

**Translation**

**Articles of Association**

**DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT**

**Status: October 2017**

English translation for convenience only;  
in case of any discrepancy or ambiguity the German version prevails.

## I. General Provisions

### § 1

The Company is a public limited company bearing the name

„Deutsche Lufthansa Aktiengesellschaft“.

The Company's registered office is in Cologne.

### § 2

The Company's business purpose is national and international air traffic and the operation of all commercial activities and facilities connected with and relating to civil aviation and its promotion.

For the furtherance of its business purpose, the Company shall be entitled to establish domestic and foreign branches and agencies, to acquire participating interests in other domestic and foreign enterprises, to acquire outright or set up such enterprises and to conclude all manner of business contracts, including pooling agreements. It can devolve its activities completely or partially to such enterprises.

### § 3

Any announcements of the Company shall be published in the German Federal Gazette (*Bundesanzeiger*), failing other mandatory provisions of statute.

The Company is authorised to convey information to shareholders by remote data transmission subject to their consent.

## II. Nominal Capital and Shares

### § 4

The Company's nominal capital amounts to Euro 1.206.424.688,64. It is divided into 471.259.644 no-par value registered shares (i.e. shares without nominal value and registered in the name of the holder).

The Executive Board is authorised until 28 April 2020, with the consent of the Supervisory Board, to increase the share capital of the Company in one or more stages by up to Euro 553,310,730.08 through the issue of new no-par value registered shares for cash or non-cash contributions (Authorised Capital A).

In principle, the shareholders are to be granted a subscription right. The shareholders may also be granted a subscription right indirectly pursuant to sec. 186(5) of the German Stock Corporation Act (AktG).

- The Executive Board is authorised, in the case of a capital increase for cash contributions, with the consent of the Supervisory Board, to exclude shareholders' subscription rights if the offering amount is not significantly below the market price, and the shares issued with subscription rights excluded, pursuant to sec. 186(3), sent. 4 AktG, do not exceed 10 % of the share capital at the time of the authorisation taking effect or, if this amount is lower, at the time of its exercise.
- The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude fractional amounts from shareholders' subscription rights.
- Wherever it is necessary to grant holders or creditors of warrant or conversion rights under bonds with warrants attached or convertible bonds that were or are issued by the Company or its Group companies a subscription right to new shares on a scale that would be due to them after exercise of their warrant or conversion rights and/or the meeting of conversion obligations, the Executive Board is authorised to exclude the subscription rights with the consent of the Supervisory Board.
- In shares issued against non-cash contributions, specifically for the purpose of acquiring companies, business units, interests in companies or other assets or claims to the acquisition of assets,

incl receivables from the Company or its Group companies, or for the purpose of mergers of companies, the Executive Board is authorised to exclude the subscription rights with the consent of the Supervisory Board.

- The Executive Board, with the consent of the Supervisory Board, in order to pay a so-called scrip dividend whereby shareholders are offered the alternative of contributing their claim to a dividend as an (either complete or partial) non-cash contribution to the Company in return for being granted new shares under the Authorised Capital A, is authorised to exclude the subscription rights.

The sum of the shares issued against cash or non-cash contributions with subscription rights excluded may not exceed 20 % of the share capital at the time of the authorisation taking effect or – if this value is lower – at the time of its exercise.

Counting toward the 10 %-limit under the first bullet point and toward the above 20 %-limit of the sum of all subscription-right exclusions are such shares as were, or may still have to be, issued to service warrant or conversion rights or to meet conversion obligations under bonds with warrants attached or convertible bonds, provided that the bonds are issued after 29 April 2015 by analogous application of sec. 186(3), sent. 4 AktG with subscription rights excluded. Likewise counting toward the above limits are shares that were issued after 29 April 2015 on the basis of an authorisation to utilise own shares pursuant to secs. 71(1), no. 8, sent. 5, 186(3), sent. 4 AktG with subscriptions rights excluded. Finally, shares must be counted that were issued or sold during the term of this authorisation until it was exercised in a direct or analogous application of sec. 186(3), sent. 4 AktG.

The Executive Board is authorised, with the consent of the Supervisory Board, to determine the further details of the share rights and the conditions for the issue of shares.

The Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the Company in one or more stages until 28 April 2019 by up to € 10.776.673,28 through the issue of new no-par value registered shares for cash contributions (Authorised Capital B). The new shares will be offered for purchase solely to employees of Deutsche Lufthansa AG and of associated companies.

