

Joint Statement on Corporate Governance and Corporate Governance Report

The Fraport AG Executive Board reports – in the name of the Supervisory Board as well – on the contents subject to the reporting requirements pursuant to Section 289a of the German Commercial Code (HGB) for Fraport AG as well as for the Fraport Group (Fraport AG and Group companies with a participating interest of at least 50%, hereinafter referred to as “Fraport”) as part of a joint statement on corporate governance pursuant to Section 289a of the HGB and Section 315 (5) of the HGB, including the for the Supervisory Board, in order to enable a general statement on the Group’s corporate governance principles. The Executive Board and Supervisory Board also provide an annual report on corporate governance pursuant to Section 3.10 of the German Corporate Governance Code (GCGC) as part of the corporate governance report and publish this in conjunction with the general statement on corporate governance.

The term “corporate governance” at Fraport means responsible corporate management and control. The objectives of corporate governance at Fraport are sustainable value creation and creating as well as strengthening confidence among investors, customers, employees and the public. Good corporate governance therefore has the highest priority at Fraport. In this context, efficient collaboration between the Executive Board and the Supervisory Board is as important as protecting shareholders’ interests and maintaining open and transparent corporate communications. Fraport monitors the national and international developments in this area and regularly reviews its own corporate code, the Fraport Corporate Governance Code, in connection with new legal regulations and revised national and international standards, and modifies it to meet these as required.

In accordance with Section 317 (2) sentence 4 of the HGB, the following disclosures under Section 289a of the HGB were not included in the annual audit by the auditor.

Statement of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG)

As a listed company headquartered in Germany, corporate governance at Fraport AG primarily complies with German stock corporation law, capital market law and the suggestions and recommendations of the GCGC. There is no obligation to implement the suggestions and recommendations of the GCGC. However, under Section 161 of the AktG the Executive Board and the Supervisory Board are obliged to issue a statement of compliance and to report and justify any deviations from the recommendations of the GCGC.

The Executive Board and the Supervisory Board last issued the following statement of compliance under Section 161 of the AktG on December 12, 2016:

“The last annual statement of compliance was issued on December 14, 2015. Since then, Fraport AG has complied with and will continue to comply with the recommendations made by the Government Commission on the German Corporate Governance Code in the version dated May 5, 2015, with the exception of the recommendations set forth in Section 5.4.1 (2) sentence 1 of the GCGC with regard to the specification of a regular limit of length of membership in the Supervisory Board.

Grounds:

Section 5.4.1 (2) sentence 1 of the GCGC contains, inter alia, a recommendation that a regular limit of length of membership in the Supervisory Board be specified. The Supervisory Board of Fraport AG views such a limit on the duration of membership as inappropriate. Rather, in determining the composition of a functional and effective Supervisory Board, care should be taken to ensure a mix of experienced members and those newly elected to serve in this body. A rigid maximum duration runs contrary to this, as it would be necessary to replace all or most members of the Supervisory Board at regular intervals. However, the long-standing Supervisory Board members who would be affected by such a provision in particular have profound knowledge of the company, which they can use to the company’s benefit in supervising and advising the Executive Board. In light of the time limit on their activities as such, long-standing Supervisory Board members also do not lose either their independence or their openness towards new ideas. It would therefore not be in the interests of Fraport AG if persons with particular supervisory and advisory skills and abilities were to be required to leave the Supervisory Board based on a fixed time limit on their membership therein. In addition, a fixed maximum length of membership may run counter to the diversity the GCGC requires in the composition of the Supervisory Board, which is reflected in part in the different lengths of time for which members have served and, associated with these lengths, the members’ experience levels.”

The statement of compliance was promptly made permanently available to the shareholders on the company's website at www.fraport.com in the section Investor Relations.

GGCG recommendations

Fraport AG also voluntarily complies with the recommendations of the GGCG, solely with the following exceptions:

Transmission of the Annual General Meeting (AGM) via modern communication media (Section 2.3.3 of the GGCG).

