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The original German text shall be the sole legally binding version.

Hapag-Lloyd Aktiengesellschaft

Hamburg

- ISIN DE000HLAG475 -

- Securities Identification Number HLAG47 -

Invitation to the Annual General Meeting

Our shareholders are hereby cordially invited to the

Annual General Meeting

of Hapag-Lloyd Aktiengesellschaft

on 26 August 2016 at 10:30 am

at Hotel Grand Elysée Hamburg,

Rothenbaumchaussee 10, 20148 Hamburg.

I. Agenda and proposed resolutions

1. Submissions to the Annual General Meeting pursuant to section 176(1) sentence 1 of the German Stock Corporation Act (AktG)

The Executive Board hereby provides the Annual General Meeting with the following submissions pursuant to section 176(1) sentence 1 AktG:

- the adopted annual financial statements of Hapag-Lloyd Aktiengesellschaft as at 31 December 2015,
- the approved consolidated financial statements as at 31 December 2015,
- the Management Report and Group Management Report of Hapag-Lloyd Aktiengesellschaft and the Hapag-Lloyd Group, including the notes contained therein in accordance with sections 289(4) and 315(4) of the German Commercial Code (HGB),
- the report of the Supervisory Board, and
- the recommendation by the Executive Board for the appropriation of the net income.

All of the aforementioned documents can be obtained at

www.hapag-lloyd.com/hv

and will be made available for viewing at the Annual General Meeting.

The Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Executive Board in accordance with section 172 AktG on 23 March 2016. With the approval of the Supervisory Board, the annual financial statements are hereby adopted. Therefore the adoption of the annual financial statements or approval of the consolidated financial statements by the Annual General Meeting pursuant to section 173 AktG is not required. Rather, the submissions for Agenda Item 1 must be made available to the Annual General Meeting and must be explained to the same; however, a resolution is not required pursuant to the German Stock Corporation Act (apart from the resolution for Agenda Item 2).

2. Resolution on the appropriation of the net income

The Executive Board and Supervisory Board propose to adopt the following resolution:

> The entire net income generated in the 2015 business year of EUR 108,403,937.87 is carried forward to new account.

3. Resolution on the discharge of the members of the Executive Board for the 2015 business year

The Executive Board and Supervisory Board propose to adopt the following resolution:

The members of the Executive Board who held office in the 2015 business year are hereby discharged for that period.

4. Resolution on the discharge of the members of the Supervisory Board for the 2015 business year

The Executive Board and Supervisory Board propose to adopt the following resolution:

The members of the Supervisory Board who held office in the 2015 business year are hereby discharged for that period.

5. Resolution on the appointment of the auditor for the annual and consolidated financial statements for the 2016 business year, and the auditor for an audit review of the condensed financial statements and interim management report for the 2016 business year, and an audit review of additional financial information during the course of the year (if required)

Supported by the recommendation of the audit committee, the Supervisory Board proposes to adopt the following resolution:

KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, is appointed

a) auditor of the annual and consolidated financial statements for the 2016 business year,

b) auditor for the audit review of condensed financial statements and interim management reports during the course of the 2016 business year and the first quarter of 2017, if and insofar as these documents are subjected to an audit review.

KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, has stated to the Supervisory Board that the firm, its executive bodies and audit managers do not maintain any business, financial, personal or other relationships with the Company and the members of its executive bodies, which could give rise to doubts regarding the firm's independence.

6. Resolution on the approval of the compensation system for members of the Executive Board

The current compensation system for members of the Executive Board must be submitted to the Annual General Meeting for review according to section 120(4) AktG.

The Executive Board and Supervisory Board propose to adopt the following resolution:

The Annual General Meeting hereby approves the current compensation system for members of the Executive Board, as described in the compensation report.

The compensation report, which describes the current compensation system for members of the Executive Board, forms a part of the Group Executive Report for Hapag-Lloyd Aktiengesellschaft in the 2015 Annual Report. The Annual Report can be

obtained at www.hapag-lloyd.com/hv, and will be made available for viewing at the Annual General Meeting.

7. Resolution on the cancellation of Authorized Capital III and the creation of 2016 Authorized Capital with the option to exclude shareholder subscription rights and on a corresponding redrafting of section 5.3 of the Articles of Association

Section 5.3 of the Articles of Association currently provides for what is referred to as Authorized Capital III, under which the Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the Company's share capital in the period up to, and including, 17 September 2020 by a total of up to EUR 14,271,323.00 (Authorized Capital III) on one occasion in one lump sum or on multiple occasions by issuing up to 14,271,323 new, registered no par value shares in exchange for cash. Thus far, the Executive Board has not availed of this authorization.

In order to give the Company more flexibility in future, so that it can comprehensively boost its equity, if needed, Authorized Capital III is to be now cancelled, while at the same time resolving to make provision for new authorized capital. The Articles of Association are to be now amended to reflect this.

The Executive Board and Supervisory Board propose to adopt the following resolution:

a) The authorization currently in place that allows for an increase of the share capital up to, and including, the deadline of 17 September 2020 under section 5.3 of the Articles of Association (Authorized Capital III) is hereby cancelled, with the cancellation becoming effective upon registration of the new 2016 Authorized Capital set out below.

b) The Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the Company's share capital in the period up to, and including, 30 June 2018 by up to EUR 50,000,000.00 (2016 Authorized Capital) by issuing up to 50,000,000 new, registered no par value shares in exchange for contributions in cash and/or in kind. The present authorization can also be availed of on one occasion in one lump sum or on multiple occasions in partial amounts, but in any case only up to a total amount of EUR 50,000,000.00. In general, shareholders must be granted a right to subscription.

   In doing so, the shares may also be taken up by one or more credit institution(s) pursuant to section 186(5) AktG or by one or more undertaking(s) operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or section 53b(7) of the German Banking Act (*Gesetz über das Kreditwesen*) subject to the obligation that the shares be offered to the shareholders of the Company for subscription ('indirect subscription right').

   At the same time, the Executive Board is authorized, with the Supervisory Board's approval, to exclude the shareholders' right to subscription for one or more capital increases in line with the authorized capital,

   (1) in order to exclude fractional shares from the right to subscription;

(2) to issue shares in return for cash contributions where the issue price for the new shares does not significantly fall below the stock market price for pre-existing stock-listed shares of the same class and carrying the same rights, for the purposes of section 203(1) and section 203(2), and of section 186(3) sentence 4 AktG, at the time the issue price is finally fixed by the Executive Board, and the proportionate amount of the share capital attributable to the shares newly issued in exclusion of the subscription right under section 186(3) sentence 4 AktG does not exceed a total of 10% of the share capital existing at the time of registration of the authorization in the Commercial Register (*Handelsregister*) or – where this amount is lower – of the share capital existing at the time the new shares are issued. The Company's own shares issued or sold during the term for the present authorization in exclusion of shareholder subscription rights pursuant to section 71(1) number 8 sentence 5 half-sentence 2 in conjunction with section 186(3) sentence 4 AktG must be applied against this maximum limit of 10% of the share capital. Also deducted from this 10% limitation are shares that were or are to be issued in order to service bonds with conversion or warrant rights or with conversion or warrant obligations, provided that these bonds were issued by analogous application of section 186 para. 3 sentence 4 AktG during the term of this authorisation whilst excluding shareholder subscription rights. In addition, shares issued during the term of this authorisation on the basis of other capital measures whilst excluding shareholder subscription rights pursuant by analogous application of section 186(3) sentence 4 AktG are to be deducted from the upper limit of 10% of the share capital. The upper limit reduced pursuant to sentence 2 to 4 of this clause set out above shall be increased again with the effective date of a new authorization, approved by the Annual General Meeting after the reduction, to exclude the shareholder subscription rights pursuant to, or in line with, section 186(3) sentence 4 AktG, provided that the new authorization is sufficient, and again up to a maximum of 10% of the share capital, in accordance with stipulations in sentence 1 of this clause;

(3) in order to issue shares in return for contributions in kind, in particular – but not limited to – for the purposes of acquiring (also indirectly) undertakings, parts of undertakings or participations in undertakings, and other contributable assets in connection with a planned acquisition (including claims and receivables).

The Executive Board is also authorized, subject to the approval of the Supervisory Board, to stipulate the further details of the capital increase, including the further content and substance of the rights inherent in the shares, and the terms for issuing the shares.

The Supervisory Board is authorized to amend the wording of section 5.3 of the Articles of Association in accordance with the utilization of the 2016 Authorized Capital, in whole or in part, even after expiration of the authorization period.

c) Section 5.3 of the Articles of Association is hereby redrafted, as follows:

"5.3 2016 Authorized Capital

(a) The Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the Company's share capital in the period up to, and including, 30 June 2018 by up to EUR 50,000,000.00 (2016 Authorized Capital) by issuing up to 50,000,000 new, registered no par value shares in exchange for contributions in cash and/or in kind. The present authorization can also be availed of on one occasion in one lump sum or on multiple occasions in partial amounts, but in any case only up to a total amount of EUR 50,000,000.00. In general, shareholders must be granted a right to subscription.

(b) In doing so, the shares may also be taken up by one or more credit institution(s) pursuant to section 186(5) German Stock Corporation Act (AktG) or by one or more undertaking(s) operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or section 53b(7) of the German Banking Act (Gesetz über das Kreditwesen) subject to the obligation that the shares be offered to the shareholders of the Company for subscription ('indirect subscription right').

(c) However, the Executive Board is authorized to exclude the subscription right of shareholders in one or more instance(s) of a capital increase as part of the authorized capital, subject to Supervisory Board approval,

a) to exclude fractional amounts from the subscription right;

b) to issue shares in return for cash contributions where the issue price for the new shares does not significantly fall below the stock market price for pre-existing stock-listed shares of the same class and carrying the same rights, for the purposes of section 203(1) and section 203(2), and of section 186(3) sentence 4 AktG, at the time the issue price is finally fixed by the Executive Board, and the proportionate amount of the share capital attributable to the shares newly issued in exclusion of the subscription right under section 186(3) sentence 4 AktG does not exceed a total of 10% of the share capital existing at the time of registration of the authorization in the Commercial Register (*Handelsregister*) or – where this amount is lower – of the share capital existing at the time the new shares are issued. The Company's own shares issued or sold during the term for the present authorization in exclusion of shareholder subscription rights pursuant to section 71(1) number 8 sentence 5 half-sentence 2 in conjunction with

section 186(3) sentence 4 AktG must be applied against this maximum limit of 10% of the share capital. Also deducted from this 10% limitation are shares that were or are to be issued in order to service bonds with conversion or warrant rights or with conversion or warrant obligations, provided that these bonds were issued by analogous application of section 186 para. 3 sentence 4 AktG during the term of this authorisation whilst excluding shareholder subscription rights. In addition, shares issued during the term of this authorisation on the basis of other capital measures whilst excluding shareholder subscription rights pursuant by analogous application of section 186(3) sentence 4 AktG are to be deducted from the upper limit of 10% of the share capital. The upper limit reduced pursuant to sentence 2 to 4 of this clause set out above shall be increased again with the effective date of a new authorization, approved by the Annual General Meeting after the reduction, to exclude the shareholder subscription rights pursuant to, or in line with, section 186(3) sentence 4 AktG, provided that the new authorization is sufficient, and again up to a maximum of 10% of the share capital, in accordance with stipulations in sentence 1 of this clause;

c) in order to issue shares in return for contributions in kind, in particular – but not limited to – for the purposes of acquiring (also indirectly) undertakings, parts of undertakings or participations in undertakings, and other contributable assets in connection with a planned acquisition (including claims and receivables).

