



DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT
COLOGNE

We invite our shareholders to the

67th Annual General Meeting
on Tuesday, 5 May 2020 at 10:00 hrs,

which is held exclusively as a virtual Annual General Meeting without the possibility of shareholders or their proxies attending in person.

I. AGENDA

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the combined management report for the Company and the Group, the report of the Supervisory Board, and the explanatory report of the Executive Board on the statements pursuant to Sections 289a(1), 315a(1) of the German Commercial Code (HGB), each for financial year 2019
2. Appropriation of the net profit from financial year 2019
3. Approval of the Executive Board's actions for financial year 2019
4. Approval of the Supervisory Board's actions for financial year 2019
5. Election of Supervisory Board members
6. Approval of the remuneration system for members of the Executive Board
7. Cancellation of the previous authorisation and creation of a new authorisation to issue convertible bonds, option bonds, profit participation rights and/or profit and loss bonds (or combinations of these instruments) with the possibility of excluding shareholders' subscription rights, creation of conditional capital and corresponding amendment of the Articles of Association
8. Amendment of the Authorized Capital A and corresponding amendment of the Articles of Association
9. Appointment of auditors and Group auditors for financial year 2020, as well as auditors for any audit reviews of the half-year financial report for the first six months of financial year 2020, and any other financial information during the course of the year

II. VIRTUAL ANNUAL GENERAL MEETING WITHOUT PHYSICAL PRESENCE OF SHAREHOLDERS OR THEIR PROXIES

In the light of the current coronavirus pandemic the Executive Board has decided, in accordance with Section 1 (1) and (2) of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Residential Property Law to Combat the Effects of the COVID-19 Pandemic (“**COVID-19 Act**”), to hold the Annual General Meeting as a virtual general meeting without the physical presence of shareholders or their proxies and to enable shareholders to exercise their voting rights via electronic communication and the issuing of proxies. The entire Annual General Meeting will be broadcast by audiovisual means in the online service.

The impacts of holding this year’s Annual General Meeting without the physical presence of shareholders or their proxies are explained in more detail in Section V. of this invitation.

III. PROPOSALS FOR RESOLUTIONS ON AGENDA ITEMS

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the combined management report for the Company and the Group, the report of the Supervisory Board and the explanatory report of the Executive Board on the statements pursuant to Sections 289a(1), 315a(1) of the German Commercial Code (HGB), each for financial year 2019

In accordance with statutory provisions, no resolution is to be adopted by the Annual General Meeting (“AGM”) since the Supervisory Board has already approved the annual financial statements and the consolidated financial statements drawn up by the Executive Board pursuant to Sections 172, 173 of the German Stock Corporation Act (AktG) on 18 March 2020. Annual financial statements, consolidated financial statements, combined management report, report of the Supervisory Board, the Executive Board’s proposal for the appropriation of net profit as well as the report of the Executive Board with explanatory notes on the statements required by takeover law are included in the publicly available annual report and accessible on the Company’s website www.lufthansagroup.com/agm.

2. Appropriation of the net profit from financial year 2019

The Management Board and Supervisory Board propose to the Annual General Meeting that the net profit of EUR 298m., as reported in the Company's annual financial statements as at 31 December 2019, be used for the appropriation into other retained earnings.

3. Approval of the Executive Board's actions for financial year 2019

The Executive Board and the Supervisory Board submit a proposal to the Annual General Meeting that approval be given to the activities of the Executive Board in financial year 2019 for this period.

4. Approval of the Supervisory Board's actions for financial year 2019

The Executive Board and the Supervisory Board submit a proposal to the Annual General Meeting that approval be given to the activities of the Supervisory Board in financial year 2019 for this period.

5. Election of Supervisory Board members

The term of office of the Supervisory Board member Stephan Sturm will expire on the end of the Annual General Meeting on 5 May 2020 in accordance with Section 102(1) AktG and Section 8(2) of the Company's Articles of Association.

The Supervisory Board proposes that the Annual General Meeting re-elect Mr Stephan Sturm, Hofheim, Chairman of the Executive Board of Fresenius Management SE, to the Supervisory Board as Shareholder Representative effective from the end of the Annual General Meeting on 5 May 2020.

The Supervisory Board members Herbert Hainer, Martina Merz, Michael Nilles and Matthias Wissmann have resigned their Supervisory Board mandates with effect from the end of the Annual General Meeting on 5 May 2020.

The Supervisory Board proposes that

- Erich Clementi, Rye, New York, USA, Deputy Chairman of the Supervisory Board of E.ON SE
- Dr Thomas Enders, Tegernsee, President of the German Council on Foreign Relations
- Harald Krüger, Gräfelfing, Member of the Supervisory Board of Deutsche Telekom AG
- Astrid Stange, Paris, Group Chief Operating Officer, AXA SA

each be elected to the Supervisory Board as a member representing the shareholders with effect from the end of the Annual General Meeting on 5 May 2020. It is intended that elections for the Supervisory Board will be held as a single election.

Members are appointed for the period until the end of the Annual General Meeting that resolves on the approval of the activities of the member for the fourth financial year after the commencement of their term of office. The financial year in which the term of office commences is not included.

Pursuant to Section 8(1) of the Company's Articles of Association, Sections 96(1), 101(1) AktG, and Section 7(1), sentence 1, no. 3 of Germany's Co-Determination Act (MitbestG) dated 4 May 1976, the Supervisory Board of the Company consists of 20 members, ten of which are elected by the shareholders and ten by the employees. Pursuant to Section 96(2), sentence 1 of the German Stock Corporation Act (AktG), at least 30 percent of the members of the Supervisory Board must be men and at least 30 percent of the members must be women. As both sides, shareholders and employee representatives, have objected, by a majority decision, to the Chairman of the Supervisory Board to an overall fulfilment of this minimum quota, the minimum quota is to be met for the shareholders and the employee representatives separately. In order to fulfil the minimum quota according to Section 96(2), sentence 1 AktG, the Supervisory Board must have at least three seats for women and at least three seats for men on both the shareholder and employee side. There are currently three women and seven men on the shareholders representatives' side and four women and six men on the employee representatives' side, so that the minimum percentage is currently met and would continue to be met after the election of the proposed candidates.

In the Supervisory Board's assessment, the proposed candidates do not have any personal or business relations with the Company or any of its Group companies, its governing bodies or any of its majority shareholders as set forth in Germany's Corporate Governance Code.

The aforementioned Supervisory Board's proposals are based on the recommendation of the Nomination Committee, and take into account the requirement profile development by the Supervisory Board for its composition.

In Section VI of this invitation, CVs describing the relevant knowledge, skills and professional experience of the proposed candidates are provided for these nominations under “Information on the Supervisory Board candidates proposed for election under agenda item 5”. The CVs also contain an overview of the main activities in addition to the Supervisory Board mandate. Section VI of this invitation also indicates which memberships the proposed candidates hold on other supervisory boards formed by operation of law and on comparable domestic and foreign regulatory bodies of commercial enterprises.

6. Approval of the remuneration system for members of the Executive Board

According to Section 120(4), sentence 1 AktG, which was valid until the end of 31 December 2019, the Annual General Meeting was able to resolve on the approval of the system of remuneration for the members of the Executive Board. Such a resolution was last adopted by the Annual General Meeting of the Company on 7 May 2019.

The Act implementing the second Shareholders’ Rights Directive (ARUG II) of 12 December 2019 repeals Section 120(4) AktG and replaces it with the newly inserted provisions in Section 120a AktG. According to this, the Annual General Meeting of the listed company must resolve on the approval of the remuneration system for the members of the Executive Board as presented by the Supervisory Board at least every four years, as well as following every significant change to the remuneration system.

Although such a resolution is not legally mandatory for the Annual General Meeting on 5 May 2020 according to the transitional provision in Section 26j(1), sentence 1 of the introductory law to AktG, it is nevertheless to be adopted now, especially since the Supervisory Board has decided to make significant changes to the system of remuneration for the members of the Executive Board with effect from 1 January 2020.

The Management Board and the Supervisory Board therefore propose to the Annual General Meeting that the new system for the remuneration of members of the Executive Board, which has been in force since 1 January 2020, be approved, as set out in Section VII of this invitation.

7. Cancellation of the previous authorisation and creation of a new authorisation to issue convertible bonds, option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) with the possibility of excluding shareholders' subscription rights, creation of conditional capital and corresponding amendment of the Articles of Association

The authorisation granted by the Annual General Meeting on 28 April 2016 to issue convertible bonds, option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) is limited until 27 April 2021. It needs to be replaced by a new authorisation.

The conditional capital as provided for in Section 4(4) of the Articles of Association is used to grant shares to the holders or creditors of conversion and/or option rights arising from the aforementioned authorisation. In order to create the greatest possible flexibility in issuance of such instruments, it is proposed that the Annual General Meeting approve a new authorisation to issue convertible bonds, option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) as well as a new conditional capital to serve conversion and/or option rights under this new authorisation. The previous authorisation will cease to be effective once the new conditional capital to be decided upon has been registered.

The Executive Board and the Supervisory Board therefore propose that the AGM adopt the following resolution:

a) Cancellation of the previous authorisation to issue bonds

The authorisation of the Executive Board to issue convertible bonds, option bonds, profit participation rights and/or participating bonds (or combinations of these instruments), as decided by the Annual General Meeting of 28 April 2016 on item 7 of the agenda and the related conditional capital pursuant to Section 4(4) of the Articles of Association shall be revoked with effect from the date of entry of the new Section 4(4) of the Articles of Association (hereinafter referred to as item d) in the Commercial Register.

b) Authorisation to issue convertible bonds, option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) and to exclude the subscription right

With effect from the entry of the new Section 4(4) of the Articles of Association (hereinafter referred to as item d) in the Commercial Register and until 4 May 2025, with the approval of the Supervisory Board, the Executive Board is authorised to issue new no-par value registered convertible bonds, option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) (collectively “Debt Instruments”) up to a total nominal amount of EUR 1,500,000,000.00 and to grant the holders or creditors of such Debt Instruments conversion or option rights to new, no-par value registered shares in the Company with a pro-rata amount of the share capital up to a total of EUR 122,417,728.00.

The respective conditions of the Debt Instruments may provide for the conditional capital to be created in connection with this authorisation being used to service them, or, alternatively, that they are solely serviced by shares of the Company from authorised capital or by existing or soon to be acquired stock of treasury shares of the Company or its Group companies. The respective conditions may also provide for a conversion or option obligation on the part of holders or creditors and a right of the Company to supply shares of the Company (in any combination) and to do so at any time, especially at the end of the term.

The issue of the Debt Instruments can be made against a cash contribution or a contribution in kind. The Debt Instruments can be issued in EUR or – limited to the corresponding EUR value – also in any other legal currency of an OECD country. For the total nominal value limit of this authorisation in case issued in foreign currencies, the nominal amount of the Debt Instruments must be converted into EUR on the day of the decision to issue them. They can also be issued by direct or indirect Group companies, provided that the borrowing serves the interests of Group financing. In this case, the Executive Board is authorised, with the approval of the Supervisory Board, to assume the guarantee for the Debt Instruments, to make further declarations and take actions required for successful issuance and – if the securities grant or impose conversion rights or obligations or option rights on no-par value shares – to grant or impose to the holders or creditors of these securities option rights or conversion rights or obligations for no-par value shares of Deutsche Lufthansa Aktiengesellschaft.

The bonds can be issued once or multiple times, in whole or in part, or simultaneously in different tranches. All partial securities of a given tranche must be assigned equal rights and obligations.

If convertible bonds are issued, in case of bearer bonds, the bearers, otherwise the creditors, are entitled to exchange them into registered no-par value shares of the Company in accordance with the terms of the bond to be determined by the Executive Board. The conversion ratio shall be determined by dividing the nominal amount or the issue price of a convertible bond below the nominal amount by the fixed conversion price for a registered no-par value company share denominated in its name and may be rounded up or down to a full number. Furthermore, where appropriate, an additional payment to be made in cash may be determined. In addition, it may be envisaged that fractions will be combined and/or offset in cash. The Company may be entitled, in the respective terms of the bond, to make up in cash, in full or in part, any difference between the nominal amount of the convertible bond and the product of a trading price for the share at the time of the exchange obligation, to be determined in the respective conditions, but at least the minimum conversion or option price according to this authorisation, and the exchange ratio. The above specifications apply accordingly if the conversion right or obligation relates to a profit participation right or to a participating bond.

In the case of the issue of option bonds, each partial bond shall be accompanied by one or more option certificates which entitle or obligate the holder or creditor, in accordance with the respective conditions, to purchase no-par value registered shares of the Company or which contain a right to supply of the issuer. The pro rata amount of the share capital of the no-par value shares of the company to be purchased for each partial bond may not exceed the nominal amount of the partial bond. The conversion ratio can be rounded to a whole number option ratio. In addition, provision may be made that fractional shares will be combined and/or cash compensation paid. The same shall apply if option rights are attached to a right of profit participation or a participating bond.