Primarily for security reasons and personal privacy, Fraport AG only published the speeches of the Chairman of the Supervisory Board and the Chairman of the Executive Board at the beginning of the 2016 AGM on the Internet.

First-time appointment of members of the Executive Board (Section 5.1.2 (2) of the GGCG).

All Executive Board members were initially appointed for a term of five years, indicating Fraport AG's willingness to enter into a long-term arrangement. Furthermore, an initial term of five years still represents the common practice among experienced professionals and is therefore in line with the expectations of many potential Executive Board members.

Gender ratio and setting targets for the proportion of women in the Executive Board and in management positions

Gender ratio

On May 1, 2015, the "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector" came into force. According to this, the statutory gender ratio with a minimum of at least 30% women and at least 30% men in the Supervisory Board must be complied with (Section 96 (2) of the AktG, Section 5.4.1 (2) of the GGCG) as part of the new elections and postings in Fraport's Supervisory Board that become necessary from January 1, 2016. In this respect, the Supervisory Board decided at its meeting of September 18, 2015 that these ratios are to be met separately for shareholders and for employees. The Supervisory Board currently comprises three female and seven male shareholder representatives and one female and nine male employee representatives.

Targets for the Executive Board

The "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector" additionally requires targets to be set for the proportion of women in the Executive Board (Section 111 (5) of the AktG, Section 5.1.2 (1) of the GGCG).

The Supervisory Board also set a target of 25% for the proportion of women in the Fraport AG Executive Board at its meeting of September 18, 2015. This target is to be reached by June 30, 2017. As the Executive Board currently consists of one female and three male members, this target has already been reached.

Targets for the first and second management levels below the Executive Board

The "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector" furthermore requires targets to be set for the proportion of women in both management levels below the Executive Board (Section 76 (4) of the AktG, Section 4.1.5 of the GGCG).

At the turn of the year 2016/2017, the Executive Board set a target of 30.0% for the proportion of women in the first management level below the Executive Board ("direct reports") and a target of 30.0% for the proportion of women for the subordinate management levels ("direct reports" to the first management level) by December 31, 2021 for Fraport AG. At the end of 2016, the proportion of women in the first management level amounted to 26.9% and 29.8% in the second management level.

Disclosures on other significant corporate management practices

Beyond the statutory provisions, Fraport utilizes the following relevant corporate management practices:

Own corporate governance code

The Supervisory Board of Fraport AG has adopted its own corporate governance principles for the company. The Fraport Corporate Governance Code describes the fundamental principles for the management and control of the company as well as the responsible corporate governance that Fraport has undertaken to uphold. It also presents the specific implementation of the recommendations and suggestions of the GCGC at Fraport and clarifies the material rights of the shareholders.

The Fraport Corporate Governance Code is closely modeled on the GCGC and is regularly monitored and adapted where necessary in light of new legal regulations as well as revised national and international standards (last amended on September 30, 2016). The Fraport Corporate Governance Code can be downloaded from the company website under www.fraport.de in the section Investor Relations.

Compliance

Fraport understands the term “compliance” to mean compliance with laws and internal regulations. Since 2003, Fraport has developed values-based compliance, which is continued and updated in a Compliance Management System (CMS). The CMS is focused on prevention, identifying non-compliance, and responding to infringements. Fraport has structured the CMS based on audit standard IDW PS 980. In addition to an internal representative and an external ombudswoman, Fraport has been operating an electronic whistleblower system (BKMS[®] system) since 2009. This enables information relating to serious legal violations to reach the compliance department via a range of reporting channels, which then processes and clarifies the information in a central case management system.

In 2016, the area of compliance was organizationally assigned to the Fraport AG legal department. The Chief Compliance Officer is now the head of the central “Legal Affairs and Compliance” department.