The subscription rights of shareholders shall be excluded. The Executive Board is authorised, with the consent of the Supervisory Board, to determine the further details of the utilisation of the Authorised Capital B, specifically the conditions for the issue of the new no-par value registered shares, the issue amount and the further particulars of shareholder rights, and the implementation of capital increases. The profit participation of the new no-par value registered shares may be determined in a departure from sec. 60(2) AktG.

In the event that the circumstances described in section 4 (3) of the Aviation Compliance Documenting Act (*Luftverkehrsnachweissicherungsgesetz*) occur, the Executive Board shall be authorised, after obtaining the consent of the Supervisory Board, to increase the Company's nominal capital by issuing new shares against a contribution in cash and to rule that existing shareholders have no automatic right to subscribe to the new shares. The issue price for the new shares shall be fixed in agreement with the Supervisory Board but must not fall short of the current stock market price by a material margin. A capital increase pursuant to this provision must not exceed 10 per cent of the Company's total nominal capital at the time the measure is taken.

In the event that the circumstances described in section 5 (2) of the Aviation Compliance Documenting Act occur, the Executive Board shall be authorised, after obtaining the consent of the Supervisory Board, to demand shareholders to sell all or part of the shares held by them and to furnish evidence to the Company forthwith that they have done so. Shareholders will be called upon to take such action to the extent necessary to ensure that the Company meets the requirements for retaining its licences, rights and prerogatives under aviation laws and agreements and in the order stipulated in section 5 (3) of the Aviation Compliance Documenting Act. They shall be given an appropriate period of time to comply with this demand and shall be concurrently warned that their failure to comply may incur the legal consequence set out in section 5 (7) of the Aviation Compliance Documenting Act, under which their entitlement to own the shares can be rescinded. The demand to the shareholders, together with the warning that they may forfeit their ownership of the shares as a possible legal consequence of their failure to comply, must allow a compliance period of at least four weeks. A once-only individual call addressed to the shareholders in question may be made instead of a public announcement; in this case,

a compliance period of at least two weeks from the date of receipt of the individual call must be granted.

The share capital is increased to EUR 237,843,840 by the creation of contingent capital through the issue of up to 92,907,750 new non-par value registered shares. The contingent capital increase will only be carried out insofar as the bearers or debtholders of the conversion and/or option rights from conversion bonds, warrant bonds, profit participation rights or participating bonds (or a combination of these instruments) that were issued by the Company or by one of its Group companies by 27 April 2021 based on the authorisation approved by the Annual General Meeting of 28 April 2016 against a cash consideration, exercise their conversion or option rights, or that the bearers or debtholders of the conversion bonds issued by the company or by one of its Group companies by 27 April 2021 on the basis of the authorisation approved by the Annual General Meeting of 28 April 2016 (or of profit participation rights or of participating bonds with a conversion obligation) who have a conversion obligation to settle their obligation or tender options of shares are exercised and provided that neither treasury shares nor other forms of performance are used to settle 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 is authorised to specify further details on the execution of the contingent capital increase.

## § 5

The shares are registered shares; the shareholder's name, address, date of birth, number of shares owned and nationality (natural persons) or national identity (legal persons) must be entered into the shareholders' register kept by the Company. In the case of individuals or institutions subject to reporting requirements within the meaning of sections 21 ff. of the German Securities Trading Act (*Wertpapierhandelsgesetz*), the details listed under section 80 (1) AktG have to be made in addition. Transfer of the shares is subject to the Company's assent (*Vinkulierung*). The Company may only withhold its assent to the transfer of its shares if it has grounds to believe that the registration of the would-be shareholder could jeopardise the

Company's licences, rights and prerogatives under aviation laws and agreements.

Shares issued by way of an increase in the nominal capital shall likewise be registered shares.

The right of shareholders to individual certificates evidencing their shares is excluded.

### **III. Statutes**

#### **1. Executive Board**

##### **§ 6**

The Executive Board shall be composed of at least two persons.

The Supervisory Board shall appoint the members of the Executive Board and determine their number; it may appoint deputy members of the Executive Board. The Supervisory Board may appoint a member of the Executive Board as that body's Chairman and another member as his/her deputy.

Executive Board decisions shall be taken on the basis of a majority of the votes cast, except in cases in which prevailing law dictates otherwise. In the standing rules for the Executive Board, the Supervisory Board shall nominate the member of the Executive Board with the casting vote in the event of a tied vote.

