

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

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

Deutsche Lufthansa AG's issued capital amounts to EUR 3,060,443,248.64 and is divided into 1,195,485,644 registered shares. Each share corresponds to EUR 2.56 of the issued capital. The transfer of shares requires the Company's authorisation (restriction of transferability). The Company may only withhold authorisation if registering the new shareholder in the share register could jeopardise the maintenance of air traffic rights. This did not occur in the financial year 2021. Shareholders exercise their rights and cast their votes at the Annual General Meeting in accordance with statutory regulations and the Company's Articles of Association. Each share is entitled to one vote.

### Voting and share transfer restrictions

To preserve international air traffic rights and air traffic rights to fly to various international destinations, the proportion of German/European shareholders must be at least 50% of the Company's issued capital. If the proportion of foreign shareholders reaches 40%, Deutsche Lufthansa AG is granted special permission under Section 4 Paragraph 1 German Aviation Compliance Documentation Act (LuftNaSiG) together with Section 71 Paragraph 1 No. 1 German Stock Corporation Act (AktG) to buy back its own shares. If the proportion of foreign shareholders in the share register reaches 45%, the Company is authorised, subject to Supervisory Board approval, to increase issued capital by up to 10% by issuing new shares for payment in cash without subscription rights for existing shareholders (Section 4 Paragraphs 2 and 3 LuftNaSiG together with Section 4 Paragraph 3 of the Articles of Association). If the proportion of foreign shareholders approaches the 50% threshold, the Company is entitled to withhold authorisation to register new foreign shareholders in the share register (Section 5 Paragraph 1 of the Articles of Association). Furthermore, the Company is authorised, according to Section 5 Paragraph 2 LuftNaSiG and subject to the approval of the Supervisory Board, to require the most recently registered shareholders to sell their shares. From the fourth day after this requirement has been published, the shareholders concerned can no longer exercise the rights conferred by the shares concerned. If they do not comply with the requirement within four weeks, the Company is entitled after a further notice period of three weeks to declare the shares to be forfeited and to compensate the shareholders accordingly. On 31 December 2021, foreign shareholders held 12.2% of the shares in the shareholders' register of the Company. No steps were taken in 2021 to limit the percentage of foreign shareholders. Detailed information on the German Aviation Compliance Documentation Act (LuftNaSiG) and the quarterly update on our shareholder structure can be found at [www.lufthansa-group.com/investor-relations](https://www.lufthansa-group.com/investor-relations).

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

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

As of 31 December 2021, the Company had received the following notification of direct or indirect shareholdings with more than 10 % of voting rights:

- Economic Stabilisation Fund (ESF) 14.09% (notified on 7 October 2021)

### Holders of shares with special controlling rights

The Company has no shares that confer special controlling rights. The ESF has special shareholder rights, however, such as veto rights over certain types of financing and Supervisory Board seats. Additional information about the special rights of the ESF can be found at <https://investor-relations.lufthansagroup.com/en/corporate-governance/stabilization-packages.html>.

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

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

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

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

**Rights of the Executive Board to issue or repurchase shares**

As of 31 December 2021, Deutsche Lufthansa AG had Authorised Capital A amounting to EUR 450,000,000.00 and Authorised Capital B amounting to EUR 22,362,168.32:

A resolution passed at the Annual General Meeting on 7 May 2019 authorised the Executive Board until 6 May 2024, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 450,000,000.00 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). No use was made of this authorisation in the reporting period.

A resolution passed by the Annual General Meeting on 7 May 2019 authorised the Executive Board until 6 May 2024, subject to approval by the Supervisory Board, to increase the Company's issued capital on one or more occasions by up to EUR 30,000,000.00 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded. The Company made no use of this authorisation in the reporting period.