Compliance and prevention measures are focused on a group-wide compliance risk analysis, numerous communication measures, and a range of training courses, which either take place as classroom-based events or as e-learning. In the past few years, the substantial minimum CMS requirements have been implemented by the executive boards of the national and international Group companies at Fraport.

Moreover, in the past fiscal year, Fraport has updated its internal guideline for insider and ad-hoc publicity. The new guideline, adapted to the Market Abuse Regulation requirements, also defines the concept of insider information. In addition, the guideline regulates the handling of insider information up to disclosure. To announce the changes, Fraport published the guideline internally and held training events at the top management levels.

Fraport also anchors its commitment to comply with internationally accredited regulations, such as the principles of the UN Global Compact, OECD Guidelines, and ILO Core Labor Standards, across the company through a code of conduct. The Fraport Policy forms the core of this commitment and is published on www.fraport.com in the section Responsibility.

The supplier code, updated in fiscal year 2016, also describes the requirements and principles for cooperations of Fraport AG with contractors, suppliers, and service providers. They are obliged to comply with the applicable national laws and the relevant internationally recognized standards, guidelines and principles, as also stipulated in the code of conduct. Business partners are additionally obliged to work towards the consistent compliance with these standards by all other companies involved in the provision of services.

Social and environmental commitment

As one of the leading international airport operators, Fraport and the Group companies domiciled at the Frankfurt site support sports, social and cultural associations and institutions as active partners in the region. Fraport has also always been committed to contributing to the reduction of aircraft noise pollution. Moreover, Fraport is committed to the due and proper consideration of the environmental requirements associated with the operation of the airport. This particularly includes protection of the climate and nature, as well as the responsible use of resources.

In light of the growing challenges, such as international competition in the air transport industry as well as customer quality expectations together with a continuing focus on earnings, the objective is to support the personal, professional, social and methodological expertise of employees. This allows Fraport to ensure a high service quality as well as to secure the provision of attractive jobs in the long-term.

Further information is available in the “2016 Compact” report and on the company website www.fraport.de.

Structure and functioning of the management and control bodies

For Fraport, a responsible and transparent corporate governance and control structure is the cornerstone for creating value and trust. In accordance with the provisions of law, Fraport AG is subject to a “dual governance system”, which is achieved by the strict separation of personnel in the management and control bodies (two-tier board). While the Executive Board manages Fraport AG, the Supervisory Board supervises the Executive Board. The members of the Executive Board and the Supervisory Board work closely together in the interest of the company.

The structure of the management and control bodies at Fraport AG is as follows:

Executive Board

The Executive Board of Fraport AG has comprised four members since September 1, 2014: Dr. Stefan Schulte (Chairman), Anke Giesen, Michael Müller, and Dr. Matthias Zieschang. As the management body, it conducts the business of the company. The Executive Board is bound by the company’s interests and corporate sociopolitical principles within the framework of the stock corporation law. Beyond this, the rules of procedure, which the Executive Board established for itself and presented to the Supervisory Board for approval, form the basis of its work. The schedule of responsibilities for the Executive Board, which governs the allocation of responsibilities, is also attached to the rules of procedure as an annex.

On this basis, the Executive Board reports to the Supervisory Board on all relevant matters of business development, corporate strategy, and possible risks in a regular, timely and comprehensive manner. In addition, the Executive Board must have the prior approval of the Supervisory Board for several matters, particularly for capital expenditure and equity investment measures above a value of €10 million, to the extent that this is not provided for in a business plan approved by the Supervisory Board. The length of the appointment of the Executive Board members is geared toward the long term and is – as already stated – five years as standard. Remuneration of the Executive Board comprises fixed and performance-related components. A detailed breakdown of the remuneration is provided in the Remuneration Report in the Group management report in the 2016 Annual Report.

The Executive Board usually meets weekly and constitutes a quorum if at least half of its members participate in the meeting. Resolutions are adopted by a simple majority of all the participating members of the Executive Board. In the case of a tie, the chairman holds the casting vote.

