. The proceeds from the sale will be used to promote our growth roadmap in hotels and cruises and strengthen our balance sheet.

Following the successful sale of Hotelbeds Group, we initiated the divestment of Travelopia, a collection of specialist tour operation brands that had already been managed as an independent entity since the merger between TUI AG and TUI Travel PLC at the end of December 2014. Travelopia combines more than 50 great brands and successful companies. However, there is limited linkage to our core tourism business and limited ability to achieve any economies of scale. Due to the potential impact on our profitability and the large number of brands, this business will not continue under our master brand TUI. I am therefore convinced that the best way to maximise the value of this business for you, our shareholders, is to dispose the specialists as a whole.

The portfolio of specialists will be disposed in one transaction in financial year 2016/17, with the exception of the two tour operation brands Crystal Ski and Thomson Lakes & Mountains, which we have transferred into TUI UK & Ireland. These two vertically integrated brands deliver strong synergies with our core tourism business. Both Crystal Ski and Thomson Lakes & Mountains play a major role in securing the load factor for our aircraft fleet in the UK, in particular in winter, and therefore generate the synergy potential the other specialist providers lack.

In the completed financial year, we have taken major steps to move towards the structure and strategic positioning our Group is aiming to achieve. Our integrated business model has proven robust and future-proof, so that we are in a very good position to tackle the next few years.

In the framework of the merger with TUI Travel at the end of 2014, we promised you, our shareholders, that we will deliver EBITA CAGR of at least 10 per cent over the three years to 2017/18. We maintain that guidance, and we are delivering the results we had promised you.

TUI Group's positive economic performance is also reflected in the attractive dividend we will again be distributing. We have submitted a proposal to the Annual General Meeting to increase the dividend for financial year 2015/16 to 63 cents per share, up by around 13 per cent on the prior year.

TUI Group has demonstrated its strength once more in year two. As the world's leading tourism group, we are pursuing a clear strategic roadmap in order to create maximum value for you, our shareholders.

Let me thank you for your confidence, support and loyalty to TUI.

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

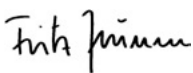
We are pleased to invite you to attend our 2017 Annual General Meeting, which will be held at TUI Arena, Expo Plaza 7, D-30539 Hanover, on Tuesday, 14 February 2017, from 10:00 a.m. (CET). In addition to our shareholders, in accordance with the conditions set out in the German Stock Corporation Act (Aktiengesetz; AktG), 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 2017 Annual General Meeting on pages 12 to 26 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 27. The 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.

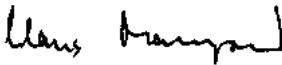
For shareholders and DI holders, we have compiled explanatory notes concerning the agenda items and the proposed resolutions on the pages below.

### **Recommendation regarding resolution proposals**

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 some of these resolutions on account of the provisions of the German Stock Corporation Act.



**Friedrich Jousen**  
CEO



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

## **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 item 6 contains the authorisation to acquire and use own shares, which has also been requested annually by TUI AG in the past. Further details of each agenda item are set out below:

### **Agenda item 1 – Presentation of the approved annual financial statements for the 2015/16 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 contained in the Annual Report for the 2015/16 financial year as of page 117.

**Agenda item 2 – Resolution on the use of the net profit available for distribution for the 2015/16 financial year (resolution to approve the payment of the proposed dividend)**

The Executive Board and the Supervisory Board propose, for the 2015/16 financial year, to pay a dividend of € 0.63 per TUI AG share carrying dividend rights. If the resolution is approved by the General Meeting, the dividend will be paid on 17 February 2017 in accordance with section 58 (4) sentence 2 AktG.