The terms of the bond may provide for the right of the Company or of the Group company issuing the Debt Instruments not to grant new no-par value shares in the event of conversion or exercise of the option, but to pay cash or to provide for a combination of performance in shares and a cash payment. The terms of the bond may also provide that the Debt Instruments, which are linked to option

rights or conversion rights or obligations, are converted at the option of the Company into existing shares of the Company instead of into new shares of conditional capital, or that the option right can be fulfilled by the supply of such existing shares.

The terms of the bond may also provide for the right of the Company to grant to the holders or creditors, in whole or in part, no-par value shares of the Company in lieu of the amount due in cash upon the maturity of the bond associated with option rights or conversion rights or obligations (including maturity due to termination).

The terms of the bond may also provide for a conversion obligation at the end of the term (or at an earlier date or event). This shall also apply if Debt Instruments are issued by Group companies. The Company may be entitled under the terms of the bond to compensate, in cash, in whole or in part, for any difference between the nominal amount or any lower amount of the convertible bond and the product of the conversion price and conversion ratio.

The conversion or option price to be determined in each case may not be less than 80% of the Company's share price on the Xetra trading system on the Frankfurt Stock Exchange (or a comparable successor system). The relevant price in this case is based on the average closing price on the tenth trading day before the date of the decision by the Executive Board to issue the respective Debt Instruments. In the case of subscription right trading, the days of the subscription right trading are relevant, with the exception of the last two trading days of the stock exchange of the subscription right trading. In the case of Debt Instruments with a conversion/option obligation or an issuer's right to supply shares, the conversion/option price must be at least equal to the minimum price specified above or equal to the average volume-weighted price of the Company's share on at least three trading days in Xetra trading system on the Frankfurt Stock Exchange (or a comparable successor system) immediately prior to the determination of the conversion/option price in accordance with the respective conditions, even if this average price is below the above-mentioned minimum price (80%). Section 9(1) AktG and Section 199(2) AktG remain unaffected.

In order to ensure the Company's operating licences under air traffic law in accordance with the German Aviation Compliance Documentation Act (LuftNaSiG), the respective conditions shall provide that, when the conversion or option right is exercised, or when the conversion or option obligation or a right of the Company to supply shares is entered into, the convertible bond or the option certificate must be transferred to a domestic credit institution and the holder or creditor of the convertible bond or option certificate must receive a cash payment based on the stock exchange price instead of shares of the Company.

The option or conversion price can then be reduced based on a dilution protection clause, without prejudice to Section 9(1) AktG, according to the more detailed terms and conditions of the bond if, during the option or conversion period, the Company (i) increases the share capital through a capital increase from equity capital, or (ii) increases the share capital or sells its own shares by granting its shareholders an exclusive subscription right, or (iii) by granting its shareholders an exclusive subscription right issues, grants or guarantees further Debt Instruments with conversion/option rights or obligations and in cases (ii) and (iii) no existing conversion/option rights or obligations are granted to the holders as they would be entitled to after exercising their conversion or option rights or fulfilling their conversion obligations. The reduction of the option or conversion price can also be fulfilled by cash payment when exercising the option or conversion right or when fulfilling a conversion obligation. In addition, the terms of the bond may provide for an adjustment of the options or conversion rights or obligations in the event of a capital reduction or other measures or events that involve an economic dilution of the value of the options or conversion rights or obligations (e.g. dividends, third party control). Section 9(1) AktG and Section 199 AktG remain unaffected.

In principle, the shareholders are entitled to a subscription right. The Debt Instruments may also be accepted by one or more credit institutions or companies within the meaning of Section 186(5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription.

However, the Executive Board is authorised to exclude the subscription right with the approval of the Supervisory Board,

- If the bonds are issued against cash and the Executive Board, after due consideration, concludes that the issue price for a bond does not fall significantly below the theoretical market value of the bond as determined by recognised financial mathematical methods. The calculated amount of share capital that is attributable to shares to be issued on the basis of Debt Instruments issued under this authorisation shall not exceed 10% of the share capital at the time of the effective date of this authorisation – or, if this value is less – at the time of the exercise of this authorisation. This limit shall take into account shares that were issued or sold during the term of this authorisation until it was exercised in a direct or analogous application of Section 186(3), sentence 4 AktG. In addition, shares which are to be issued or granted pursuant to a bond issued during the term of this authorisation on the basis of the utilisation of another authorisation and excluding the subscription right in accordance with this provision, shall be included in the limit;
- If the Debt Instruments are issued against benefits or contributions in kind, in particular in the context of company mergers or of (also indirect) acquisition of companies, businesses, parts of companies, holdings or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies;
- To exclude from the subscription right any fractional amounts resulting from the subscription ratio;
- If profit participation rights or participating bonds are issued without conversion right, option right or conversion or option obligation, if these rights of participation or participating bonds have bond-like features, i.e. no membership rights in the Company, no participation in the liquidation proceeds and the amount of the interest is not calculated on the basis of the amount of the net profit, net profit or dividend. In this case, it is also necessary that the interest rate and the amount of the profit participation rights or participating bonds issued correspond to the current market conditions for comparable exposures at the time of issue.

- To grant holders of conversion or option rights to no-par value shares of the Company or to grant creditors of corresponding conversion or option obligations subscription rights as compensation for dilution to the extent that they would be entitled to after exercising these rights or fulfilling these obligations.

Any issue of Debt Instruments to the exclusion of the subscription right may only take place under this authorisation if the calculated share of the share capital of the new shares to be issued on the basis of such a bond does not exceed 10% of the share capital either on the effective date or – if this value is lower – at the time of the exercise of this authorisation. Shares will be counted against this limit which (i) are issued or sold during the term of this authorisation under another authorisation excluding the subscription right, or (ii) which are to be issued on the basis of convertible bonds or option bonds issued during the term of this authorisation on the basis of the use of another authorisation excluding the subscription right.

With the approval of the Supervisory Board, the Executive Board is authorised to provide further details of the issue and furnishing of the Debt Instruments, in particular the interest rate, the type of interest rate, the issue price, the term and the denomination. The Executive Board is also authorised to fix the conversion or option price and the conversion or option period or to fix it in agreement with the Group company issuing the bond.

c) Creation of conditional capital

The share capital of the Company is increased by up to EUR 122,417,728.00 by the creation of conditional capital through the issue of up to 47,819,425 new non-par value registered shares. The conditional capital increase is intended to grant no-par value shares to holders or creditors of conversion and/or option rights from Debt Instruments issued by the Company or its Group companies until 4 May 2025 under item b) of the above authorisation.

The new shares will be issued at the conversion or option price to be determined in accordance with item b). The conditional capital increase shall be carried out only to the extent that conversion or option rights are exercised, or holders or creditors of Debt Instruments obliged to convert fulfil their obligation to convert, or to the extent that the Company exercises an option to grant, in whole or in

part, no-par value shares of the Company in lieu of payment of the due amount of cash, and insofar as cash compensation is not granted or own shares are not used to serve these obligations.

The new shares will participate in the profits from the start of the financial year in which they are created through exercising conversion or option rights, through discharging conversion obligations or through exercising tender options.

The Executive Board will be authorised to specify further details on the execution of the conditional capital increase.

d) Amendment of the Articles of Association

Section 4(4) of the Articles of Association shall be replaced by the following new paragraph:

“The share capital is increased to EUR 122,417,728.00 by the creation of conditional capital through the issue of up to 47,819,425 new non-par value registered shares. The conditional capital increase is only carried out to the extent that the holders or creditors of conversion and/or option rights or those obliged to convert from issued convertible bonds, option bonds, profit participation rights or participating bonds (or a combination of these instruments) issued by the Company or its Group companies on the basis of the authorisation resolution of the Annual General Meeting between 5 May 2020 and 4 May 2025 exercise their conversion or option rights, or the holders or creditors of convertible Debt Instruments fulfil their obligation to convert, or to the extent that the Company exercises an option to issue, in whole or in part, shares of the Company in place of payment of the amount due and unless cash compensation is granted in each case or own shares are used for service. The new shares will participate in the profits from the start of the financial year in which they are created through exercising conversion or option rights, through discharging conversion obligations or through exercising tender options. The Executive Board is authorised to specify further details on the execution of the contingent capital increase.”

e) Authorisation to adapt the Articles of Association

The Supervisory Board is authorised to adapt the versions of Section 4(1) and (4) of the Articles of Association as appropriate for the extent of the capital increase from the conditional capital. The same shall apply in the case of non-utilisation of the authorisation to issue Debt Instruments after the expiry of the authorisation period and in the case of non-utilisation of the conditional capital after the expiry of the time limits for exercising conversion or option rights or for the fulfilment of conversion obligations.

Report of the Executive Board on agenda item 7, pursuant to Section 221(4), sentence 2 AktG in conjunction with Section 186(4), sentence 2 AktG

On item 7 of the agenda, the Executive Board has issued a written report in accordance with Section 221(4), sentence 2 AktG in conjunction with Section 186(4), sentence 2 AktG, which is printed in Section III of this invitation and which, from the time of the convening of the Annual General Meeting, is available on the Company's website

www.lufthansagroup.com/agm.

8. Amendment of the Authorized Capital A and corresponding amendment of the Articles of Association

The Executive Board was authorised by resolution of the Annual General Meeting (AGM) of 7 May 2019 to increase the share capital of the Company, with the consent of the Supervisory Board, once or several times until the end of 6 May 2024, by up to EUR 450,000,000 through the issue of new no-par value shares for cash or contributions in kind (Authorised Capital A). In order to create the greatest possible flexibility in the utilisation of the Authorized Capital A against contribution in kind, it is proposed that the Annual General Meeting amends the existing authorisation.

The Executive Board and the Supervisory Board therefore propose that the AGM adopt the following resolution:

a) Amendment of the Authorized Capital A

The authorisation granted by the Annual General Meeting on 7 May 2019 to the Executive Board to increase, with the consent of the Supervisory Board, the share capital of the Company once or several times by up to EUR 450,000,000 through the issue of new no-par value shares for cash or contributions in kind (Authorised Capital A) is amended with regard to the exclusion of the subscription right as follows:

“In capital increases in return for contributions in kind for the purpose of acquiring remuneration and other receivables of the members of the Executive Board as well as members of the Supervisory Board against the Company, the Executive Board is authorised to exclude the subscription rights of the shareholders with the consent of the Supervisory Board, if the subscription price is not significantly below the market price.”

The remainder of the authorisation granted to the Executive Board by the Annual General Meeting of 7 May 2019 under agenda item 7 remains unchanged.

b) Amendment of the Articles of Association

Section 4(2) of the Articles of Association shall be amended by inserting the following new lit. e):

“e) In capital increases in return for contributions in kind for the purpose of acquiring remuneration and other receivables of the members of the Executive Board as well as members of the Supervisory Board against the Company, the Executive Board is authorised to exclude the subscription rights of the shareholders with the consent of the Supervisory Board, if the subscription price is not significantly below the market price.”

Report of the Executive Board on agenda item 7 pursuant to Section 203(2), sentence 2 AktG in conjunction with Section 186(4), sentence 2 AktG

For agenda item 7, the Executive Board has drawn up a written report pursuant to Section 203(2) sentence 2 AktG in conjunction with Section 186(4) sentence 2 AktG which is printed in Section III of this invitation and which, from the time of the convening of the Annual General Meeting, is available on the Company's website

www.lufthansagroup.com/agm.

9. Appointment of auditors and Group auditors for financial year 2020, as well as auditors for any audit reviews of the half-year financial report for the first six months of financial year 2020, and any other financial information during the course of the year

Based on the recommendation and preference of its Audit Committee, the Supervisory Board proposes to the Annual General Meeting that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed as auditor of the financial statement and the consolidated financial statements for financial year 2020, as well as auditor for any audit reviews of the half-year financial report as of 30 June 2020, and for any other audit reviews of additional financial information to be carried out during the course of the year, in the meaning of Section 115(7) of the German Securities Trading Act (WpHG), provided said audit review occurs prior to the next Annual General Meeting.

The recommendation of the Audit Committee was preceded by a selection process in accordance with Art. 16 of the European Statutory Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC). Following this, the Audit Committee recommended Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, and KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, to the Supervisory Board for the open-ended audit mandate, stating the reasons for this and gave a reasoned preference for Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart.

The Audit Committee has declared that its recommendation is free from undue influence by third parties and that no choice-restricting clause in the sense of Art. 16(6) of the EU Statutory Audit Regulation has been imposed on it.