Supervisory Board

The Supervisory Board of Fraport AG supervises the activities of the Executive Board. It is composed of an equal number of representatives of shareholders and employees and comprises 20 members. The ten shareholder representatives are elected by the AGM and the ten employee representatives are elected by the employees in accordance with the provisions of the German Co-Determination Act (MitbestG) for five years. The Supervisory Board has created rules of procedure, under which it has a quorum if – on the basis of a proper notice of meeting – at least half of its members participate in the voting in person or through submission of written votes. Resolutions are adopted with a simple majority unless otherwise mandated by law. In the event of a tie vote, the chairman of the Supervisory Board, who must be a shareholder representative, is entitled to a second vote. Beyond this, the rules of procedure regulate, in particular, the appointment and powers of committees of the Supervisory Board.

The Supervisory Board generally meets four times a year (seven times in 2016) and regularly reviews the efficiency of its activities. The Supervisory Board reviews its activities in the past fiscal year on an annual basis in the Supervisory Board Report. A detailed breakdown of its remuneration is provided in the Remuneration Report in the Group management report in the 2016 Annual Report.

At the time of publishing this statement, the Supervisory Board was comprised as follows:

Composition of the Supervisory Board

Representatives of the shareholders	Representatives of the employees
Karlheinz Weimar (Chair)	Gerold Schaub (Vice-Chair)
Uwe Becker	Claudia Amier
Kathrin Dahnke	Devrim Arslan
Peter Feldmann	Hakan Cicek
Peter Gerber	Dr. Roland Krieg
Dr. Margarete Haase	Mehmet Özdemir
Frank-Peter Kaufmann	Arno Prangenberg
Lothar Klemm	Hans-Jürgen Schmidt
Michael Odenwald	Werner Schmidt
Prof. Dr. Eng. Katja Windt	Edgar Stejskal

Objectives for the composition of the Supervisory Board

The Supervisory Board named specific objectives for its composition pursuant to Section 5.4.1 of the GCGC. With regard to the proportion of women in the Supervisory Board, the Supervisory Board updated the objective set for its composition in fiscal year 2015 as follows:

“The Supervisory Board shall be composed of at least 30% women and 30% men, and this ratio is to be met separately for shareholder representatives and for employee representatives.”

As already stated, the Supervisory Board comprises three female and seven male shareholder representatives and one female and nine male employee representatives.

In addition, there is an adequate number of members on the Supervisory Board who have international experience. When proposing candidates, the nomination committee and the Supervisory Board will continue to take the international experience of Supervisory Board candidates appropriately into account.

In addition, in accordance with the new recommendation in Section 5.4.1 (4) of the GCGC, they will in future check with the respective candidate that he or she can contribute the time expected.

Furthermore, based on the then new provision in Section 5.4.1 (2) of the GCGC, in its meeting on December 14, 2012, the Supervisory Board decided that at least three independent shareholder representatives within the meaning of Section 5.4.2 of the GCGC should be members of the board.

As the Supervisory Board has at least three independent shareholder representatives with Kathrin Dahnke, Dr. Margarete Haase, and Prof. Dr. Eng. Katja Windt, this target has been reached.

Committees of the Supervisory Board

The Supervisory Board has formed the following committees based on the statutory provisions and the provisions of its rules of procedure. The following table provides an overview of the tasks, regulated number of meetings, the actual number of meetings in the past fiscal year, the planned number of members and the actual number of members as at the date of publication of this statement.