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

<b>TIME SCHEDULE FOR DI HOLDERS</b>		
(i)	Final date for receipt by Capita of Forms of Direction/Instruction	Monday 6 February 2017 at 4.30 pm (GMT), 5.30 pm (CET)
(ii)	Record date & time	Tuesday 14 February 2017, COB
(iii)	Annual General Meeting	Tuesday 14 February 2017
(iv)	Ordinary shares quoted ex-dividend	Wednesday 15 February 2017
(v)	Dividend payment date	Friday 17 February 2017
(vi)	Posting of dividend warrants and vouchers to DI holders	Tuesday 28 February 2017
(vii)	CREST credit date	Tuesday 28 February 2017

Capita IRG Trustees Limited will remit the dividend to the DI-Holders no later than 10 business days following its payment by TUI AG.

DI holders can elect to have their dividends paid directly to their bank accounts if they have not already elected for payments in CREST. Accordingly, DI holders are invited to register their bank or building society account for receipt of dividends electronically instead of by post by visiting the shareholder portal at [www.tuishares.com](http://www.tuishares.com). This allows for receipt of funds much quicker and without risk of loss or delay in the postal systems.

### **Agenda items 3 and 4 – Resolutions on the approval of the actions of the Executive Board and the Supervisory Board for the 2015 / 16 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 2016 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 2017 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 contained in the Annual Report for the 2015 / 16 financial year as of page 117.

### **Agenda item 5 – Resolution on the appointment of the auditor for the 2016 / 17 financial year**

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 Deloitte GmbH 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 Deloitte GmbH Wirtschaftsprüfungsgesellschaft be also appointed as auditor for a potential review of such additional interim financial information which meets the requirements for the half-year financial report.

**Agenda item 6 – 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 expressly permitted by law, the Company will require special authorisation from the General Meeting. The resolution proposed under agenda item 6 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) 29,351,909 shares (being 5 % of the issued share capital as of 4 January 2017, i.e. the date of the convocation of the Annual General Meeting). The new authorisation will remain valid up to and including 13 August 2018. However, any contract to purchase own shares based on this authorisation must be concluded before the 2018 Annual General Meeting.

The authorisation to acquire own shares provides for the same caps and floors applied in the past 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) 29,351,909 shares, corresponding to 5 % of the issued share capital as of 4 January 2017, i.e. the date of the convocation of the Annual General Meeting.

The Executive Board does not currently intend to make use of the authorisations to acquire and use own shares contained in the proposed resolution 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.

SCOPE OF INDIVIDUAL AUTHORISATIONS USABLE

Authority to allot shares

- 1 Maximum permissible scope of the authorisation to dispose own shares proposed under agenda item 6
- 2 Maximum permissible scope of the authorisation described in no. 1 above together with all authorisations for the issue of new shares, which can still be utilised after the General Meeting

Disapplication of pre-emption rights

- 2.1 – Aggregate limit where shares or bonds are issued or disposed in return for contributions or benefits in kind or otherwise without pre-emption rights (excluding the granting of shares to employees)
- 2.1.1 – Limit where shares or bonds are issued or disposed 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.)
- 2.1.2 – Limit where shares or bonds are issued or disposed in return for cash contributions or benefits without pre-emption rights (excluding the granting of shares to employees)

As of 4 January 2017 and thus at the time of the convocation of the Annual General Meeting, the authorisation to acquire granted by the 2016 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 under agenda item 6 is provided in the report prepared by the TUI AG Executive Board for the shareholders, a copy of which is attached to the agenda.

In addition to the authorisation proposed under agenda item 6, the Company has been granted other authorisations on the basis of which new shares may be issued in return for contributions in cash and/or kind without the shareholders being entitled to pre-emption rights to these shares. Those other authorisations have terms of several years as permissible under the German Stock Corporation Act. Therefore, they need not be granted once more or renewed in the Annual General Meeting on 14 February 2017.

The following is an overview of the scope of all authorisations that can be utilised including the resolution proposed under agenda item 6.

