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**Deutsche Lufthansa Aktiengesellschaft**

**DECLARATION OF UNDERTAKING BY THE MEMBERS OF THE EXECUTIVE BOARD  
PURSUANT TO § 25(3) SENT. 1 NO. 9 STABILISATION FUND ACT**

vis-à-vis the

**Economic Stabilisation Fund,  
represented by the Federal Republic of Germany – Finanzagentur GmbH**

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## Preamble

- (1) Deutsche Lufthansa Aktiengesellschaft is a stock corporation (*Aktiengesellschaft* – AG) under German law, entered in the Commercial Register of the Local Court of Cologne under registration number HRB 2168 and with its business address at Venloer Straße 151 – 153, 50672 Cologne, Germany (hereinafter referred to as the **Company**). The corporate purpose of the Company is air traffic in Germany and abroad and the operation of business and facilities directly or indirectly connected or related to aviation and its promotion.
  - (2) The Company intends to take advantage of stabilisation measures in the form of a recapitalisation of the Company pursuant to § 22 Stabilisation Fund Act.
  - (3) The Economic Stabilisation Fund (ESF) (the **Fund**), represented by the Federal Republic of Germany – Finanzagentur GmbH (**Finanzagentur**), intends to grant the Company a recapitalisation in the total amount of EUR 6,000,000,000 (in words: six billion euros) as agreed in the Framework Agreement for the Granting of Stabilisation Measures (the **Framework Agreement**) by way of providing the following stabilisation measures:
    - (i) **Silent Participation I:** The Fund intends to grant the Company a silent participation with loss participation in the amount of EUR 4,693,955,673.60 (**Silent Participation I**) in accordance with § 230 HGB (German Commercial Code – *Handelsgesetzbuch*) and § 10 WStBG (Economic Stabilisation Acceleration Act – *Wirtschaftsstabilisierungsbeschleunigungsgesetz*) in accordance with the provisions of Annex 1 to the Framework Agreement (**Silent Partnership Agreement I**).
    - (ii) **Silent Participation II:** The Fund intends to grant the Company a further silent participation without loss participation in the total amount of EUR 1,000,000,000.00 (**Silent Participation II**) in accordance with § 230 HGB and § 10 WStBG in accordance with the provisions of Annex 2 to the Framework Agreement (**Silent Partnership Agreement II**).
    - (iii) **Shareholding:** The Fund intends to acquire an interest in the Company's share capital by way of a cash capital increase through the subscription of 119,548,565 new shares at an issue price of EUR 2.56 (**Shareholding**). For this purpose, the Company will carry out an ordinary capital increase without subscription rights, in the course of which the Company's share capital will be increased from EUR 1,224,177,297.92 by EUR 306,044,326.40 to EUR 1,530,221,624.32 (**Capital Increase**).
- ((i) to (iii) the **Stabilisation Measures**).

**§ 1**  
**Conditions and restrictions**

**(1) General**

- (i) In the Framework Agreement, the Fund has agreed a number of conditions and restrictions with the Company. Unless otherwise stated below or in the Framework Agreement, these conditions and restrictions apply from the date of the first inflow of funds under (i) the Stabilisation Measures and/or (ii) the KfW financing taken up by the Company under the Special Programme 2020 until the end of the stabilisation.
- (ii) End of stabilisation means, in accordance with the details of the Framework Agreement, the point in time when
  - (a) all payment obligations of the Company arising from and in connection with Silent Participation I and Silent Participation II have been fully met, repaid or redeemed or have been fully terminated by means of a contribution or in some other way, and
  - (b) the Fund has sold the shareholding (including any additional shares which the Fund has acquired in exercise of the conversion rights for Silent Participation II and in the context of future capital increases) in full to third parties.
- (iii) Now, therefore, in accordance with the Framework Agreement the Company undertakes vis-à-vis the Fund, in particular, to comply with the conditions and restrictions set out below.
- (iv) To the extent obligations of the Company or of other Group companies arise from the conditions and restrictions listed below, these obligations are subject to legal admissibility. To the extent the Company undertakes that the Group companies will perform or refrain from performing certain actions, these obligations are limited to the actual possibility and legal permissibility of bringing about corresponding conduct from the Group companies.
- (v) **Group** means the Company and its fully consolidated direct and indirect subsidiaries within and outside the European Economic Area (EEA) (each a **Group company**).

**(2) Use of the funds raised**

- (i) **Use of funds:** The funds raised as part of the Stabilisation Measures serve the interests of the Federal Government in overcoming liquidity bottlenecks and ensuring the framework conditions for strengthening the capital base of the Company and its Group companies.
- (ii) **Tax havens:** The Company undertakes that no funds granted by the Fund as part of the Stabilisation Measures will be transferred to Group companies domiciled in non-cooperative jurisdictions, with the exception of Group companies that

are Operating Companies and domiciled in non-cooperative jurisdictions. **Operating Companies** means companies that (i) provide services to maintain or support the flight operations of the Company or its subsidiaries and the other business segments of the Group, (ii) employ personnel for this purpose and (iii) do not merely conduct financial transactions.