IV. REPORTS OF THE EXECUTIVE BOARD TO THE AGM ON AGENDA ITEMS 7 AND 8

1. Report of the Executive Board to the AGM on agenda item 7, pursuant to Section 221(4), sentence 2 AktG in conjunction with Section 186(4), sentence 2 AktG

The issuing of convertible bonds, option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter referred to as “**Debt Instruments**”) provides the Company with the opportunity, in addition to the traditional options of raising debt and equity, to use attractive financing alternatives on the capital market, depending on the market situation. In particular, the authorisation to issue profit-related or profit-oriented instruments such as profit participation rights and participating bonds extends the Company’s existing options for strengthening its financial position by issuing such financing instruments and thereby ensuring the conditions for future business development. For this reason, the creation of a new authorisation to issue Debt Instruments is proposed to the Annual General Meeting. In total, bonds should be issued with a total nominal value of up to EUR 1,500,000,000.00, which entitle the company to purchase up to 47,819,425 no-par value shares in the name of the Company.

The issue of Debt Instruments enables the acquisition of debt capital on favourable terms, which can be classified as equity or equity capital equivalent depending on the respective conditions both for rating purposes and for balance sheet purposes. The conversion or option premiums achieved and the equity classification benefit the Company’s capital base and thus enable it to use attractive financing options. The other options provided for, in addition to the granting of conversion and/or option rights, of establishing conversion or option obligations and the right of the Company to supply shares or to provide for combinations of these instruments, extend the design scope for these financing instruments. The authorisation also gives the Company the necessary flexibility to place the Debt Instruments itself or via Group companies. In addition to EUR, Debt Instruments can also be issued in other legal currencies of OECD countries, with or without a maturity limit.

In principle, the shareholders are to be granted a subscription right. In order to facilitate settlement, it should also be possible to make use of the option to issue Debt Instruments to credit institutions or companies within the meaning of Section 186(5), sentence 1 AktG with the obligation to offer them to shareholders

for subscription in accordance with their subscription right. However, under the following conditions, it shall be possible to exclude the subscription right.

Initially, the Executive Board shall be authorised, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the issue of the bonds is made in cash at a price that does not significantly fall below the market value of these bonds. This gives the Company the opportunity to take advantage of favourable market situations very quickly and at short notice, and to achieve better conditions for the determination of interest rate, option or conversion price and issue price of the bonds by setting the conditions close to the market. Market-oriented condition determination and seamless placement would not be possible if the subscription right was respected. Section 186(2) AktG permits publication of the reference price (and thus of the conditions of the Debt Instruments) until the third-last day of the subscription period. However, given the volatility of the stock markets which can often be observed, there is a market risk over several days, leading to safety discounts in the setting of bond conditions and thus leading to non-market conditions. In addition, if a subscription right exists, successful placement with third parties is at risk or additional expenses are incurred due to the uncertainty about its exercise. Finally, if a subscription right is granted, the Company cannot react to favourable or unfavourable market conditions in the short term due to the length of the subscription period, but is exposed to declining share prices during the subscription period, which can lead to an unfavourable acquisition of equity for the Company.

In this case, a complete exclusion of the subscription right applies in accordance with Section 221(4), sentence 2 AktG and the provisions of Section 186(3), sentence 4 AktG. The content of the resolution must comply with the subscription right exclusion limit specified within these provisions, which is 10% of share capital. The volume of the conditional capital, which in this case is to be made available at most to secure the option rights or conversion rights or obligations, may not exceed 10% of the share capital existing when the authorisation to exclude subscription rights becomes effective in accordance with Section 186(3), sentence 4 AktG. A corresponding requirement in the authorisation decision also ensures that the 10% limit is not exceeded even in the event of a capital reduction, since according to the authorisation to exclude subscription rights, 10% of the share capital must fundamentally not be exceeded, either on the effective date or – if this value is lower – at the time of the exercise of this authorisation. Own shares, which are sold under the appropriate application of Section 186(3), sentence 4 AktG, as well as

those shares which are issued out of authorised capital, excluding the subscription right in accordance with Section 186(3), sentence 4 AktG, shall be credited and the amount reduced as appropriate if the sale or issue takes place during the term of this authorisation until the issue of the Debt Instruments with option and/or conversion rights or obligations and free of subscription rights pursuant to Section 186(3), sentence 4 AktG.

Furthermore, it follows from Section 186(3), sentence 4 AktG that the issue price must not fall significantly below the stock market price. This is to ensure that significant economic dilution of the value of the shares does not occur. Whether such a dilution effect occurs in the issue of convertible bonds, option bonds, participating bonds or combinations of these instruments without a subscription right can be determined by calculating the hypothetical market value of these bonds in accordance with recognised, in particular financial mathematical, methods and comparing them with the issue price. If, after due consideration, this issue price is only marginally lower than the hypothetical stock market price at the time of issue of the convertible, option or participating bonds or combinations of these instruments, a subscription right exclusion is permitted according to the sense and purpose of Section 186(3), sentence 4 AktG since the difference is insignificant. The decision therefore provides that, before issuing the bonds, the Executive Board must conclude that the planned issue price does not lead to a significant dilution of the value of the shares. This would reduce the calculated market value of a subscription right to almost zero, so that the exclusion of subscription rights does not create a significant economic disadvantage for shareholders.

All of this ensures that the exclusion of subscription rights does not significantly dilute the value of the shares. In addition, shareholders have the option of maintaining their share of the company's share capital at any time, even after exercising conversion or option rights, by buying in shares via the stock exchange. On the other hand, the Company's authorisation to exclude subscription rights enables market-related conditions to be determined, maximum security with regard to placement with third parties and the short-notice exploitation of favourable market situations.

Furthermore, the subscription right of the shareholders may be excluded by the Executive Board with the approval of the Supervisory Board if Debt Instruments are issued against benefits or contributions in kind, in particular in the context of company mergers or of (also indirect) acquisition of companies, businesses, parts of companies, holdings or other assets or claims to the acquisition of assets, including

claims against the Company or its Group companies, and this is in the interest of the Company. Provided, that the value of the benefit in kind is a fair value compared to the value of the bond. Thus the theoretical market value according to recognised methods is relevant.

The issue of Debt Instruments against benefits in kind without subscription rights enables the Executive Board, inter alia, to use the Debt Instruments as an acquisition currency in appropriate individual cases to acquire such benefits in the context of company mergers or of (also indirect) acquisition of companies, businesses, parts of companies, holdings or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies. Business expansion through acquisition of a business or equity typically requires rapid decisions. With this authorisation the Executive Board can react quickly and flexibly to advantageous offers or other opportunities on the national or international market and exploit opportunities for expansion by acquiring companies or holdings against issuing Debt Instruments in the interests of the Company and its shareholders.

The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude fractional amounts from subscription rights. Such fractional amounts may result from the amount of the respective issue volume and the practical representation of the subscription ratio. In such cases, the exclusion of the subscription right facilitates the settlement of the issue. The free fractions excluded from shareholders' subscription rights are either sold via the stock exchange or realised in the best-possible manner for the Company.

Insofar as profit participation rights or participating bonds are to be issued without conversion right, option right or conversion or option obligation, the Executive Board is authorised, with the approval of the Supervisory Board to exclude the shareholders' right of subscription if these rights of participation or participating bonds have bond-like features, i.e. no membership rights in the company, no participation in the liquidation proceeds and the amount of the interest is not calculated on the basis of the amount of the net profit, balance net profit or dividend. It is also necessary that the interest rate and the amount of the profit participation rights or participating bonds issued correspond to the current market conditions for comparable exposures at the time of issue. If the above conditions are met, the exclusion of the subscription right does not result in any disadvantages for the shareholders, since the profit participation rights and/or participating bonds do not constitute membership rights and do not grant any share of the liquidation proceeds or the profits of the Company.

Although it is permissible that the interest rate will depend on a net profit, a net profit or a dividend, a provision whereby a higher net profit, a higher net profit or a higher dividend would lead to a higher interest rate is inadmissible. Accordingly, the issue of the profit participation rights and/or participating bonds does not alter or dilute the voting rights or the participation of the shareholders in the company and their profits. Furthermore, no significant subscription right results due to the fair market conditions of issue, which are mandatory in this case of subscription right exclusion.

Finally, the Executive Board shall be given the opportunity, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders in order to grant the holders of conversion or option rights to no-par value shares of the company or to the creditors of corresponding conversion or option obligation a subscription right to compensate for dilutions such as they would be entitled to after exercising the conversion or option rights or after fulfilling the conversion or option obligations or the right to tender of the company. This offers the possibility of preventing the option or conversion price for the holders of existing conversion or option rights from being reduced in the event of the authorisation being used in accordance with the respective conditions.

In order to increase flexibility, the respective terms of the bond may provide that the Company does not grant shares of the Company to a person entitled to the conversion or to an option, but pays the equivalent in cash. It should also be permissible to provide for a combination of these forms of fulfilment. The terms of the bond may also provide that the Debt Instruments, which are linked to option rights or conversion rights or obligations, are converted at the option of the Company into existing shares of the Company instead of into new shares of conditional capital, or that the option right can be fulfilled by the supply of such shares. The terms of the bond may also provide for the right of the Company to grant to the holders or creditors, in whole or in part, no-par value shares of the Company in lieu of the amount due in cash upon the maturity of the bond associated with option rights or conversion rights or obligations (including maturity due to termination).

The conversion or option price to be determined in each case may not be less than 80% of the price of the Company's share in Xetra trading system on the Frankfurt Stock Exchange (or a comparable successor system). For this purpose, the average closing price on the ten trading days before the date of the decision by the Executive Board shall be decisive regarding the issue of the respective bonds, unless subscrip-

tion rights trading takes place, in which case the days of subscription rights trading are to be decisive, with the exception of the two last trading days of stock exchange of subscription rights trading. Where Debt Instruments include a conversion/option obligation or the right of the company to supply shares, the conversion/option price must be at least equal to the minimum price specified above or equal to the average volume-weighted price of the Company's share on at least three trading days in Xetra trading system on the Frankfurt Stock Exchange (or a comparable successor system) immediately prior to the determination of the conversion/option price in accordance with the respective conditions. This also applies if this average price is below the above-mentioned minimum price (80%).

Under the authorisation, the total number of shares issued under exclusion of the subscription right may not exceed 10% of the share capital, neither on the effective date nor, if this value is lower, at the time of the exercise of this authorisation. Shares will be counted against this limit which (i) are issued or sold during the term of this authorisation under another authorisation excluding the subscription right, or (ii) which are to be issued on the basis of convertible bonds or option bonds issued during the term of this authorisation on the basis of the use of another authorisation excluding the subscription right.

In order to ensure the Company's operating licences under air traffic law in accordance with the German Aviation Compliance Documentation Act (LuftNaSiG), the respective conditions shall provide for the possibility that when the conversion or option right is exercised, the convertible bond or the option certificate must be transferred to a domestic credit institution and the holder or creditor of the convertible bond or option certificate must receive a cash payment based on the stock exchange price instead of shares of the Company. This regulation is necessary to enable the Company to comply with air traffic regulations. The air traffic agreements concluded by the Federal Republic of Germany typically provide, in various terms, that on request of other contractual party it must be proven that substantial holdings (normally understood as a majority interest) and actual control of a company designated by a contracting state are in the hands of nationals from that contractual party. In order to avoid the situation where conversion or exercise of options poses a risk to the Company's operation licences, it is necessary that when the conversion or option rights are exercised, the Company can pay cash instead of shares or require that the new shares acquired by a third party by exercising the conversion or option rights be resold at a price not significantly lower than the stock exchange price.

2. Report of the Executive Board on agenda item 8, pursuant to Section 203(2) sentence 2 AktG in conjunction with Section 186(4), sentence 2 AktG

A proposal is being submitted to the AGM under item 8 of the agenda to amend the authorisation granted to the Executive Board by the Annual General Meeting of 7 May 2019 to increase, with the consent of the Supervisory Board, the share capital of the Company in one or more stages by up to EUR 450,000,000 through the issue of new no-par value shares for a cash or contribution in kind (Authorised Capital A), with regard to the exclusion of the subscription right.

The Executive Board has the possibility to exclude the subscription right of the shareholders when issuing new shares also in the following cases:

The Executive Board shall be authorized under item 7 lit. a) to exclude, in capital increases in return for contributions in kind for the purpose of acquiring remuneration and other receivables of the members of the Executive Board as well as members of the Supervisory Board against the Company, the subscription rights of the shareholders with the consent of the Supervisory Board. This shall facilitate the strengthening of the liquidity of the Company by the Executive Board members and by the Supervisory Board members contributing their remuneration and other receivables into the Company in kind against issuance of new shares of the Company. This does not disadvantage the Company since the capital increase against contribution in kind generally requires that the value of the contribution in kind is in proportion to the value of the shares, and the authorisation specifically requires that the subscription price of the shares is not significantly below the market price.