Pro-rata amount of the share capital in €	Number of shares	% of the share capital existing as of 4 January 2017 (rounded up)
75,036,963.85	29,351,909	5 %
953,328,967.75	372,909,878	63.53 % (48.53 % authorised capital and 10 % conditional capital as well as 5 % any acquired own shares)
300,018,149.33	117,356,899	20 %
300,018,149.33	117,356,899	20 %
150,073,927.69	58,703,818	10 %

# INVITATION

*We hereby invite our shareholders to the  
2017 Annual General Meeting  
on Tuesday, 14 February 2017  
at 10.00 a. m. at  
TUI Arena  
Expo Plaza 7  
30539 Hanover.*

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

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

is divided, at the time of convocation, into 587,038,187 no-par value shares carrying the same number of votes.

## **Securities identification numbers**

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

<b>ISIN Code</b>	<b>WKN</b>
DE 000 TUA G00 0	TUA G00
DE 000 TUA G28 1	TUA G28
DE 000 TUA G29 9	TUA G29

# AGENDA

*for the Annual General Meeting of TUI AG  
on 14 February 2017*

**1. Presentation of the approved annual financial statements for the 2015/16 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 2016, which were presented to it by the Executive Board, on 7 December 2016. 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 oneoff 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 2015/16 consolidated financial statements were also approved by the Supervisory Board on 7 December 2016. 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 2015/16 financial year**

The Executive Board and the Supervisory Board propose that an amount of € 369,834,057.81 from the reported net profit of € 822,292,313.04 be applied towards the distribution of a dividend of € 0.63 per participating share and the remaining amount of € 452,458,255.23 be carried forward to new account.

With effect from 1 January 2017, the shareholders' claim to their dividend will, pursuant to section 58 (4) sentence 2 AktG, fall due on the third business day after the resolution was passed by the Annual General Meeting. It is not possible, pursuant to section 58 (4) sentence 3 AktG, to provide for the dividend to fall due earlier, even

in the resolution on the use of profits. The dividend shall thus be paid on 17 February 2017.

### **3. Resolution on the approval of the actions of the Executive Board for the 2015 / 16 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 Jousen (CEO), Horst Baier, David Burling, Sebastian Ebel, Dr Elke Eller, Peter Long, and William Waggott.

### **4. Resolution on the approval of the actions of the Supervisory Board for the 2015 / 16 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, Prof. Dr Edgar Ernst, Wolfgang Flintermann, Angelika Gifford, Valerie Frances Gooding, Dr Dierk Hirschel, Janis Carol Kong, Peter Long, Coline Lucille McConville, Alexey Mordashov, Michael Pönipp, Timothy Martin Powell, Wilfried Rau †, Carmen Riu Güell, Carola Schwirn, Maxim G. Shemetov, Anette Stempel, Prof. Christian Strenger, Ortwin Strubelt, Mag. Stefan Weinhofer, and Marcell Witt.

### **5. Resolution on the appointment of the auditor**

Based on the recommendation of the audit committee, the Supervisory Board proposes that Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover, be appointed as auditor of the annual financial statements and the consolidated financial statements for the 2016 / 17 financial year and also for the audit review of the half-year financial report for the first half of the 2016 / 17 financial year. The Supervisory Board further proposes that Deloitte GmbH 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 2016/17 and 2017/18 financial years up to the next General Meeting.