(3) **Group business policy**

- (i) **Sound and prudent business policy:** The Company undertakes to review its business policy and its economic sustainability. The Company will make all objectively reasonable efforts to ensure that the Group pursues a sound and prudent business policy. Furthermore, the Company will make all efforts that are reasonable and expedient in accordance with commercial standards of prudence and diligence with regard to observing economic sustainability.
- (ii) **Green and digital transformation:** The Company will make a strong effort to use the funds from the Stabilisation Measures to promote its activities in accordance with European Union's requirements and national commitments in connection with the green and digital transformation, including the European Union's target of climate neutrality by 2050.

(4) **Measures for the avoidance of distortions of competition**

- (i) **Surrender of slots to competitors:** The Company will implement the commitments made by the Federal Republic of Germany to the EU Commission regarding the transfer of slots to competitors at Frankfurt am Main and Munich airports in full and on time to the extent legally possible.
- (ii) **Prohibition on the acquisition of other companies:** The Company undertakes, as long as at least 75% of the total amount of Silent Participations I and II and of the Shareholding have not been fulfilled, repaid or redeemed, sold or fully terminated by means of a contribution or in some other way, not to acquire an interest of more than 10% in competitors or other companies in the same business segment, including upstream and downstream business activities. In exceptional circumstances, and without prejudice to merger control, the Company may, subject to the prior approval of the EU Commission, acquire a stake of more than 10% in upstream or downstream companies in its field of business if the acquisition is necessary to maintain the viability of the Company or the target company and if no other buyer is available. The Company undertakes, as long as at least 75% of the total amount of Silent Participations I and II and of the Shareholding have not been fulfilled, repaid or redeemed, sold or fully terminated by means of a contribution or in some other way, to ensure, to the extent legally permissible, that the obligations of this § 1(4)(ii) are also fulfilled by the other Group companies.
- (iii) **No cross-subsidisation:** Under the terms of the Framework Agreement, the funds from the Stabilisation Measures may not be used to cross-subsidise economic activities of the Company or a Group company that was already an un-

dertaking in difficulty as defined in Regulation (EU) No. 651/2014 on 31 December 2019. For such economic activities in the Company itself or in a Group company, a clear separation of accounts must be established so that the Company can prove at any time that the Stabilisation Measures do not benefit these economic activities.

(5) **Raising additional credit**

In accordance with the more detailed provisions of the Framework Agreement, the Company requires the prior written consent of the Fund to raise debt capital or hybrid capital above a certain volume.

(6) **Remuneration**

(i) **Structuring of the remuneration for members of the Company's Executive Board:** From the date of the first inflow of funds, the Company will ensure, to the extent legally permissible and subject to any contrary mandatory legal obligations or contractual obligations of the Company established before 21 June 2020, that the following requirements will be implemented for the individual members of the Company's Executive Board:

(a) From the date of the first inflow of funds until the end of the stabilisation, the members of the Company's Executive Board may not be granted bonuses or other variable or comparable remuneration components (including any Group remuneration in the event of double employment with another Group company). Likewise, until the end of the stabilisation, the members of the Company's Executive Board may not be granted special payments in the form of share packages, gratuities or other separate remuneration in addition to the fixed salary, other remuneration components placed at the discretion of the Company and severance payments that are not legally required.

(b) As long as at least 75% of the aggregate amount of Silent Participations I and II (including coupons and any Additional Remuneration) and the Shareholding have not been met, repaid or redeemed or have been fully terminated by means of a contribution or in some other way, no member of the Company's Executive Board may receive a basic remuneration (including any Group remuneration in the event of double employment with another Group company) that exceeds the basic remuneration of such Executive Board member as of 31 December 2019. In the case of persons who become members of the Executive Board at the time of the Stabilisation Measures or thereafter (i.e. as long as at least 75% of the aggregate amount of Silent Participations I and II (including coupons and any Additional Remuneration) and the Shareholding have not been met, repaid or redeemed or have been fully terminated by means of a contribution or in some other way), the upper limit is the lowest basic remuneration of a member of the Executive Board in the relevant position as of 31 December 2019.