The Executive Board will carefully examine in each individual case whether the use of the authorisation to issue new shares and to exclude subscription rights is in the interests of the Company and its shareholders. The Executive Board will report to the Annual General Meeting on any use of the authorisation.

V. FURTHER INFORMATION AND INSTRUCTIONS FOR CONVENING

1. Total number of shares and voting rights at the time of convening

Of the total 478,194,257 no-par value shares issued by the Company, all are entitled to vote at the time this Annual General Meeting is convened. Each no-par value share grants one vote at the Annual General Meeting. Different classes of shares do not exist. Hence, the total number of shares and voting rights at the time of convening the AGM amounts to 478,194,257.

2. Preconditions for attending the Annual General Meeting and for exercising voting rights

In accordance with Section 1 (2) of the COVID-19 Act, the Annual General Meeting will be held exclusively as a virtual general meeting without the physical presence of shareholders or their proxies in the presence of, among others, a notary public appointed to take the minutes at the Company's offices at Lufthansa Aviation Center, Airportring, 60546 Frankfurt am Main. For this reason, it is not possible for shareholders or shareholder representatives to attend the Annual General Meeting in person. Shareholders can exercise their voting rights via electronic communication and by issuing a proxy. The entire Annual General Meeting is being broadcast by audiovisual means in the online service.

Only those shareholders are entitled to attend the virtual Annual General Meeting and to cast votes (including exercising their voting right by absentee vote or by a proxy) whose names are entered in the Company's share register on the day of the Annual General Meeting and whose registration for the Annual General Meeting is received by the Company no later than 30 April 2020 (24:00 hrs) at one of the following addresses

Postal address: Hauptversammlung Deutsche Lufthansa Aktiengesellschaft
c/o ADEUS Aktienregister-Service-GmbH
D-20797 Hamburg, Germany
Fax: +49 (0) 89 20 70-37951
Email: hv-service.dlh@adeus.de
Internet: www.lufthansagroup.com/agm-service

in German or English language.

Shareholders who wish to make use of the online services under the Company's website stated above to follow the broadcast of the AGM or to exercise their voting rights require their shareholder number and the pertinent access password. Those shareholders who have already registered for email delivery of the invitations to the Annual General Meeting will receive their shareholder number with the invitation email and must use the access password they chose when registering. All other shareholders entered in the Company's share register receive their shareholder number and access password along with the invitation letter to the Annual General Meeting by post. It is also possible to request access data for the online service via the homepage www.lufthansagroup.com/agm-service before receiving the invitation documents.

The Company will send the registration records as well as the agenda for the Annual General Meeting to the postal addresses entered in the Company's share register by 23 April 2020 (0:00 hrs). New shareholders who are entered in the share register after 23 April 2020 (0:00 hrs) and up to and including 30 April 2020 (24:00 hrs) can also register using one of the above methods. The shareholder number, name, address, and date of birth must be provided for this purpose.

The crucial cut-off date (also referred to as the *technical record date*) for participation in the virtual AGM and the exercise of voting rights is 30 April 2020 (24:00 hrs). Between 1 May 2020 (0:00 hrs) and 5 May 2020 (24:00 hrs) inclusive no changes in shareholder entries will be made in the Company's share register. Shares are not blocked by a registration for the Annual General Meeting. Shareholders may continue to freely dispose of their shares even after registration.

3. Voting through a proxy or by absentee vote

a) Voting through a proxy

Shareholders may also have their voting rights by an authorised party after issuing a corresponding proxy. In the case of a proxy, timely registration of the holding of shares concerned is always necessary pursuant to the above rules under V.2 as well.

The Company also offers its shareholders the option of authorising proxies named by the Company. These proxies shall exercise voting rights as instructed in the event of their authorisation and are not authorised to exercise voting rights without a specific instruction from the shareholder. Nor do proxies named by the Company accept instructions on requests to raise objections to AGM resolutions, to ask questions or to file motions.

Any granting or revocation of a proxy and evidence thereof in dealings with the Company must be made in text form. If a shareholder authorises more than one proxy, the Company may reject one or more of these. Shareholders may also use the registration form for the Annual General Meeting to issue proxies and instructions. This form is sent to the shareholders duly entered in the share register, along with the invitation to the Annual General Meeting. The form may also be ordered from the registration addresses under V.2. above by post, facsimile or email.

Shareholders can issue authorisations to the proxies named by the Company via the website stated above under V.2. using the online service. Authorisations and instructions to the proxies named by the Company may be issued or amended using the online services until the beginning of the voting within the virtual Annual General Meeting.

Specific requirements may apply when authorising an intermediary (e.g. a credit institution), a shareholders' association, a voting rights consultant or a legal entity treated as such under Section 135 AktG. In such a case, shareholders are requested to seek review in good time with the legal entity to be authorised regarding the type of proxy they require. If an intermediary, shareholders' association, voting rights consultant or another similar right holder under Section 135 AktG is entered in the share register, they may cast votes in respect of the shares they do not own only if they possess the shareholder's authorisation.

Any authorisations, evidence of proxies and the issuance and change of instructions to the proxies named by the Company may be send by **post or facsimile** prior to the Annual General Meeting to the above addresses under V.2. to be received **by 30 April 2020 (24:00 hrs) (arriving)**. Any posted or faxed authorisations, evidence of proxies and instructions to the proxies named by the Company received after this time cannot be considered. Shareholders can also – including after 30 April 2020 (24:00 hrs) – **email** authorisations, evidence of proxies and the issuance of instructions and change to the proxies named by the Company at the above address under V.2. **until the beginning of the voting within the virtual AGM.**

b) Voting by absentee vote

Shareholders may also exercise their voting rights by absentee vote. In the case of absentee voting, too, timely registration of the holding of shares concerned is always necessary under the provisions of V.2. above. Authorised intermediaries (e.g. credit institutions), shareholders' associations, voting rights consultants or authorised legal entities treated as such in accordance with Section 135 AktG may also use absentee voting.

Absentee votes may be sent to the Company to the addresses mentioned above under V.2. Shareholders may use the registration form for the Annual General Meeting for absentee voting as well. This form is sent to the shareholders duly entered in the share register, along with the invitation to the Annual General Meeting. The form may also be ordered from the addresses under V.2. above by post, facsimile or email.

Absentee votes can be submitted prior to the Annual General Meeting **by mail or facsimile** to the addresses given above under V.2. until **April 30, 2020 (24:00 hrs)**. Absentee votes received later by mail or facsimile will not be considered. In addition, shareholders who have registered in good time do have the option of transmitting, casting and changing absentee votes **by e-mail** or using the **online service** – even after April 30, 2020 (24:00 hours) – until the beginning of voting within the virtual General Meeting.

4. Information on data protection

To allow shareholders and their authorised representatives to participate in the virtual Annual General Meeting and to exercise their rights before and during the Annual General Meeting, Deutsche Lufthansa AG must process personal data from shareholders and their proxies. The data is processed in accordance with the provisions of the EU General Data Protection Regulation (GDPR) and all other relevant laws. Details on the handling of personal data and the rights of the affected parties under GDPR can be consulted on the website: www.lufthansagroup.com/en/service/privacy.html.

5. Shareholder rights

a) Amendments to the agenda at the request of a minority pursuant to Section 1 (3) 4 COVID-19 Act, Section 122(2) AktG

Shareholders whose shares, taken together, amount to a twentieth of the share capital or a pro-rated portion of EUR 500,000 (equivalent to 195,313 shares) in the share capital may demand pursuant to Section 122(2) AktG that items be added to the agenda and that they be published. The demand must be addressed to the company's Executive Board in writing and must reach the Company no later than **21 April 2020 (24:00 hrs)**. Each new agenda item must be accompanied by a reason or a draft resolution. Please send any such request in writing to

Deutsche Lufthansa Aktiengesellschaft
– Executive Board –
Attn: Investor Relations (HV) FRA CW
Lufthansa Aviation Center
Airportring
60546 Frankfurt, Germany

or by email, adding the name(s) of the requesting shareholder(s) with a qualified digital signature to

hv-service@dlh.de.

Persons submitting motions must prove that they have been shareholders for at least 90 days prior to the day that the request was received, and must continue to hold the shares until the decision by the Executive Board on this motion. In calculating these 90 days, Section 70 AktG provides for certain offsetting options to which reference is made explicitly herewith. Any supplements to the agenda are published – unless they were already published when the meeting was called – in the Federal Gazette (Bundesanzeiger) immediately upon receipt of the demand. They are also published at the website address www.lufthansagroup.com/agm and shareholders are notified accordingly.

b) Shareholders' motions and nominations under Sections 126(1) and 127 AktG

By no later than **20 April 2020 (24:00 hrs)** (arriving), shareholders may send the Company reasoned motions, stating their names, against a proposal by the Executive Board and/or the Supervisory Board on a specific agenda item pursuant to Section 126(1) AktG and, stating their names, nominations for Supervisory Board

members or auditors pursuant to Section 127 AktG. No reasons need to be stated for shareholders' nominations. Such motions and/or nominations from shareholders must be sent exclusively to one of the following addresses:

Postal address: Deutsche Lufthansa Aktiengesellschaft
- Executive Board -
Attn: Investor Relations (HV) FRA CW
Lufthansa Aviation Center
Airportring
60546 Frankfurt, Germany
Fax: +49 (0) 69 696-90990
Email: hv-service@dlh.de

Any motions and/or nominations sent to any other address will not be considered. Any shareholder motions and/or nominations that must be made accessible will be published immediately upon receipt online at www.lufthansagroup.com/agm. Nominations by shareholders do not need to be made accessible if they do not contain the following information: Name, practised profession, place of residence of the proposed candidate and, in the case of nominations for members of the Supervisory Board, information pursuant to Section 125(1), sentence 5 of the German Stock Corporation Act (AktG). Any opinions of the management are likewise made accessible at the aforementioned website. By publishing countermotions and/or nominations for election in accordance with the above-mentioned provisions, the Company complies with its statutory duty pursuant to Sections 126 (1), 127 AktG, as these provisions are not affected by the COVID-19 Act. However, please note that there will be no vote on countermotions or election proposals in the virtual Annual General Meeting, as this is not possible without the physical presence of the shareholders or their proxies.

c) Possibility for shareholders to ask questions via electronic communication

In accordance with section 1 (2) sentence 1 no. 3 and sentence 2 of the COVID-19 Act, shareholders have the opportunity to ask questions by way of electronic communication. The Executive Board has specified that shareholders have no right to ask questions in the virtual General Meeting itself. Instead, questions from shareholders must be submitted exclusively via the online service by no later than **May 2, 2020 (24:00 hrs)**. Questions received later will not be considered. A right to submit questions exists only for shareholders who have duly registered. In deviation from § 131 AktG, the Executive Board decides which questions it answers and how to answer them, based on its due and free discretion.

d) Possibility of appealing against resolutions of the Annual General Meeting

In accordance with section 1 (2) sentence 1 no. 4 of the COVID-19 Act, shareholders have the right to object to a resolution of the Annual General Meeting. An objection can only be submitted via the online service and is possible from the beginning of the virtual general meeting until its closure by the chair of the meeting.

6. Publications on the Company's website

The content of this invitation to the Annual General Meeting, including the explanation of why no resolution is to be adopted on an agenda item, the records to be made accessible to the AGM, including the annual report, the reports of the Executive Board, the total number of shares at the time of convening the Annual General Meeting, and any shareholder demands for additions to the agenda that must be made accessible to the Annual General Meeting without delay as set out in Section 122(2) AktG are available at www.lufthansagroup.com/agm. After the Annual General Meeting, the voting results will be made available at the same website address.

VI. INFORMATION ON THE SUPERVISORY BOARD CANDIDATES PROPOSED FOR ELECTION UNDER AGENDA ITEM 5

CVs providing information on the relevant knowledge, skills and experience of the proposed candidates for the nominations in accordance with agenda item 5 are printed below. The CVs also indicate which memberships the proposed candidates hold on other supervisory boards formed by operation of law and on comparable domestic and foreign regulatory bodies of commercial enterprises.