**6. 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 9 February 2016 will lapse on 8 August 2017, it is to be proposed to the Annual General Meeting that it should again grant the Company 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 with shareholders' pre-emption rights being disappplied or to cancel them, also while reducing the share capital. At the same time, it is to be ensured that the disposal of own shares acquired on the basis of the new authorisation with pre-emption rights being disappplied is only permitted if and to the extent that, after the granting of the authorisation, this does not result in the disapplication of pre-emption rights in respect of a share volume of more than 10% of the share capital in aggregate, even when the potential exercise of other authorisations allowing for the disapplication of pre-emption rights, including such authorisations in connection with capital increases in return for contributions in kind, is taken into account. The volume for the right to acquire shares, and thus at the same time the volume in which the shares acquired can be sold with pre-emption rights being disappplied, shall furthermore be limited to a maximum of 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 29,351,909 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 more 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 9 February 2016, which will be cancelled once the new authorisation comes into effect, and remains valid until 13 August 2018. However, any contract to purchase own shares based on this authorisation must be concluded before the next Annual General Meeting, i.e. in the period until the 2018 Annual General Meeting only. The Executive Board will decide whether to effect the acquisition via 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) is € 2.56 (being the calculated pro-rata proportion of the share capital attributable to one share, rounded to two decimal places).
- If the shares are acquired via the stock exchange, the share price paid by the Company (not including incidental acquisition costs) must not be more than 10 % higher or lower than 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) must in this case not exceed the higher of:
    - 105 % of the average of the middle market quotations for 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,
    - an amount equal to the higher of the price of the last independent trade of a share or the depositary interest representing the share and the highest current independent bid for a share or the depositary interest representing the share on the trading venue where the purchase is carried out.
  - 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 % higher or lower than 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 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 practices may be allowed in order to avoid fractions of shares. Any further-reaching tender right on the part of shareholders is excluded in this context.

- c) Company shares that have been acquired on the basis of this authorisation (up to 5 % of the share capital existing at the time of the resolution, but no more than 29,351,909 shares) may be sold via 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 the Company's shares 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 shall be reduced by the proportion of the share capital attributable to shares or relating to bonds carrying warrant and/or conversion rights or obligations that have been issued or sold since 14 February 2017, with pre-emption rights being disapplied in accordance with the direct, analogous or mutatis mutandis application of section 186 (3) sentence 4 AktG; 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 warrant rights or for the purpose of fulfilling conversion 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 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 collectively, while the authorisations under c) bullet points 2 to 4 may also 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 proportion 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 proportion 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 have been sold or issued since 14 February 2017 with pre-emption rights being disapplied – 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.

## Executive Board report on agenda item 6

The proposal under agenda item 6 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 29,351,909 shares, which is limited to a period of 18 months. However, any contract to purchase own shares based on this authorisation must be concluded before the next Annual General Meeting, i.e. in the period until the 2018 Annual General Meeting only.

At the Annual General Meeting on 9 February 2016, TUI AG passed an authorisation resolution for the acquisition of own shares that is limited to a term ending on 8 August 2017. As this authorisation will lapse in the current financial year, this authorisation 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. The disapplication of pre-emption

rights on disposal of own shares acquired on the basis of the new authorisation shall only be permitted within strict volume limits, which must not exceed 10% of the share capital, even when the potential exercise of other authorisations allowing for the disapplication of pre-emption rights, including such authorisations in connection with capital increase in return for contributions in kind, is taken into account. These restrictions, together with the reasons for the potential disapplication of pre-emption and tender rights, are explained below.

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 offer to buy or a public call to all shareholders to submit an offer to sell. 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 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 will be possible for the acquisition to be effected in accordance with the proportion of shares tendered (tender ratios). Only where an acquisition is effected on the basis of tender ratios rather than participation ratios will it be possible to handle the acquisition process effectively in technical terms. It should also be possible for preference to be given to accepting small offers or small parts of offers of 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 also be possible, in all cases, to permit rounding in accordance with common business practices in order to avoid fractions of shares. This also serves to simplify the technical handling in that it makes it possible 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% higher or lower than 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 publication of the tender offer. If, following the announcement of a public offer to buy or a public

call to submit an offer to sell, there are significant variations in the relevant price, the offer or the call to 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 via the stock exchange – as well as the acquisition of such shares via 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 own shares acquired, subject to the consent of the Supervisory Board, by means other than a sale via 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 the Company's shares 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 sale 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 do not exceed 5 % of the share capital in aggregate, either in respect of the share capital at the time the resolution on this authorisation is passed

