



Lufthansa Group Corporate Governance

Karl-Ludwig Kley,
Chairman of the Supervisory Board

February 2024

Agenda

- | | | |
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Lufthansa Group's Supervisory Board – Experience, diversity and independency

20 Board Members



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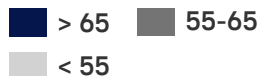
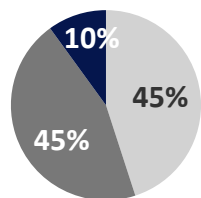
Shareholder Representatives



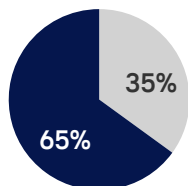
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Employee Representatives

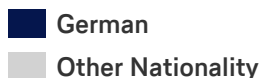
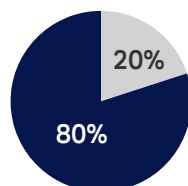
Age



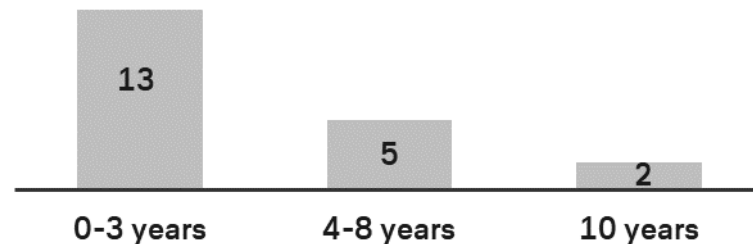
Gender



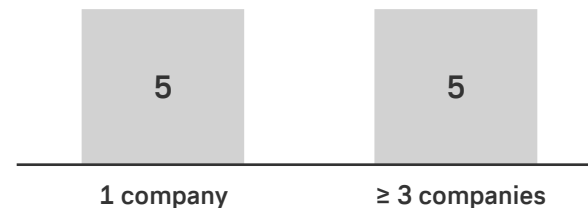
Nationality



Lufthansa Supervisory Board tenure



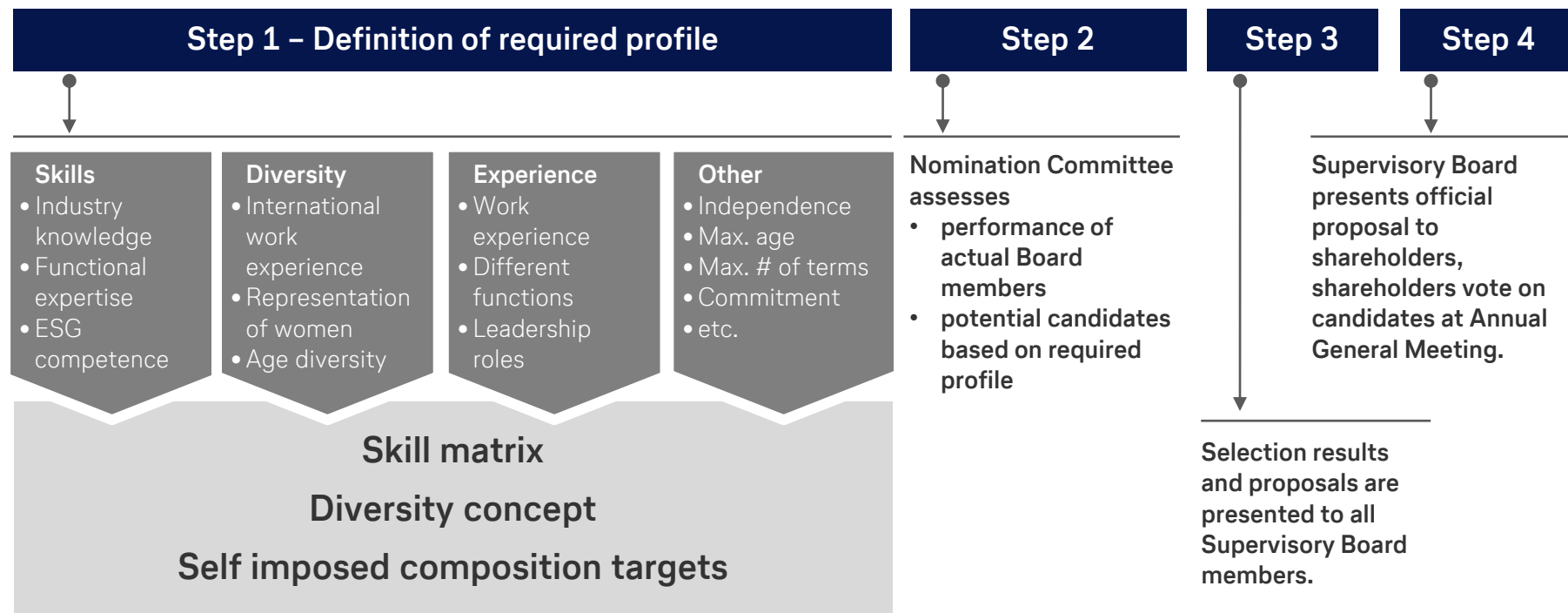
Professional experience^{1,2}



¹ Shareholder representatives only

² Other companies outside Lufthansa Group

Supervisory Board nomination process¹



¹ Shareholder representatives only

The shareholder representatives have a broad and diverse set of qualifications



Karl-Ludwig Kley
Chairman of the Supervisory Board

Born 1951, German
Member since 2013

Extensive leadership and supervisory board experience
Financial expert



Erich Clementi

Born 1958, Italian
Member since 2020

Expert in digital transformation and strategy
ESG expert



Michael Kerkloh

Born 1953, German
Member since 2020

Aviation expert



Britta Seeger

Born 1969, German
Member since 2021

Marketing and Sales expert, comprehensive
international leadership experience



Thomas Enders

Born 1958, German
Member since 2020

Aviation expert, extensive leadership
experience



Carsten Knobel

Born 1969, German
Member since 2018

Financial expert



Astrid Stange

Born 1965, German
Member since 2020

IT/digital expert, comprehensive
international leadership experience



Karl Gernandt

Born 1960, German
Member since 2023

Logistics expert, extensive leadership
experience
Financial expert



Harald Krüger

Born 1965, German
Member since 2020

Extensive leadership and board experience
Financial expert

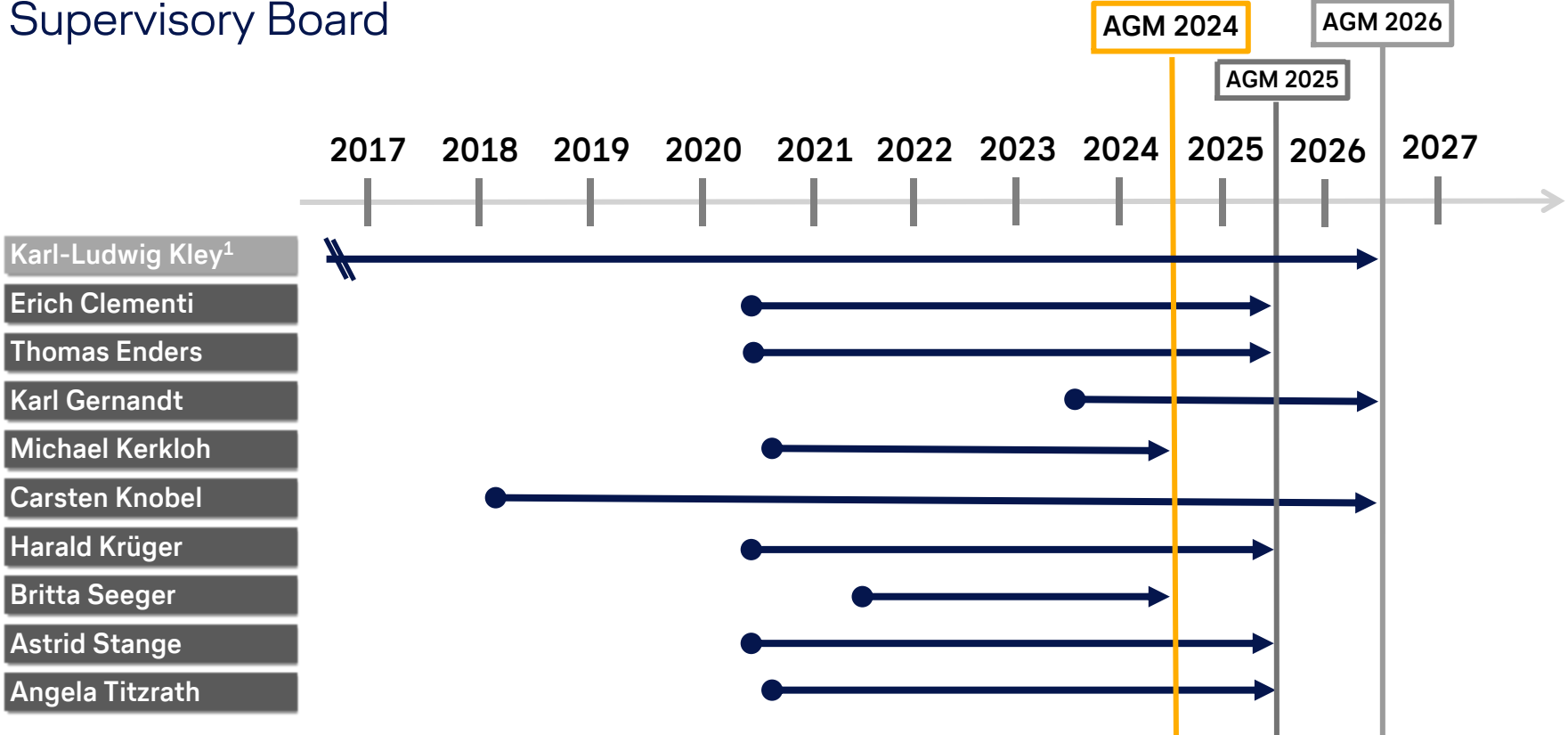


Angela Titzrath

Born 1966, German
Member since 2020

Logistics expert, extensive leadership
experience
ESG expert

Staggered and short appointment periods ensure regular change on the Supervisory Board



¹ Member since 2013

Group of employee representatives headed by experienced chair



Christine Behle
Deputy Chairman of the Supervisory Board
 Born 1968, German
 Member since 2013

Deputy Chairwoman of the Federal Management Board
 of the union Ver.di



Tim Busse
 Born 1973, German
 Member since 2023

Flight captain



Jamila Jadran
 Born 1983, German
 Member since 2023

Consultant product management



Marvin Reschinsky
 Born 1992, German
 Member since 2023

Union secretary ver.di



Sara Grubisic
 Born 1971, German / croatian
 Member since 2023

Purser



Arne Christian Karstens
 Born 1983, German
 Member since 2023

Pilot



Birgit Rohleder
 Born 1960, German
 Member since 2018

Teamlead IT Application Management
 Airport Services



Christian Hirsch
 Born 1959, German
 Member since 2023

Information management consultant/Works
 Council member on leave of absence



Holger Benjamin Koch
 Born 1976, German
 Member since 2018