Stephan Sturm

Hofheim

* 30 June 1963

Nationality: German

Chairman of the Executive Board of Fresenius Management SE

EDUCATION

– 1982 to 1988: Studied economics and business administration at the University of Mannheim, with a degree in business administration

PROFESSIONAL EXPERIENCE

- 1989 to 1991: Management consultant at McKinsey & Co.
- 1991 to 2004: Various senior positions at BHF-Bank, Union Bank of Switzerland and Credit Suisse First Boston (CSFB) in Frankfurt and London, most recently at CSFB as Head of Investment Banking for Germany and Austria
- 2005 to June 2016: Chief Financial Officer of Fresenius Management SE (and its predecessor companies)
- Since July 2016: Chairman of the Executive Board of Fresenius Management SE
- Since 29 April 2015: Member of the Lufthansa Supervisory Board, elected until the Annual General Meeting 2020

CURRENT MANDATES

Membership of domestic supervisory boards formed by operation of law:

- Fresenius Kabi AG (Chairman)¹
- Fresenius Medical Care Management AG (Chairman)¹

Membership of comparable domestic and foreign regulatory bodies of commercial enterprises:

- VAMED AG, Austria (Deputy Chairman)¹

Erich Clementi

Rye, New York, USA

* 5 December 1958

Nationality: Italian, US-American

Deputy Chairman of the Supervisory Board of E.ON SE

EDUCATION

- 1982: Master of Business Administration at Leopold Franzens University, Innsbruck

PROFESSIONAL EXPERIENCE

- 1984 to 2019: IBM, responsibility in various roles and countries in the areas of sales, strategy, product and business services, in particular
- 2009: Vice President Corporate Strategy IBM
- 2011: Senior Vice President, head of IBM's largest business unit, IBM Global Technology Services, which produces and markets all of IBM's IT services worldwide
- 2015 to 2017: Senior Vice President Global markets and Chairman IBM Europe, with regional responsibility for all IBM business in North America and Europe

¹ Fresenius Group Mandate

- 2017 to April 2019: Senior Vice President Global Integrated Accounts and Chairman IBM Europe
- Since 2016: Member of the Supervisory Board of E.ON SE (since May 2018: Deputy Chairman)

CURRENT MANDATES

Membership of domestic supervisory boards formed by operation of law:

- E.ON SE (Deputy Chairman of the Supervisory Board)

Membership of comparable domestic and foreign regulatory bodies of commercial enterprises:

- None

Dr Thomas Enders

Tegernsee

* 21 December 1958

Nationality: German

President of the German Society for Foreign Policy

EDUCATION

- 1978 to 1983: Studied economics, politics and history at the Rheinische Friedrich-Wilhelms-University in Bonn and the University of California in Los Angeles

PROFESSIONAL EXPERIENCE

- 1989 to 1991: Federal Ministry of Defence: Member of the planning staff
- 1991 to 1999: MBB/DASA, various roles, most recently Head of Corporate Development
- 2000 to 2005: Various managerial positions at EADS
- 2000 to 2019: Member of the Executive Committee of EADS and Airbus
- 2005 to 2019: CEO EADS and Airbus

CURRENT MANDATES

Membership of domestic supervisory boards formed by operation of law:

- None

Membership of comparable domestic and foreign regulatory bodies of commercial enterprises:

- Linde plc (non-executive member of the Board of Directors)

Harald Krüger

Gräfelfing

* 13 October 1965

Nationality: German

Former Chairman of the Executive Board of BMW AG

EDUCATION

- Studied mechanical engineering at the Technical University of Braunschweig and the Rheinisch-Westfälische Technische Hochschule (RWTH) Aachen
- Dipl.-Ing. Mechanical Engineering, Rheinisch-Westfälische Technische Hochschule (RWTH) Aachen

PROFESSIONAL EXPERIENCE

- 1991 to 1992: Research assistant at the Institute for Dynamics of Flight Systems at the German Aerospace Centre (DLR), Oberpfaffenhofen site
- 1992 to 1993: Trainee in the field of technical examination/production, BMW AG, Munich
- 1993 to 1995: Project engineer as part of the construction of the BMW plant in Spartanburg, USA
- 1995 to 1997: HR Officer for test vehicle construction, Research and Innovation Centre (FIZ) BMW AG, Munich
- 1997 to 2000: Head of Strategic Production Planning, BMW AG, Munich
- 2000 to 2003: Head of Production Strategies and Communication, BMW AG, Munich
- 2003 to 2006: Plant manager in engine production at Hams Hall, BMW Group UK
- 2007 to 2008: Head of Technical Integration, BMW AG, Munich
- 2008 to 2012: Member of the Executive Board of BMW AG, Human Resources and Social Affairs
- 2012 to 2013: Member of the Executive Board of BMW AG, MINI, Motorcycle, Rolls-Royce, Aftersales BMW Group
- 2013 to 2015: Member of the Executive Board of BMW AG, Production
- 2015 to August 2019: Chairman of the Executive Board of BMW AG

CURRENT MANDATES

Membership of domestic supervisory boards formed by operation of law:

- Deutsche Telekom AG

Membership of comparable domestic and foreign regulatory bodies of commercial enterprises:

- None

Astrid Stange

Paris, France

* 27 December 1965

Nationality: German

Group Chief Operating Officer, AXA SA

EDUCATION

- Studies of economics at the Ruhr University Bochum
- 1993 Doctorate at the Technical University of Braunschweig (Dr. rer. pol.)

PROFESSIONAL EXPERIENCE

- 1990 to 1993: Research assistant at the at the Technical University of Braunschweig
- 1993 to 1995: Assistant to the CFO Bücher/Buchclubs DACH/CEE, Bertelsmann Buch AG
- 1995 to 1998: Head of Direct Marketing Services DACH Region, Bertelsmann Buchclub Germany
- 1998 to 2014: The Boston Consulting Group, various positions
since 2004 Partner and Managing Director
since 2011 Senior Partner and Managing Director
- 2008 to 2013: Head of the German insurance practice
- 2013 to 2014: Head of global life insurance practice
- 2014 to 2017: Chief Officer Strategy, Human Resources, Organisation and Customer Management, AXA Germany
- Since 2017 Group Chief Operating Officer, Member of the Management Committee, AXA SA
- Since 2019 CEO AXA Group Operations SAS

CURRENT MANDATES

Membership of domestic supervisory boards formed by operation of law:

- None

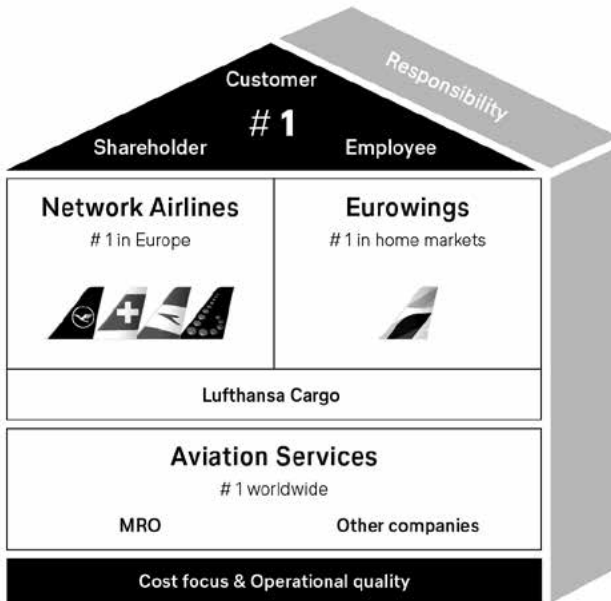
Membership of comparable domestic and foreign regulatory bodies of commercial enterprises:

- GIE AXA, Member of the Supervisory Board, Financial Controller (Membre du Conseil de Surveillance, Contrôleur de Gestion)
- AXA Group Operations SAS, Chairman of the Management Board (Président du Comité de Direction)
- Alpha Scale SAS, Member of the Management Committee (Membre du Comité de Direction)

VII. INFORMATION ON THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE EXECUTIVE BOARD OF DEUTSCHE LUFTHANSA AG SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING UNDER ITEM 6 OF THE AGENDA

1. Corporate strategy as the basis for the design of the remuneration system

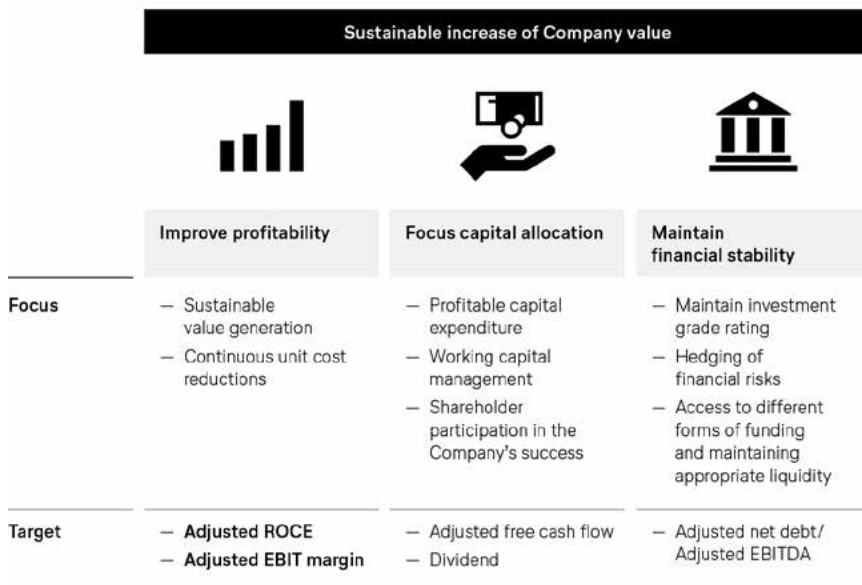
OBJECTIVE: NUMBER 1 FOR CUSTOMERS, SHAREHOLDERS AND EMPLOYEES



As the Lufthansa Group, our goal is to strengthen our market position as the leading European airline group through profitable growth. The Lufthansa Group stands for a balance of the interests of all stakeholders. The aim is to be the sustainable first choice for shareholders, customers and employees. This sustainable balance is the core element of the corporate strategy.

The financial strategy supports the corporate strategy by aiming at a sustained increase in corporate value. The focus is on the three dimensions of increasing profitability, focusing on the use of capital and securing financial stability.

FINANCIAL STRATEGY



2. Principles for the remuneration system for the members of the Executive Board of Deutsche Lufthansa AG

The remuneration system for the members of the Executive Board contributes to the promotion of the corporate and financial strategy by providing incentives for sustainable and value-oriented management and taking into account the interests of all stakeholder groups. The Executive Board members are motivated by the design of the remuneration system to achieve the goals set out in the Lufthansa Group's strategy and to ensure a sustainable and long-term positive development of the company's value.

In making decisions on the design of the remuneration system and on the structure and level of the remuneration of the members of the Executive Board, the Supervisory Board takes into account in particular the following essential principles:

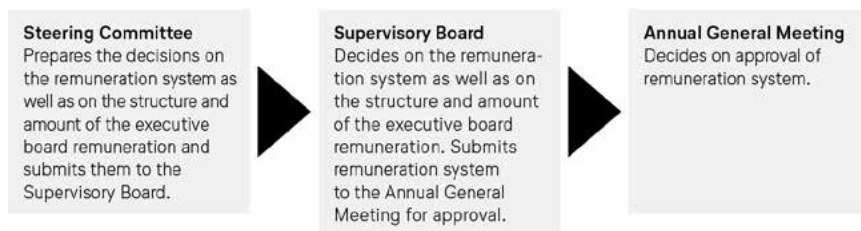
Incentive to implement corporate strategy	The remuneration system as a whole should make a significant contribution to the promotion and implementation of the corporate strategy by linking the payment to relevant and demanding performance criteria.
Coupling of performance and remuneration (Pay for Performance)	The performance-related remuneration should account for a major part of the total remuneration. Outstanding performances should be appropriately rewarded, while missing the targets should reduce remuneration accordingly.
Consideration of joint and individual performance of the Executive Board members	In addition to the performance of the Executive Board as a whole, the remuneration system should also take into account the individual performance of the individual members of the Executive Board in their respective departments.
Consideration of the interests of shareholders and other stakeholders	When designing the remuneration system and in particular defining performance criteria, the interests of the members of the Executive Board shall be closely linked to the interests of the shareholders and other stakeholders.
Sustainability	As part of the promotion of sustainable corporate development, the ecological and social responsibility of the Lufthansa Group should also be taken into account and therefore should also be reflected in the performance criteria.
Appropriateness of the remuneration	The remuneration of the members of the Executive Board shall be proportionate to the duties and performance of the Executive Board member, shall be customary in the market and shall take into account the size, complexity and economic situation of the company. The ratio to the remuneration of the employees should also be taken into account.
Transparency	The remuneration system should be clearly and comprehensibly set out in the annual remuneration report. The performance criteria underlying the system are described, and the actual target values and the achievement of targets for the respective financial years are published ex post.

The aim of the Supervisory Board is to offer the members of the Executive Board remuneration package that is both customary on the markets and competitive, taking into account the legal framework, in order to attract and retain the best candidates for a board position for the Lufthansa Group.

3. Procedures for determining, implementing and reviewing the remuneration system

The Supervisory Board as a whole is responsible for the structure of the remuneration system of the members of the Executive Board and for determining the individual remuneration. The Steering Committee supports the Supervisory Board in this, monitors the appropriate design of the remuneration system and prepares the resolutions of the Supervisory Board. If necessary, the Steering Committee recommends that the Supervisory Board makes changes. In the event of significant changes to the remuneration system, and in any event at least every four years, the remuneration system will be submitted to the Annual General Meeting for approval.