or in respect of the share capital at the time the authorisation is exercised. Thus, if the issued share capital at the time the authorisation is exercised is lower than on 14 February 2017, the lower volume of 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 5 % in total of the share capital. Shareholders generally have the option to maintain the proportion of their shareholding 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 fixing a near-market price generally result in a substantially higher cash inflow per share sold than in the case of a share placement with pre-emption rights. Furthermore, by forgoing the lengthy and expensive pre-emption rights process, capital requirements can be met quickly by utilising market opportunities that arise in the short term. Although section 186 (2) sentence 2 AktG allows the purchase price to be published three days before the expiry of the subscription period at the latest, the volatility of the stock markets means that a market risk, in the form of a pricechange risk, nonetheless exists for a period of several days, leading to the possibility of haircuts when determining the sale price, and thus to 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 opportunity to achieve this end in suitable cases after repurchasing own shares 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 for improving 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 by granting shares in the acquiring company. 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 offer existing shares in the company than to sell these shares in order to generate the funds required for the acquisition, as selling shares can have the effect of pushing down prices. The authorisation proposed here aims 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, interests in companies or other assets, and the Company would thus forgo the related benefits. Although the authorised capital also serves the above purposes, the Company should be given the opportunity to achieve these ends in suitable cases after a repurchase of own shares 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. There are no specific plans to exercise this authorisation at present. 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 delivering TUI shares as consideration for the merger or the acquisition 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 take its decision on the basis of the market price of the TUI share. A formal link to a market price is not intended, primarily 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 also allows that own shares may be used, subject to the disapplication of shareholders' pre-emption rights, in order to fulfil conversion rights or option rights or obligations arising under 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 may be expedient to use own shares, either in whole or in part, instead of new shares from a capital increase in order to fulfil conversion or option rights or obligations 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 or obligations are fulfilled by delivering newly created shares.

The above options 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. It is both advantageous and can create greater flexibility if these own shares are used in the same way as the shares acquired on the basis of the authorisation resolution. Moreover, the above options are not only to be made available 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 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 resolution by the Company's General Meeting may specify that fully paid-in no-par value shares may also be cancelled without the Company's share capital being reduced. In addition to a cancellation of shares with a capital reduction, the proposed authorisation expressly provides for this alternative, although, again, no new resolution by the General Meeting should be required. 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 is therefore 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 unallocated 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 restrictions relating to fractional amounts, the potential dilutive effect will be small.

In all cases where a disapplication of pre-emption rights is envisaged for the options contained in the proposed authorisation resolution, the resolution provides for an additional restriction regarding scope which also takes the disapplication of those pre-emption rights into account which are provided for in other authorisations, including such authorisations in connection with capital increase in return for contributions in kind. According to this resolution, the total proportion of the share capital attributable to own shares for which pre-emption rights have been disappplied under the proposed authorisation resolution (together with the proportion 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 have been sold or issued since 14 February 2017 with pre-emption rights being disappplied) must not exceed 10% of the share capital, namely either with respect to the share capital at the time the authorisation is resolved or with respect to the share capital 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 vis-à-vis the shareholders in those cases for the stated reasons, also taking into account the potential dilutive effects for 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 (1) 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 7 February 2017)** 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 31 January 2017 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 19 January 2017)	
<a href="http://www.tuigroup.com/en-en/investors/agm">www.tuigroup.com/en-en/investors/agm</a>	

Shareholders of TUI AG will again have the opportunity at this Annual General Meeting to register themselves or a proxy and to order admission tickets for the Annual General Meeting or give authorisation and instructions to Company-appointed proxies electronically via the internet. This service will be available from 19 January 2017 at [www.tuigroup.com/en-en/investors/agm](http://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 7 February 2017 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 13 February 2017. This also applies to authorisations and instructions that were given to Company-appointed proxies before 7 February 2017. Admission tickets must have been ordered by midnight on 7 February 2017 at the latest.