##### **§ 7**

The Company shall be legally represented by two members of the Executive Board or by one such member together with a Company executive with the rank of authorised signatory (*Prokurist*).

#### **2. Supervisory Board**

##### **§ 8**

The Supervisory Board shall be composed of 20 members.

In elections to the Supervisory Board, no persons should be proposed who have already completed their 70th year of life.



Their election will be effective until the conclusion of the Annual General Meeting responsible for relieving them from office after the fourth consecutive business year, not counting the business year in which their term of office begins.

If any member of the Supervisory Board who is elected by the Annual General Meeting resigns before the end of his/her term of office, a supplementary election shall be held to replace that member.

Members of the Supervisory Board may resign at any time by submitting their resignation in writing to the Chairman of the Supervisory Board or to the Executive Board.

### **§ 9**

Directly after the Annual General Meeting at which all Supervisory Board members who are to be elected by the Annual General Meeting are newly elected, a Supervisory Board meeting shall be held that requires no special invitation. At this meeting the Supervisory Board shall elect a Chairman and a Deputy Chairman from among its number for the duration of its term of office in accordance with section 27 (1) and (2) of the Codetermination Act (*Mitbestimmungsgesetz*). The election shall be chaired by the oldest member of the Supervisory Board in terms of age. If the Chairman or Deputy Chairman lays down his/her office before the end of the term, the Supervisory Board shall elect a successor without delay.

Immediately after the Chairman and Deputy Chairman of the Supervisory Board have been elected, the Supervisory Board shall constitute the Board as stipulated in section 27 (3) Codetermination Act.

### **§ 10**

The Supervisory Board shall be convened by its Chairman or, if the latter is prevented from doing so, by its Deputy Chairman. Section 110 of the German Stock Corporation Act shall apply.

The Supervisory Board shall have a quorum if the members have been invited by letter, telephone or electronic communication sent to their last known address at least one week in advance, and if at least one half of the members are present or represented for voting purposes pursuant to section 108 (3) of the German Stock Corporation Act. Decisions of the Supervisory Board shall be taken by a simple majority of the votes cast. In the event of a tied vote, the same item must be put to a second vote; if it, too, results in a tie, the Chairman of the Supervisory Board shall have a casting vote. The Deputy Chairman shall have no casting vote.

The Chairman shall determine the form in which voting is to be conducted.

## **§ 11**

The Supervisory Board shall be entitled to appoint committees from its number and to draw up standing rules defining their duties and powers.

The composition of the committees with decision-making powers must be such that the members of the Supervisory Board elected by the Annual General Meeting and those elected by the employees are equally represented. Such committees shall only have a quorum if at least three of their members are involved in the taking of the decision.

Minutes must be taken at each meeting of the Supervisory Board and its committees and signed by the Chairman. The minutes must specify the place and date of the meeting, the participants, the items on the agenda, the substance of the discussions and the decisions taken.

Decisions of the Supervisory Board and its committees taken by postal, telegraphic or telephone vote as per section 10 paragraph 3 above shall be included in the minutes of the next meeting of the Supervisory Board or its committees.

The Supervisory Board is also empowered to change the wording but not the spirit of the Articles of Association.

## § 12

The Supervisory Board shall draw up a set of standing rules for the Executive Board in which *inter alia* it stipulates that certain specified types of business require its consent.

The approval of the Supervisory Board shall not be a condition for the legal validity of the transaction to be performed.

## § 13

The members of the Supervisory Board shall receive remuneration of Euro 80,000 for each financial year. The Chairperson shall receive Euro 240,000, the Deputy Chairperson Euro 120,000. The chairperson of the audit committee shall receive an additional Euro 60,000, other members of the audit committee an additional Euro 30,000. Chairpersons of other committees shall receive an additional Euro 40,000, other members of other committees shall receive an additional Euro 20,000. Remuneration for committee activities are subject to the proviso that the committee has met at least once in a financial year.

In addition, the members of the Supervisory Board shall receive reimbursement of their out-of-pocket expenses (in particular travel expenses) and an attendance fee of Euro 500 for each meeting. The Company also refunds the premium for group accident insurance and the turnover tax on their remuneration.