(d) The Executive Board is also authorized, subject to the approval of the Supervisory Board, to stipulate the further details of the capital increase, including the further content and substance of the rights inherent in the shares, and the terms for issuing the shares.

(e) The Supervisory Board is authorized to amend the wording of section 5.3 of the Articles of Association in accordance with the utilization of the 2016 Authorized Capital, in whole or in part, even after expiration of the authorization period."

d) The Executive Board is instructed to apply for the registration of the cancellation of the authorized capital currently set out in section 5.3 of the Articles of Association (Authorized Capital III) resolved upon under a) above and the new authorized capital resolved upon under b) above (2016 Authorized Capital) in the Commercial Register (*Handelsregister*), specifying the condition that the cancellation of Authorized Capital III be registered first, but only where registration of the new 2016 Authorized Capital follows directly afterwards.

The Executive Board is authorized, subject to the preceding clause, to apply for the registration of the 2016 Authorized Capital in the Commercial Register independently of the remaining resolutions passed by the shareholders at the general meeting.

8. Resolution on the enlargement of the Supervisory Board to 16 members, and the relevant amendment of section 9.1 of the Articles of Association

At this time, the Supervisory Board of Hapag-Lloyd Aktiengesellschaft, in accordance with section 96(1) and (2), 101(1) AktG and section 7(1) sentence 1 number 1 MitbestG (Co-Determination Act) in connection with section 9.1 of the Articles of Association for Hapag-Lloyd Aktiengesellschaft, consists of six members representing the shareholders and six members representing the employees.

As part of the planned merger between United Arab Shipping Company (UASC) and the Company, it is planned that the main shareholders of UASC transfer their shares to Hapag-Lloyd Aktiengesellschaft against the provision of newly created shares. In order to warrant that the resulting change in the composition of the shareholder group is also reflected in the Supervisory Board through the representation of the main UASC shareholders, in line with the intended objective of a long-term strategic partnership, the number of Supervisory Board members is to be increased from the current 12 to 16 members in the future. At the same time, this enlargement of the Supervisory Board also offers an opportunity to suitably depict the diversity and globalization of the work performed by the Supervisory Board, which is also required by the planned merger. The thus resulting four additional seats on the Supervisory Board will be allotted to two members elected by the Annual General Meeting, and two members elected by the employees.

The Executive Board and Supervisory Board propose to adopt the following resolution:

Section 9.1 of the Articles of Association will be revised as follows, under the condition (section 158(1) BGB (German Civil Code)) that the completion of the capital increase from the 2016 Authorized Capital to be approved is entered in the Commercial Register:

”9.1 The Supervisory Board consists of 16 (sixteen) members, of which eight are elected by the Annual General Meeting and eight are elected in accordance with the provisions under the Federal Co-Determination Act (MitbestG).”

9. Resolution on the election of Supervisory Board members

At this time, the Supervisory Board of Hapag-Lloyd Aktiengesellschaft, in accordance with section 96(1) and (2), 101(1) AktG and section 7(1) sentence 1 number 1 MitbestG in connection with section 9.1 of the Articles of Association for Hapag-Lloyd Aktiengesellschaft, consists of six members representing the shareholders and six members representing the employees.

The current mandate of the Supervisory Board members elected by the Annual General Meeting – Horst Baier, Karl Gernandt and Dr. Rainer Klemmt-Nissen – ends at the end of the Annual General Meeting on 26 August 2016.

Therefore the Supervisory Board proposes to adopt the following:

a) Nicola Gehrt, Manager Investor Relations TUI Group, residing in Hanover, Germany,

b) Karl Gernandt, Chairman of the Board of Directors of Kühne Holding AG, residing in Hamburg, Germany, and

c) Dr. Rainer Klemmt-Nissen, Managing Director HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, residing in Hamburg, Germany,

are elected to the Supervisory Board as representatives of the shareholders, each for the period starting at the end of the Annual General Meeting on 26 August 2016 until the end of the Annual General Meeting that decides on the discharge of the Supervisory Board for the fourth business year after the start of the mandate. The business year in which the mandate begins is not included in this calculation.

The proposed candidates are based on the corresponding recommendations by the nomination committee of the Supervisory Board. The recommendations were submitted on the basis of the recommendations of the German Corporate Governance Code and in consideration of the targets designated by the Supervisory Board with regard to the board's composition.

The intention is to have the Annual General Meeting vote on each proposed candidate separately (individual election).

Information on agenda item 9 in accordance with section 124(2) sentence 2 AktG (German Stock Corporation Act):

The Supervisory Board at its current size (twelve members) must consist of at least four women and four men to meet the mandatory minimum proportion in accordance with section 96(2) sentences 1 and 2 AktG (i.e. the Supervisory Board must be composed of at least 30 percent women and at least 30 percent men).

Currently the Supervisory Board consists of six men and zero women on the part of the shareholder representatives and two women and four men on the part of the staff representatives. At the end of the Annual General Meeting on 26 August 2016, three women and three men will be part of the Supervisory Board on the part of the staff representatives due to the re-election of the staff representatives which has already been held. The Annual General Meeting on 26 August 2016 must elect at least one woman as shareholder representative to the Supervisory Board for the period following this Annual General Meeting to meet the mandatory minimum proportion in accordance with section 96(2) sentences 1 and 2 AktG based on the current size of the Supervisory Board. The overall compliance was not objected to according to section 96(2) sentence 3 AktG.

Information on agenda item 9 in accordance with section 125(1) sentence 5 AktG and in accordance with section 5.4.1(5) to 7 of the German Corporate Governance Code:

Ms. Gehrt is a member of other statutory supervisory boards:

- TUI Deutschland GmbH

Mr. Gernandt is not a member of other statutory supervisory boards.

Mr. Gernandt is a member in comparable domestic and foreign control committees of the following companies:

- Kühne + Nagel International AG
- Kühne Holding AG
- HSV Fußball AG
- Kühne Logistics University

Dr. Klemmt-Nissen is a member of other statutory supervisory boards of the following companies:

- Hamburger Hochbahn AG
- HSH Nordbank AG
- Vattenfall Wärme Hamburg GmbH

Dr. Klemmt-Nissen is a member in comparable domestic and foreign control committees:

- HMC Hamburg Messe und Congress GmbH

According to the Supervisory Board, no relevant personal or business relationships exist between the persons proposed by the Supervisory Board to be elected as members of the Supervisory Board that would be relevant for the voting decision of the Annual General Meeting and the companies of the Hapag-Lloyd Group, the governing bodies of Hapag-Lloyd Aktiengesellschaft or a shareholder that directly or indirectly holds more than 10 percent of the voting shares, i.e. substantial interest, in Hapag-Lloyd Aktiengesellschaft beyond those mentioned below:

- Ms. Nicola Gehrt is Head of Investor Relations of the TUI Group. The TUI Group holds a substantial interest in Hapag-Lloyd Aktiengesellschaft.
- Mr. Karl Gernandt is the Chairman of the Board of Directors of Kühne Holding AG. Kühne Holding AG holds a substantial interest in Hapag-Lloyd Aktiengesellschaft.
- Dr. Klemmt-Nissen is managing director of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH holds a substantial interest in Hapag-Lloyd Aktiengesellschaft.

10. Resolution on a modified remuneration of the Supervisory Board and amendment to the Articles of Association

The work of the Supervisory Board shall be suitably remunerated so that the company can attract suitably qualified members for the Supervisory Board in the future too. In

light of the increased tasks and responsibilities of the Supervisory Board, the remuneration structure currently provided by the Articles of Association shall be adapted to the increased requirements of a listed company and the Supervisory Board members shall be remunerated as is customary in the market.

The Executive Board and the Supervisory Board propose the following resolution:

Section 12.1 of the Articles of Association shall be repealed as of the date of registration of the proposed amendment to the Articles of Association in the commercial register and restated as follows:

"12.1 Each member shall receive EUR 50,000 as compensation for each full fiscal year. The annual compensation of the Chairman of the Supervisory Board shall be three times the amount referred to in sentence 1 and for the Deputy Chairman of the Supervisory Board it shall be one and a half times that amount. In addition to the compensation specified in sentence 1, members of a committee - but not the members of the Nomination Committee and the committee pursuant to section 27(3) of the Act on Worker Participation - shall receive EUR 10,000 and a committee chairman shall receive EUR 20,000 for each full fiscal year of membership in the relevant committee. If Supervisory Board members receive remuneration for their work on the Supervisory Board of a subsidiary of Hapag-Lloyd AG, such remuneration shall be credited towards the remuneration under the preceding sentences 1 to 3."

II. More details and instructions for the Annual General Meeting

1. Requirements for participation and exercising voting rights

In accordance with section 15(3) of the Articles of Association, those shareholders are entitled to participate in the Annual General Meeting and exercise their voting rights at the Annual General Meeting, which are registered in the share register and have enrolled

no later than Friday, 19 August, 12 pm (CEST)

with the company in writing (section 126b BGB - German Civil Code) in German or English at the following address

Hapag-Lloyd AG
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg

Fax number: +49 (0)69 256270-49

E-mail: hv-service.hapag-lloyd@adeus.de

The compliance with the time limit is determined by the time the registration was received.

Pursuant to section 67(2) sentence 1 of the German Stock Corporation Act (AktG), the company considers a shareholder only a shareholder of the company if he or she is entered in the share register. The participation and voting rights therefore require such shareholder registration in the share register to be valid on the day of the Annual General Meeting. The shareholding registered in the share register on the day of the Annual General Meeting shall determine the number of voting rights of an eligible shareholder at the Annual General Meeting. However, from Saturday, 20 August, 2016 until the date of the Annual General Meeting, i.e. (including) Friday, 26 August, 2016, no changes of ownership will be registered in the share register for technical reasons. Therefore, the entry status in the share register on the day of the Annual General Meeting represents the state after the last re-registration on Friday, 19 August, 2016 (so-called Technical Record Date).

Credit institutions, shareholders' associations and persons ranking equally with credit institutions according to section 135(8) AktG as well as institutes and companies ranking equally with credit institutions according to section 135(10) in conjunction with section 125(5) AktG may exercise voting rights for registered shares they do not own but for which they are registered as the bearer in the share register only by authorization. Details for this authorization can be found in section 135 AktG.

2. Procedure for voting by proxy

a) Authorization options, forms

Shareholders may exercise their voting rights by proxy - such as a bank, a shareholders' association, a proxy nominated by the company or another person of their choice. Again, proper registration is required (see above under Clause 1 [Requirements for participation and exercising voting rights]). The appointment of a proxy is permitted both before and during the Annual General Meeting and can take place prior to the application. Proxies can be appointed both by a declaration to the proxy as well as to the company.

The proxy participating in the Annual General Meeting is authorized to exercise the voting right in the same manner as the shareholder could, unless the law, the principal or the proxy provide limitations or special circumstances.