Committees of the Supervisory Board

Committee	Functions	Regulated number of meetings	Meetings 2016	Regulated number of members	Members
Finance and audit committee	<ul style="list-style-type: none"> > Preparation of resolutions in the area of finance and audit-related resolutions > Tasks <ul style="list-style-type: none"> > monitors the accounting process > monitors the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of accounts, and compliance > Statement of opinion <ul style="list-style-type: none"> > on the business plan and plan changes that require approval, on the annual and consolidated financial statements, on the Executive Board recommendation for the appropriation of profits, on the management and Group management report, on the audit report of the auditor of the annual accounts and of other auditors, on the Supervisory Board's recommendation for the audit report, and on the discharge of the Executive Board > on the assignment of the audit mandate to the auditor, the fee agreement, and the stipulation of the areas of focus of the audit. > The finance and audit committee is responsible for the auditor selection process. > It monitors the independence of the auditor and the quality of the audit of accounts. In this regard, it provides its advance consent to all of the auditor's legitimate non-audit services. 	4	6	8	Dr. Margarete Haase (Chair) Arno Prangenberg (Vice-Chair) Uwe Becker Kathrin Dahnke Lothar Klemm Dr. Roland Krieg Hans-Jürgen Schmidt Edgar Stejskal
Investment and capital expenditure committee	<ul style="list-style-type: none"> > Preparation of resolutions relating to capital expenditure, resolutions or decisions concerning the founding, acquisition, and sale of Group companies and ongoing monitoring of the economic development of existing Group companies > Final decision if the obligation or entitlement of Fraport AG arises from a capital expenditure measure (outside of the approved business plan) or an investment-related action between €10,000,000.01 and €30,000,000 > Final decision on the acquisition or disposal of, or charge on, property or land rights between €5,000,000.01 and €10,000,000 > Statement of opinion on the capital expenditure plan and on capital expenditure reporting 	4	5	8	Lothar Klemm (Chair) Gerold Schaub (Vice-Chair) Claudia Amier Peter Feldmann Frank-Peter Kaufmann Werner Schmidt Edgar Stejskal Prof. Dr. Eng. Katja Windt
Human resources committee	<ul style="list-style-type: none"> > Preparation of resolutions in the area of human resources > Statement of opinion, in particular on changes in headcount, fundamental issues relating to collective bargaining law, the payment system, the employee investment plan, matters concerning the company retirement plan 	4	4	8	Claudia Amier (Chair) Frank-Peter Kaufmann (Vice-Chair) Devrim Arslan Uwe Becker Hakan Cicek Mehmet Özdemir Michael Odenwald Prof. Dr. Eng. Katja Windt
Executive committee	<ul style="list-style-type: none"> > Preparations for the appointment of members of the Executive Board and the conditions of employment contracts, including remuneration > Final decision concerning outside activities of members of the Executive Board that require the approval of the Supervisory Board 	As needed	5	8	Supervisory Board Karlheinz Weimar (ex officio) Vice Chairman of the Supervisory Board Gerold Schaub (ex officio) Claudia Amier Peter Feldmann Dr. Margarete Haase Frank-Peter Kaufmann Werner Schmidt Edgar Stejskal
Committee in accordance with Section 27 of the MitbestG	<ul style="list-style-type: none"> > Preparation of a recommendation on the appointment or dismissal of members of the Executive Board if the entire Supervisory Board does not reach such decision 	As needed	0	4	Chairman of the Supervisory Board Karlheinz Weimar (ex officio) Vice Chairman of the Supervisory Board Gerold Schaub (ex officio) Devrim Arslan Lothar Klemm
Nomination committee	<ul style="list-style-type: none"> > Recommendation of suitable candidates to the Supervisory Board for its recommendations to the AGM 	As needed	0	3	Karlheinz Weimar Uwe Becker Dr. Margarete Haase

Shareholders and AGM

The shareholders of Fraport AG exercise their rights at the AGM where they exercise their right to a voice and a vote. The shareholders are informed of business developments in the past year and the company's forecasts through the management report with sufficient time prior to the meeting. During the year, the shareholders are provided with comprehensive and timely information about current business developments through interim reports and other company publications on the company website. The AGM is held in the first six months of every fiscal year and makes decisions concerning the tasks assigned to it by law, such as the appropriation of profits, election and approval of the actions of the members of the Supervisory Board and approval of the actions of the Executive Board, the selection of the external auditor, amendments to the company statutes, and other tasks. The shareholders can either exercise their right to vote in person or can authorize third parties to exercise their right to vote. Each share entitles its holder to one vote in the voting.

