

Comments on Proposed ISS Benchmark Policy Changes for 2025 – Continental Europe

Submitted by: TUI AG (“TUI”)

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Dear ISS Benchmark Policy Team,

We would like to take the chance to submit our comments on your Key Proposed Policy Changes for **Continental Europe** in relation to **virtual shareholder meetings**.

We have noted that you intend to decide on a case-by-case basis whether to support a suggested new authorisation to allow the virtual format for shareholders’ meetings and that you have outlined circumstances that you will take into consideration.

Please find below certain comments from TUI AG as a German stock corporation listed in the Prime Standard of the Frankfurt Stock Exchange and being included in the MDAX index.

We kindly ask you to take these comments into consideration in the preparation of your final benchmark policy updates.

1. Continental Europe vs. Germany: Same rights for shareholders in both formats pursuant to German law – local rules to be considered

Your policy refers to Continental Europe as a whole. While it may be possible that the provisions and rules for virtual meetings differ from those for in-person meetings in other European countries, the German legislator has granted the same rights, in particular participation rights in the meeting, for shareholders in virtual meetings as they have in an in-person meeting. The German Stock Corporation Act even provides for certain benefits for shareholders in the case of virtual meetings that they would not have at an in-person meeting.

Your assessment should therefore consider the applicable rules for virtual meetings in each jurisdiction within Continental Europe individually. We trust

that in light of the comprehensive laws safeguarding shareholders' rights in Germany, proposals for new authorisations to hold virtual meetings in Germany will generally be supported by ISS, as long as legal requirements are met.

Please see below an overview of key shareholder rights in Germany pursuant to the German Stock Corporation Act prior to and during the shareholders' meeting:

Key shareholder rights	In-person	Virtual
Prior to the shareholders' meeting:		
Supplementary requests to the agenda	✓	✓
Right to submit counter-motions and election proposals	✓	✓
Counter-motions and election proposals are deemed to have been submitted by the shareholder when published (e.g. no submission of the motion in the AGM required)	✗	✓
Submission of statements	✗	✓
Possibility to exercise voting rights	✓	✓
On the day of the shareholders' meeting:		
Possibility to watch and hear all parts of the meeting	✓	✓
Right to speak	✓	✓
Right to ask questions	✓	✓
Right to submit counter-motions and election proposals as well as any other motions	✓	✓
Possibility to exercise voting rights	✓	✓
Right to file an objection	✓	✓

2. Shareholders make use of their rights and actively participate in virtual meetings

Since the current statutory provisions on virtual meetings became effective, TUI has conducted two annual general meetings in virtual form (2023 and 2024)

where TUI provided for the same rights for shareholders as for in-person meetings (contrary to the rules for virtual meetings that were included in the COVID-19 legislation, which had restricted shareholder rights in virtual meetings).

From these two virtual annual general meetings, it is TUI's clear experience that shareholders make effective use of their rights and actively participate in the meeting:

- In comparison to TUI's last in-person meetings until 2020, the number of speakers and statements / speeches given was the same or even higher in the last two virtual meetings.
- There was an active and lively dialogue between shareholders and the management.
- The possibility to submit written statements prior to the meetings (which is not provided for in-person meetings under German law) was well received and TUI received valuable statements from its shareholders in both years (20 statements received in 2023, 7 statements received in 2024).

3. Individual company's investor sentiment to be taken into account

While we believe that it should generally be taken into account that the statutory provisions for the conduct of virtual meetings in Germany ensure that shareholders will be able to exercise full-fledged shareholder rights regardless of the format of the meeting (cf. no. 1 above), we believe that the situation of each individual company and its investors should be considered as well. We have spoken to many of our institutional investors in the past two years. During these discussions, our investors were supportive and did not voice opposition to the virtual format nor did they mention having the impression that their influence was limited.

4. Limitation of validity of the authorization

We have noted that the proposed validity period for a new authorisation does not appear to be considered anymore going forward when ISS is making its assessment of a proposal for a new authorisation. We feel it should in any event be taken into account that a voluntary limitation of the validity of the authorisation to hold virtual meetings offers the opportunity to the company and its shareholders to gain further practical experience with the format and to review and newly assess the situation in the short-term, in particular if the

proposal is made for a shorter period of time than allowed under statutory law (five years under German law).

5. Involvement of the Supervisory Board

We have noted that according to your proposed policy changes and contrary to other proxy advisors, you are not planning to take into account whether an involvement of the company's supervisory board is foreseen under a new authorisation or not. This, in our view, should also be considered when assessing a proposed new authorisation. Depending on applicable co-determination rights for employees, at least half of the members of the supervisory board in a German stock corporation are elected by the shareholders. Hence, a supervisory board approval requirement limits the management's powers and ensures indirect participation of the shareholders.

6. Mixed sentiments expressed in your policy survey

We have taken note of your statement that your updated policy on virtual meetings reflects investors' concerns and is based on investor feedback you have received in your 2024 policy survey. From the figures provided in your draft updated policy, we understand, however, that only approx. 31% of investors had a negative or somewhat negative sentiment, while approx. 29% had a mixed view on the format, depending on company practice (e.g., frequency, rationale, conduct of previous meetings, etc.) and approx. 23% had a positive or somewhat positive view on the format. In consequence, around 52% are not fundamentally against a virtual meeting format and do not only accept it under exceptional circumstance. It seems, therefore, that investors have different views on this point, none of which necessarily support voting against the format itself. Furthermore, as the policy survey was not specified by jurisdiction, negative experiences by investors in other markets (e.g. Italy) may have caused a less positive overall view than we would expect investors to have for the German market. As mentioned before, we have not received any negative feedback from our institutional investors.

While we believe that proposals for new authorisations to hold virtual meetings in Germany should generally be supported by ISS if there are no indications that the company in question acts in violation of the very comprehensive laws safeguarding shareholders' rights in Germany, we believe that if such an agenda item is not supported by ISS, the decision should be up to the investors. Hence, rather than opposing such agenda items, we deem it appropriate for ISS to advise investors to make their own decision by qualifying this agenda item as a "for shareholder judgment" / "individual

decision of investor” item. This would put the individual company in the focus for each investor.

We hope that you will take the matters raised above into account when finalising your benchmark policy updates and look forward to discussing your assessment of our agenda in more detail soon.

Kind regards

TUI AG



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