Neither law, the Articles of Association nor the company require the use of certain forms for appointing a proxy. However, for the sake of smooth processing, please always use the forms provided when making a declaration to the company. Forms that can be used for the appointment of proxies already during the registration process shall be made available to the shareholders together with the invitation to the Annual General Meeting. The shareholder is provided with a registration and proxy form issued to his or her name, which can be used inter alia in the context of subsequent letters b) and d) to order tickets for a proxy or to appoint voting agents named by the company as proxies and to issue instructions to the voting agents named by the company.

The proxy form included with the ticket can also be used to appoint a proxy.

The voting documents distributed to the shareholders participating in the Annual General Meeting at the entrance to the Annual General Meeting include records for authorizations and any instructions issued during the meeting.

b) Proxy form

If the appointment of a proxy does not fall within the scope of section 135 AktG (i.e. if the authorization is not issued to [i] a credit institution, [ii] a shareholders' association or person ranking equally to a credit institution according to section 135(8) AktG or [iii] an institute or company that is ranking equally to a credit institution according to section 135(10) in conjunction with section 125(5) AktG and if the appointment of a proxy does not otherwise fall within the scope of section 135 AktG) the following applies: The appointment of a proxy, its revocation and proof of authorization to the Company must be in writing (section 126b BGB) according to section 134(3) sentence 3 AktG. A declaration may be sent to the postal address, fax number or e-mail address mentioned under Clause 1 above (requirements for participation and exercising voting rights), if the appointment of a proxy or its revocation is made by a declaration to the company. Emails may have attachments in the formats "Word", "PDF", "JPG", "TXT" and "TIF" (proxies may also be appointed in an e-mail itself). Proxies forwarded by e-mail can be uniquely associated with an application only, if the e-mail (or its attachment) contains either name, date of birth and address of the shareholder or the shareholder number. The authorization of company-nominated voting agents is subject to the specific features described under the following letter d).

c) Special features of appointing a proxy within the scope of section 135 AktG

If the appointment of a proxy does fall within the scope of section 135 AktG (i.e. if the authorization is issued to [i] a credit institution, [ii] a shareholders' association or person ranking equally to a credit institution according to section 135(8) AktG or [iii] an institute or company that is ranking equally to a credit institution according to section 135(10) in conjunction with section 125(5) AktG and if the appointment of a proxy does fall within the scope of section 135 AktG) neither section 134(3) sentence 3 AktG requires a written form (section 126b BGB) nor do the Articles of Association contain any special regulations. Thus credit institutions, shareholders' associations and persons ranking equally with credit institutions according to section 135(8) AktG as well as institutes and companies ranking equally with credit institutions according to section 135(10) in conjunction with section 125(5) AktG may require forms for the appointment of proxies, that must solely comply with the statutory provisions for the appointment of proxies, especially section 135 AktG. Specific reference is made to the special procedure in accordance with section 135(1) sentence 5 AktG.

d) Company-nominated voting agents

The notes under the above letter a) also apply with the following particularities in the event of an authorization of company-nominated voting agents: Authorized company-nominated voting agents will exercise any right to vote only if they have received specific instructions. However, only those instructions are permitted that refer to proposed resolutions published by company

management before the Annual General Meeting, but including any proposal on the appropriation of profits that was adapted in the Annual General Meeting according to such notification as well as any resolutions proposed by shareholders and published by the Company prior to the Annual General Meeting due to a minority request pursuant to section 122(2) AktG, a counterproposal according to section 126(1) AktG or a nomination in accordance with section 127 AktG. The company must receive proxies and instructions for company-nominated voting agents by the end of Thursday, 25 August, 2016 (12 pm CEST), unless issued during the Annual General Meeting. The same applies to changes for already issued instructions.

Company-nominated voting agents will not make use of a proxy given to them and will not represent the relevant shares, if the shares concerned are represented by another at the Annual General Meeting (the shareholder himself or his representative).

e) Proof of authorization

No additional proof of authorization is required if the authorization was granted by notice to the company. However, if the authorization was granted by a declaration to the proxy, the company may require proof of authorization, unless section 135 AktG requires otherwise - this concerns the case of Letter c) above. Proof of proxy authorization may be provided in that the proxy submits the proper proxy authorization form at the admission control on the day of the Annual General Meeting or if the proof of authorization is submitted (by the shareholder or the proxy) to the company prior to the Annual General Meeting. Such evidence can be sent to the mailing address or fax number provided in Clause 1 (requirements for participation and exercising voting rights). According to section 134(3) sentence 4 AktG, we provide the following means of electronic communication for transmitting the proof of authorization (by shareholder or proxy): Evidence of the appointment of a proxy may be sent to the Company to the e-mail address hv-service.hapag-lloyd@adeus.de. Emails may have attachments in the formats “Word”, “PDF”, “JPG”, “TXT” and “TIF” (notwithstanding the option of forwarding an existing e-mail). Proxy authorizations forwarded by e-mail can be uniquely associated with an application only, if it or the e-mail contains either name, date of birth and address of the shareholder or the shareholder number. The foregoing shall not affect that proxy-relevant declarations (appointment, revocation) made to the company and evidence provided to the Company may be especially transmitted to the mailing address or fax number specified for the application. For organizational reasons, proof of authorization shall be received by the company until the end of Thursday, 25 August, 2016 (12 pm CEST), unless provided during the Annual General Meeting.

f) Several proxies

Pursuant to section 134(3) sentence 2 AktG, the company is entitled to reject one or more proxies if the shareholder authorizes more than one person.

3. Information on shareholder rights pursuant to section 122(2), section 126(1), section 127 and section 131(1) AktG

a) Request to amend the agenda pursuant to section 122(2) AktG

Shareholders, whose combined shares represent one twentieth (5 percent) of the share capital or the proportionate amount of EUR 500,000 (the latter corresponds to 500,000 shares) may request pursuant to section 122(2) AktG that items be added to the agenda and published. Each request must be accompanied by a justification or a proposed resolution. The request must be submitted to the company's Executive Board in writing and be received by the company no later than on Tuesday, 26 July, 12 pm (CEST). It may be addressed as follows:

Hapag-Lloyd AG
– Executive Board –
For the attention of: Mr. Henrik Schilling – Senior Director Investor Relations
Ballindamm 25
20095 Hamburg

Pursuant to section 122(2) sentence 1,(1) sentence 3 AktG, applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until a decision has been made on the application. section 121(7) AktG applies accordingly for the calculation of the time limit. Certain shareholding times of third parties will be credited in accordance with section 70 AktG.

Additions to the agenda that must be published will be published in the Federal Gazette without undue delay after receipt by the Company, unless they have been published already when convening the Annual General Meeting. Any requests to amend the agenda, which must be published and which were received by the company after convening the Annual General Meeting, will be made available immediately upon receipt by the company via the Internet address

www.hapag-lloyd.com/hv

and communicated to the shareholders.

b) Counterproposals and nominations pursuant to section 126(1) and section 127 AktG

During the Annual General Meeting, shareholders may make requests and, where applicable, propose a candidate concerning agenda items and the rules of procedure without this requiring an announcement, publication or other special actions prior to the Annual General Meeting.

Counterproposals within the meaning of section 126 AktG and nominations within the meaning of section 127 AktG will be made available at the Internet address

www.hapag-lloyd.com/hv

including the shareholder's name, the reasoning (which however is not mandatory for nominations) and any comments by the administration and, in the case of proposals submitted by a shareholder for the election of Supervisory Board members, the information pursuant to section 127 sentence 4 AktG, if such are received by the company

no later than Thursday, 11 August, 2016 12 a.m. (CEST)

under the address

Hapag-Lloyd AG
– Executive Board –
For the attention of: Mr. Henrik Schilling – Senior Director Investor Relations
Ballindamm 25
20095 Hamburg

or by fax at **+49 (0)40 3001-73490**

or by e-mail at the e-mail address **hv-gegenantraege@hlag.com**

and the other requirements for a duty of the company to make such available under section 126 and section 127 AktG are met.

c) Right to information of shareholders pursuant to section 131(1) AktG

According to section 131(1) AktG, the Executive Board must provide information on company matters, including the company's legal and business relationships with an affiliated company, the Group's position and the companies' position included in the consolidated financial statements if requested by a shareholder during the Annual General Meeting, provided such information is necessary for the proper assessment of an agenda item and no right to withhold information exists.

d) Further explanations

Further information on shareholder rights pursuant to section 122(2), section 126(1), section 127 and section 131(1) AktG, in particular information on other requirements for the compliance with relevant deadlines, can be found at the Internet address

www.hapag-lloyd.com/hv

4. Documents on the Annual General Meeting, website with information pursuant to section 124a AktG

The content of the invitation, an explanation as to why no resolution should be made at the Annual General Meeting regarding agenda item 1, documents to be made available to the Annual General Meeting, the total number of shares and voting rights at the time the Annual General Meeting was convened and any requests to amend the agenda within the meaning of section 122(2) AktG can be accessed via the Internet address

www.hapag-lloyd.com/hv

The convention to the Annual General Meeting and the full agenda and the proposed resolutions of the Executive Board and the Supervisory Board were published in the Federal Gazette on July 20, 2016.

5. Total number of shares and voting rights

The total number of shares outstanding with one vote each at the time of convening the Annual General Meeting amounts to 118,110,917 (information pursuant to section 30b(1) sentence 1 number 1 Alt. 2 of the German Securities Trading Act).

Hamburg, July 2016

Hapag-Lloyd Aktiengesellschaft
The Executive Board

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Report by the Executive Board pursuant to section 203(2) sentence 2 in conjunction with section 186(4) sentence 2 of the German Stock Corporation Act (AktG) on agenda item 7 (Resolution on the cancellation of Authorised Capital III and the creation of 2016 Authorised Capital with the option to exclude shareholder subscription rights and on a corresponding redrafting of § 5.3 of the articles of association)

I. General grounds for authorising the exclusion of subscription rights

The intention with the 2016 Authorised Capital is to enable Hapag-Lloyd Aktiengesellschaft (***Hapag-Lloyd*** or the ***Company***), without holding a general meeting, to flexibly acquire undertakings by issuing new shares in the Company so to enable the rapid implementation of related cash capital increases and to use the present favourable market environment to cover any future financing requirement quickly and flexibly.

1. Description of the container shipping industry and the necessity of flexible and quick decisions

Worldwide, the container shipping industry is particularly characterised by the following factors:

Globalisation The demand for freight shipping continues to grow alongside the increasing proportion of industrial and consumer goods being traded internationally as a result of globalisation, increased outsourcing and particularly the growing separation of labour internationally due to the continued relocation of manufacturing from high-wage locations in North America, Europe and Japan to those with low wages, predominantly in Asia.

In April 2016 the economic experts from the International Monetary Fund (IMF) said that for 2016 they are expecting an increase of 3.1% in world trade, followed by a 3.8% rise in 2017. The global volume of container transport rose from 150m TEU in 2011 to 175.2m TEU in 2015. By 2017, the expectation is for this figure to continue growing to 189.5m TEU.