Remuneration of the Executive Board and the Supervisory Board

The disclosures on the essential features of the remuneration system as well as the disclosures on the remuneration of the Executive Board and the Supervisory Board can be found in a separate remuneration report. This is part of the Group management report in compliance with Section 315 (2) number 4 of the HGB, and Section 4.2.5 and Section 5.4.6 (2) of the GCGC.

Acquisition or disposal of company shares (directors' dealings)

Pursuant to Article 19 of the Market Abuse Regulation (MAR) (replaces the former regulation in Section 15a of the WpHG, which has been repealed, from June 2, 2016), management (directors) and persons closely related thereto are legally obliged to disclose the acquisition or disposal of shares of Fraport AG or any financial instruments related thereto, if the value of the transactions undertaken exceeds the sum of €5,000 within one calendar year. The notifications in this respect are immediately disclosed by Fraport AG.

Shareholdings of the bodies

The total shareholdings of all members of the Executive Board and Supervisory Board are less than 1% of the total number of shares issued by Fraport AG.

Risk and opportunities management

For Fraport, corporate governance also means handling corporate risks and opportunities responsibly. For this reason, Fraport has introduced a comprehensive Group-wide risk and opportunities management system. The structure of the risk and opportunities management system and a report on key risks and corporate opportunities are presented in detail by the Executive Board in the management report for the fiscal year. Depending on their importance for the company, changes to key risks or significant opportunities opening up during the year are published either in an ad hoc disclosure or as part of the financial reporting during the year or the quarterly releases.

The early risk recognition system is also part of the annual audit by the auditor. The effectiveness of the internal control and risk management system is monitored by the Supervisory Board in accordance with Section 107 (3) of the AktG. At Fraport, the finance and audit committee of the Fraport AG Supervisory Board performs this task.

Accounting and audit of accounts

Fraport prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union, and the additional applicable requirements of German commercial law pursuant to Section 315a (1) of the HGB. A Group management report is prepared in accordance with Section 315 of the HGB. The annual financial statements and management report of Fraport AG are prepared in accordance with the provisions of the HGB. Further information on the accounting principles is available in the notes to the respective financial statements. The annual and consolidated financial statements are published within 90 days of the end of the fiscal year.

The annual and consolidated financial statements and the management report and Group management report of Fraport are audited by an external auditor in accordance with Section 316 of the HGB. On the basis of the AGM's resolution, in fiscal year 2016 this was PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC"), which is thus auditing Fraport for the fourth year in a row. The confirmation of independence required in accordance with Section 7.2.1 of the GCGC for the preparation of the vote was submitted by PwC. The audit of accounts is carried out in accordance with German auditing standards. It was agreed with the external auditor that it will immediately inform the Fraport AG Supervisory Board of possible grounds for disqualification or partiality immediately if these are not remedied at once. The external auditor shall also immediately report on all findings and incidents arising during the performance of the audit of accounts that are significant for the tasks of the Supervisory Board. In addition, the external auditor has to inform the Supervisory Board, respectively, record in the audit report if it finds facts that reveal an inaccuracy in the statement of compliance submitted by the Executive Board and Supervisory Board in accordance with Section 161 of the AktG while performing the audit of accounts.

During the year, the external auditor also participated in discussions with the finance and audit committee regarding the Group interim financial statements and meetings with the Fraport AG Supervisory Board regarding the annual and consolidated financial statements.

Disclosure of the statement on corporate management and corporate governance report

The Executive Board disclosed the statement on corporate governance and corporate governance report on February 16, 2017 on www.fraport.com in the section Investor Relations.