- (c) The Company will work towards each member of the Executive Board of the Company declaring a waiver of 20% of the basic remuneration for the period until 30 September 2020.
- (ii) **Structuring of the remuneration for members of the corporate bodies of Key Subsidiaries:** From the date of the first inflow of funds, the Company will ensure, to the extent legally permissible and subject to any contrary mandatory legal obligations or contractual obligations of the Company established before 21 June 2020, that the following requirements will be implemented for the individual members of corporate bodies of Key Subsidiaries:
- (a) To the extent permitted by law, the Company will ensure that bonuses, other variable or comparable remuneration components (including any Group remuneration in the event of double employment with another Group company) of the members of the corporate bodies of the Key Subsidiaries cease to be paid for the period from the date of the first inflow of funds until the end of the stabilisation. **Key Subsidiaries** include Austrian Airlines AG, Brussels Airlines SA/NV, Eurowings GmbH, LSG Lufthansa Service Holding AG, Lufthansa Cargo AG, Lufthansa Technik AG and Swiss International Air Lines AG and their respective legal successors.
- (b) As long as at least 75% of the aggregate amount of Silent Participations I and II (including coupons and any Additional Remuneration) and the Shareholding have not been met, repaid or redeemed or have been fully terminated by means of a contribution or in some other way, no member of a corporate body of a Key Subsidiary may receive a basic remuneration (including any Group remuneration in the event of double employment with another Group company) that exceeds the basic remuneration of such member of the corporate body as of 31 December 2019. In the case of persons who become a member of the management board at the time of the Stabilisation Measures or thereafter, the maximum amount is the lowest basic remuneration of a member of the corporate body concerned as of 31 December 2019.
- (iii) **Remuneration of the members of the Company's Supervisory Board:** As long as at least 75% of the aggregate amount of Silent Participations I and II (including coupons and any Additional Remuneration) and the Shareholding have not been met, repaid or redeemed or have been fully terminated by means of a contribution or in some other way, the Company will ensure, to the extent legally possible and subject to any contrary mandatory legal obligations of the Company or obligations already established before 21 June 2020 in accordance with the Articles of Association, that the remuneration of the members of the Supervisory Board is not increased. To the extent legally possible, the Company will ensure that a performance-related remuneration component may not be granted to the members of the Supervisory Board for the period until the stabilisation is ended. If necessary, the Company's Executive Board and Supervisory Board will propose a corresponding resolution to the next Annual General Meeting to amend the remuneration regime for the Supervisory Board.

- (iv) **Individual contractual implementation:** The Company will endeavour to implement the requirements of § 1(6)(i) and § 1(6)(ii) in each case by individual contracts with the members of the corporate bodies concerned or by adjusting the remuneration system.
- (7) **Distribution of dividends**
- (i) **Prohibition of dividends:** To the extent permitted by law, from the date of the first inflow of funds until the end of the stabilisation, the Company's Executive Board and Supervisory Board will, with regard to the respective preceding fiscal year, (i) upon adoption of the annual financial statements, allocate the largest possible portion of the net income for the year in accordance with applicable law and the Articles of Association to other revenue reserves, unless another use has been agreed in accordance with the provisions of Silent Partnership Agreement I and Silent Partnership Agreement II, and (ii) will not propose to the General Meeting of the Company any dividend distribution, including in the form of stock dividends. This does not apply to the extent the Company is under a legal obligation to pay a dividend.
  - (ii) **Share buybacks:** In accordance with the more detailed provisions of the Framework Agreement, the Company will not reduce its capital, buy back shares itself or through affiliated companies and will not make any other payments to shareholders in their capacity as shareholders that are not owed by contract or by law.
  - (iii) **Non-compulsory coupon payments, no buyback of other equity instruments:** The Company will not make coupon payments or other distributions of profits to recipients other than the Fund which it has no legal obligation to make in each case, and will not buy back any other equity instruments.
  - (iv) **Application to Group companies:** To the extent legally permissible, the Company will ensure, from the date of the first inflow of funds until the end of stabilisation, that the obligations pursuant to § 1(7)(i), § 1(7)(ii) and § 1(7)(iii) will also be met by the other Group companies, with the exception of those Group companies of which the Company is the direct or indirect sole shareholder. The obligations under § 1(7)(i), § 1(7)(ii) and § 1(7)(iii) do not apply to those Group companies which are not directly or indirectly wholly owned by the Company, if the Company has provided financial support to the Group company concerned by means of an equity contribution or loan after the date of the first inflow of funds and all other shareholders of this Group company have provided at least the same financial support (pro rata and pari passu).

## § 2

### Miscellaneous

- (1) **Publication:** The Company will publish this declaration without delay from the date of the first inflow of funds on its homepage and in the electronic Federal Gazette and will make this declaration permanently accessible to its shareholders in a suitable form.

- (2) **Severability:** Should any provision of this agreement be or become invalid or incomplete, in whole or in part, this shall not affect the validity of the remaining provisions. The invalid or incomplete provision shall be replaced by a provision which in a legally permissible manner comes closest to the economic purpose of the invalid provision or, respectively, which supplements, in the best possible manner, the provision in accordance with the assumed intention of the parties.

\*\*\*\*\* Signatures on the following page \*\*\*\*\*



This Declaration of Undertaking is made by all members of the Executive Board on behalf of Deutsche Lufthansa Aktiengesellschaft with the approval of the Supervisory Board.

Frankfurt am Main, this 29th day of June, 2020

Deutsche Lufthansa Aktiengesellschaft

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Carsten Spohr

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Christina Foerster

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Harry Walter Hohmeister

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Dr. Detlef Kayser

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Dr. Michael Niggemann

Signatures in the original document