Trend towards larger ships. Today, the largest container ships have a capacity of about 20,000 TEU. In 2005, no ship had a capacity of more than 9,999 TEU. At the end of 2015, container ships with a capacity of over 10,000 TEU constituted roughly 21.0% of the capacity of the worldwide container fleet. Shipping companies are increasingly using larger ships in order to profit from lower operating and unit transport costs, such as costs for fuel, port and canal fees, crews, repairs, insurance and ship management. In particular, large ships with a capacity of over 18,000 TEU are increasingly being used in Far East trade, which has the highest global container volumes. These ships possess the highest fuel efficiency of all the various classes in the global fleet. The shift to larger ships occurred principally in Far East-Europe and transpacific trades due to the existence here of particularly high pressure on transport volumes and from competition (source: MDS Transmodal, 2015).

Transport volume imbalances in the main trades differs on the dominant leg and non-dominant leg. In principle, all trades can be subdivided into a dominant and a non-dominant leg. The dominant leg is the direction with the higher transport volumes in the trade. In transpacific trade, for example, transport from Asia to North America constitutes the “dominant leg” of the trade, whilst transport from North America to Asia the non-dominant

leg. In the industry, differing volumes are termed the “imbalances” of a certain trade. These imbalances exist because several regions in the world produce and export more goods than they import and consume, whilst other regions import and consume more than they produce and export. These substantial global imbalances in trades have considerable implications for the container shipping industry’s transport costs.

The continued increase of transport capacity means that, despite continued volume growth, the market for container shipping services is characterised by a challenging environment and continued pressure on cargo rates. The latter is a consequence of commissioning additional large container ships and the resultant above-average increase in transport capacities. The total transport capacity of the world container fleet reached roughly 20.9m TEU and is presently estimated to increase by a further 1.2m TEU in the current year and by 1.6m TEU in 2017.

In light of these parameters, the last few years have firstly witnessed a significant increase in investment in new ships with larger capacities and, secondly, a trend towards consolidation in the container shipping industry. In particular, larger container shipping companies are combining in order to realise economies of scale and synergies in individual trades and central functions. Moreover, the alliances that have been concluded are reorganising. The second quarter of 2016 saw a far-reaching reorganisation of the alliances operating in the East-West trades take place. In April 2016 CMA CGM (France) (including American President Lines Ltd. (Singapore) (***APL***), the shipping company taken over by CMA CGM), Orient Overseas Container Line (USA) (***OOCL*)**, Evergreen Marine Corp. (Taiwan) Ltd. (Taiwan) (***Evergreen***) and China COSCO Shipping Group (China) (***COSCO***) Container Liners founded the “Ocean Alliance”. In May 2016 Hapag-Lloyd founded “THE Alliance” together with Hanjin Shipping Co. Ltd. (Southkorea) (***Hanjin Shipping***), Kawasaki Kisen K.K. (Japan) (***“K“ Line***), Mitsui O.S.K. Lines Ltd. (Japan) **(*MOL*)**, Nippon Yüsen K.K. (Japan) (***NYK***) and Yang Ming Marine Transport Corp (Taiwan) (***Yang Ming***).

When the Ocean Alliance and THE Alliance begin operating in April 2017, the alliances in existence up to then: “O3” (CMA CGM, UASC, China Shipping Container Lines (China)), “G6” (Hapag-Lloyd, NYK, HMM, MOL, OOCL, APL) and “CKYHE” (Yang Ming, “K“ Line, Hanjin Shipping, COSCA, Evergreen) will cease to operate. The “2M” alliance, consisting of the two market leaders, Maersk Line and Mediterranean Shipping Company S.A. (MSC), already began operations back at the beginning of 2015. (TBD)

Consolidation in the container shipping sector In this challenging competitive environment, size is the decisive factor. With increased transport volumes and a larger, more modern fleet come opportunities to realise economies of scale and efficiency savings, thereby creating crucial conditions for competitive prices whilst simultaneously optimising profits. In addition, the considerable synergies typically to be achieved as part of corporate mergers form the substantial basis for a lasting increases to the value of an undertaking. Finally, increasing size typically reduces dependence on individual trades, customer groups and regional economic fluctuations, meaning that undertakings are overall less susceptible to the negative swings in relation to these parameters.

In light of this, a global trend has developed in recent years towards large mergers in international containing shipping. This development was led in particular by the Company, which as early as 2004 merged with Canadian Pacific Ships (***CP Ships***), thereby

safeguarding its market position in the North Atlantic service; another example is the acquisition of Royal P&O Nedlloyd by the Danish A.P. Moller-Maersk Group in 2005. In December 2014, the Company took over the worldwide container shipping activities of Compañia Sud Americana de Vapores and in doing so acquired a leading position in Europe-South America trades. In recent times, this trend has been confirmed by other significant mergers in the container shipping industry: in March 2016, the two major Chinese shipping companies COSCO and China Shipping Company (CSCL) merged to become what is today the fourth largest such company in the world. July 2016 witnesses the execution of the merger between the French shipping company CMA CGM and American President Line, Singapore, which cemented CMA CGM's position as the third largest container shipping company worldwide.

In order to be able to swiftly react to the diverse challenges in the container shipping industry from a strong and secure position and to be able to grasp opportunities presenting themselves and to mitigate any risks arising, the Company requires authorised capital so that the Executive Board is able to make very quick decisions about covering future capital requirements. The statutory purpose of the authorised capital is that the Company not be dependent upon the rhythm of annual general meetings, the notice period for calling an extraordinary general meeting or the implementation of a regular capital increase within the period of 6 months accepted as compulsory within the established court rulings and literature.

2. Authorising the exclusion of subscription rights

When using the proposed 2016 Authorised Capital, the shareholders by law are generally entitled to subscription rights (section 203(1) sentence 1 in conjunction with section 186(1) AktG), where as well as the new shares being issued directly, indirect subscription rights within the meaning of section 186(5) AktG are also sufficient. With indirect subscription rights, the new shares are assumed by credit institutions or equivalent companies under section 186(5) sentence 1 AktG with the obligation that they be offered to the shareholders for subscription. The law does not consider issuing shares whilst granting such indirect subscription rights to be an exclusion of subscription rights. Ultimately, the shareholders are granted the same subscription rights as with a direct subscription. It is purely for reasons surrounding the technical facilitation of the share issue that one or more credit institution(s) or one or more companies operating in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the German Banking Act (KWG) are participating or have been involved in the process.

However, the Executive Board is to be authorised to exclude subscription rights in certain cases with the consent of the supervisory board:

(a) The Executive Board is to be able to exclude subscription rights for fractional amounts with the consent of the Supervisory Board. The purpose of excluding subscription rights in this way is to facilitate the share issue process, where the shareholders are granted subscription rights in principle, by demonstrating a mathematically feasible subscription ratio of whole shares. As a rule, the value of the fractional amounts per shareholder is marginal; therefore, the potential dilution effect also needs to be considered as marginal. By contrast, the effort involved in a share issue without such an exclusion is considerably

greater. Therefore, the exclusion would be for practical reasons and to ease the implementation of a share issue. The residual numbers of shares excluded from shareholder subscription rights will be either sold on the stock exchange or disposed of in another way to achieve the best possible proceeds for the Company. For these reasons, the Executive Board and Supervisory Board deem the possible exclusion of subscription rights to be objectively justified and, weighed against the interests of shareholders, also reasonable.

(b) Furthermore, subscription rights can be excluded for cash capital increases if the shares are issued at a price that does not materially fall below the market price and said capital increase does not exceed 10% of the share capital (facilitated subscription right exclusion under section 186(3) sentence 4 AktG). Authorisation places the Company in the position to react flexibly to favourable capital market situations as they arise and to enables it to place the new shares at very short notice ie without the need for a subscription offer lasting at least two weeks. Excluding subscription rights enables the Company to act quickly when placing the shares close to the market price ie without the deduction customary with rights issues. This establishes the foundation for achieving the highest possible disposal price and for maximising the strength of the Company's own funds. Objective justification for authorising the facilitated subscription right exclusion can, not least, be found in the fact that it enables the generation of a larger flow of funds. Such a capital increase is not allowed to exceed 10% of the share capital in place at the time the authorisation becomes effective and at the time it is exercised.

In addition, the proposed resolution provides for a deduction clause. The Company's own shares issued or sold during the term of this authorisation whilst excluding shareholder subscription rights pursuant to section 71(1) no. 8 sentence 5, clause 2 in conjunction with section 186(3) sentence 4 AktG are to be deducted from the maximum 10% of the share capital affected by this exclusion of subscription rights. Also deducted from this 10% limitation are shares that were or are to be issued in order to service bonds with conversion or warrant rights or with conversion or warrant obligations, provided that these bonds were issued by analogous application of Section 186 para. 3 sentence 4 AktG during the term of this authorisation whilst excluding shareholder subscription rights. In addition, shares issued during the term of this authorisation on the basis of other capital measures whilst excluding shareholder subscription rights pursuant by analogous application of section 186(3) sentence 4 AktG are to be deducted from the upper limit of 10% of the share capital. This deduction occurred in the interests of the shareholders in the smallest possible dilution of their holding.

The upper limit reduced pursuant to the deduction clause set out above shall be increased again once the authorisation newly agreed following the reduction by the general meeting on the exclusion of shareholder subscription rights pursuant to or in accordance with section 186(3) sentence 4 AktG becomes effective, insofar as the new authorisation is sufficient, but to a maximum of 10% of the share capital in accordance with stipulations of sentence 1 of this subsection. This is because in this case/these cases the general meeting will have to decide again on a facilitated exclusion of subscription rights, meaning that the reason for the deduction no longer exists. Upon the new authorisation on the facilitated exclusion of subscription rights taking effect, the block that arises as a result of exercising the authorisation to issue new shares or as a result of the sale of Company shares lapses in relation to the authorisation to issue bonds without shareholder subscription rights. At the same time, the identical majority requirements for such a resolution mean that there is also a

confirmation evident in the renewed authorisation for the facilitated exclusion of subscription rights – insofar as the statutory requirements are observed – with regards the resolution on the creation of the 2016 Authorised Capital. In the event that an authorisation to exclude subscription rights is exercised again in direct or analogous application of section 186(3) sentence 4 AktG, then the deduction is carried out again.

It is a mandatory requirement of the facilitated exclusion of subscription rights that the issue price of the new shares does not fall materially below the market price. Should the Company make use of this possibility, the Executive Board will determine the final issue price for the new shares shortly before the sale and will keep any discount on the stock market price, taking into account the market conditions at the time of placement, as low as possible. This requirement also addresses the shareholders' need for the value of their shareholdings to be protected against dilution. In practical terms, setting the issue price close to the market price ensures that the value which subscription rights would have for the new shares is very low. The shareholders have the opportunity to maintain their relative holding by making an additional purchase via the stock market.

(c) In addition, subscription rights may be excluded in the event of a capital increase against contributions in kind, for instance to enable acquisitions, and related cash capital increases. It is intended for the Company to also remain able to make acquisitions, in particular – but not limited to – undertakings, parts of undertakings, holdings in undertakings (with this also possible by way of a merger or other measures under transformation law) and other assets (including claims) linked to intended acquisitions, or for it to be able to react to acquisition or merger offers so as to increase its competitiveness and to raise profitability and the value of the undertaking.