Senior Director Airport/Industry Charges &
 Commercial Provider Management



Klaus Winkler
 Born 1973, German
 Member since 2018

Engine mechanic

Members' skill profiles ensure effective governance & committee work (I)

		Karl-Ludwig Kley	Christine Behle	Tim Busse	Erich Clementi	Thomas Enders	Karl Gernandt	Sara Grubisic	Christian Hirsch	Jamila Jadran	Arne Christian Karstens
Membership length	Member since	07.05.2013	07.05.2013	29.07.2023	05.05.2020	05.05.2020	09.05.2023	29.07.2023	29.07.2023	29.07.2023	29.07.2023
Personal aptitude	Independence ¹	✓	***	***	✓	✓	✓	***	***	***	***
	No overboarding ²	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	Date of birth	11.06.1951	12.07.1968	06.11.1973	05.12.1958	21.12.1958	21.07.1960	27.08.1971	21.12.1959	19.06.1983	18.09.1983
	Gender	male	female	male	male	male	male	female	male	female	male
	Nationality	German	German	German	Italian / US-ameri.	German	German	German / Croatian	German	German	German
International experience		✓	✓		✓	✓	✓				
Professional aptitude	Aviation	✓	✓	✓		✓		✓	✓	✓	✓
	Marketing / sales / customers / brand management				✓	✓	✓	✓		✓	
	Politics / Association work	✓	✓		✓	✓	✓	✓	✓		✓
	Management / CEO experience	✓	✓		✓	✓	✓				
	Supervision of companies	✓	✓		✓	✓	✓				
Financial Expert	Accounting	✓					✓				
	Auditing	✓					✓				
	Internal control procedures / capital markets	✓				✓	✓				
	Digitisation / IT				✓	✓				✓	
	Personal / Organisation	✓	✓	✓	✓	✓	✓		✓		✓
	Sustainability / ESG				✓	✓					
	Legal & Compliance	✓					✓	✓			

¹ According to the German Corporate Governance Code, based on the assessment of the shareholder representatives of the Supervisory Board.

² According to Section 100 (5) AktG and the recommendations of the German Corporate Governance Code.

*** In accordance with the German Corporate Governance Code, the employee representatives' indication of independence is not required.

Members' skill profiles ensure effective governance & committee work (II)

		Michael Kerkloh	Carsten Knobel	Holger Benjamin Koch	Harald Krüger	Marvin Reschinsky	Birgit Rohleder	Britta Seeger	Astrid Stange	Angela Titzrath	Klaus Winkler
Membership length	Member since	02.09.2020	09.01.2018	08.05.2018	05.05.2020	29.07.2023	08.05.2018	04.05.2021	05.05.2020	02.09.2020	08.05.2018
Personal aptitude	Independence ¹	✓	✓	***	✓	***	***	✓	✓	✓	***
	No overboarding ²	✓	✓	✓	✓	✓	✓	✓	✓		✓
Diversity	Date of birth	05.07.1953	11.01.1969	08.10.1976	13.10.1965	27.10.1992	21.09.1960	25.09.1969	27.12.1965	30.04.1966	29.12.1973
	Gender	male	male	male	male	male	female	female	female	female	male
	Nationality	German	German	German	German	German	German	German	German	German	German
International experience		✓	✓		✓			✓	✓	✓	
Professional aptitude	Aviation	✓		✓		✓	✓				✓
	Marketing / sales / customer relations / brand management	✓	✓		✓			✓	✓	✓	
	Politics / industry associations	✓	✓		✓	✓	✓		✓	✓	✓
	Management / CEO experience	✓	✓		✓			✓	✓	✓	
	Supervision of companies	✓	✓		✓	✓	✓	✓	✓	✓	
Financial Expert	Accounting		✓	✓	✓					✓	
	Auditing		✓		✓						
	Internal control procedures / capital market	✓	✓	✓	✓				✓	✓	
	Digitalisation / IT		✓		✓		✓	✓	✓	✓	
	HR / Organisation	✓	✓	✓	✓		✓	✓	✓	✓	
	Sustainability / ESG	✓	✓		✓				✓	✓	
	Legal & Compliance									✓	

¹ According to the German Corporate Governance Code, based on the assessment of the shareholder representatives of the Supervisory Board.