METHOD FOR DEFINING THE REMUNERATION SYSTEM



If the Annual General Meeting does not approve the submitted remuneration system for the Executive Board, the Supervisory Board will examine the remuneration system in detail, taking into account the market practice and the competitiveness of the system as well as the regulatory framework and requirements of investors, and will present a suitably reviewed remuneration system at the subsequent Annual General Meeting. In this context, the changes to the remuneration system are described in detail and, at the same time, the extent to which the comments of the shareholders have been taken into account.

The Supervisory Board, on a proposal from the Steering Committee, has the option of temporarily diverting from individual components of the remuneration system in exceptional situations if this is necessary in the interests of the long-term well-being of the Company. The special exceptional situation and the need for a deviation are to be determined by a Supervisory Board resolution. In particular, deviations can be made from the provisions of the remuneration structure and the individual components of the remuneration system.

This remuneration system has been in effect for all current Executive Board members since 1 January 2020 and will apply to reappointments and contract extensions.

All decisions of the Supervisory Board and its committees on the remuneration system are subject to the generally applicable rules that apply to the treatment of conflicts of interest, according to which the members of the Supervisory Board are in particular obliged to disclose conflicts of interest immediately to the Chairman of the Supervisory Board. The Supervisory Board will inform the Annual General Meeting of any conflicts of interest that have occurred during the financial year and their treatment as part of their annual report to the Annual General Meeting.

If necessary, the Supervisory Board may consult external consultants. In doing so, the Supervisory Board ensures the independence of the external remuneration consultant and has this regularly confirmed.

The remuneration system is implemented within the framework of the Executive Board employment contract.

4. Procedure for determining the amount of the Executive Board's remuneration and for assessing appropriateness

On the basis of the remuneration system presented to the Annual General Meeting, the Supervisory Board determines the total amount of the Executive Board's remuneration as well as the individual remuneration components. To this end, the Supervisory Board regularly reviews the system and the appropriateness of the individual remuneration components as well as the total remuneration. In doing so, the Supervisory Board ensures that the remuneration is proportionate to the duties and performance of the Executive Board as well as to the situation of the company. In doing so, it also takes into account the appropriateness of the remuneration and considers the amount and structure of the remuneration of the Executive Board of comparable companies as well as the ratio of the remuneration of the Executive Board to the remuneration of the employees, also in terms of time development. The Steering Committee supports the Supervisory Board in this process, prepares the adequacy assessment and issues a recommendation in the event of any changes that are required, on which the Supervisory Board discusses in detail and decides.

The appropriateness and market practice of the remuneration of the Executive Board are evaluated on the basis of a comparison of the target and maximum remuneration of the companies listed in the German DAX stock index. For this horizontal market comparison, the Supervisory Board takes into account in particular the market position of Deutsche Lufthansa AG on the basis of the key figures revenue, employees and market capitalisation.

In the context of the vertical adequacy assessment, the Supervisory Board examines the remuneration of both senior management and the workforce as a whole, based on the German Group companies within the Lufthansa tariff association. For this purpose, the senior management group was defined by the Supervisory Board as a group of executives at the three management levels below the Executive Board of Deutsche Lufthansa AG. The other staff consists of the non-tariff employees below the management levels and the tariff employees on the ground, in the cockpit and in the cabin. Therefore the Supervisory Board takes into consideration not only the current remuneration ratios, but also how this ratio has developed over time.

Further development of the remuneration system 2020

With effect from the 2020 financial year, the Supervisory Board has decided to make adjustments to the remuneration system in force since 2019. In particular, they are intended to comply with the new legal provisions of the Act implementing the second Shareholders' Rights Directive (ARUG II) and the revised German Corporate Governance Code of 16 December 2019. In addition, the Supervisory Board thereby meets the requirements of investors and voting rights advisers in the follow-up to the last Annual General Meeting. The following table gives an overview of the main adjustments:

OVERVIEW OF THE AMENDMENTS TO THE REMUNERATION SYSTEM

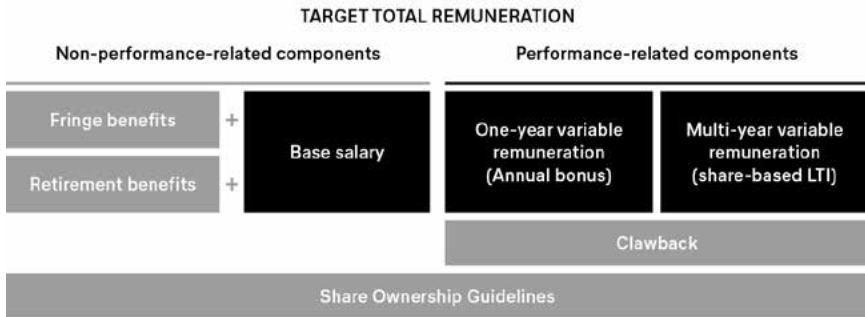
Remuneration system until financial year 2019	Aspect	Remuneration system as of financial year 2020
Performance targets: <ul style="list-style-type: none"> – Adjusted EBIT growth (42.5%) – EBIT margin (42.5%) – Sustainability (15%) 	One-year variable remuneration (Annual bonus)	Performance targets: <ul style="list-style-type: none"> – Adjusted ROCE (42.5%) – Adjusted EBIT margin (42.5%) – Overall and individual business and sustainability targets (15%)
Performance Cash Plan	Multi-year variable remuneration (LTI)	Performance Share Plan <ul style="list-style-type: none"> – Granting of virtual shares – Maintaining the current financial targets – Extension of the non-financial targets: "Strategic and sustainability targets"
<ul style="list-style-type: none"> – Investment obligation: 15% of the actual variable remuneration achieved p.a. (gross) – Holding period: until the end of the appointment 	Share Ownership Guidelines	<ul style="list-style-type: none"> – Agreement on a fixed establishment period of 4 years in principle, independent of variable remuneration – Extension of the holding period to up to 4 years after the end of the appointment, with pro rata reduction of a maximum of 25% of the SOG shares p.a.
No Clawback	Clawback	Introduction of a Compliance- and Performance-Clawback provision
<ul style="list-style-type: none"> – Cap exists for Annual bonus, LTI and total remuneration (incl. retirement and fringe benefits) – Exception: no cap for flight benefits (Declaration of deviation from the German Corporate Governance Code) 	Maximum remuneration (Overall Cap)	<ul style="list-style-type: none"> – Inclusion of the flight benefits granted to the members of the executive board in the Cap

5. Components of the Executive Board remuneration system from the 2020 financial year onwards

The remuneration of the Executive Board is made up of fixed, non-performance-related and performance-related variable components. In addition to the base salary, the fixed remuneration includes fringe and retirement benefits. The variable remuneration comprises a one-year (annual bonus) and a multi-year (LTI) component. In the target remuneration, the share of the multi-year variable remuneration exceeds the share of the one-year variable remuneration. In certain cases, the Supervisory Board has the option of withholding the one-year and multi-year variable remuneration or of claiming back remuneration already paid (clawback).

The Share Ownership Guidelines are also an essential part of the remuneration system. They oblige the Chairman of the Executive Board to invest shares in Lufthansa to the value of twice the base salary and ordinary members of the Executive Board to the value of the simple amount of their base salary, and to hold them during the service period and beyond.

COMPONENTS OF THE EXECUTIVE BOARD REMUNERATION SYSTEM



In addition, the Executive Board remuneration system is supplemented by appropriate market-standard commitments in connection with the start and end of the activities on the Executive Board or a change of place of employment.

The three main components of the remuneration system for the members of the Executive Board are the base salary, the one-year variable remuneration (annual bonus) and the multi-year variable remuneration (LTI). The respective share of these three components in the target direct remuneration (base salary, target amount of the annual bonus, target amount of the LTI) is shown in the following figure:

TARGET DIRECT REMUNERATION

BASIC REMUNERATION

in %

c. 34

Multi-year variable remuneration (LTI)
c. 43



One-year variable remuneration (Annual bonus)
c. 23

The fringe benefits amount to approximately 2%, the retirement benefits to approximately 52% of the base salary of an Executive Board member.

Non-performance-related remuneration components

Fixed annual base salary

Each member of the Executive Board receives a fixed base salary. This is paid in twelve equal monthly instalments. The amount of the base salary is differentiated between the Chairman of the Executive Board and the ordinary members of the Executive Board.

Fringe benefits

Each member of the Executive Board receives fringe benefits within the limits of the defined maximum remuneration. These include, in particular, the provision of a company car with driver for business and private use, allowances for insurance and industry standard flight allowances for private air travel by the Executive Board member, his spouse and children, and for his ID flight entitled parties as defined in the internal guidelines for all employees.

Retirement benefits

The members of the Executive Board receive retirement benefits based on a contribution-based system. During the term of employment, a fixed amount is credited to the members of the Executive Board annually in the personal pension account set up for this purpose. The investment rules of the pension account are based on the investment concept for the Lufthansa Pension Trust, which also applies to employees of Deutsche Lufthansa AG.

The main features of the contribution-based pension commitment for the members of the Executive Board are summarised in the following table:

Contribution	Fixed annual amount
Investment concept	Investment of contributions via the Lufthansa Pension Trust (with guaranteed contribution)
Entitlement	On reaching the age of 60
Non-forfeitability	Claims are vested within the meaning of the law on the improvement of company pensions
Payment	In principle in 10 annual instalments; alternatively, on application, a lower number of instalments or a one-time payment
Flight concessions in an insured event	Limited flight concessions in accordance with the regulations for retired employees, provided that the insured event occurs immediately after leaving the Executive Board
Disability/death	Risk protection in the event of the insured event occurring before the age of 60 as a result of disability or death by increasing the pension benefit by a supplementary risk capital at the time of the occurrence of the insured event until the age of 60

Performance-related remuneration components

The variable performance-related remuneration of the members of the Executive Board is designed to support the Lufthansa Group's short- and long-term strategy. For this reason, it consists of a one-year variable remuneration (annual bonus) and a multi-year variable remuneration (LTI), thus ensuring the sustainable and long-term development of the company. One-year and multi-year variable remuneration therefore differ in terms of the performance period and the performance criteria taken into account.

Whether and to what extent both components will be paid depends on the achievement of financial and non-financial performance criteria. When making the selection, the Supervisory Board ensures that these are clearly measurable and aligned with the corporate strategy. In this context, Environment, Social and Governance criteria (ESG criteria) are also taken into account. The performance criteria are derived from the company's strategic targets and operational management. They are aimed at increasing profitability and efficient management, taking into account the optimal use of capital. For this reason, the key figures for the management of the Lufthansa Group form the basis for selection of the performance criteria for the variable remuneration. In this sense, the sustainability of business management shall be ensured, taking into account the interests of shareholders and other stakeholders,

and the social and environmental responsibility of the Lufthansa Group. In order to take into account the interests of shareholders, particular attention is paid to the development of the share price. In doing so, the Supervisory Board pays attention to an overall balanced risk/opportunity profile.

The Supervisory Board follows a clear “pay for performance” approach and ensures that the objectives are challenging and ambitious. If the targets are not met, the variable remuneration can fall to zero. If the targets are clearly exceeded, the target achievement is limited to 200%. Therefore the target achievement for the financial and non-financial targets in both the annual bonus and the LTI lies between 0% and 200%.

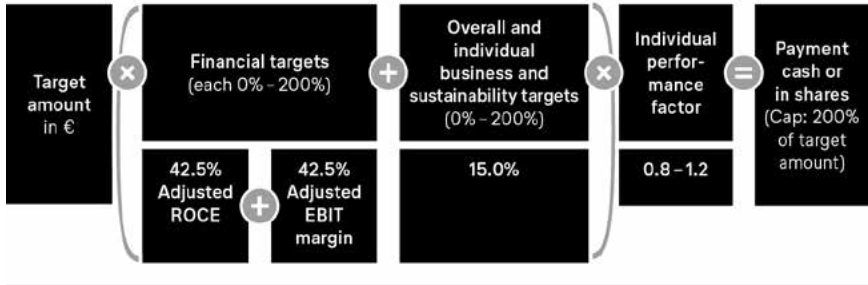
One-year variable remuneration (annual bonus)

The one-year variable remuneration rewards the contribution to the operational implementation of the corporate strategy during a financial year. 85% of the annual bonus is based on financial and 15% on non-financial overall and individual business and sustainability targets (“business and sustainability targets”).

In the sense of value-oriented corporate management, the financial targets are based on the Group’s key performance indicators and thus promote an improvement in profitability while at the same time making efficient use of capital. For this reason, the adjusted EBIT margin and the adjusted ROCE are each accounted for half.

