

21.01.2025

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Dear Shareholders,

We refer to the proxy research report published by Institutional Shareholder Services (ISS) on 17 January 2025, for the upcoming Annual General Meeting (AGM) of TUI AG (TUI), to be held on 11 February 2025. ISS has recommended its clients to vote against the authorisation to hold a virtual AGM (Agenda Item 8.1.) and against the approval of the Remuneration Report (Agenda Item 10).

In contrast, an international proxy advisor and a German proxy advisor are of the opinion, according to their recently published proxy reports for the TUI AGM, that the legal basis in Germany for virtual Annual General Meetings as well as the design of the virtual AGM at TUI ensure that shareholder rights are protected. Therefore, both proxy advisors recommend their clients to support the authorisation to hold a virtual AGM (agenda item 8.1).

TUI would like to make the following comments on Agenda Items 8.1 and 10 regarding the ISS proxy research report.

Regarding Agenda Item 8.1 (Authorisation to hold a virtual AGM):

We have taken note of the reasoning provided by ISS to support its recommendation to vote against our proposal for a new authorisation to hold a virtual AGM and would like to comment on the reasons provided as follows:

ISS has laid out that the proposed new authorisation appears to be a blanket authorisation for the future and that TUI has not explained why it has held virtual AGMs in the past three years. TUI has, however, clearly set out in the AGM invitation that in accordance with German statutory law, it has been ensured that shareholders have exactly the same shareholder rights in a virtual AGM as they would have in a physical AGM. In light of the avoidance of travel requirements for its shareholders, sustainability aspects and cost reductions, the virtual AGM format was therefore the preferred choice. In making that assessment, TUI specifically looked at experience from TUI's own previous AGMs to obtain comfort that TUI's shareholders also make use of their rights in practice. The very active dialogue with TUI's shareholders in the past two AGMs has supported TUI's positive view of the virtual AGM format.

ISS furthermore criticizes that TUI has not given its shareholders a commitment to hold an in-person meeting in the near future and that TUI has not set out circumstances under which a virtual AGM will be held in the future, but that this decision will be made on a case-by-case basis. From TUI's point of view, the virtual format and the in-person format are equally valid formats, providing for exactly the same shareholder rights. Against that background, we believe that it is not appropriate to make a decision today for meetings taking place in a year's or two years' time. Instead, we have provided for an additional

measure from a corporate governance point of view and have proposed that in the future, any decision by the Executive Board to hold a virtual AGM will require prior approval by the Supervisory Board, half of which being elected by shareholders.

ISS points out that it is concerned with virtual AGMs in the broader European practice and that the majority of companies has returned to in-person meetings. We believe that it is not the right approach to assess the disadvantages and benefits of virtual meetings from a European perspective. Each country has implemented its own rules and provisions for the conduct of virtual meetings, which vary significantly. While there may be jurisdictions where shareholder rights are indeed limited in virtual AGMs, this is clearly not the case in Germany. The German legislator has provided for a very robust statutory regime, safeguarding shareholder rights in their entirety. Among larger German companies, the virtual format is therefore well established and seen very positively. The majority of larger companies such as TUI have not returned to in-person meetings generally. Instead, it was and is a common approach by TUI as well as other large companies to keep up with modern times and be open and supportive of modern ways of communication.

Further explanations regarding TUI's proposed new authorisation to decide on virtual General Meetings can be found in the [AGM Invitation](#) (p. 23).

Regarding Agenda Item 10 (Approval of the Remuneration Report):

ISS has raised a number of concerns, mainly in relation to target increases awarded to executives, as well as a perceived lack of ex-post disclosure regarding targets.

TUI has engaged with shareholders and proxy advisors on remuneration matters and continues to do so. We understand that investors take their right to vote at AGMs seriously, and we recognize that investors consider a range of options and opinions when making final voting decisions. As such, we would like to further clarify TUI's position on the issues raised by ISS and reiterate why supporting the Remuneration Report is in the best interests of shareholders.

Our response to the primary concerns raised by ISS are as follows.