² According to Section 100 (5) AktG and the recommendations of the German Corporate Governance Code.

*** In accordance with the German Corporate Governance Code, the employee representatives' indication of independence is not required.

Committees support the work of the Supervisory Board

Steering and Remuneration Committee

Prepares the Supervisory Board's meetings and decisions, among other things with regard to Executive Board appointments and remuneration

Members

- **Karl-Ludwig Kley, Chair**
- Christine Behle, Deputy Chair
- Thomas Enders
- Christian Hirsch

Nomination Committee

Recommends to the Supervisory Board candidates for election to the Supervisory Board by the Annual Shareholders Meeting

Members

- **Karl-Ludwig Kley, Chair**
- Thomas Enders
- Harald Krüger

Audit Committee

Monitors the financial accounting including the non-financial reporting on corporate social responsibility, the internal control, compliance and risk management systems as well as the external auditing.

Members

- **Harald Krüger, Chair**
- Arne Karstens
- Michael Kerkloh
- Carsten Knobel
- Holger Benjamin Koch
- Klaus Winkler

ESG Committee

Advises the Supervisory Board, its committees and the Executive Board on issues relating to sustainable corporate governance and the integration of ESG into the company's strategy and business activities.

Members

- **Erich Clementi, Chair**
- Sara Grubisic
- Marvin Reschinsky
- Angela Titzrath

Supervisory and Executive Board met on a regular basis also in 2023

Supervisory Board

6 Meetings in 2023

Steering and Remuneration Committee

+ 5 Meetings in 2023

Audit Committee

+ 5 Meetings in 2023

ESG Committee

+ 2 Meetings in 2023

Nomination Committee

+ 3 Meetings in 2023

Executive Board:
29 Meetings in 2023

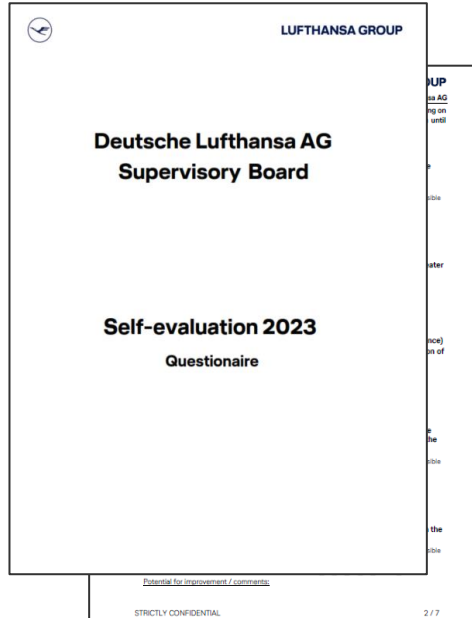
Attendance of Supervisory Board and committee meetings 2023

Supervisory Board Member	Board Meeting	Steering & Remuneration Committee	Audit Committee	Nomination Committee	ESG Committee
Karl-Ludwig Kley	6 / 6	5 / 5		3 / 3	
Christine Bahle	5 / 6	5 / 5			
Alexander Behrens	3 / 3		3 / 3		
Tim Busse	3 / 3				
Jörg Cebulla	3 / 3		3 / 3		
Erich Clementi	6 / 6				2 / 2
Thomas Enders	6 / 6	5 / 5		3 / 3	
Karl Gernandt	4 / 4				
Sara Grubisic	3 / 3				1 / 1
Christian Hirsch	3 / 3	2 / 2			
Jamila Jadran	3 / 3				
Jürgen Jennerke	3 / 3				
Arne Christian Karstens	3 / 3		2 / 2		
Michael Kerkloh	6 / 6		5 / 5		
Carsten Knobel	5 / 6		5 / 5		
Holger Benjamin Koch	6 / 6		2 / 2		1 / 1
Harald Krüger	6 / 6		5 / 5	3 / 3	
Marvin Raschinsky	3 / 3				1 / 1
Birgit Rohleder	6 / 6				
Miriam Sapino	2 / 2				
Ija Schulz	3 / 3	3 / 3			1 / 1
Britta Seeger	6 / 6				
Birgit Spineux	3 / 3				
Astrid Stange	4 / 6				
Olivia Stelz	2 / 3				
Angela Titzrath	6 / 6				2 / 2
Klaus Winkler	6 / 6		5 / 5		

Overall attendance: **97 %**

LUFTHANSA GROUP

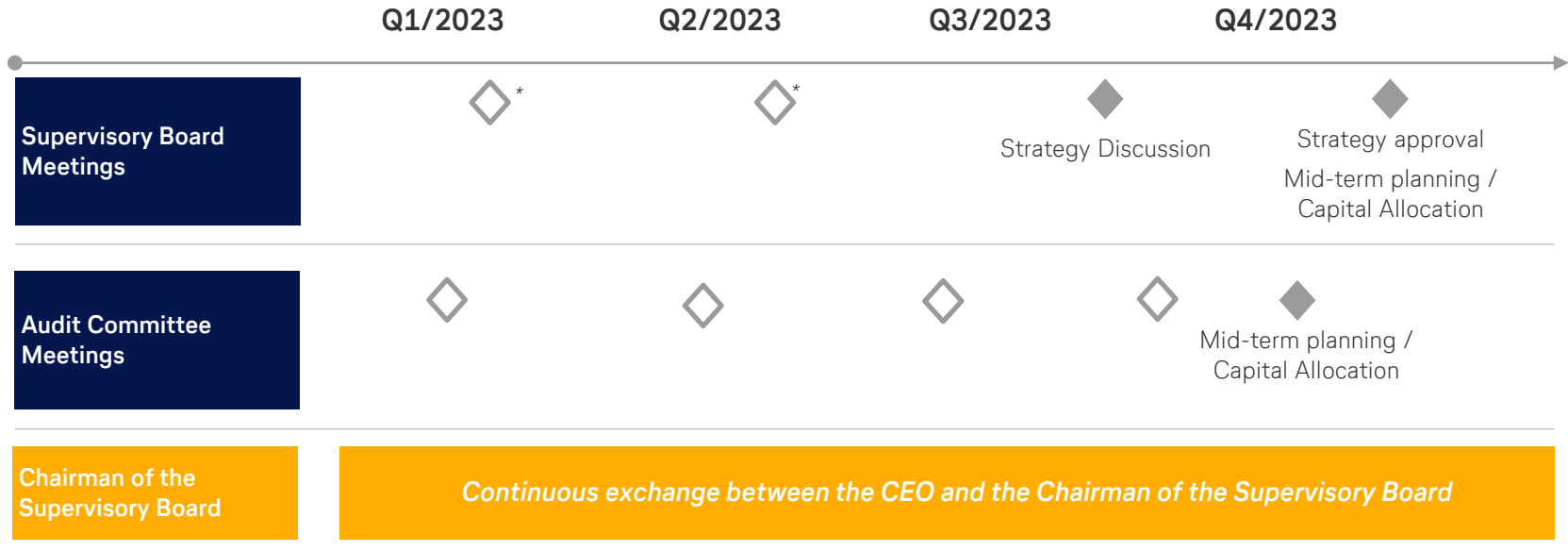
Regular self-evaluation is the basis for continuous improvements



- The **Supervisory Board** conducts **annual self-evaluations**
- All Supervisory Members provide feedback based on a **detailed questionnaire**
- Includes a **360° feedback from the Executive Board** every two years
- The Chairman conducts **bilateral meetings** with each Supervisory Board **Member** every **two years**
- The results of the current evaluation will be presented to and discussed by the Supervisory Board at its **meeting in March 2024**

The Supervisory Board is actively involved in the strategy process

Two strategy-focused meetings: In September, the Supervisory Board discusses the strategy with the Executive Board, in December it approves the strategy and reviews the budget and the mid-term planning



* Additional strategy coverage if required.