Insofar as guarantees regarding the fair value of the Company’s business as of a specific date must be submitted in connection with the acquisition of undertakings or parts of undertakings, it may be necessary for the Company to carry out a cash capital increase in the short term so as to guarantee a rapid margin call with effect of the execution of the transaction were a guarantee to be breached by the Company. In such cases, making a subscription offer cannot be in the Company’s interests either, if this delays the execution of the transaction and the Company suffers considerable disadvantages as a result (eg delayed realisation of synergy benefits). It remains a mandatory requirement of the facilitated exclusion of subscription rights in such cases that the issue price of the new shares does not fall materially below the market price, so as to take account of the shareholders’ need to be protected from a dilution in the value of their holdings. In this respect, reference is made to the additional statements at the end of lit (b).

In addition, the possibility of the consideration not being rendered purely in cash, but also in shares or only in shares is supported, from the point of view of an optimum financial structure, by the fact that the extent to which new shares can be used as acquisition currency protects the Company’s liquidity, avoids borrowing and involves the seller(s) in future upside potential of the shares. That leads to an improvement of the Company’s competitive position in relation to acquisitions. The possibility of using Company shares as acquisition currency thus gives the Company the necessary leeway to quickly and flexibly seize such acquisition opportunities, and even puts it in a position to acquire larger units in return for Company shares. It should also be possible in relation to individual assets to acquire them in

return for shares under some circumstances. In both cases, it must be possible to exclude shareholder subscription rights. Because such acquisitions frequently have to occur at short notice, it is important as a rule that they are not agreed by the general meeting that occurs once a year. This requires authorised capital that the Executive Board can access quickly with the consent of the Supervisory Board.

If opportunities arise to merge with other undertakings or to acquire undertakings, parts of undertakings or holdings in undertakings or other assets, the Executive Board shall in any case diligently assess whether it ought to utilise the authorisation to carry out a capital increase by granting new shares. In particular, this also comprises assessing the valuation ratio between the Company and the acquired holding in the undertaking or the other assets and the determination of the issue price for the new shares and the other conditions of the share issue. The Executive Board shall only utilise the authorised capital if it is convinced that the merger or acquisition of the undertaking, the part of the undertaking or the holding in return for issuing new shares is in the best interests of the Company and its shareholders. The Supervisory Board shall only provide the requisite consent if it is similarly convinced.

II. Special grounds for authorising the exclusion of subscription rights with regards the planned merger with United Arab Shipping Company S.A.G.

1. The Transaction

On 15 July 2016, the Company concluded a Business Combination Agreement (***BCA***) with United Arab Shipping Company S.A.G. (***UASC***) and agreed that the Company would acquire UASC shares by all shareholders in USAC investing their USAC shares in the Company by way of a contribution in kind (the ***Transaction***). The intention is to use the 2016 Authorised Capital to implement the Transaction.

2. Grounds for the Transaction

a) Market environment

As stated in Part I. 1 above, the market for container transport services is characterised by a challenging environment, continued pressure on cargo rates and a global trend towards consolidation by way of mergers of container shipping companies.

b) Description of Hapag-Lloyd

Hapag-Lloyd is one of the world's leading container shipping companies, based in Hamburg, Germany. The Company's shares have been traded on the regulated markets of the Hamburg and Frankfurt stock exchanges since 6 November 2016. Currently, Hapag-Lloyd's share capital is EUR 118,110,917 and is divided into 118,110,917 no-par value bearer shares, each representing EUR 1.00 of the share capital (***HL Shares***).

The Company's share capital was last increased by EUR 13,228,677.00 to its current value on the basis of a share offering made on the occasion of the Company's IPO in

October 2015 by way of a cash capital increase from authorised capital, fully utilising the EUR 12,500,000.00 of Authorised Capital II as well as partially utilising Authorised Capital III to the value of 728,677.00 by issuing 13,228,677 new no-par value bearer shares, each representing EUR 1.00 of the share capital, with dividend rights as of 1 January 2015.

Based on the voting right notifications received by the Company, roughly 72% of the shares in the Company are held by three anchor shareholders. The Company's anchor shareholders include CSAV Germany Container Holding GmbH (***CSAV***), a wholly-owned indirect subsidiary of Compañia Sud Americana de Vapores S.A., with approx. 31.35% of the shares, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement GmbH (***HGV***), a wholly-owned subsidiary of the Free and Hanseatic City of Hamburg, with approx. 20.63% of the shares and Kühne Maritime GmbH (***Kühne***), a wholly-owend subsidiary of Kühne Holding AG, whose stake together with a stake of approx. 0,64 % of Kühne Holding AG amounts to approx. 20.22% of the shares (CSAV, Kühne and HGV collectively referred to as the ***Controlling HL Shareholders***). A further approx. 12.31% of the shares are held by TUI-Hapag Beteiligungs GmbH, a wholly owned subsidiary of TUI AG. The remaining approximate 15.49% of the shares are held in free float.

As of 31 December 2015 (and 31 December 2014) the voting rights were divided as follows:

Voting rights	2015	2014
CSAV	31.35%	34.0%
HGV	20.63%	23.2%
Kühne	20.22%	20.8%
TUI-Hapag Beteiligungs GmbH	12.31%	13.9%
Free float	15.49%	8.1%
Sum	100%	100%

Measured by fleet capacity, Hapag-Lloyd is the largest container shipping company in Germany and the sixth-largest in the world (source: MDS Transmodal, April 2016). As part of its comprehensive offering, it provides a worldwide network of 122 liner services and a strong on-site presence with roughly 361 sales offices (including agencies) in 118 countries worldwide (as of 31 March 2016). Hapag-Lloyd offers both complete solutions in the field of container transport from door to door and from port to port as well as combination options specifically tailored to the customer's transport requirements. The route portfolio covers the most important maritime trade markets. Hapag-Lloyd offers various services in the high-volume trade of the Far East (Europe-Asia) and in the Atlantic (Europe-North America), Transpacific (Asia-North America) and Latin America trades.

Furthermore, Europe-Mediterranean-Africa-Oceanic (***EMAO***) and intra-Asian trades contribute to the Company's total transport volume.

By acquiring the container shipping activities of the Chilean shipping company Compañia Sud Americana de Vapores S.A. in December 2014 (including the related financing of the container ships as well as certain corporate financing), Hapag-Lloyd was able to strengthen its market position on the Latin American and Atlantic trade routes. As a result of this takeover, the Company was able to both expand its global reach and optimise the liner service networks it offers its customers, as well as generate synergies to a considerable extent. The annual synergies of the merger compared to the cost basis 2014 and assuming constant external factors are expected to amount to USD 400 million by the end of 2017 and thereby clearly exceed the volume of USD 300m originally planned.

Hapag-Lloyd holds a strong position in both the high-volume east-west shipping areas, which accounted for 56% of the Company's total transport volume in the first six months of 2015, and the north-south trade route, which accounted for 44% of the total transport volume in the same period. In the 2015 financial year and the first three months of 2016 ending on 31 March 2016, the total transport volume was divided as follows between the individual trades: Latin America (30.4% and 29.6% respectively), Atlantic (20.8% and 20.8%), Far East (17.3% and 16.9%), Transpacific (18.8% and 19.2%), Intra-Asia (7.7% and 7.9%) and EMAO (5.0% and 5.6%).

Hapag-Lloyd is one of the market leaders in the Atlantic shipping area.

In addition, Hapag-Lloyd is among the leading container shipping companies in Latin American trade.

As of 31 March 2016, the Hapag-Lloyd fleet comprised a total of 175 container ships, all certified in accordance with the standards of international safety management and holding a valid ISSC (ISPS) certificate. In addition, the vast majority of the ships are certified in accordance with ISO 9001 (quality management) and ISO 14100 (environmental management). The total capacity of the Hapag-Lloyd fleet was 955,485 TEU as of 31 March 2016. Based on capacity, roughly 55% of the fleet was in proprietary ownership (Q1 2015 about 52%). The average age of the ships was 8.1 years (capacity weighted). At 5,460 TEU, the average ship size of the Hapag-Lloyd Group's fleet is about 6.3% above the comparable average of the ten largest container shipping companies and roughly 66% above the average ship size of the world fleet. For the transport of its cargo, Hapag-Lloyd possessed over 935,316 containers, either self-owned or leased, with a capacity of 1,508,120 TEU. As of 31 March 2016, the number of containers in proprietary ownership was roughly 43% (Q1 2015: about 34%).

c) Description of UASC

UASC is an international container shipping company based in Kuwait with large corporate office in Dubai and it is a leading company in the Gulf region and neighbouring markets. UASC was founded on 1 July 1976 in the legal form of a "Société Anonyme Golfe" by Qatar Holding LLC for the State of Qatar (***QH***), the

Public Investment Fund for the Kingdom of Saudi Arabia (***PIF***), the Kuwait Investment Authority for the State of Kuwait (***KIA***), the Republic of Iraq (***Iraq***), the United Arab Emirates (***UAE***) and the Bahrain Mumtalakat Holding Company B.S.C. for the State of Bahrain (***Bahrain***). At the time the general meeting was convened, UASC's share capital was USD 1,870,285,242.00 and is divided into 267,183,606 shares with a nominal value of USD 7.00 (***UASC Shares***). UASC's shares are not listed for market trading. The largest shareholders of UASC are QH with approx. 51.27% and PIF with approx. 36.06% (QH and PIF collectively the ***Controlling UASC Shareholders***), as well as KIA with approx. 5.11%, Iraq with approx. 5.11%, UAE with approx. 2.05% and Bahrain with 0.40% of the UASC share capital. There are also a number of private Kuwaiti citizens who together hold approx. 0.001% of the UASC share capital.

UASC is the largest shipping line headquartered in the Middle East, the company operates a fleet of around 60 vessels (owned and chartered)including ultra-large container vessels of the so called A19 class that are considered to be among the most efficient and the greenest in the world. Considered the world's largest container vessels according to actual intake, this class has also the lowest CO2 per TEU output compared to industry numbers; as a result UASC announced the target to considerably reduce CO2 emissions (owned fleet) by 2017. The highest utilization of this eco-efficient class was achieved in December 2015 with the – at that time – world's highest load of 18,601 TEUs on board UASC's M.V. Al Muraykh, the CO2 output per TEU was on the lowest level to date of 17g/TEU/km compared to the industry average of 58g/TEU/km (according to UASC).

As a result of its strategic transformation project, UASC has developed from a purely regionally significant player in about 2006 to a globally positioned container shipping company which, with a market share of 2.8%, currently holds 11th place in the international container shipping business. UASC currently has more than 185 offices worldwide, and serves all major East-West and North-South trade routes covering 275 ports globally.

UASC has one of the youngest reefer fleets in the industry 60% of which are AV+ units, with an average age of three years. UASC has also a modern fleet of specialized equipment for out-of-gage shipments and special cargo. Reefer and special cargo volumes increased by 28% and 29%, respectively, in 2015. UASC's equipment also includes a modern fleet of dry cargo container units, with an average age of six years.

Driven by growth across all quarters and strong year-on-year volume development in the Europe, Mediterranean and Middle East trades, UASC volumes grew by 11% to 2.6 million TEUs in 2015 against 2.4 million TEUs in 2014.

d) Competitive advantages and synergy effects caused by the Transaction

The parties' common objective in conducting the Transaction is to combine the strengths of Hapag-Lloyd and UASC to confront current and future challenges faced by the industry.