A resolution passed at the Annual General Meeting on 5 May 2020 authorised the Executive Board until 4 May 2025, subject to approval by the Supervisory Board, to issue bearer or registered convertible bonds, bond/warrant packages, profit sharing rights or participating bonds (or combinations of these instruments) for a total nominal value of up to EUR 1,500,000,000. A convertible bond was issued for EUR 600,000,000 in November 2020. This used up a large part of the existing authorisation to grant shares to the holders or creditors of the bond, and to increase the Company's share capital by up to EUR 122,417,728 by issuing up to 47,819,425 new registered shares. The convertible bond issued in November 2020 entitles the bearer to convert up to 46,296,296 shares, increasing share capital by up to EUR 118,518,518. The contingent capital increase will only take place to the extent that the holders or creditors of conversion and/or option rights, or those with a conversion obligation from convertible bonds, bond/warrant packages, profit-sharing rights or participating bonds (or any combination of these instruments) issued by the Company or its Group companies pursuant to the authorisation given at the Annual General Meeting for the period 5 May 2020 to 4 May 2025 exercise

their conversion or option rights, or if the holders or creditors of convertible bonds meet their conversion obligations or, if the Company exercises its option, Company shares are granted in lieu of payment of all or part of the amount in cash due, to the extent that a cash compensation is not granted or the Company's treasury shares are not used for settling the obligation. The new shares are entitled to share in profits from the beginning of the reporting year in which they are issued by the exercise of conversion or option rights, by meeting a conversion obligation, or by the issue of rights to sell shares. The Executive Board is authorised to determine the further details of the way in which the contingent capital increase is to be carried out.

The Company's contingent capital was increased by up to EUR 102,014,776.32, divided into up to 39,849,522 registered shares, by resolution of the extraordinary Annual General Meeting on 25 June 2020 (Contingent Capital 2020/II). The new shares are entitled to profits from the beginning of the financial year in which they are issued. Notwithstanding Section 60 paragraph 2 of the German Stock Corporation Act (AktG), and to the extent permitted by law, the Executive Board may determine that new shares for a completed financial year also participate in the profits. The contingent capital increase serves to provide shares for the exercise of conversion rights granted to the Economic Stabilisation Fund (ESF) as a silent shareholder in the company for Silent Participation II-A by resolution of the extraordinary Annual General Meeting on 25 June 2020 in the event of a takeover (as defined below). This condition ceases to apply, however, if the ESF sells the Silent Participation II-A to a third party (as defined below), so that the Silent Participation II-A can be converted at any time after it has been transferred to the third party or parties; the scope of this conversion right is restricted to 39,849,522 shares. A third party is any natural or legal person with the exception of (i) the German federal state or one or more regional states, (ii) any other German regional authority and (iii) an entity or public agency belonging directly to the federal or a regional state. The new shares are issued at EUR 2.56 per share. The contingent capital increase will only take place to the extent that the ESF (or a third party after the Silent Participation II-A has been assigned) exercises the conversion right. The Executive Board is authorised to define further details of the contingent capital increase and its implementation with the approval of the Supervisory Board.

The Company's contingent capital was increased by up to EUR 897,985,223.68, divided into up to 350,775,478 registered shares, by resolution of the extraordinary Annual General Meeting on 25 June 2020 (Contingent Capital 2020/III). The new shares are entitled to profits from the beginning of the financial year in which they are issued. Notwithstanding Section 60 paragraph 2 of the German Stock Corporation Act (AktG), and to the extent permitted by law, the Executive Board may determine that new shares for a completed financial year also participate in the profits. The contingent capital increase serves to provide shares for the exercise of conversion rights granted to the ESF of the Federal Republic of Germany as a silent shareholder in the company for antidilution and/or coupon protection (each as defined below) for Silent Participation II-B by resolution of the extraordinary Annual General Meeting on 25 June 2020.

- In the event of a capital increase by the Company, “antidilution” refers to cases that protect the ESF from dilution (x) of its increased equity interest of 25% plus one share following conversion of the Silent Participation II-A in the event of a takeover (as defined below), unless the ESF has waived its right to antidilution (as defined below), or (y) that protect its equity interest of 20% in the event of a capital increase without subscription rights, unless i) the ESF is offered an investment in the capital increase without subscription rights or ii) the ESF has waived its right to antidilution (as defined below).
- “Coupon protection” refers to cases in which the accrued coupon on the Silent Participation I (x) is not paid for any financial year up to and including 2023 and (y) if the accrued coupon on the Silent Participation I is again not paid for financial years 2024 and 2025, unless the Silent Participation II-A has been converted. In the case of coupon protection, the conversion right is limited to 5% of share capital after conversion in each of the cases (x) and (y).
- A takeover is deemed to have occurred if a decision is published to make a takeover offer pursuant to Section 10 Securities Acquisition and Takeover Act (WpÜG) or if control is acquired pursuant to Section 35 in combination with Section 29 WpÜG.
- Antidilution is waived if the ESF i) does not exercise its subscription right in the course of a capital measure by the Company with subscription rights or ii) does not participate in the offer of a capital increase without subscription rights or iii) has sold one or more of the shares in its equity interest.