The Supervisory Board annually defines key topics for the business and sustainability targets. These can be used to take into account both the overall responsibility of the Executive Board and specific challenges for individual Executive Board departments.

In addition, the Supervisory Board has the option to apply an individual performance factor between 0.8 and 1.2 in the annual bonus as part of the assessment of the individual performance of each member of the Executive Board. This is based on the individual target agreements agreed annually between the Supervisory Board and the individual members of the Executive Board, which are tailored to the individual areas of responsibility of the Executive Board members. For each member of the Executive Board, the factor between 0.8 and 1.2 is then multiplied by the overall target achievement of the financial and business and sustainability targets. Depending on the performance of each individual member of the Executive Board, the amount of the annual bonus can be adjusted up or down in the sense of a bonus or penalty.

ANNUAL BONUS – COMPOSITION AND MODE OF OPERATION


Based on the weighted target achievement for the financial and non-financial targets multiplied by the individual performance factor defined for each member of the Executive Board, the Supervisory Board determines the annual bonus to be paid to each member of the Executive Board for the financial year in question.

The annual bonus is paid out after the consolidated financial statements for the respective financial year have been approved. If the target is exceeded, the one-year variable remuneration is limited to a maximum of 200% of the target bonus (cap). The Supervisory Board reserves the right to make the payment in shares of the Company instead of cash. The performance criteria, target values and target achievement are reported ex post in the remuneration report for the financial year.

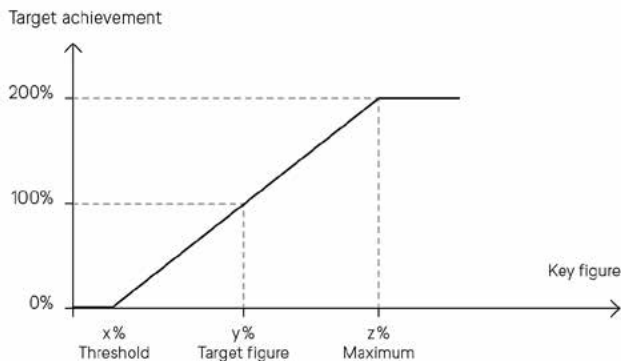
In the event of an entry or withdrawal during the year, the Executive Board member receives a pro rata payment from the annual bonus, unless it expires due to premature termination at the request of the member of the Executive Board without good reason or with good reason for termination by the Company (see also the details in the Annual Report 2019 of the → end-of-service benefits, p. 122). The regulations concerning the due date remain unaffected.

► **Financial performance criteria – adjusted EBIT margin and adjusted ROCE**

The Supervisory Board decides annually for the forthcoming financial year on the target values for 100% target achievement and the threshold and maximum values for the financial targets in the annual bonus based on the recommendation of the Steering Committee. The Supervisory Board takes into account the values of the past years, the medium-term financial planning of the Group and the externally communicated objectives of the company.

For both the adjusted EBIT margin and the adjusted ROCE, the lower limit is a target achievement of 0% if the threshold is not reached and an upper limit of 200% if the maximum value is reached or exceeded. These values result in a linear target achievement curve in each case.

LINEAR PERFORMANCE CURVE



Based on the defined target achievement curves, the degree of target achievement for each financial performance criterion is determined at the end of the financial year on the basis of actual values. Intermediate values are determined using linear interpolation. The actual values for the adjusted EBIT margin and adjusted ROCE are derived from the audited consolidated financial statements for the respective financial year and are presented in detail in the respective annual report (see the respective detailed explanations in the Annual Report 2019 for the adjusted EBIT margin on p. 36, and for the adjusted ROCE on p. 21).

If exceptional circumstances arise that have a significant impact on the financial targets and whose occurrence could not be foreseen at the time the target values were set by the Supervisory Board, the Supervisory Board may adjust the one-year variable remuneration accordingly. Exceptional circumstances may include, for example, significant acquisitions, the sale of significant parts of the business, alterations or changes in the underlying accounting standards and/or comparable circumstances. If an adjustment is required for a financial year due to exceptional circumstances, this will be presented in detail and transparently in the relevant remuneration report.

The specific target values and the target achievement of the financial performance criteria are reported annually ex post, in detail and transparently, in the remuneration report.

► Non-financial business and sustainability targets

For the non-financial “business and sustainability targets”, the Supervisory Board, also based on the recommendation of the Steering Committee, first decides on the key topics to be applied for the financial year and the specific performance criteria in this respect. The Supervisory Board focuses on aspects relating to the operational implementation of the corporate strategy as well as sustainability aspects, in particular with regard to the environment, social responsibility and governance (so-called ESG topics).

Examples for key topics of the business and sustainability targets in the annual bonus

Operational implementation of the corporate strategy	► Market position	► Improvements/ Efficiency enhancements
	► Portfolio measures	► Implementation of major projects
Sustainability (ESG)	► Customer satisfaction	► Compliance
	► Employee satisfaction	► Reputation
	► Environmental protection	► Quality

As part of the non-financial targets in the annual bonus, quantifiable targets are set for each performance criterion – always within a range of 0% to 200%. These values always result in a linear target achievement curve.

Based on the defined target achievement curves, the degree of target achievement for each non-financial performance criterion is determined at the end of the financial year based on actual values. Intermediate values are determined using linear interpolation. The Supervisory Board approves the target achievement for the non-financial performance criteria based on the methodology defined in advance by the Supervisory Board.

The key topics defined for each financial year, the specific target values and the target achievement are reported annually ex post, in detail and transparently, in the remuneration report.

► **Individual performance factor**

In addition, on the basis of individual target agreement discussions between the Chairman of the Supervisory Board and the members of the Executive Board, qualitative criteria for the overall Executive Board as well as individual criteria for each Executive Board member are determined by the Supervisory Board as the basis for the individual performance factor. The performance criteria are derived in particular from the individual departmental responsibilities of the individual members of the Executive Board and should, derived from the corporate strategy, cover relevant aspects with regard to all stakeholder groups. The defined performance criteria are then used to derive specifically measurable targets and/or expectations for the individual members of the Executive Board.

After the end of the financial year the Supervisory Board determines an individual performance factor of between 0.8 and 1.2 for each member of the Executive Board based on the specified criteria.

A change in the performance criteria and target values during a fiscal year is excluded. The targets agreed for the individual performance factor for each financial year and the target achievement are reported annually ex post, in detail and transparently, in the remuneration report.

Multi-year variable remuneration (LTI)

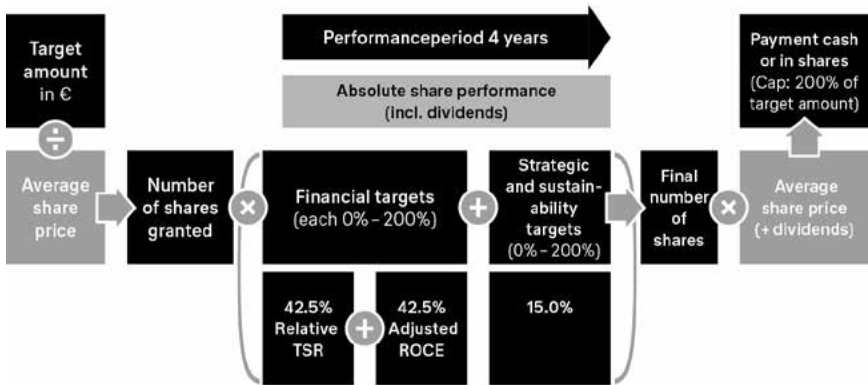
The members of the Executive Board should be committed to sustainable growth and value creation, and thus to long-term and sustainable corporate development. For this reason, with multi-year variable remuneration the majority of the variable remuneration is geared to the achievement of long-term targets. In addition, an attractive and sustainable return on investment is to be aimed at for the shareholders as key stakeholders, so that they can participate in the success of the Lufthansa Group. The aim is to establish a close link between the interests of the members of the Executive Board and the interests of the shareholders, particularly within the framework of the multi-year variable remuneration.

85% of the multi-year variable remuneration of the Executive Board is based on financial and 15% on non-financial performance criteria. On the one hand, the positioning of the relative Total Shareholder Return (TSR), i.e. the return on shares taking into account notionally reinvested dividends, of Deutsche Lufthansa AG is measured by comparison with the other DAX companies. The company thus compares its performance with that of the largest German listed commercial enterprises. On the other hand, the average return on investment in the form of the

Adjusted Return on Capital Employed (adjusted ROCE) over the 4-year performance period is compared to a strategic target set by the Supervisory Board prior to the grant. In addition, non-financial strategic and sustainability targets are applied. For the strategic and sustainability targets, the Supervisory Board defines key topics for the respective performance period.

At the beginning of the performance period, the members of the Executive Board are granted conditional virtual shares. The number of shares is determined by dividing the target amount of the LTI by the average share price of Deutsche Lufthansa AG over the first 60 trading days after the start of the respective performance period. At the end of the performance period, the number of conditionally granted shares is multiplied by the total target achievement of the financial and non-financial performance criteria. The resulting final number of shares is multiplied by the average share price of Lufthansa shares over 60 trading days before the end of the performance period plus dividends paid during the performance period and, once the consolidated financial statements have been adopted, will be paid out in cash for the last year of the respective performance period.

LTI - COMPOSITION AND MODE OF OPERATION



If the target is exceeded, the multi-year variable remuneration is limited to a maximum of 200% of the target amount (cap). The Supervisory Board reserves the right to make the payment in shares of the Company instead of cash. The performance criteria and target values of each grant are reported in detail in the remuneration report for the year of the grant.

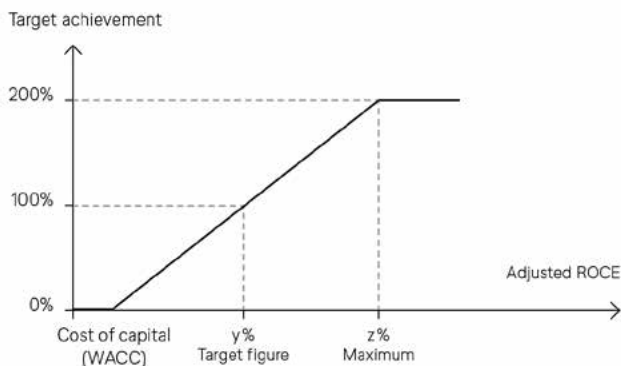
In the event of an entry or withdrawal during the year, the Executive Board member will receive the multi-year variable remuneration – unless it expires due to premature termination at the request of the member of the Executive Board without good reason or with good reason for termination by the Company (see also the details in the Annual Report 2019 of the → end-of-service benefits, p.122) – on a pro rata basis for the period of their Executive Board activity during the respective performance period. The regulations concerning the due date remain unaffected. In the event of the death of a member of the Executive Board, however, the heirs have the right to vote. They can opt either for immediate payment of the pro rata LTI based on the 100% target value or for a corresponding pro rata payment based on the actual target achievement at the end of the performance period.

► **Financial performance criteria – adjusted ROCE and relative TSR**

The two financial performance criteria are included in the overall target achievement, each with a weight of 42.5%.

The Supervisory Board decides annually, based on a recommendation of the Steering Committee for the forthcoming performance period, on the target values for the 100% target achievement and on the values for the target achievement of 0% and 200% for the adjusted ROCE over the 4-year programme period. The Supervisory Board is guided by the 4-year operational planning relevant for the Group, with the lower threshold value being based on the coverage of the cost of capital. This is in line with the strategic goal of achieving a return on capital employed that exceeds the cost of capital. Only then will the company create value.

LTI: TARGET ADJUSTED ROCE



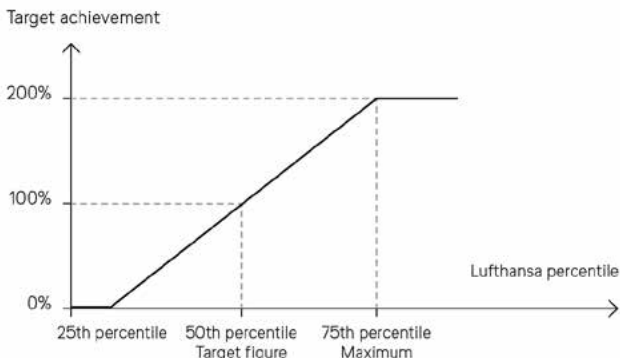
Using the defined target achievement curves, the degree of target achievement is determined at the end of the 4-year performance period on the basis of the actual values. Intermediate values are determined using linear interpolation. The actual values for the adjusted ROCE are derived from the audited consolidated financial statements for the respective financial years.