Due to the changing market conditions, Hapag-Lloyd is striving both to exploit market opportunities for organic growth and to increase value in the face of consolidation of the sector.

With a transport capacity of roughly 1.6m TEU and an anticipated market share of approximately 7%, the combined undertaking will occupy the market position as the world's fifth largest container shipping company, ranking behind the fourth largest, COSCO , which also has a transport capacity of roughly 1.6m TEU.

Moreover, the merger will lead to an even more balanced position on all important trades. As of 31 March 2016, Hapag-Lloyd possessed a global network of 122 services. This global service structure will be supplemented by the services of UASC. Thus, the combined undertaking will offer its customers even more competitive coverage of the world's most important trades. Hapag-Lloyd is one of the founding members of the Grand Alliance and the G6 Alliance, the successor to the Grand Alliance. In May 2016, Hapag-Lloyd founded a new alliance, "THE Alliance", together with its partner shipping companies MOL, NYK, "K" Line, Hanjin Shipping and Yang Ming. THE Alliance is expected to begin its cooperation in April 2017 (see above section I.1.). Collectively, the Alliance partners have a transport capacity of roughly 3.5m TEU. This equates to roughly 18% of global transport capacities. The solid market position in all East-West trades is strengthened further by virtue of the integration of UASC's transport capacities.

Furthermore, the Company's Executive Board assessment is that transferring UASC's container shipping activities to the Hapag-Lloyd's organisation, which is tried and tested when it comes to integrations, will generate considerable synergy potential and thereby bring about a sustainable increase in the value of Hapag-Lloyd. In the Executive Board's view, as well as in other places, extensive synergies will arise in the areas of the network of services and ship system costs, personnel and overhead costs, equipment and service contracting:

- **Synergies from the merger of service networks and the anticipated economies of scale when operating the combined fleet (network synergies)**: The largest part of the planned synergies, amounting to USD 435 million p.a., will result from an increased market position in the Far East trade and a strong market presence in the attractive Middle East trade, the optimisation of the network structure and the operation of the combined shipping fleet. Deploying larger and more efficient ships on the relevant services, merging overlapping services, focusing the service portfolio and optimising use of the capacity of the ships all enable extensive synergies to be realised in the short term. On this basis, it is possible to achieve quick and sustainable growth without additional short-term fleet investments.

- **Synergies from personal and non-personal overheads):** The merger of branch offices in the regions and of administrative and sales responsibilities will result in wide-reaching synergies for the combined undertaking. Following the merger of Hapag-Lloyd and UASC, the intention is for the worldwide organisational structure to be adapted and the two group head offices in Hamburg and Dubai combined into the one Hapag-Lloyd head

office at the Hamburg site. All local sites will be subjected to a selection process so as to consolidate the two shipping companies' respective sites as they are now into one joint site in each case. Further, the intention is to improve worldwide productivity by means of increased organisational efficiency and, at the same time, reduce costs (such as for rents, service providers and insurance). Savings can be made on insurance costs, in particular with regards war risk or ship insurance, by bringing together the agreements of Hapag-Lloyd and UASC or by choosing more preferential rates. Potential overhead savings also exist with regard to marketing as well as costs for consultancy and other services.

- **Other synergies due to economies of scale and efficiency savings (terminal, equipment and intermodal):** Furthermore, the merger of the container shipping activities of Hapag-Lloyd and UASC provides the opportunity to achieve synergies and efficiency savings by means of the joint purchasing of terminal, equipment and intermodal services. Lowering container repositioning costs by improving the use of the container inventory available in the regions is another important element of the planned synergies.

Through the merger and the planned synergies, Hapag-Lloyd will possess one of the largest and most modern shipping fleets in the sector on all important trades and therefore profit from very competitive transport costs per slot.

Overall, Hapag-Lloyd is working on the basis of synergy potential in the region of USD 435 million per year and expects that it will be possible to realise roughly one third of the cost savings expected from the synergies as early as 2017. From 2019 onwards, it is expected that the full annual synergy potential will have been realised. Hapag-Lloyd and UASC determined and validated the synergies by commissioning a consultancy firm.

These anticipated annual synergy effects of USD 435 million per year and opposed by anticipated one-time expenses estimated by the Executive Board of Hapag-Lloyd at roughly USD 150 million based on the information currently available to it. It is expected that these costs will lead to corresponding cost items in 2016 and 2017.

3. Description of the envisaged Transaction

a) Requirements for executing the Business Combination Agreement

Concurrently with the execution of the BCA, Hapag-Lloyd and UASC have entered into a Shareholders Support Agreement with the Controlling HL Shareholders and the Controlling UASC Shareholders, pursuant to which each of such shareholders commits to comply with all of its obligations set out in the BCA; the Shareholders Support Agreement and the BCA shall form part of the same legal transaction (*einheitliches Rechtsgeschäft*). To ensure the successful execution of the Transaction, the following important conditions have been agreed between the parties in the BCA, all of which must be implemented before or as of the execution, currently envisaged for the end of 2016/beginning of 2017.

- The successful re-domiciliation of UASC to the Dubai International Financial Centre (***DIFC***), a free trade zone of the Emirate Dubai inside of the United Arab Emirates, which results in the Company continuing to exist in the legal form of a "company limited by shares" pursuant to DIFC Companies Law No. 2 of 2009. The shareholder meeting of UASC already approved this re-domiciliation with the necessary majority at its meeting of 2 June 2016. However, the relocation can only be implemented once the financing banks of UASC have given their consent.

- The creation of the 2016 Authorised Capital, including authorisation for the Company Executive Board to exclude subscription rights, and the cancellation of the existing Authorised Capital III.

- An audit of the capital increase by an expert auditor to be appointed by the competent court, with the particular focus of the audit being on the value of the contributions in kind reaches the lowest issue price of the shares to be granted therefor (section 206 sentence 2 in conjunction with section 33(2) to (5) AktG).

- The approval of the Transaction by all relevant competition authorities or alternatively the expiry of the relevant waiting periods for the Transaction in the respective jurisdictions.

- The approval of the Transaction by Committee on Foreign Investment in the United States (CFIUS), by the relevant authorities or alternatively the expiry of the relevant waiting periods for the Transaction in the respective jurisdictions.

- Following the entry of the form-changing re-domiciliation of UASC to the DIFC, the investment in the Company of all shares held by Controlling UASC Shareholders and UASC minority shareholders, with Controlling UASC Shareholders where appropriate using UASC's drag-along right as provided for in the UASC articles of association detailed in the BCA in order to oblige all UASC minority shareholders that do not support the Transaction to fully invest their shares into the Company.

- The absence of judicial or official orders or other decisions permanently or temporarily preventing the implementation of the Transaction, and the non-initiation of arbitral tribunal proceedings against the form-changing re-domiciliation to the DIFC.

- The granting of all necessary consent and waivers on the part of the financing banks and lessors.

- The utilisation of the 2016 Authorised Capital by the Executive Board of the Company, with the consent of the Supervisory Board, and the issuance of new shares to all UASC shareholders in return for the investment of their shares in the Company.

- The listing of the new shares for trading on the regulated markets of the Hamburg and Frankfurt stock exchanges.

b) Guarantees and other obligations in relation to safeguarding fair value.

The parties to the BCA have assumed the following guarantees and obligations as of the execution of the Transaction:

- Mutual guarantees on financial information, the absence of legal deficiencies in relation to the UASC shares being invested, fixed assets, observance of relevant laws, legal disputes, material contracts and other operative guarantees as well as taxes and fees to an extent appropriate for the significance of the Transaction with corresponding materiality limits and deduction amounts;

- Mutual guarantees relating to the management of the businesses in the ordinary course of business as of the execution of the Transaction, also with corresponding materiality limits and deduction amounts;

- Mutual guarantee of specific financial ratios, namely minimum equity (as of 30 June 2016), minimum cash funds (as of 30 September 2016) and maximum debt levels (also as of 30 September 2016). Should the completion of the Transaction be delayed beyond 31 December 2016 (or, in case of a delay of certain merger control filings, beyond the date lying five and a half months after the date of the occurred merger control filing, however, at the latest beyond 1 February 2017, a level of a minimum equity will be guaranteed in addition as of 31 December 2016. Insofar as actual figures are above or below these values, , and Hapag-Lloyd or UASC, as the case may be, has elected that such delta amount shall be compensated, the relevant anchor shareholders of Hapag-Lloyd (CSAV and Kühne) or respectively UASC (QH and PIF) have undertaken in a Shareholder Support Agreement to supply their respective company with corresponding cash funds, provided that in the case of Hapag-Lloyd the election to compensate the delta amount by Hapag-Lloyd shall require the prior consent by CSAV and Kühne. In the case of Hapag-Lloyd, this must occur by way of a capital increase through the utilisation of the 2016 Authorised Capital whilst excluding subscription rights effective as of the execution of the Transaction in return for the issue of new shares in Hapag-Lloyd; the cash capital increase can also be placed with third-party investors by placing the new shares by way of accelerated bookbuilding.

- The exemption of HL by QH and PIF from any losses to HL resulting from an appeal against the form-changing redomiciliation of UASC to the DIFC and from any compulsory transfer of the UASC shares of former Member States to HL utilising the drag-along right set forth in the UASC articles of association. This indemnity obligation exists for appeals and other claims first asserted within 24 months after the execution of the Transaction.

c) Further steps and time schedule

The 2016 Authorised Capital will be registered if the general meeting on 26 August 2016 approves of the resolution as proposed under item 7 of the agenda and if no

action is filed against the effectiveness of the general meeting's resolution or it is decided in a successful release procedure that any such action constitutes no bar to a registration. The 2016 Authorised Capital can then be utilised by the Executive Board with the consent of the Supervisory Board and the Transaction can be consummated if the further conditions set out in the BCA for this purpose have also been satisfied. If the Transaction should not be implemented because one or several of the aforementioned essential closing conditions cannot be met, the 2016 Authorised Capital will be available for a potential substitute Transaction.

UASC is entitled to terminate the Agreement if the expert auditor appointed by the court comes to the conclusion in his audit report that the value of the contributions in kind does not reach the lowest issue price of the shares to be granted as a consideration and thus the number of the HL Shares to be newly issued would have to be reduced.

Both parties are entitled to withdraw from the BCA unless all closing conditions have been met or effectively waived or the closing has taken place on or before 31 March 2017.

Furthermore, each party is entitled to terminate the BCA with immediate effect if the equity of the respective other party as shown in the final consolidated financial interim statements as of the reporting dates, which are to be prepared in accordance with the International Financial Reporting Standards (IFRS) as of 30 September 2016 and according to the BCA are to be audited by the respective auditor of the Company or UASC, falls below a certain limit which is specified more closely in the BCA for the Company as well as for UASC.

4. Comments on and justification of the relative valuation ratio

a) Preliminary remarks

The valuation of the contribution in kind as well as of the new shares of the Company provided as a consideration is based upon a valuation of UASC and of Hapag-Lloyd by the Executive Board in relation to both enterprises involved in the transaction by applying identical methods and valuation parameters commonly used in the valuation of container shipping companies.