The Lufthansa Group Executive Board currently has six members

Supervisory Board

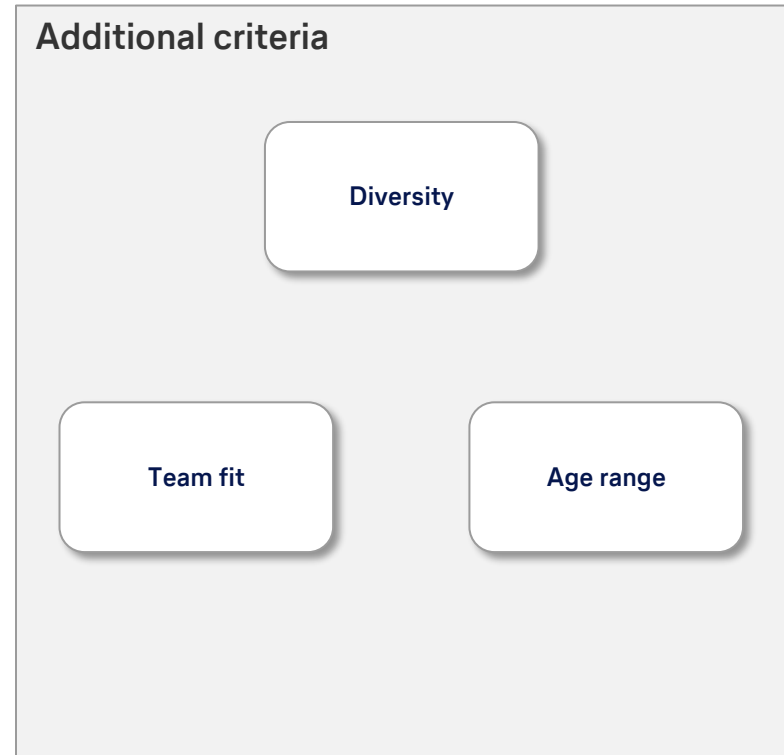
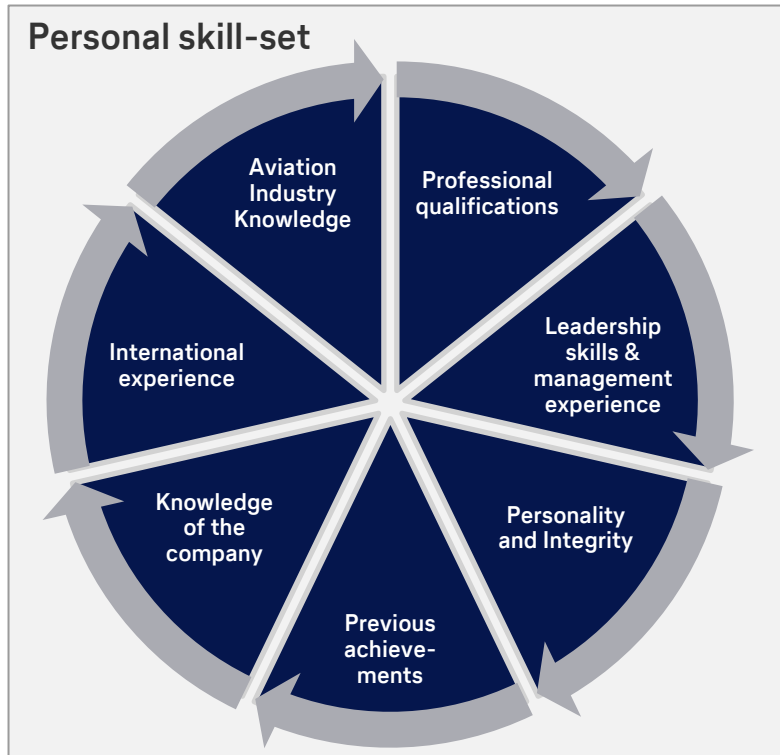
Carsten Spohr Chairman of the Executive Board (57, Board member since 2011, CEO since 2014, contract until 12/28)

Dr. Michael Niggemann Human Resources & Infrastructure, Labor Director (49, Board member since 2020, contract until 12/27)

Remco Steenbergen Finance (56, Board member since 2021, contract until 12/28)

	Christina Foerster Brand & Sustainability (52, Board member since 2020, contract until 12/27)	Harry Hohmeister Global Markets & Network (59, Board member since 2013, contract until 06/24)	Detlef Kayser Fleet & Technology (58, Board member since 2019, contract until 12/24)	 Lufthansa Cargo
 Lufthansa				
				
				
				 Lufthansa Technik
				

The selection of Executive Board members is guided by a comprehensive set of criteria



Sustainability is an integral part of the Group's strategy and management

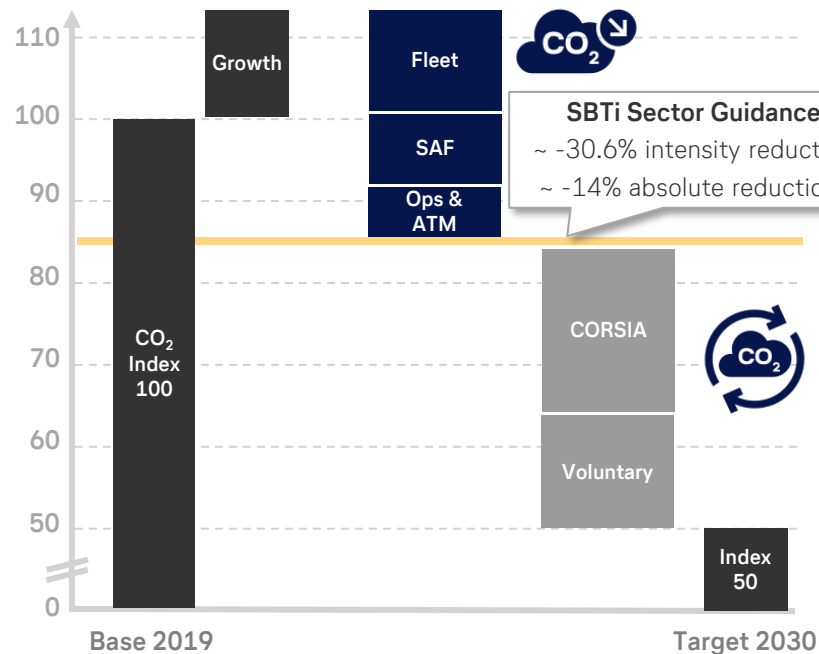
- ESG Committee of the Supervisory Board established in January 2023
- Christina Foerster holds direct responsibility for Corporate Responsibility on Executive Board level since 2020
- Sustainability KPIs are part of executive remuneration
- Annual sustainability reporting in accordance with GRI, considering SDGs
- TCFD and SASB disclosures added in 2021
- Preparations for the implementation of the CSRD for the financial year 2024 underway

Responsible and sustainable management of resources, the environment, employees and suppliers is the **prerequisite for** long-term **financial stability and attractiveness** for customers, investors, employees and partners.



