# Rules of Procedure for the Executive Board of TUI AG

(version dated 9 September 2010)

## Article 1

1. The Executive Board manages the affairs of the Company in accordance with the law, the Charter and these Rules of Procedure.

2. The Executive Board is independently responsible for managing the Company in accordance with the Company's interests and with the aim of creating sustainable added value.

3. The Executive Board develops the strategic direction of the Company, has it approved by the Supervisory Board and ensures that it is implemented.

4. The Executive Board shall ensure that statutory provisions and internal Company guidelines are observed and shall strive to ensure that Group companies comply with them (Compliance).

5. The Executive Board shall ensure that there is adequate risk management and risk controlling within the Company.

6. When filling management positions within the Company, the Executive Board shall take diversity into account and, in particular, aim to include an adequate number of women.

## Article 2

The Executive Board shall propose a schedule of responsibilities (*Geschäftsverteilungsplan*) to the Supervisory Board for approval.  The schedule of responsibilities defines the array of tasks (task area) for each Executive Board member.

## Article 3

Each Executive Board member shall manage his task area and make all necessary decisions. He shall ensure the execution of resolutions adopted by the Executive Board and compliance with the Group policies in this area.

Each Executive Board member bears responsibility for his task area *vis-à-vis* the other Executive Board members. The division of the task areas in accordance with the schedule of responsibilities does not release any member of the Executive Board from his common responsibility for Group management. The members of the Executive Board shall therefore mutually inform the other members of important business developments in their respective task areas.

Decisions that significantly affect more than one task area and decisions in accordance with Articles 4 and 5 shall be taken by the Executive Board.
Important business actions require the signature of two Executive Board members.

## Article 4

The Executive Board decides on all matters of fundamental and material importance to the Group and when there are differences of opinion between different Executive Board members who are responsible for one and the same matter.

In the area of planning, the Executive Board shall decide on the following:

1. The specification of long, medium and short-term objectives of TUI AG and of its subsidiaries/investment holding companies (*Beteiligungsgesellschaften*) (> 50%);

2. The planning for a financial year and the forecasts for two further financial years of TUI AG and its subsidiaries/investment holding companies (> 50%);

3. The initiation of any remedial actions deemed necessary based on the comparison between the actual and the projected business performance of TUI AG and the subsidiaries/investment holding companies (> 50%).

The Executive Board shall also decide on the adoption of Group guidelines and on changes to the TUI AG organisational structure.

## Article 5

Executive Board resolutions, within the meaning of Article 3 Section 1 of these Rules of Procedure, shall also be required in the following cases:

*Due to the possibility that the information contained at this point in the Rules of Procedure could cause the company a not insignificant disadvantage, it has been removed from this version.*

## Article 6

The Executive Board makes its decisions in Executive Board meetings. With respect to the items listed in Article 5, decisions may also be made in writing, provided no member of the Executive Board opposes such a procedure. Executive Board meetings shall take place on a regular basis, whenever possible on a fortnightly basis. The chairman shall convene the meeting, prepare the agenda and chair the meeting.

Every member of the Executive Board is entitled at any time to request that the chairman convenes a meeting while providing details about items requested for discussion.

In cases of particular importance, all possibilities for reaching a consensus among all Executive Board members must be exhausted. If necessary, the opinion of an absent Executive Board member must be obtained in writing or by telephone and then communicated at the meeting.

Only in exceptional cases should important issues related to a task area be addressed in the absence of the Executive Board member responsible for that area.

The Executive Board will have a quorum if the meeting has been called with an appropriate period of notice and more than half the members are present or are represented by a written proxy. Executive Board decisions are made by majority resolution. In the event of a voting deadlock, the vote of the chairman of the Executive Board shall be decisive. As part of the voting process, any votes “against” a resolution shall be recorded in the minutes together with the reasons therefor.

Each Executive Board member has the right to have his differing opinion presented in writing to the chairman of the Supervisory Board via the chairman of the Executive Board.

The decisions taken during the meeting shall be recorded in minutes. The minutes of the meeting shall be forwarded to the members of the Executive Board in a timely manner prior to the next meeting and must be signed by the chairman of the Executive Board.

## Article 7

The Executive Board shall present to the Supervisory Board the long-term and medium-term Group objectives and the annual plans based on these objectives together with a two-year forecast.

At the commencement of each financial year, the Executive Board shall present to the Supervisory Board for approval each year the short-term operating Group plans in the form of earnings forecasts, capital expenditure forecasts and financial planning and shall report on the implementation of the Group planning for the previous financial year.

Once a year, the Executive Board shall also present to the Supervisory Board, as a supplement to the reports on Group planning for the past financial year, a list of changes to the investment holdings of TUI AG and its subsidiaries/investment holding companies. [...]

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If waiting for the prior approval of the Supervisory Board will create disadvantages for the Group, then the approval of the Presiding Committee (*Präsidium*) shall be obtained. If the Presiding Committee cannot reach an agreement, then the resolution shall be the responsibility of the Supervisory Board.

## Article 8

Each member of the Executive Board is responsible for arranging his occasional representation within his task area.

The chairman, in the event of a deputy chairman having been named, shall be represented by that person. Otherwise, the chairman shall appoint a deputy, in each case with the agreement of the chairman of the Supervisory Board.

The dates and duration of business trips and vacations shall be amicably discussed and arranged between the chairman and the respective deputies or representatives.

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