If the conversion right is exercised to protect against dilution (as defined above), the new shares will be issued at the current market price on the conversion date, less 10 %. If the conversion right is exercised to protect the coupon (as defined above), they are issued at the current market price on the conversion date, less 5.25 %. The contingent capital increase will only take place if the ESF makes use of its conversion right. The conversion rights expire if Silent Participation II-B is assigned to a third party. The Executive Board is authorised to define further details of the contingent capital increase and its implementation with the approval of the Supervisory Board.

Deutsche Lufthansa AG is entitled to repurchase shares and to sell repurchased shares in those cases defined in Section 71 AktG. In addition, the Company is authorised by resolutions of the Annual General Meeting on 7 May 2019 to buy back its own shares until 6 May 2024. The resolutions can be used, among other things, to issue shares for the settlement of employee share programmes and to expand the financing alternatives in the event that another company or an equity stake in a company is acquired. The proportion of shares acquired on the basis of this authorisation, along with any other Lufthansa shares that the Company has already acquired and still holds, must at no time amount to more than 10% of issued capital.

However, Deutsche Lufthansa AG is forbidden from buying back shares, unless they are shares held by the ESF, until the end of the stabilisation measures.

Further information on authorised capital, contingent capital and share buy-backs ➔ **Consolidated financial statements, note 33, p. 197ff.**

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

The EMTN programme operated by the Company to issue bonds includes a change-of-control clause, according to which holders of bonds issued thereunder can demand redemption of the bond in the event of a change of control. The change of control is tied to the concepts of control, which are defined in detail in the EMTN programme, and of a rating downgrade resulting from the change of control within a change-of-control period. The following bonds are currently outstanding under this programme:

- EUR 500m bond maturing on 6 September 2024
- EUR 1,000m bond maturing on 29 May 2026
- EUR 750m bond maturing on 11 February 2025
- EUR 850m bond maturing on 11 February 2028
- EUR 500m bond maturing on 14 July 2024
- EUR 500m bond maturing on 14 July 2029
- EUR 900m bond maturing on 16 May 2027
- EUR 600m bond maturing on 16 November 2023

In August 2015, Deutsche Lufthansa AG issued a hybrid bond for EUR 500m, due on 12 August 2075, which also includes the change-of-control clause described above. Furthermore, Deutsche Lufthansa AG has issued borrower's note loans that include similar change-of-control clauses. As of 31 December 2021, a total of EUR 1,558m was still outstanding.

In November 2020, Deutsche Lufthansa AG issued a convertible bond for EUR 600m, due on 17 November 2025. The terms of the bond include a change-of-control clause that adjusts the conversion price and entitles the creditors to early repayment of the loan in the event of a change of control. A change of control occurs if one or more persons acquire control of Deutsche Lufthansa AG or if, in the event of a mandatory offer for ordinary shares, a situation occurs in which ordinary shares collectively hold more than 50% of the voting rights in Deutsche Lufthansa AG.

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

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

If the contract ends because the special termination right is exercised or the contract is revoked amicably within six months of and in connection with the change of control, the Executive Board member is entitled to compensation for remuneration outstanding for the remainder of the contract. The termination payment may not exceed 150% of the contractually agreed cap on severance pay of two years' remuneration. For new and repeat appointments after 1 January 2020, the Company will follow the recommendation of the German Corporate Governance Code as amended on 16 December 2019 and also apply the cap on severance pay to the event of a change of control. ➤ **Remuneration report, p. 271ff.**