Group's emission reduction targets successfully validated by Science Based Targets initiative (SBTi)

Index LHG CO₂ Emissions (not to scale)



¹ Based on current industry growth assumptions

Reduction

Major levers for CO₂ Reduction: (SBTi relevance)

- Fleet rollover
- Sustainable Aviation Fuel (SAF) usage
- Ops efficiency (incl. ATM)

Compensation

Compensation: (no relevance for SBTi)

- CORSIA
- Voluntary compensation

50% less net carbon emissions by 2030

100% carbon neutral on ground by 2030

Net-zero carbon emissions by 2050

SAFs will play the key role in reducing the Group's emissions

Sustainable Aviation Fuels (SAF)

Biogenic SAF

~x5 cost of fossil fuel



- Oils, Sugars, Starch
- Forest & Farming Residues

Current focus

Non-Biogenic SAF

Up to x10 cost of fossil fuel



- Municipal Waste

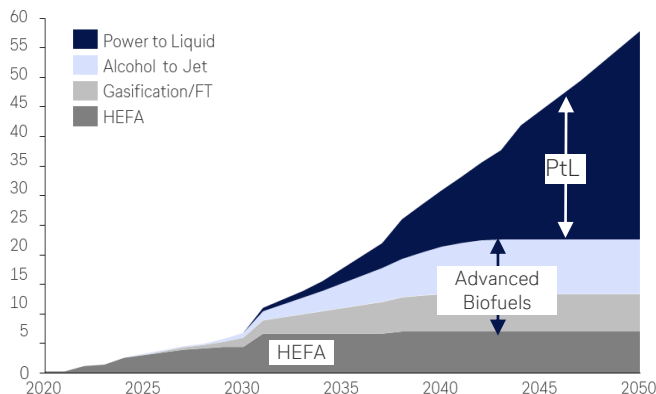


- Power-to-Liquid (PtL)
- Sun-to-Liquid

Long-term focus

Predicted SAF production ramp-up¹

in mt



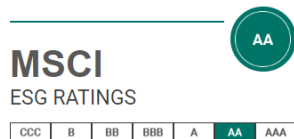
The availability of SAFs is projected to increase significantly, costs are expected to moderate

Various partnerships to support research and development, pilot customer for the first industrially produced PtL fuel in Germany

Lufthansa Group is one of the five largest SAF customers worldwide

¹ Source: WEF Clean Skies for Tomorrow, McKinsey, 2020

Lufthansa Group scores well in relevant sustainability rankings



- Rating is unchanged at 'AA' in 2023. Leader among 20 companies in the airline industry
- Strong carbon emission mitigation programs, robust corporate governance and behavior structures



- Labor management: unions protest
- Product safety and quality: lawsuits refunds and criticism



28.3
Medium Risk



- Above industry average
- Strong corporate governance performance



- Medium exposure to human capital risk (large workforce, difficult labor relations, controversies)
- High exposure on own carbon emissions



A-



- Lufthansa Group among the top 5 companies in airlines sector
- Highest scoring in carbon footprint accounting, Corporate Governance, Carbon Risk Management processes



- Value chain engagement
- Lack of progress in reducing fossil energy consumption



C+
Prime Rating



- Leader among 49 companies in the airline sector
- Strong performance in climate protection, environmental management systems, human rights policies, data protection and information security



- Lack of information on the work-related accident rate
- Eco efficiency



- Above industry average (35/100)
- Maximum score (100) e.g. in the criteria assurance of sustainability reporting, CEO compensation - performance metrics, climate risk management, codes of conduct and the occupational health and safety program



- Lack of information on biodiversity, water or policy influence

Further increased focus on cyber security to protect the business and our customers

Cyber Resilient Organization				 Major Achievements 2023
Technical security baseline <ul style="list-style-type: none">▪ Definition of standards▪ Implementation support▪ Solution portfolio▪ Assuring implementation	Cyber defense (detection and response) <ul style="list-style-type: none">▪ Extended system monitoring▪ Efficient incident response	Usability, culture and simplification <ul style="list-style-type: none">▪ Improved usability and simplicity▪ Solution portfolio▪ Awareness and skill training	Future focus <ul style="list-style-type: none">▪ Enabling security by design for ongoing and future transformations	<ul style="list-style-type: none">▪ Expansion of Cyber Security Community to 180 LHG companies with new communication platform▪ Requirements and actions for EASA "Part IS" guideline derived for 46 LHG units▪ Cyber Defence Centre (CDC) increased range of LHG IT-platforms to cover predictive analysis and incident handling▪ Powerful solution protects administrative access rights, which would enable attackers to take control over IT platforms (PAM)▪ Expansion of automatic software code quality checks; Breach & attack simulation for automated tests▪ Approx. 600 penetration tests carried out and Red Teaming activities intensified▪ Improved Cyber Security resiliency index (760/900)¹ <p>¹ 250 - 900 index range: higher index indicates better security performance</p>
Organization	▪ empowering people & building skills			
Governance	▪ support and control through group-wide cascaded governance			
Partnering	▪ providing resources – internal and from partners			

¹ 250 – 900 index range: higher index indicates better security performance

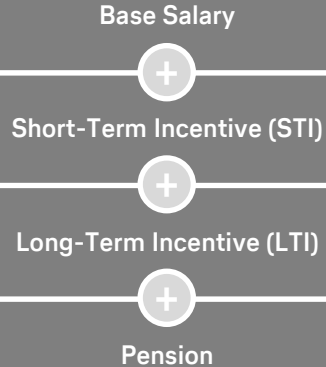
Executive Board remuneration system

- Compensation system received 89.5% approval at AGM 2023
- Annual General Meeting 2024 will be asked to approve the compensation report

Overview of compensation elements

- Financial targets 80%
 - Adjusted EBIT, 40%
 - Adjusted Free Cash Flow, 40%
- Non-financial targets, 20%
- 0.8 – 1.2 factor for individual performance
- Annual performance period
- Payout: Cash
- Cap: 200% of STI target remuneration

- Fixed yearly contribution
- Payout in 1 or maximum of 10 tranches (no annuity option)