Before determining the contribution in kind and the consideration granted, the Executive board of Hapag-Lloyd and the Executive board of UASC as well as the Controlling UASC Shareholders had a number of negotiations. In these discussions, the advantages of the transaction and in particular the synergy potentials arising from the transaction were evaluated and validated with the help of a consultancy agency. After that a mutual due diligence of the two companies was carried out.

The Executive Board validated the relative valuation of UASC and Hapag-Lloyd in particular on the basis of information on UASC provided by UASC in a virtual data room within the scope of the mutual due diligence as well as a large number of management discussions with UASC representatives. The information exchanged in the data room included, without being limited to, audited consolidated financial

statements of UASC given an unqualified certificate of confirmation as of 31 December 2013, 31 December 2014 and 31 December 2015, the annual financial statements of individual companies of the UASC group as of the aforementioned reporting dates, selected management reports as well as comprehensive operational, tax and legal documents.

In addition, the Executive Board analysed further information such as in particular industry-specific data from the Alphaliner database as well as parameters of previous transactions that it deemed useful and appropriate for an evaluation of the adequacy of the consideration and it then considered the result of this analysis in its assessment.

In the global container liner shipping business, transactions are quite predominantly invoiced, and payment transactions accordingly settled, in US dollars. This does not only concern operative business transactions, but also investment activities, e.g. acquisitions as well as the corresponding financing of ships and other investments. The functional currency of Hapag-Lloyd AG and its subsidiaries is thus the US dollar. The reporting of Hapag-Lloyd AG is, however, made in euros. As the functional currency of UASC is the US dollar as well, the Executive Board conducted its valuation of UASC and the granted consideration on the basis of USD values.

b) Valuation approaches and methods

The valuation of the performance and the consideration was carried out for both companies by applying identical methods. Important parameters for the valuation of shipping companies also used by financial analysts and other capital market participants include, without being limited to, the price-earnings ratio, the valuation of operating income figures as well as in particular the book value of the equity of a company or the ratio between book value and market capitalisation (price-book ratio) or total capitalisation of a company.

aa) Valuation parameters used

The Executive Board based its relative valuation of the Company and of UASC upon the valuation method which is most commonly applied in the shipping industry. This approach is especially applied by analysts and brokers when they value container shipping companies.

Book value of equity, derived from the relevant audited consolidated financial statements of UASC and of Hapag-Lloyd as of 31 December 2015 given an unqualified certificate of confirmation. The book value of the equity according to the consolidated financial statements prepared by the two companies in compliance with the International Financial Reporting Standards (IFRS) is, in the opinion of the Executive Board, in practice the most common and reliable parameter for the valuation of container shipping companies and was, therefore, used as the relevant valuation standard for the present transaction.

bb) Alternative valuation methods

When carrying out its relative valuation, the Executive Board considered using the following alternative methods for the relative valuation of the companies involved in the transaction, but judged them to be less appropriate or even inappropriate in the specific case:

- **Book value of equity adjusted for goodwill and adjusted for total intangibles**, calculated on the basis of the aforementioned relevant book values of equity adjusted for the goodwill included in the balance sheet and adjusted for total intangibles respectively. This valuation methodology is commonly used by analysts and industry experts. Therefore, the Executive Board assessed the relative valuation of HL and UASC also on this parameters to validate and prove that this methodology would not lead to a different outcome. When considering these methods, the value ratio is between 51.6% and 64.1% (Hapag-Lloyd) to 35.9% and 48.4% (UASC). Hapag-Lloyd has a significantly higher proportion of goodwill and other intangible assets in its book equity primarily due to its active role in the industry consolidation, compared to both the wider container liner sector, and to UASC. Furthermore, Hapag-Lloyd's goodwill is regularly assessed for impairments according to IAS 36 and Hapag-Lloyd's Executive Board believes that it is a true reflection of the value embedded in the unidentifiable intangible assets acquired historically. Therefore, the Executive Board holds the opinion that a valuation based on the book value of equity adjusted for goodwill and adjusted for total intangibles would not result in the proper values of Hapag-Lloyd and UASC. It is the opinion of the Executive Board that the final agreement on relative valuation of 72.0% for Hapag-Lloyd and 28.0% for UASC confirms this view.

- **Income approach or DCF method**. A valuation based upon the income approach or the DCF method (in particular in accordance with the IDW S1 standard), which is regularly used for the valuation of companies within the scope of structural measures under stock corporation law or transformation law and according to which the company value is determined on the basis of the expected income derived from the planning of the undertakings involved, which was checked as to a plausibility, is generally also possible for the valuation of container shipping companies. However, in the present case concerning UASC, such a valuation would have been subject to comprehensive assumptions and subjective assessments by Hapag-Lloyd's Executive Board.

- **Multiplier methods.** The valuation practice also knows, apart from the aforementioned capital value calculations, so-called multiplier methods. These methods are mainly used for the assessment of provisional enterprise values, for the determination of value ranges or for purposes of plausibility checks. This valuation concept, just like the income approach or the DCF method, follows the principle of an earnings-

oriented valuation; the enterprise value is, however, determined by using a multiple of a regularly future-related success parameter. In this context, the multiplier method is based upon a comparative company valuation in the sense that suitable multipliers are inferred from capital market data of comparable listed companies or previously published comparable transactions and applied to the company to be valued. Such multiplier valuations are simplified valuations and can, therefore, merely provide first indications for a plausibility check.

- **Valuation based upon liquidation values.** A valuation based upon liquidation values is not appropriate here because it is not intended to really liquidate the two companies involved in the transaction, nor are there any persistent negative income prospects. Furthermore, a going-concern value, due to the cost incurred in case of a liquidation (e.g. social plans, compensations), would be likely to be above the corresponding liquidation value in case of an assumed break-up.

- **Share prices and share price targets according to analyst studies.** As UASC is not listed, a valuation based upon share prices and/or share price targets of analysts is to be ruled out according to the principles of a comparative assessment in spite of the listing of Hapag-Lloyd.

c) Valuation of Hapag-Lloyd and UASC

For the valuation methods described under lit aa) and bb) where values could be determined, the following value ratios result from the relevant consolidated financial statements as of 31 December 2015:

	Hapag-Lloyd 31.12.2015 USD m	**UASC** 31.12.2015 USD m	**cumulated** 31.12.2015 USD m	**Hapag-Lloyd** Share in %	**UASC** Share in %
aa) Valuation parameter used					
Book value of equity	**5.497**	**2.116**	**7.613**	**72,2%**	**27,8%**
Book value of equity (including synergies)[1)]	7.237	3.856	11.093	65,2%	34,8%
bb) Alternative valuation methods					
Book value of equity adjusted for goodwill	**3.742**	**2.100**	**5.842**	**64,1%**	**35,9%**
Book value of equity adjusted for goodwill (including synergies)[1)]	5.482	3.840	9.322	58,8%	41,2%
Book value of equity adjusted for total intangibles	**2.243**	**2.100**	**4.343**	**51,6%**	**48,4%**

Book value of equity adjusted for total intangibles (including synergies)[1)]	3.983	3.840	7.823	50,9%	49,1%

[1)] The value increase resulting from the synergies is for purposes of the relative valuation allocated in equal shares between Hapag-Lloyd and UASC

Based upon the book values of the relevant equity according to the audited consolidated financial statements of Hapag-Lloyd and UASC as of 31 December 2015 , the value ratio is 72.2% (Hapag-Lloyd) to 27.8% (UASC). The equity shown in the consolidated financial statements of Hapag-Lloyd in euro was converted by using the exchange rate applicable on 31 December 2015 of 1.0893 USD/EUR.

The annual synergy effects of USD 435 million per year expected in the future result in a capitalised value of USD 3,480 million. This value is generated using a multiplier of eight. By considering the value increase resulting from these synergies and by dividing these synergies in equal shares between Hapag-Lloyd and UASC, the value ratio is 65.2% (Hapag-Lloyd) to 34.8% (UASC).

For purposes of the book values of the relevant equity adjusted for goodwill, the Hapag-Lloyd equity was reduced by USD 1,755 million and the UASC equity by USD 16 million respectively. When considering these deductions, the value ratio is 64.1% (Hapag-Lloyd) to 35.9% (UASC).When the increase value resulting from the expected synergies is added to the adjusted book value, the value ratio is 58.8% (Hapag-Lloyd) to 41.2% (UASC).

For purposes of the book values of the relevant equity adjusted for total intangibles, the Hapag-Lloyd equity was reduced by USD 3,254 million and the UASC equity by USD 16 million respectively. When considering these deductions, the value ratio is 51.6% (Hapag-Lloyd) to 48.4% (UASC).When the increase value resulting from the expected synergies is added to the adjusted book value, the value ratio is 50.9% (Hapag-Lloyd) to 49.1% (UASC).

Taking into account the synergies on the one hand, and taking into account the adjusted goodwill on the other hand, these value ratios produce a potential value range of between 50,9% and 72,2% for Hapag-Lloyd and between 27,8% and 49,1% for UASC. The value ratios stated above do not provide any indication that it may be possible that the value ratios based on book values of equity are not reasonable or adequate or that another valuation method should be used instead.

The exchange ratio ultimately laid down under contract in the agreement, namely that of 72.0% (Hapag-Lloyd) to 28.0% (UASC), was agreed as part of the further negotiations on the merger of the two companies.

d) Adequacy of the consideration on the basis of valuations

Based upon the relative valuation of Hapag-Lloyd and of UASC described under lit. c) above, the determined value ratio of 72.0% (Hapag-Lloyd) to 28.0% (UASC) will, in the opinion of the Executive Board and from today’s perspective, result in an adequate consideration for the contribution in kind at the time when the authorised

capital is utilised. Based upon the relevant book values of the equity of Hapag-Lloyd AG and of UASC, the aforementioned value ratio is likely to be equal to a premium of almost one per cent.

The agreed relative value ratio of 72.0% (Hapag-Lloyd) to 28.0% (UASC) is not subject to any adjustments under the BCA. Against this background, the Executive Board assumes that the issue price to be determined at the time when the 2016 Authorised Capital is utilised based upon the corresponding authorisation is not unreasonably low and consequently the consideration will be altogether adequate.

Although the relative value ratio is fixed, it is currently still impossible to determine the number of the HL Shares to be issued for the contribution of all UASC shares because the number of HL Shares issued before the contribution of the UASG shares may still vary due to a capital increase prior to or upon the consummation of the transaction. In particular, Hapag-Lloyd may require a capital increase to remedy any non-compliance with the financial figures guaranteed in the BCA as of 30 June 2016, 30 September 2016 and 31 December 2016 (see section 3 b) above). Thus, it will also be impossible to determine the issue price of the new HL Shares to be issued to the UASC shareholders before the authorised capital is utilised because the Executive Board will at that time determine the binding issue price of the shares by considering the current value of the relevant contribution in kind.

e) Fairness opinions

The Company instructed each of KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, (***KPMG***) and Citigroup Global Markets Limited, London, United Kingdom (***Citi***) to review the financial fairness of the issuance of the new shares of the Company as consideration for the contribution of all shares of UASC and to prepare a fairness opinion with respect thereto. The above-described assessment of the financial adequacy of the consideration by the Executive Board is supported by the results of these two fairness opinions.