Shareholders who have not already been entered in the share register by the beginning of 31 January 2017, but by the end of 7 February 2017 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 7 February 2017 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](http://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](mailto:tui.hv@rsgmbh.com). The special rules contained in section 135 AktG apply, in derogation from the above sentences, to the authorisation of and exercise of voting rights by credit institutions, commercial agents, shareholder associations and equivalent persons or entities. The following special provisions apply to the authorisation of proxies appointed by the Company.

Shareholders of TUI AG have the opportunity to have their voting rights represented at the Annual General Meeting by employees of the Company who are bound to comply with their instructions. Shareholders can grant authorisation and issue instructions to the Company-appointed proxies in writing using the response form included in the personal cover letter or alternatively using the authorisation and instruction form to be found under [www.tuigroup.com/en-en/investors/agm](http://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 or 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 nominations may be addressed to:

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

Any motions and nominations sent to other addresses will not be published pursuant to sections 126 and 127 AktG. All motions and election proposals that are received from shareholders by midnight on Monday, 30 January 2017 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](http://www.tuigroup.com/en-en/investors/agm).

Holders of depositary interests ("DIs") issued by Capita IRG Trustees Limited relating to TUI AG shares who wish to submit counter-motions or nominations are requested to contact Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU,

England, or by e-mail to [custodymgt@capita.co.uk](mailto:custodymgt@capita.co.uk) by Monday, 30 January 2017, 5:30 p.m. GMT at the latest.

## 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, 14 January 2017 at the latest. The applicants must prove that they have held the relevant shares for at least 90 days 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](http://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).

## Further 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. Detailed information, including the relevant conditions, is included in a Form of Direction/Form of Instruction which holders of DIs will receive together with this invitation from Capita IRG Trustees Limited.

Should you have any questions relating to your DIs, please contact the Depositary, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, England, or by e-mail to [custodymgt@capita.co.uk](mailto:custodymgt@capita.co.uk).

Berlin/Hanover, January 2017  
The Executive Board

# DIRECTIONS

## How to get to the venue

### By car

Address for your route guidance system: **EXPO Plaza, Gut Kronsberg**

#### From the north ↓

Motorway A7 direction Hamburg-Kassel to junction Hanover-Kirchhorst, exit the junction and follow the motorway A 37/Messeschnellweg (direction Hanover), take the exit Messe Nord/Plaza

#### From the south ↑

Motorway A7 Kassel-Hamburg to junction Hanover-Süd, exit the junction and follow the motorway A37/Messeschnellweg (direction Messe), take the exit Messe Süd

#### From the west/east →←

Motorway A2 Berlin-Dortmund to junction Hanover-Buchholz, exit the junction and follow the motorway A37/Messeschnellweg (direction Hanover Zentrum/Messe), take the exit Messe Nord/Plaza

#### Parking

The car-park routing system will route you to parking deck 'Parkhaus Süd 26' which is opened during the Annual General Meeting. The TUI Arena is a short walk away from this parking deck. Please note that only the parking deck 'Parkhaus Süd 26' is free of charge during the Annual General Meeting. By using other parking decks charges may incur.

### By public transport

If you have ordered an entry ticket, you will receive a special ticket with your mail which entitles you to use the busses and city railways of the public transport in Hanover (GVH) free of charge. Schedules are available at: **www.efa.de**.

#### From Hanover Central Station

Take tram lines 1, 2, 3, 7, 8 or 9 and exit at the next stop '**Kröpcke**' (about 3 minutes walk from the central station). Change for tram line 6 and exit at the last stop '**Messe / Ost**' (frequency: every 10 minutes; journey time: 23 minutes). Walk over the pedestrian bridge to TUI Arena.

#### From Hanover-Langenhagen airport

Take the S-Bahn (city railway) 'S5' to '**Hanover Hauptbahnhof**' (Hanover Central Station) (frequency: every 30 minutes; journey time: 17 minutes). Read left for directions from here onwards.

**Destination:**

TUI Arena  
EXPO Plaza 7  
30539 Hanover  
Germany



TUI AG  
Karl-Wiechert-Allee 4  
30625 Hanover  
Germany