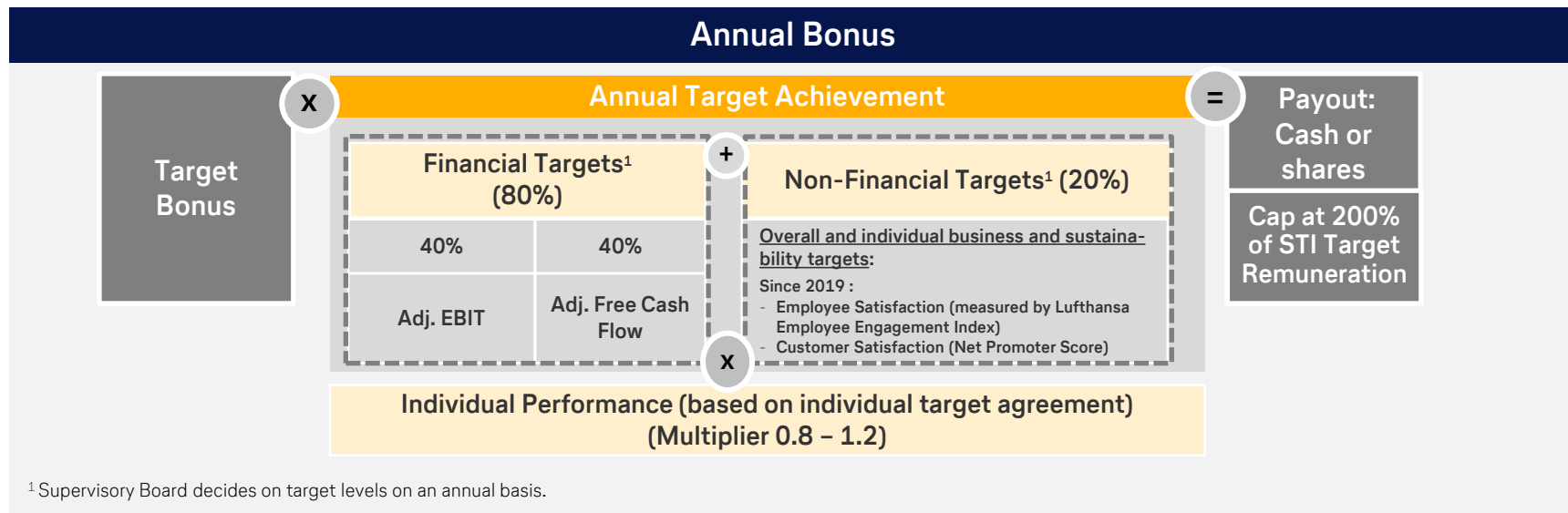


- Performance Share Plan
- Financial and share price performance-related targets 80%:
 - Adjusted ROCE 50%
 - Relative TSR to NYSE Arca Global Airlines Index 30%
- Non-financial targets 20%
- Payout: Cash
- 4 years performance period
- Cap: 200% of the LTI target remuneration

- Mandatory share ownership: CEO 200%, other Board members 100% of base salary
- Build-up period: 4 years
- Holding conditions: Up to 4 years after leaving the Executive Board

Share Ownership Guidelines (SOG)

Short-Term Incentive (STI) considers financial and non-financial targets as well as individual performance

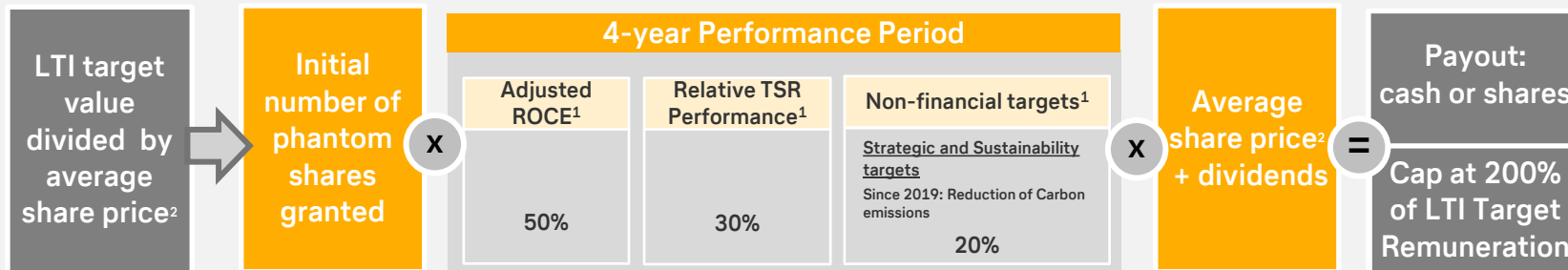


Rationale

- Adjusted EBIT and Adjusted Free Cash Flow are the key performance indicators of Lufthansa Group
- Adjusted Free Cash Flow essential to further reduce remaining crisis-related debt
- Multiplier enables differentiation of payouts according to individual performance

Long-Term Incentive (LTI) aligns interests of management and shareholders

Performance Share Plan



¹ Supervisory Board sets target values on an annual basis.

² Average share price over 60 trading days.

Rationale

- The Performance Share Plan focuses on share price performance and dividends paid to promote a shareholder-oriented culture
- TSR relative to the NYSE Arca Global Airlines Index aligns management incentives with the interests of shareholders
- Integration of sustainability criteria in STI & LTI with a weighting of 20% underlines the importance of sustainable management

Supervisory Board remuneration is fixed and based on committee work

- Compensation system received 98.3% approval rate at AGM 2023

■ Base compensation:

- Chairman: € 300,000
- Deputy Chairman: € 150,000
- Ordinary members: € 100,000

■ Committee chair:

- Audit Committee: additional € 100,000
- Steering & Remuneration Committee: additional € 100,000
- Other Committees: additional € 50,000

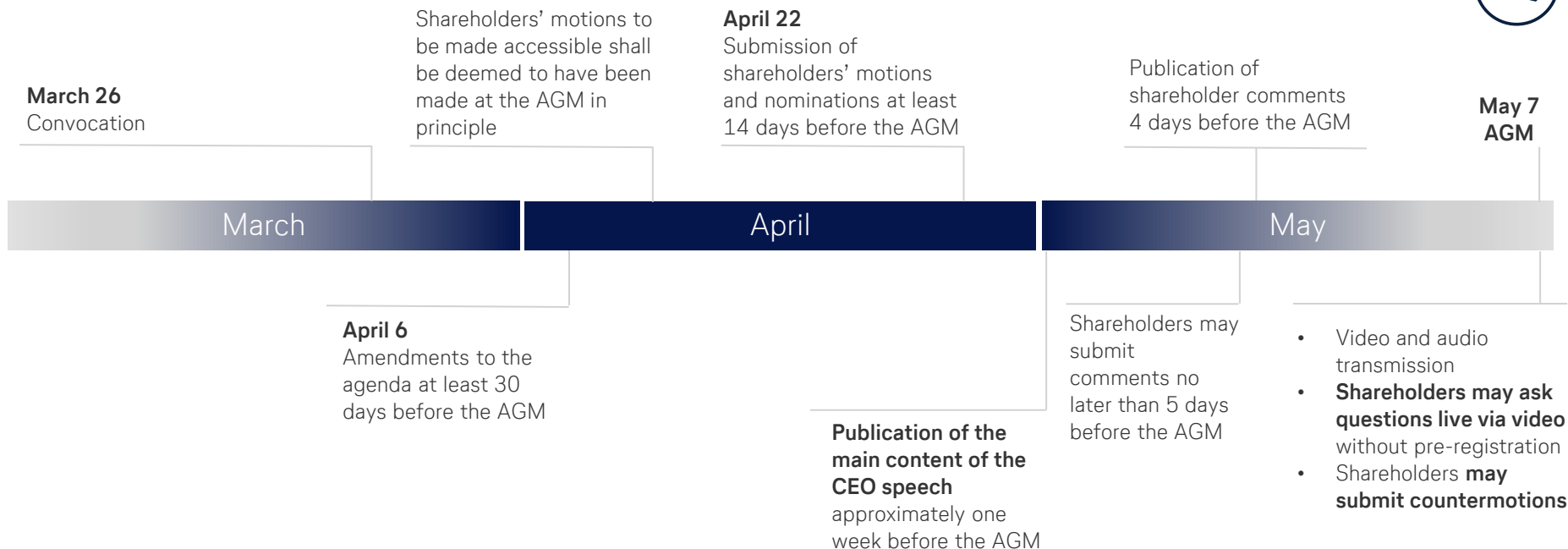
■ Committee member:

- Audit Committee: additional € 50,000
- Steering & Remuneration Committee: additional € 50,000
- Other Committees: additional € 25,000

in € thousands	Compensation 2023		
	Fixed	Committee activities	Total
Karl-Ludwig Kley	300	75	375
Christine Behle	150	24	174
Alexander Behrens (bis 28.07.2023)	57	28	86
Tim Busse (seit 29.07.2023)	43	-	43
Jörg Cebulla (bis 28.07.2023)	57	28	86
Erich Clementi	100	50	150
Thomas Enders	100	75	175
Karl Gernandt (seit 09.05.2023)	65	-	65
Sara Grubisic (seit 29.07.2023)	43	10	53
Christian Hirsch (seit 29.07.2023)	43	20	63
Jamila Jadran (seit 29.07.2023)	43	-	43
Jürgen Jennerke (bis 28.07.2023)	57	-	57
Arne Christian Karstens (seit 29.07.2023)	43	20	63
Michael Kerkloh	100	50	150
Carsten Knobel	100	50	150
Holger Benjamin Koch	100	34	134
Harald Krüger	100	125	225
Marvin Reschinsky (seit 29.07.2023)	43	10	53
Birgit Rohleder	100	-	100
Miriam Sapiro (bis 09.05.2023)	35	-	35
Ilja Schulz (bis 28.07.2023)	57	43	100
Britta Seeger	100	-	100
Birgit Spineux (bis 28.07.2023)	57	-	57
Astrid Stange	100	-	100
Olivia Stelz (bis 28.07.2023)	57	-	57
Angela Titzrath	100	25	125
Klaus Winkler	100	48	148
Total	2.250	716	2.966

Compensation 2022		
Fixed	Committee activities	Total
240	60	300
120	20	140
80	30	110
-	-	-
80	30	110
80	-	80
80	40	120
-	-	-
-	-	-
-	-	-
-	-	-
80	-	80
-	-	-
80	30	110
80	30	110
80	-	80
80	80	160
-	-	-
80	-	80
80	-	80
80	20	100
80	-	80
80	-	80
80	-	80
80	-	80
80	-	80
80	30	110
1.800	370	2.170

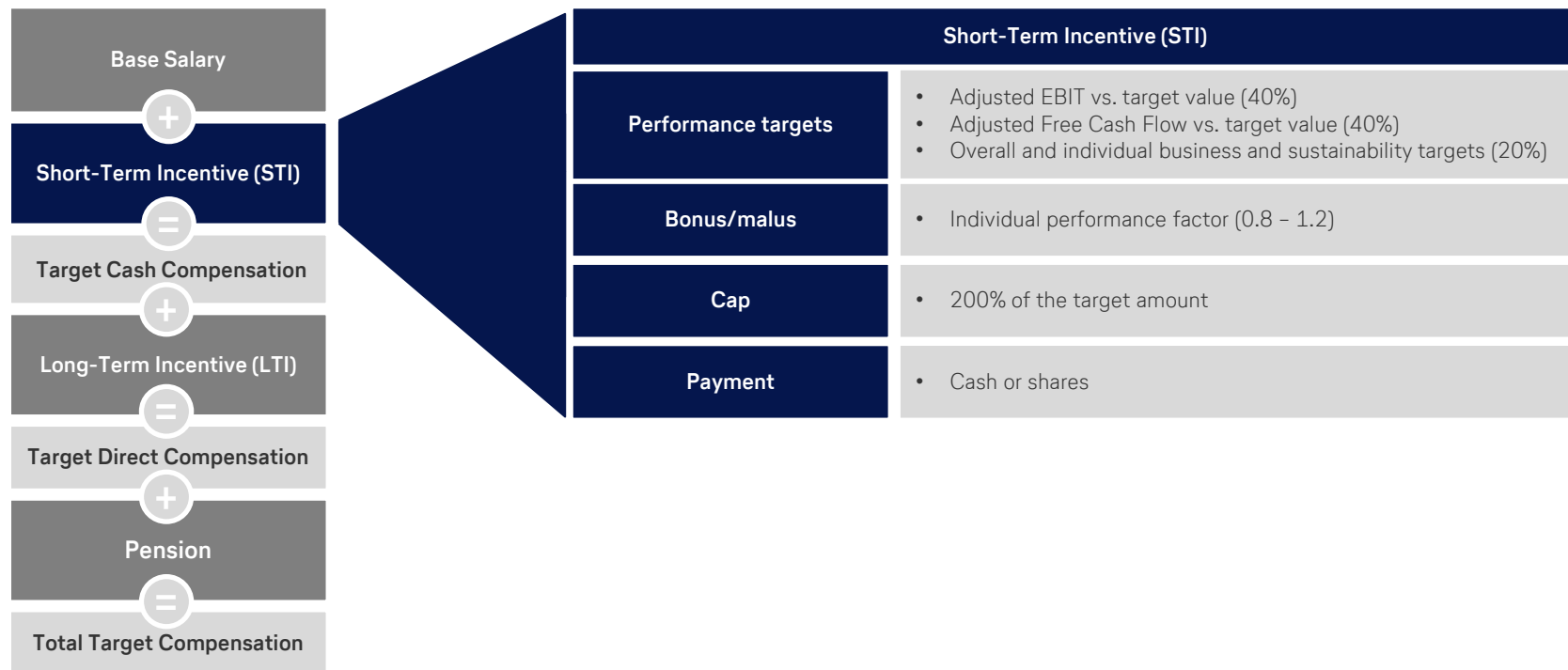
Format of AGM on May 7, 2024, ensures a high-quality dialogue with our shareholders



