

T063 REMUNERATION SUPERVISORY BOARD

in € thousands	2018			2017		
	Fixed remuneration	Remuneration for committee work	Total Supervisory Board remuneration	Fixed remuneration	Remuneration for committee work	Total Supervisory Board remuneration
Wolfgang Mayrhober (until 24.9.2017)	-	-	-	176	33	209
Karl-Ludwig Kley	240	40	280	123	45	168
Christine Behle	120	20	140	120	20	140
Nicoley Baublies (until 8.5.2018)	28	-	28	80	-	80
Alexander Behrens (since 8.5.2018)	52	20	72	-	-	-
Werner Brandt (until 31.12.2017)	-	-	-	80	64	144
Jörg Cebulla	80	20	100	80	-	80
Herbert Hainer	80	20	100	80	21	101
Christian Hirsch (since 8.5.2018)	52	-	52	-	-	-
Robert Kimmitt (until 8.5.2018)	28	-	28	80	-	80
Carsten Knobel (since 9.1.2018)	78	29	107	-	-	-
Holger Benjamin Koch (since 8.5.2018)	52	-	52	-	-	-
Martin Koehler	80	-	80	80	22	102
Doris Krüger	28	10	38	80	30	110
Michael Nilles (since 8.5.2018)	52	-	52	-	-	-
Eckhard Lieb (until 8.5.2018)	28	10	38	80	30	110
Jan-Willem Marquardt (until 8.5.2018)	28	10	38	80	30	110
Martina Merz	80	-	80	80	-	80
Ralf Müller (until 8.5.2018)	28	-	28	80	-	80
Monika Ribar	80	30	110	80	30	110
Birgit Rohleder (since 8.5.2018)	52	-	52	-	-	-
Ilja Schulz (since 8.5.2018)	52	13	65	-	-	-
Olivia Stelz (since 8.5.2018)	52	-	52	-	-	-
Miriam Sapiro	80	-	80	15	-	15
Andreas Strache (until 8.5.2018)	28	-	28	80	-	80
Stephan Sturm	80	60	140	80	24	104
Christina Weber	80	20	100	80	-	80
Birgit Weinreich (until 8.5.2018)	28	7	35	80	20	100
Klaus Winkler (since 8.5.2018)	52	-	52	-	-	-
Matthias Wissmann	80	-	80	80	-	80
Total	1,798	309	2,107	1,794	370	2,164

DISCLOSURES IN ACCORDANCE WITH SECTION 289A PARAGRAPH 1 HGB AND SECTION 315A PARAGRAPH 1 HGB

Composition of issued capital, types of shares, rights and duties

Deutsche Lufthansa AG's issued capital amounts to EUR 1,216,539,466.24 and is divided into 475,210,729 registered shares. Each share corresponds to EUR 2.56 of the issued capital. The transfer of shares requires the Company's authorisation (restriction of transferability). The Company may only withhold authorisation if registering the new shareholder in the share register could jeopardise the maintenance of air traffic rights. This did not occur in financial year 2018, however. Shareholders exercise their

rights and cast their votes at the Annual General Meeting in accordance with statutory regulations and the Company's Articles of Association. Each share is entitled to one vote.

Voting and share transfer restrictions

To preserve international air traffic rights and air traffic rights to fly to various international destinations, the proportion of German/European shareholders must be at least 50% of the Company's issued capital. If the proportion of foreign shareholders reaches 40%, Deutsche Lufthansa AG is granted special permission under Section 4 Paragraph 1 German Aviation Compliance Documentation Act (LuftNaSiG) together with Section 71 Paragraph 1 No. 1 German Stock Corporation Act (AktG) to buy back its own shares. If the proportion of foreign shareholders in the share register reaches 45%, the Company is authorised, subject to Supervisory Board

approval, to increase issued capital by up to 10% by issuing new shares for payment in cash without subscription rights for existing shareholders (Section 4 Paragraphs 2 and 3 LuftNaSiG together with Section 4 Paragraph 3 of the Articles of Association). If the proportion of foreign shareholders approaches the 50% threshold, the Company is entitled to withhold authorisation to register new foreign shareholders in the share register (Section 5 Paragraph 1 of the Articles of Association). Furthermore, the Company is authorised, according to Section 5 Paragraph 2 LuftNaSiG and subject to the approval of the Supervisory Board, to require the most recently registered shareholders to sell their shares. From the fourth day after this requirement has been published, the shareholders concerned can no longer exercise the rights conferred by the shares concerned. If they do not comply with the requirement within four weeks, the Company is entitled after a further notice period of three weeks to declare the shares to be forfeited and to compensate the shareholders accordingly. On 31 December 2018, foreign shareholders held 27.9% of the shares in the shareholders' register of the Company. In 2018 it was therefore not necessary to take steps to limit the percentage of foreign shareholders. Detailed information on the German Aviation Compliance Documentation Act (LuftNaSiG) and the quarterly update on our shareholder structure can be found at www.lufthansagroup.com/en/investor-relations.

The annual share investment programmes for employees, managers and Executive Board members have time-based restrictions on trading in shares, particularly lock-up periods of up to four years.

Direct or indirect shareholdings with more than 10% of voting rights

As of 31 December 2018, the Company had received no notification of direct or indirect shareholdings with more than 10% of voting rights.

Holders of shares with special controlling rights

The Company has no shares that confer special controlling rights.

Control of voting rights for employee shares when control rights are exercised indirectly

Where the Company issues shares to its staff as part of its employee programmes, these shares are transferred to the employees directly. The staff beneficiaries can exercise the controlling rights that accrue to them from the employee shares directly in the same way as other shareholders, in accordance with statutory regulations and the provisions of the Articles of Association.