To determine the performance of the relative Total Shareholder Return (relative TSR) after the end of the 4-year performance period, the average share price over the last 60 trading days prior to the start of the performance period is compared to the average share price over the last 60 trading days prior to the end of the performance period. In this case, notionally reinvested dividends are taken into account. The comparison group for the relative TSR is the other companies of the DAX-30, which are represented in the index at both the beginning and end of the performance period. The measured TSR performance of all companies is brought into a ranking and the relative positioning of Deutsche Lufthansa AG is determined using the achieved percentile. On this basis, the degree of target achievement is determined using the defined target achievement curves after the end of the 4-year performance period.

For the relative TSR, the target achievement is 100% if the TSR of Deutsche Lufthansa AG corresponds to the median (50th percentile) of the comparison group. At or below the 25th percentile the target achievement is 0%. The maximum value of 200% is achieved for a TSR performance at or above the 75th percentile. Intermediate values are determined using linear interpolation. This results in the following target achievement curve:

LTI: TARGET RELATIVE TSR

TSR for the Lufthansa share compared with the DAX



The target values are presented transparently as part of the annual remuneration report after the first year of the performance period. A detailed and transparent report on the achievement of targets will be provided at the end of the 4-year programme period.

► **Non-financial strategic and sustainability targets**

For the non-financial strategic and sustainability targets, the Supervisory Board, based on the recommendation of the Steering Committee, first decides on the key topics to be applied for the performance period, as well as the specific performance criteria in this respect. These serve the long-term implementation of the corporate strategy and may include other long-term strategic aspects in addition to sustainability aspects.

Examples for key topics of the strategic and sustainability targets in the LTI

Long-term strategic targets	<ul style="list-style-type: none">▶ Market position and -consolidation▶ Portfolio development▶ Implementation of major projects	<ul style="list-style-type: none">▶ Digitization▶ Flexibilization
Sustainability (ESG)	<ul style="list-style-type: none">▶ Customer satisfaction▶ Employee satisfaction▶ Environmental protection	<ul style="list-style-type: none">▶ Compliance▶ Reputation▶ Quality

For each performance criterion of the non-financial targets, the target achievement is limited to a value between 0% and 200%. These values each result in a linear target achievement curve. Intermediate values are determined using linear interpolation.

The Supervisory Board approves the target achievement for the non-financial performance criteria based on the methodology defined in advance by the Supervisory Board.

A detailed and transparent report on the key non-financial performance criteria and specific targets set for the respective performance period is provided in the annual remuneration report after the first year of the performance period, and on the achievement of targets after the end of the 4-year programme period.

Maximum remuneration

The Supervisory Board has set uniform maximum amounts for the performance-related remuneration components for all members of the Executive Board. For both, the one-year and multi-year variable remuneration, these are uniformly 200% of the target amount for all members of the Executive Board.

In addition, the Supervisory Board has set a maximum remuneration for the respective members of the Executive Board in accordance with Section 87a(1) No. 1 AktG for the sum of the expended remuneration amounts for a financial year (including fringe and retirement benefits). This amounts to EUR 9.5 million for the Chairman of the Executive Board and EUR 5.0 million for an ordinary member of the Executive Board.

If the remuneration for a financial year exceeds this limit, the variable remuneration will be reduced accordingly.

Share ownership guidelines

According to the share ownership guidelines (SOG) the Chairman of the Executive Board is obliged to acquire Lufthansa shares in the double amount and ordinary members of the Executive Board in the single amount of their respective base salary, and to hold them for the duration of their service and beyond. The minimum number of Lufthansa shares to be acquired by the members of the Executive Board is determined at the start of the Executive Board's activities on the basis of the average share price over 125 trading days prior to the start of the employment contract. If the base salary is increased, the number of shares to be acquired will also increase.

In principle, a four-year development phase applies to the share portfolio. Existing shareholdings are taken into account. Compliance with this obligation must be demonstrated annually by the members of the Executive Board.

The shares held under the SOG are to be held until the termination of the Executive Board employment contract. Upon leaving the Executive Board, the Executive Board member can annually sell 25% of the shares that they hold under the SOG.

Clawback provision

The Supervisory Board has the option of withholding the variable remuneration in the following cases or of reclaiming the remuneration already paid:

- ▶ In the case of a deliberate or grossly negligent breach of statutory obligations or a violation of internal company guidelines (compliance clawback), the entitlement to recovery shall be the amount of the damage incurred or the maximum amount of the variable remuneration paid for the financial year in which the breach occurred.
- ▶ If variable remuneration components linked to the achievement of certain targets have been wrongly paid out on the basis of incorrect data (performance clawback), the entitlement to recovery is the amount of the difference resulting from the recalculation of the variable remuneration amount in relation to the payment made.

The assertion of entitlement to recovery or retention shall be at the discretion of the Supervisory Board as required.

Secondary activities of members of the Executive Board

The assumption of secondary activities of members of the Executive Board outside the Lufthansa Group requires the prior approval of the Steering Committee of the Supervisory Board.

If members of the Executive Board hold mandates or similar positions in companies in which Deutsche Lufthansa AG has an indirect or direct stake, they shall be deemed to be covered by the Executive Board remuneration and shall not be paid separately. Any remuneration arising from such mandates shall be offset against Executive Board remuneration.

Commitments relating to the start of the activity or a change of place of employment

In the event of an initial appointment to the Executive Board or a subsequent change of place of employment at the request of the company, the Supervisory Board shall, on a proposal from the Executive Committee, decide whether and to what extent the following additional remuneration services are promised in an individual contract:

Compensation for the lapse of benefits provided by the previous employer. The Supervisory Board can grant compensation if remuneration commitments from previous employers expire as a result of a switch to Deutsche Lufthansa AG (e.g. promises of long-term variable remuneration or pension commitments).

Relocation costs. To the extent that a change of place of residence is required as a result of the appointment as a member of the Executive Board or as a result of changes in the place of employment at the request of the Company, the Supervisory Board may decide that the Company will be responsible for the reimbursement of relocation costs or similar services to an appropriate extent.

Term of the Executive Board employment contracts

The term of the Executive Board employment contracts is linked to the duration of the appointment. The Supervisory Board will take into account the regulations of Section 84 AktG according to which members will be appointed to the Executive Board for a maximum period of five years and shall not be reappointed for at least one year before the previous term of office expires. In addition, a term of three years should not be exceeded for initial appointments. The employment contracts of the members of the Executive Board do not make provision for the possibility of ordinary termination; the right of extraordinary termination by either party remains unaffected.

In the event of a member of the Executive Board being unfit to work for more than 12 months, the Executive Board employment contract shall automatically end at the end of the 12 months without the need for separate termination.

In the event of a reduction in the maximum remuneration fixed by the Supervisory Board at the time the contract is concluded by resolution of the Annual General Meeting pursuant to Section 87(4) AktG, the member of the Executive Board also has the option of terminating the Executive Board employment contract with a notice period of three months to the end of the month and resigning from office. This does not give rise to entitlement to severance pay. However, the Executive Board member is otherwise treated as if the Executive Board employment contract had been duly fulfilled.

End-of-service benefits

The remuneration system also regulates the amount of remuneration in the event of premature termination of the Executive Board employment contract. Depending on the reason for termination, the following provisions apply to the promised remuneration when leaving office:

Termination by mutual consent. In the event of premature termination of the contract without good reason, the Company will, in accordance with the recommendation of the German Corporate Governance Code, compensate no more than the value of the entitlements for the remainder of the contract, whereby the payments must not exceed two years' compensation (maximum severance payment).

The maximum severance payment is calculated on the basis of the amount of annual remuneration, which is made up of the basic remuneration and the target values for the one-year and multi-year variable remuneration; benefits in kind and fringe benefits are not taken into account.

Early termination at the request of the Executive Board member without good reason or good cause for termination by the company. In this case there is no entitlement to severance pay or other payments from the one-year or multi-year variable remuneration.

Change of control. In the event of a change of control, the Executive Board member and the company each have the right to terminate the Executive Board employment contract within a period of six months from the change of control. In this case, the Executive Board member is entitled to a severance payment in the amount of their remuneration entitlements for the remaining term of the contract. The amount of the severance payment must not exceed 150% of the contractually agreed severance payment limit described previously. In the case of future new appointments and re-appointments, the Supervisory Board will follow the recommendation of the German Corporate Governance Code as amended on 16 December 2019 on the application of the severance payment limit, including in the event of a change of control.

Post-contractual non-competition clause. The members of the Executive Board are subject to a one-year non-competition rule after leaving the Executive Board. During the post-contractual restraint of competition, the company will pay the member of the Executive Board compensation (compensation for damages) equal to half of the basic remuneration. The company has the possibility to waive the post-contractual prohibition of competition until the end of the Executive Board contract, with the effect that the company is no longer obliged to pay compensation after six months from receipt of the waiver. The current employment contracts of the members of the Executive Board do not provide for a severance payment to be offset against the compensation for damages. In the case of future new appointments and re-appointments, the Supervisory Board will follow the recommendation of the German Corporate Governance Code as amended on 16 December 2019 to offset a severance payment against the compensation for damages.

Death. If the member of the Executive Board dies while in the service of the company, the widower or widow shall continue to receive the base salary for a period of six months, but no longer than until the end of the Executive Board employment contract.

This information is conclusive. No additional compensation will be granted.

6. The remuneration system at a glance

The following table once again provides a general overview of the components of the remuneration system for the members of the Executive Board, the respective structure of the remuneration components and the underlying objectives:

Component	Objective	Structure
Non-performance-related remuneration		
Base salary	Should reflect the role and responsibilities in the Executive Board. Should ensure an adequate basic income and prevent the taking of inappropriate risks	Annual fixed remuneration
Fringe benefits	Should ensure an adequate basic income and prevent the taking of inappropriate risks	Company car including driver, industry standard flight allowances for private air travel, insurance premiums
Retirement benefits	Should secure an adequate pension	Annual allocation of a fixed amount
Performance-related remuneration		
One-year variable remuneration (annual bonus)	Should support profitable growth, taking into account the overall responsibility of the Executive Board and the individual performance of the Executive Board members	<ul style="list-style-type: none"> • Adjusted EBIT margin versus target value (42.5%) • Adjusted ROCE versus target value (42.5%) • Overall and individual business and sustainability targets (15%) • Individual performance factor (bonus/penalty, 0.8-1.2) • Cap: 200% of the target amount • Payment: in cash or in shares
Multi-year variable remuneration (LTI)	Should promote a sustainable positive development of the company's value, while at the same time linking the interests of the members of the Executive Board to those of the shareholders	<ul style="list-style-type: none"> • Allocation of virtual Lufthansa shares with a four-year term • Number of final virtual shares depending on: <ul style="list-style-type: none"> - Average adjusted ROCE during the performance period versus target value (42.5%) - Relative TSR of Lufthansa share versus DAX-30 (42.5%) - Business and sustainability targets (15%) • Performance based on the 60-day average Lufthansa share price at maturity and dividend payments during the programme period • Cap: 200% of the target amount • Payment: in cash or in shares

Component	Objective	Structure
End-of-service benefits		
Termination by mutual consent	Should avoid unduly high severance payments	Severance payment limited to the remaining term of the employment contract or a maximum of two years' remuneration (maximum severance payment)
Post-contractual non-competition clause	Serves to protect the company's interests	<ul style="list-style-type: none"> • One-year non-competition rule after leaving the Executive Board • Waiver of non-competition by company possible
Change of control	Should ensure independence in takeover situations	<ul style="list-style-type: none"> • Severance payment equal to the amount of the remuneration entitlements for the remaining term of the employment contract or a maximum of 100% of the aforementioned severance payment limit (current contracts: 150%)
Other remuneration regulations		
Share Ownership Guidelines	Should strengthen the share culture and the close link between the interests of the members of the Executive Board and the shareholders	<ul style="list-style-type: none"> • Obligation to invest in Lufthansa shares over a period of basically 4 years <ul style="list-style-type: none"> - Chairman of Executive Board: 200% of the base salary - Ordinary Member of the Executive Board: 100% of the base salary • Retention obligation for the period of the Executive Board's activities; gradual reduction of the share portfolio by 25% per annum after leaving the Executive Board
Compliance and performance clawback	Should ensure sustainable business development	Possibility for the Supervisory Board to withhold annual bonus and LTI or to reclaim remuneration already paid
Maximum remuneration	Should avoid uncontrolled high payouts	Reduction of variable remuneration if the maximum limit for a financial year is exceeded: <ul style="list-style-type: none"> - Chairman of Executive Board: EUR 9.5 million - Ordinary Member of the Executive Board: EUR 5.0 million

Cologne, April 2020

Deutsche Lufthansa Aktiengesellschaft

The Executive Board

Corporate Seat: Köln

Registration: Amtsgericht Köln, HRB 2168

Chairman of the Supervisory Board: Dr Karl-Ludwig Kley

Executive Board: Carsten Spohr (Chairman),

Thorsten Dirks, Christina Foerster, Harry Hohmeister,

Dr Detlef Kayser, Dr Michael Niggemann