If members of the Supervisory Board withdraw from the Supervisory Board in the course of a financial year or from an activity in one of its committees that is associated with additional remuneration, they shall receive pro rata temporis remuneration. The pro rata temporis remuneration is subject to the proviso that the committee concerned has met at least once.

### **3. Annual General Meeting**

#### **§ 14**

The Annual General Meeting shall be convened by the Executive Board or the Supervisory Board.

It can be held in the city in which the Company's registered office is situated or in a German city with a population upward of 250,000.

#### **§ 15**

Entitled to attend the Annual General Meeting and to exercise voting rights are those shareholders who are entered in the Company's share register on the day of the Annual General Meeting and who have registered with the Company in the German or English language in good time prior to the Annual General Meeting.

The Company must receive this registration at the address stated for this purpose in the invitation no later than six days prior to the Annual General Meeting. The invitation to the Annual General Meeting may provide for a shorter period to be measured in days.

The Executive Board is authorised to make provision for shareholders to be able to cast their votes in writing or by way of electronic communication without attending the Annual General Meeting (postal vote). The Executive Board is also authorised to make arrangements for such a procedure. Details are to be published with the invitation to the Annual General Meeting.

Any issuance of a proxy, its revocation and evidence of authorisation in dealings with the Company shall require text form. Details for the issuance of such proxies, their revocation and evidence of authorisation in dealings with the Company shall be published in the invitation to the Annual General Meeting, which may also provide for simplifications. This shall not affect sec. 135 AktG.

## § 16

The Annual General Meeting shall be chaired by the Chairman of the Supervisory Board or, if the latter is prevented from doing so, by the Deputy Chairman of the Supervisory Board. If neither is able to chair the AGM, this task shall be assigned to another member of the Supervisory Board chosen by the members of the Supervisory Board present. Should no member of the Supervisory Board take the chair, a Chairman shall be elected by the Annual General Meeting under the direction of the oldest shareholder present.

The Chairman shall steer the meeting, determine the order of the items on the agenda and the manner of voting.

The Chairman may reasonably limit the time allowed for shareholders' right to ask questions and their right to speak. Specifically, at the very outset or in the course of the AGM, he may within reason set the temporal framework for the entire course of the AGM, for the discussion of the various agenda items and for the various contributions as regards questions and speakers.

The Chairman is authorised to permit complete or partial video or audio broadcasts of the AGM in a manner to be detailed by him.

## § 17

The Annual General Meeting shall take decisions by a simple majority of the votes cast unless the Articles of Association or mandatory provisions of the German Stock Corporation Act determine otherwise. Where the German Stock Corporation Act requires that a majority of the nominal capital represented at the AGM must be cast in order to carry the vote, a simple majority of the nominal capital represented shall suffice as long as that is legally permissible. In the event of a tied vote, the proposition shall be deemed to be rejected.

If there is no majority in the first ballot of an election, a second ballot shall be held between the two candidates who have received the largest number of votes. If the vote is tied, a decision will be reached by drawing lots.

Each registered share shall give entitlement to one vote.

#### **IV. Financial Statements and Appropriation of Earnings**

##### **§ 18**

The financial year is the calendar year.

##### **§ 19**

In the first three months of the new financial year, the Executive Board shall draw up the financial statements and management report for the preceding financial year and submit these documents to the auditors of the financial statements. In the first four month of the financial year it shall, in addition, draw up the Group accounts and Group management report and submit them to the auditors of the Group financial statements.

The financial statements, the management report and the auditor's report shall be submitted to the Supervisory Board immediately after receipt of the auditor's report and, if possible, within the first five months of the new financial year. The same applies to the Group financial statements, the Group management report and the Group auditor's report. The Executive Board and the Supervisory Board shall be entitled to appropriate more than half of the net profit for the year to Other retained earnings if the distributed portion of the profit suffices to pay a dividend of at least 10 per cent on the nominal capital.

##### **§ 20**

Within the first eight months of each financial year the Annual General Meeting shall resolve whether to formally relieve the Executive and Supervisory Boards (i.e. to rule that they acquitted themselves adequately during the past financial year) and vote on the proposed appropriation of the distributable portion of the profit and, where required by law, on the approval of the financial statements. The

Annual General Meeting shall also appoint the auditors of the financial statements and of the Group financial statements for the current financial year.

The General Meeting may resolve a distribution in kind in addition to or in place of a cash distribution.

## **§ 21**

Different dividend entitlement rights may be defined for an issue of new shares.

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