Statutory regulations and provisions of the Company's Articles of Association on the appointment and dismissal of members of the Executive Board and amendments to the Company's Articles of Association

The Supervisory Board appoints the members of the Executive Board and decides how many members there should be. The Supervisory Board can revoke appointments for membership and to the position of Chairman of the Executive Board for good reason. All amendments to the Articles of Association must be approved by resolution of an Annual General Meeting, with a majority of at least three quarters of the issued capital present. The Supervisory Board is authorised to adopt changes to the Articles of Association that only relate to wording (Section 11 Paragraph 4 of the Articles of Association). Furthermore, the Supervisory Board is entitled to amend Section 4 of the Articles of Association if authorised capital is exercised or expires.

Rights of the Executive Board to issue or repurchase shares

As of 31 December 2018, Deutsche Lufthansa AG had Authorised Capital A amounting to EUR 547,180,702.56 and Authorised Capital B amounting to EUR 6,791,923.20.

A resolution passed at the Annual General Meeting on 29 April 2015 authorised the Executive Board until 28 April 2020, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 561,160,092 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). According to this resolution, EUR 6,130,027.52 was used in the reporting period to issue 2,394,542 new shares and thus, in total, EUR 13,979,389.44 was used to issue 5,460,699 new shares, each as part of a share dividend.

A resolution passed by the Annual General Meeting on 29 April 2014 authorised the Executive Board until 28 April 2019, subject to approval by the Supervisory Board, to increase the Company's issued capital on one or more occasions by up to EUR 29,000,000 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded. In the reporting period, the Company used EUR 3,984,750.08 of this authorised amount to issue 1,556,543 new shares to employees and thus, in total, EUR 22,208,076.80 of this amount was used to issue 8,675,030 new shares to employees.

A resolution passed at the Annual General Meeting on 28 April 2016 authorised the Executive Board until 27 April 2021, subject to approval by the Supervisory Board, to issue bearer or registered convertible bonds, bond/warrant packages, profit sharing rights or participating bonds (or combinations

of these instruments) for a total nominal value of up to EUR 1,500,000,000. To grant shares to the holders or creditors of the bonds mentioned above, the Company's contingent capital was increased by up to EUR 237,843,840 by issuing up to 92,907,750 new registered shares. The contingent capital increase will only be carried out to the extent that the holders or creditors of conversion and/or option rights from convertible bonds, bond/warrant packages, profit-sharing rights or participating bonds (or any combination of these instruments) issued by the Company or its Group companies for cash pursuant to the authorisation given at the Annual General Meeting for the period 28 April 2016 to 27 April 2021 exercise their conversion or option rights or that the holders or creditors of convertible bonds issued by the Company or its Group companies pursuant to the authorisation given at the Annual General Meeting for the period 28 April 2016 to 27 April 2021 (or of profit-sharing rights or other forms of mezzanine capital with obligatory conversion) meet their conversion obligations or shares are delivered and to the extent that the debt is not settled using treasury shares or other rights. The Executive Board is authorised to determine the further details of the way in which the contingent capital increase is to be carried out.

Deutsche Lufthansa AG is entitled to repurchase shares and to sell repurchased shares in those cases defined in Section 71 AktG. In addition, the Company is authorised by resolutions of the Annual General Meeting on 29 April 2015 to buy back its own shares until 28 April 2020. The resolutions can be used, among other things, to expand the financing alternatives in the event that another company or an equity stake in a company is acquired. The proportion of shares acquired on the basis of this authorisation, along with any other Lufthansa shares that the Company has already acquired and still holds, must at no time amount to more than 10% of issued capital.

Further information on authorised capital, contingent capital and share buy-backs ➤ **Note 31, p. 140f.**

Important Company agreements subject to a change-of-control clause in the event of a takeover offer

The EMTN programme operated by the Company to issue bonds includes a change-of-control clause, according to which holders of bonds issued thereunder can demand redemption of the bond in the event of a change of control. The change of control is tied to the concepts of control, which are defined in detail in the EMTN programme, and of a rating downgrade resulting from the change of control within a change-of-control period. A bond for EUR 500m maturing on 12 September 2019 is currently outstanding under this programme.

In August 2015, Deutsche Lufthansa AG issued a hybrid bond for EUR 500m, due on 12 August 2075, which also includes the change-of-control clause described above. In addition, Deutsche Lufthansa AG issued borrower's note loans for EUR 475m and EUR 1.2bn, with terms of three, five, seven and ten years, in April and December 2016 respectively, which also include similar change-of-control clauses. As of 31 December 2018, a total of EUR 1,358 was still outstanding.

Compensation agreements with Executive Board members or employees in the event of a takeover offer

In the event of a change of control at Deutsche Lufthansa AG defined more precisely in the employment contract, the Executive Board members and the Company are entitled to terminate the contract within twelve months of this change of control.

If the contract ends because the special termination right is exercised or the contract is revoked amicably within twelve months of and in connection with the change of control, the Executive Board member is entitled to compensation for remuneration outstanding for the remainder of the contract. In accordance with the relevant recommendation of the German Corporate Governance Code, compensation may not exceed 150% of the maximum compensation of two annual salaries agreed in the contract (including fringe benefits). ➤ **Remuneration report, p. 84ff.**

DECLARATION ON CORPORATE GOVERNANCE IN ACCORDANCE WITH SECTION 289F HGB AND SECTION 315D HGB

The declaration on corporate governance required for listed companies in accordance with Section 289f HGB and Section 315d HGB has been issued and made publicly available on the Company's website at www.lufthansagroup.com/en/corporate_governance_declaration.