Target remuneration increases to Peter Krueger and Sybille Reiss

TUI has provided clear disclosure on the increases provided to both Peter Krueger and Sybille Reiss. The increases provided are modest in nature and reflect the continued value placed on key employees at TUI. Furthermore, they follow the two-step approach for Executive Board members with one remuneration package for the first (3-years) term of office and an increased remuneration package starting from the following term of office. Both levels of remuneration have remained unchanged for a number of years, clearly demonstrating stability and predictability rather than excessive increases.

Both Peter and Sybille continue to be highly valued team members at TUI and amongst a highly competitive talent market, remunerating our key staff competitively and fairly continues to be a key

component in attracting, motivating and retaining staff. These increases are linked to the second term of office of both Peter and Sybille, where the prolongation of their respective Executive Board mandate is in the best interests of the company and our shareholders. We encourage you to support and trust the Supervisory Board that such increases are warranted and aligned with our goal of driving long-term value creation. Furthermore, the Supervisory Board carried out the annual review of the Executive Board remuneration and pensions for financial year 2024. It came to the conclusion that the Executive Board remuneration and pension levels are appropriate from a legal perspective and within the meaning of Section 87(1) of the German Stock Corporation Act (AktG).

In financial year 2023, the consulting firm hkp group was commissioned to prepare an expert opinion on the customary market practice of the level and structure of the target remuneration of TUI AG's Executive Board members – including the level of the remuneration package of both the first term of office and the subsequent term(s) of office. The findings of the external consultant confirmed the Supervisory Board's assessment that the level of Executive Board remuneration in financial year 2023 complies with the requirements of section 87(1) of the German Stock Corporation Act (AktG) and the recommendations of the GCGC.

In addition, the size of the Executive Board has been reduced in financial year 2023. As a result, the total remuneration of the Executive Board has decreased.

For financial year 2024, the Supervisory Board did not commission a corresponding expert opinion on the market level of remuneration for members of the Executive Board to assess its appropriateness. This is due to the fact that the target remuneration of newly appointed and reappointed members of the Executive Board did not exceed the level of existing members of the Executive Board and was not above the pre-COVID-19 level.

Ex-post target disclosures under variable remuneration

TUI acknowledges the feedback provided by ISS with regards to their request for greater disclosure of targets ex-post. The Supervisory Board will continue to look at how we can improve disclosures in the future whilst also not compromising and commercially sensitive information at the same time. It should be noted that modifier targets under the STI and EPS growth targets under the LTI Plan #1 are clearly disclosed (ISS confirms this in their analysis on page 32 of the report). Further to this, STI outcomes ranging from 34-46% of maximum are clearly representative of performance achieved and do not represent any misaligned outcomes, whilst the Supervisory Board continues to act in the best interests of shareholders to ensure that outcomes are aligned with performance.

We believe it is important to inform our shareholders and provide further context and reassurance that the Supervisory Board has appropriately applied the remuneration system for the Executive Board approved by the AGM 2024 with a large majority in light of our internal and external dynamics.

The Supervisory Board continues to act in the best interests of shareholders as your elected representatives and will continue to apply rigour and appropriate discretion to ensure executive remuneration outcomes and practices are best aligned with shareholder expectations and experience.

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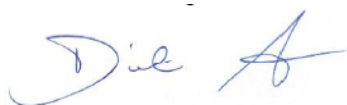
We value the feedback of our key stakeholders, and we will continue to regularly engage with you regarding the appropriateness of our remuneration framework.

Based on the reasons set out in the convocation of the AGM and outlined above, we would very much appreciate your support for both resolution proposals.

Should you have any questions or concerns in relation to the above resolution proposals, please do not hesitate to contact us directly. For any questions, the TUI IR team is at your disposal.

We thank you for your continued support.

With kind regards,

A handwritten signature in blue ink, appearing to read 'Dieter Zetsche'.

Dr Dieter Zetsche
Chairman of the Supervisory Board

A handwritten signature in blue ink, appearing to read 'Sebastian Ebel'.

Sebastian Ebel
Chief Executive Officer