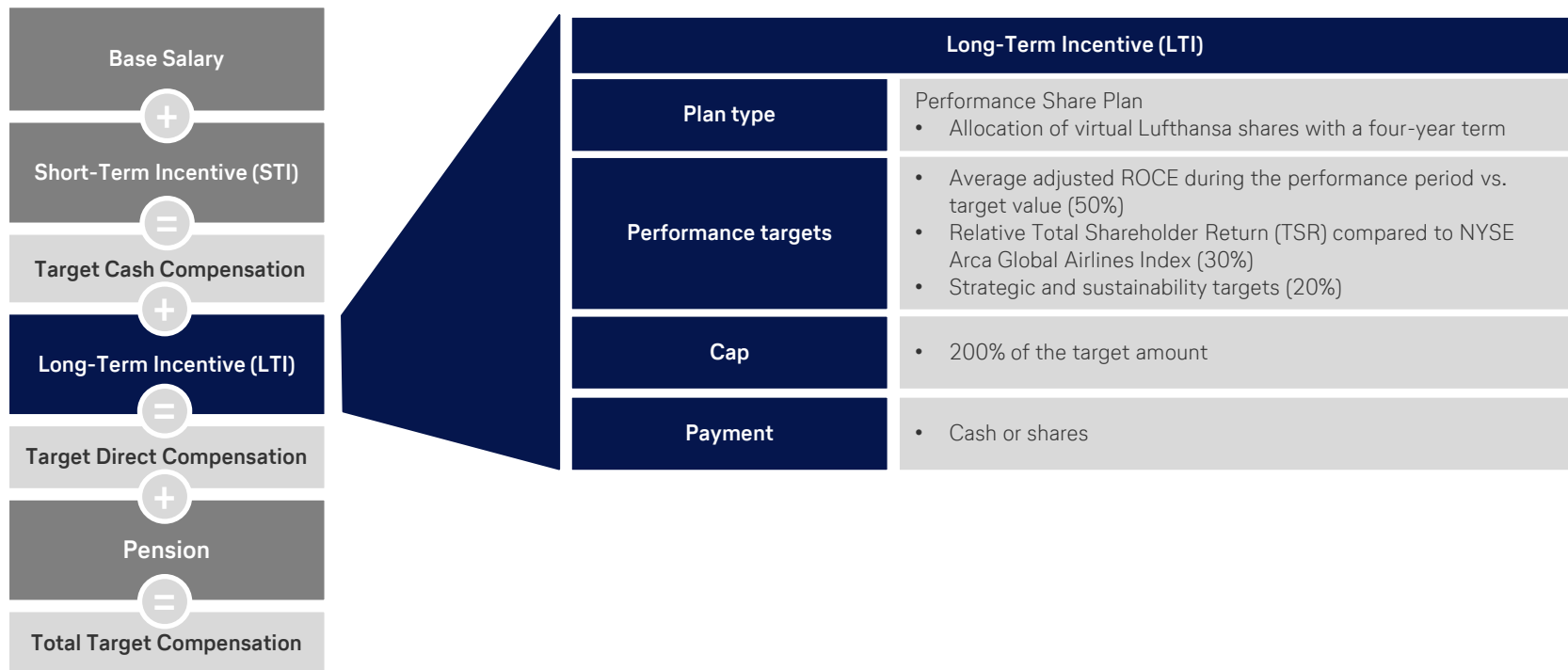
Appendix



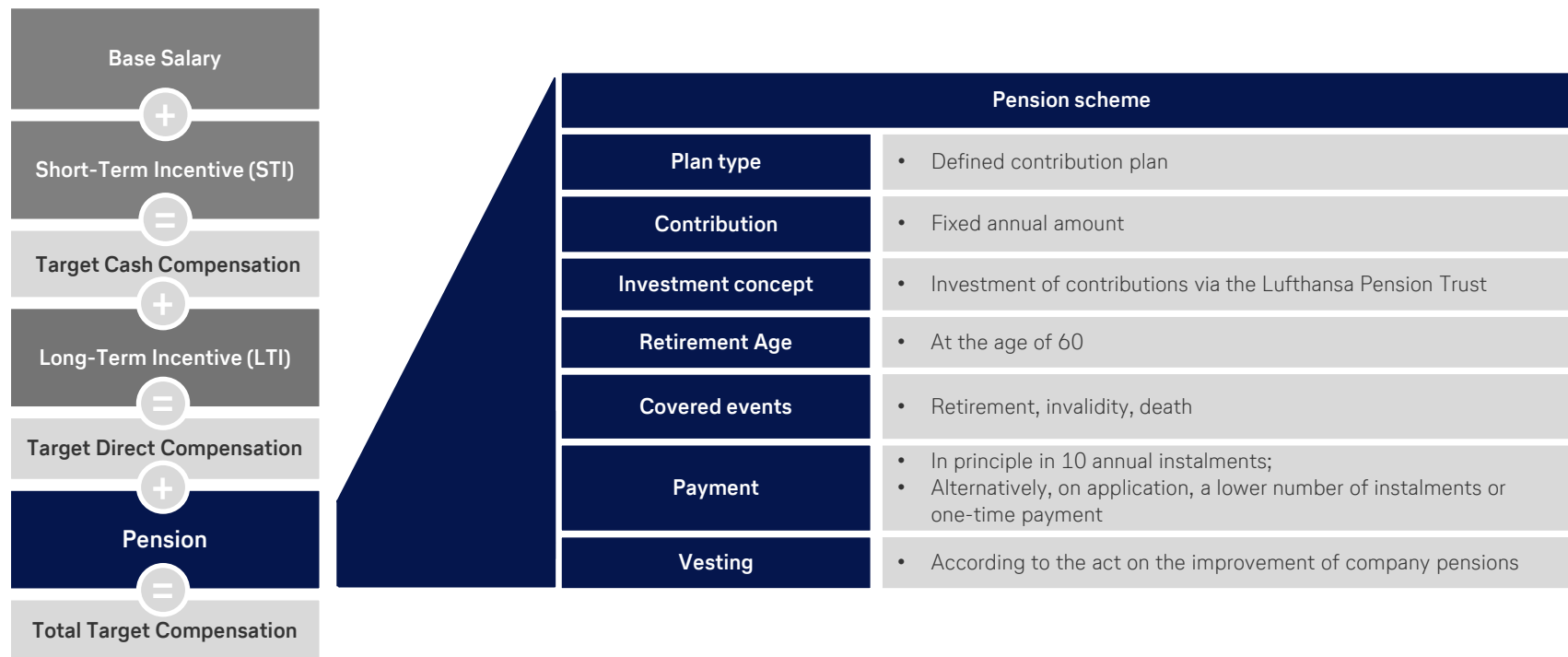
Executive Board Remuneration System – Short-Term Incentive (STI)



Executive Board Remuneration System – Long-Term Incentive (LTI)



Executive Board Remuneration System – Pension



Executive Board Remuneration System – End-of-service benefits

Termination by mutual consent

In accordance with the recommendation of the German Corporate Governance Code (Code), no more than the value of the entitlements for the remainder of the contract and maximum two years' compensation (maximum severance payment).

Early termination at request of Executive Board member without good reason or good cause for termination by the company

No entitlement to severance payment or other payments related to variable remuneration.

Change of Control

Maximum severance payment

Non-competition clause

- One-year non-competition clause
- Compensation payment: half of the annual base salary
- Waiver of non-competition by company possible

Executive Board Remuneration System – Other contractual terms

Fringe benefits

- Company car incl. driver
- Industry standard flight allowances for private air travel
- Insurance premiums

Share Ownership Guidelines

- Obligation to invest in Lufthansa shares over a period of 4 years
 - CEO: 200% of base salary
 - Ordinary Board member: 100 % of base salary
- Retention obligation for the time of the Executive Board membership; gradual reduction of the share portfolio by 25% p.a. after leaving the Executive Board

Compliance & Performance Clawback

Possibility for the Supervisory Board to withhold STI and LTI or to reclaim remuneration already paid

Maximum remuneration

Reduction of variable remuneration if the maximum limit for the respective financial year is exceeded:

- CEO: EUR 11.0 million
- CFO: EUR 6.5 million
- Ordinary Board member: EUR 5.0 million

Capital Authorizations

	Purpose	Contribution	Nominal amount	Exclusion of Subscription rights	Date of authorization	Expiry of authorization
Authorized Capital A	General purposes	In cash or in kind	EUR 1,000m ~32.6% of share capital	Contribution in cash: max. 10% of share capital Sum of contribution in cash and in kind: max. 10% of share capital	May 10, 2022	May 9, 2025
Authorized Capital B	Share issuance to employees	In cash	EUR 97m ~3.2% of share capital		May 9, 2023	May 8, 2028
Conditional Capital	Issuance of convertible bonds or similar	-	EUR 306m ~10.0% of share capital		May 10, 2022	May 9, 2027

Auditor and auditors' fees

Auditor for FY 2023

Ernst & Young (since 2020)

Lead auditors

Joerg Boesser (responsible for the engagement, since 2022)
Dustin Jansen (since 2023)

Auditors' fees

The auditing services mainly consist of fees for auditing the consolidated financial statements, the review of the half-yearly financial statements and the audit of the financial statements of Deutsche Lufthansa AG and its consolidated subsidiaries.

48 Auditors' fees

The fees paid to the auditors in the financial year and charged to expenses in accordance with Section 314 Paragraph 1 No. 9 HGB are made up as follows:

T170 AUDITORS' FEES

in €m	2022	2021
Annual audit	4.7	4.6
Other assurance services	0.7	1.6
Tax advisory services	–	0.1
Other services	2.5	–
Total	7.9	6.3

T171 ADDITIONAL AUDITORS' FEES

in €m	2022	2021
Annual audit	2.7	2.4
Other assurance services	–	0.1
Tax advisory services	–	0.3
Other services	–	–
Total	2.7	2.8