Based upon the performance of various value- and price-analyses customary in the context of comparable transactions, both KPMG and Citi came to the conclusion that as of the date of their respective fairness opinions and subject to the limitations and assumptions set forth in these fairness opinions, as of the date of their preparation, the consideration is fair from a financial point of view. The methodologies applied by KPMG and Citi and the resultant conclusion are described in their respective Opinion Letters attached hereto as Annex I and Annex II.

In order to understand the analyses underlying these fairness opinions and their conclusions, it is necessary to read the Opinion Letters in their entirety. Solely KPMG's fairness opinion has been prepared in accordance with the standards set by the Institute of Certified Public Accountants in Germany (*IDW*) applicable to the issuance of fairness opinions (IDW S-8) (see the respective Opinion Letters attached hereto as Annex I and Annex II)

The Executive Board points out that the fairness opinions were provided solely for the information and support of the Company in connection with the assessment of the

financial adequacy of the consideration. The fairness opinions are not addressed to third parties, nor intended to protect third parties. No third parties may derive any rights from the fairness opinions. No contractual relationship comes into existence between KPMG and/or Citi and any third parties reading the fairness opinions.

5. Grounds for authorising the exclusion of subscription rights (factual justification)

The purpose of the proposed creation of authorised capital, including the authorisation to exclude subscription rights in the context of the intended transaction is to enable the Company to acquire the shares of UASC by increasing the share capital of Hapag-Lloyd by the issuance of shares of the Company against the contribution of shares of UASC by way of a contribution in kind. It is intended to issue such number of new shares of the Company for the contributed UASC shares which will, in total, ensure that the UASC shareholders will, directly after the consummation of the transaction, hold a stake of 28% in Hapag-Lloyd.

If the transaction is really implemented after the signing of the BCA and the other agreements associated therewith, the Executive Board assumes the exclusion of subscription rights, based upon current information and plans, to be in the interest of the Company (see lit. a)), to be suitable and necessary (see lit. b)) as well as proportionate and reasonable (see lit. c)).

a) Hapag-Lloyd's interest in an exclusion of subscription rights

The purpose of an exclusion of subscription rights of the Company's shareholders intended for the case that the Transaction is carried out is considered by the Executive Board to be in the Company's interest.

In this respect, it is sufficient if the corporate bodies involved in the adoption of the resolution, as a result of their balancing of the interests concerned, may take the view that the capital increase from authorised capital by way of a contribution in kind will be for the benefit of the Company and in the interest of the undertaking and thus finally in the interest of all shareholders.

Considering the competitive advantages and synergy effects described in section II.2.d), the Company is in particular interested in achieving the competitive advantages deemed to result from the acquisition of UASC and to create the specified synergy potentials:

- In a highly competitive market environment and in an industry marked by a global consolidation trend by way of mergers of big shipping companies, the merger with UASC will allow Hapag-Lloyd to consolidate its position among the top providers of global container shipping services; under aspects of market shares, an improvement from approx. 4.5% at present to approx. 7.1% will be achieved. Following the merger, Hapag-Lloyd will thus advance to fifth place in the relevant global ranking thereby clearly outpacing its competitors.

- Furthermore, the merger will combine complementary trading portfolios, which will not only result in a diversification of the relevant trading risks, but in

particular involve the chance for Hapag-Lloyd to increase its trading activities in markets that have not been focused so far - here the Middle East region.

- Finally, the Executive Board is of the opinion that the merger can help generate substantial synergies in the amount of USD 435 million each year.

Without the complete acquisition of the UASC shares which, in turn, will require the capital increase from authorised capital by way of a contribution in kind by excluding subscription rights, the transaction could not be implemented and thus the creation of a considerable added value for the Hapag-Lloyd shareholders would become impossible.

b) Suitability and necessity

The Executive Board considers the exclusion of subscription rights intended for the case that the Transaction is carried out to be suitable and necessary to achieve the objective of a merger of the Company with UASC, which is in the Company's interest.

aa) Suitability of the exclusion of subscription rights

The exclusion of subscription rights is suitable if it allows to achieve the envisaged objective. This is the case here: The exclusion of subscription rights is suitable to achieve the objective being in the Company's interest, namely the acquisition of UASC shares against the issuing of shares in the Company because the issuing of new shares of the Company as a consideration granted to the UASC shareholders requires an exclusion of subscription rights of the Company's shareholders.

bb) Necessity of the exclusion of subscription rights

An exclusion of subscription rights is necessary if there is no alternative or the exclusion of subscription rights, in case of a number of alternatives, is suitable to promote the objective pursued by the Company in the best possible way.

The Company's Executive Board has examined in detail whether there is a viable alternative to the proposed transaction structure, which provides for a resolution on the creation of authorised capital with the authorisation to exclude subscription rights. Possible alternative transaction structures included (i) the acquisition of the UASC shares by cash, (ii) the acquisition of the UASC shares by way of a contingent capital increase, (iii) the acquisition of the UASC activities by way of a merger as well as (iv) the acquisition of the shares of UASC by an ordinary capital increase by way of contributions in kind. The Executive Board came to the conclusion that possible alternative transaction structures are either unfeasible or less suitable to achieve the envisaged entrepreneurial objective or associated with considerable disadvantages and risks for the Company compared with the concept chosen.

(i) Acquisition of the UASC shares by cash

The acquisition of the UASC shares on the basis of a share purchase agreement was no option because the Controlling UASC Shareholders were interested in acquiring an entrepreneurial stake in the combined entity in return for the transfer of their UASC shares. In the present market environment, the feasible cash purchase prices are little attractive compared to the contributions and investments made in past years by container shipping companies (including UASC).

(ii) Creation of conditional capital

The Executive Board considered the creation of conditional capital as a possible alternative transaction structure. This transaction structure would not have had any advantages compared with the structure chosen: The utilisation of conditional capital would have offered much less flexibility for the Company's Executive Board to quickly respond to changes in transaction conditions. In particular, it would have been necessary to definitely fix the precise contribution item and the number of new HL Shares to be issued already in the resolution on the capital increase. This would have been incompatible with the transaction structure agreed in the BCA because the number of new HL Shares to be issued to UASC will be known only shortly before the consummation of the transaction.

(iii) Acquisition of the UASC shares by way of merger

The theoretically possible way of acquiring the UASC business by way of merger by acquisition (section 2 no. 1 UmwG (German Transformation Act)) was finally rejected as well. To allow the merger to be carried out, this transaction structure would have required a hive-down of the relevant UASC business to a German or European stock corporation (HoldCo) and thus the preparation of a comprehensive hive-down documentation. This would have led to further time delays because the UASC shareholders would have been prepared to implement the creation of the HoldCo structure only after all other closing conditions would have been met. Furthermore, the merger process itself would, on the whole, have been much more time-consuming and expensive with regard to the necessary company valuation as well as the comprehensive documentation to be prepared (merger report, merger audit report) than the alternative regarding an authorised capital. In addition, the implementation of the merger of the HoldCo and the Company would also have required a capital increase in the Company (including an exclusion of subscription rights, if applicable); thus, this way would also have been no alternative in the end with regard to the interference with the shareholders' legal position, which is associated with an exclusion of subscription rights. Finally, it would have been necessary to definitely fix the precise contribution item and the number of new HL Shares to be issued already when drawing up the merger resolution in the merger agreement. This would

have been incompatible with the transaction structure agreed in the BCA because the number of new HL Shares to be issued to UASC will be known only shortly before the consummation of the transaction.

(iv) Acquisition of the shares of UASC by an ordinary capital increase by way of contributions in kind

The Executive Board finally considered to acquire the shares of UASC by an ordinary capital increase by way of contributions in kind. However, the ordinary capital increase by way of contributions in kind would not have been compatible with the transaction structure agreed in the BCA. First, an ordinary capital generally must be conducted within a maximum period of six months upon the shareholders meeting's resolution. Due to the complexity of this Transaction, however, the merger clearance, which is a prerequisite for completion and, therefore, also for the implementation of the capital increase, cannot be expected to occur within six months upon the shareholders' meeting's resolution with sufficient certainty, so that a new decision of the shareholders' meeting would be necessary after expiry of the implementation period. Furthermore, it would have been necessary to definitely fix the precise contribution item and the number of new HL Shares to be issued already when drawing up the resolution on the capital increase by way of contribution in kind. This would have been incompatible with the transaction structure agreed in the BCA because the number of new HL Shares to be issued to UASC will be known only shortly before the consummation of the Transaction.

c) Proportionality of the exclusion of subscription rights

The Executive Board is finally convinced that an exclusion of subscription rights resolved upon in relation to the utilisation of the 2016 Authorised Capital for the above-described purpose is also reasonable at the time when the authorisation is exercised in order to achieve the objective being in the interest of the Company, namely the acquisition of the UASC shares by way of a capital increase against a contribution in kind, and that the exchange ratio between the Company's shares and the UASC shares is not unreasonably low to the detriment of the Company's shareholders.

It is correct that the exclusion of subscription rights within the scope of the capital increase against a contribution in kind will necessarily result in a dilution of the membership rights of the Hapag-Lloyd shareholders because they are to be excluded from subscription for the new HL shares in order to implement the transaction.

However, the Executive Board considers such a dilution to be proportionate to the objective pursued in the interest of the Company - the acquisition of the shares of UASC by way of a capital increase against a contribution in kind by utilising authorised capital - and, for this reason, to be justifiable at the time when the 2016 Authorised Capital is utilised. In particular, the Executive Board assumes at present that the issue price of the new shares to be determined by considering the current

value of the UASC shares as contributed assets will not be unreasonably low and the number of the HL Shares to be issued for the contribution of all UASC shares to the Company will not be unreasonably high and thus a dilution of the financial stake of the shareholders excluded from the subscription rights will not occur. The Executive Board will pay due regard to this issue when making a decision on the utilisation of the 2016 Authorised Capital. Furthermore, a negligible dilution, if any at all, will be outweighed, in the opinion of the Executive Board , by value increases resulting from the synergy effects and economies of scope associated with the merger. It has been recognised in practice that such synergy effects and economies of scope can be taken into consideration in the assessment of the reasonableness of the exchange ratio within the scope of a capital increase against contributions in kind. These increases in values will also be of benefit to existing shareholders of Hapag-Lloyd. The Executive Board considers the Transaction to be highly accretive per Hapag-Lloyd share even if only 70% of the expected synergies could be realised.

The utilisation of the 2016 Authorised Capital as currently intended by the Executive Board for the purpose of implementing the transaction is subject to the requirement that this transaction can in fact be carried out in legal and economic terms; adjustments to circumstances that have meanwhile changed are still possible.

After having balanced all aforementioned circumstances, the Executive Board consider the authorisation to exclude subscription rights to be factually justified and reasonable for the reasons stated, even when considering the dilution effect that will occur to the detriment of the shareholders when making use of the relevant authorisations.

If the Executive Board makes use of any of the aforementioned authorisations to exclude subscription rights during the course of a financial year within the scope of a capital increase from the 2016 Authorised Capital, it will report on this issue at the following general meeting.

Hamburg, July 2016

Hapag-Lloyd Aktiengesellschaft

The Executive Board

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