

Kathy Belyeu

From: SCHOLLMAYER, MALIN <malin.schollmeyer@dlh.de>
Sent: Friday, October 18, 2019 5:26 AM
To: Policy
Cc: BARTZ, JENNY; MATTHES-BRANSCHIED, MICHAELA; MUELLER, ERIKA (FRA IR)
Subject: 2020 ISS Policy - Comment Deutsche Lufthansa AG

Dear ladies and gentlemen,

thanks for giving us the opportunity to comment the proposed policy changes for 2020. We really appreciate that.

Director Terms

We see that there is a tendency of shortening the board terms in Europe. Nevertheless there have been good reasons why even the German Corporate Governance Commission didn't implement a recommendation for a shorter board term. The most important reason why there have been so many concerns about this proposed recommendation on board terms by the Corporate Governance commission was that we do have a legally required 5-year term for the employee representatives in the Supervisory Board. This is the reason why the German Stock Corporation Act ('Aktiengesetz') in § 102 Sec. 1 provides for a 5-year term of office. A differentiation in the board term between the representatives of shareholders and employees in the Supervisory Board is neither comprehensible nor target-oriented. Furthermore, with the possibility not to discharge individual members of the Supervisory Board, there is another option to hold boards accountable.

We therefore strongly recommend to maintain the exception at least for German companies to which the provisions of co-determination apply.

Thanks a lot for taking our arguments into consideration.

Best regards

Deutsche Lufthansa AG

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Vorsitzender des Aufsichtsrats / Chairman of the Supervisory Board: Dr. Karl-Ludwig Kley
Vorstand / Executive Board: Carsten Spohr (Vorsitzender / Chairman), Thorsten Dirks, Harry Hohmeister, Dr. Detlef Kayser, Ulrik Svensson, Dr. Bettina Volken