

**COMMITMENTS BY SINGAPORE AIRLINES  
LIMITED AND DEUTSCHE LUFTHANSA AG TO  
THE COMPETITION AND CONSUMER  
COMMISSION OF SINGAPORE**

**COMMITMENTS TO THE COMPETITION AND CONSUMER COMMISSION OF SINGAPORE****SINGAPORE AIRLINES LIMITED AND DEUTSCHE LUFTHANSA AG****1. INTRODUCTION**

- 1.1 Singapore Airlines Limited (“**SIA**”) and Deutsche Lufthansa AG (“**LH**”) (collectively the “**Parties**”) propose to make voluntary commitments to the Competition and Consumer Commission of Singapore (“**CCCS**”), in the context of the CCCS’s assessment of the proposed geographical expansion of the joint venture between the Parties (the “**Proposed Commercial Cooperation**”) in accordance with the Form 1 notification accepted by the CCCS on 9 December 2022 (the “**2022 Notification**”), submitted under section 44 of the Competition Act 2004 (the “**Act**”).
- 1.2 The voluntary commitments are made in the interests of assuring the CCCS that either the Proposed Expanded JV, if carried into effect, will not infringe section 34 of the Act, or that the Proposed Expanded JV is excluded from consideration under section 34 of the Act by reason of it being an agreement with net economic benefit (and meeting the requisite requirements set out in paragraph 9 of the Third Schedule to the Act).
- 1.3 The specified commitments relate specifically to the non-stop (i.e., direct) services of the Parties between Singapore (“**SIN**”) and Frankfurt (“**FRA**”), and between SIN and Zurich (“**ZRH**”). References below to “**SIN-FRA vv**”, and “**SIN-ZRH vv**” refer to return services (i.e., services on both an east-to-west basis, and a west-to-east basis). The commitments will commence on the date on which a positive decision is received by the Parties from the CCCS in respect of the 2022 Notification (the “**Effective Date**”).
- 1.4 The Parties will appoint, at their own cost, an independent auditor (“**Independent Auditor**”) to monitor compliance with the voluntary commitments, and to report to the CCCS on an annual basis (“**Report**”). The appointment of the Independent Auditor within three (3) calendar months from the Effective Date (and the terms and conditions of that appointment) will be subject to the approval of CCCS).
- 1.5 The Parties hereby propose to commit, as set out in section 2 and subject to the terms of section 3, to:
- (a) maintain a minimum weekly capacity on the SIN-FRA vv and SIN-ZRH vv routes as specified in paragraph 2.2; and
  - (b) carry a minimum number of Singapore point-of-sale passengers (“**SIN POS passengers**”) (as further specified below) on the SIN-FRA vv and SIN-ZRH vv routes respectively, in each calendar year, as specified in paragraphs 2.4 and 2.5.

## 2. COMMITMENTS

2.1 Subject to section 3, the Parties hereby make the following commitments.

### To maintain weekly capacity levels on SIN-FRA vv and SIN-ZRH vv routes

2.2 The Parties commit to operate minimum weekly capacity levels on the SIN-FRA vv and SIN-ZRH vv routes. Specifically, the Parties commit to operate:

2.2.1 **[CONFIDENTIAL]** seats (on an aggregated basis between the Parties) on the SIN-FRA vv route<sup>1</sup>; and

2.2.2 **[CONFIDENTIAL]** seats (on an aggregated basis between the Parties) on the SIN-ZRH vv route.

2.3 Without limitation to section 3 below, the commitments specified in paragraph 2.2 above would be deemed fulfilled where the committed capacity levels in paragraph 2.2 are achieved in **[CONFIDENTIAL]** (i.e. up to a maximum of **[CONFIDENTIAL]** of non-fulfilment) during each calendar year.

### To carry a specific number of SIN POS passengers<sup>2</sup> on SIN-FRA vv and SIN-ZRH vv route

2.4 The Parties commit to carry a minimum number of **[CONFIDENTIAL]** SIN POS passengers on the SIN-FRA vv route in each calendar year.<sup>3</sup>

2.5 The Parties commit to carry a minimum number of **[CONFIDENTIAL]** SIN POS passengers on the SIN-ZRH vv route in each calendar year.<sup>4</sup>

## 3. COMMENCEMENT, SUSPENSION AND RELEASE OF THE COMMITMENTS

### Commencement of the commitments

3.1 The commitments will commence on the Effective Date.

3.2 The commitments will continue to apply in respect of any prolongation or renewal of the Proposed Expanded JV.

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<sup>1</sup> SIA currently operates 14 weekly services on the SIN-FRA vv route, where 7 of these 14 weekly services continue from FRA to New York. Capacity of SIA on the SIN-FRA vv route in respect of the linked services has been calculated at 50% of the total capacity of the linked flight, based on an assumption that all services are operated using a B777-WR aircraft.

<sup>2</sup> SIN POS passengers comprise passengers where the point-of-sale for the ticket is Singapore. It includes passengers that travel one-way from SIN to FRA or ZRH only and passengers travelling one-way from FRA or ZRH to SIN only. It also includes return travellers on direct services (i.e. SIN-FRA-SIN or SIN-ZRH-SIN). Passengers that have an interlining component to their itinerary are excluded (for instance a passenger travelling SIN-FRA-London ("LHR"), where the FRA-LHR sector requires interlining with another carrier). Passengers transiting FRA en route to New York (on SIA's linked service), are excluded.

<sup>3</sup> Calculated as 95% of the aggregate number of **[CONFIDENTIAL]** SIN POS passengers (as that term is defined above in footnote 2) carried by the Parties in 2019 along SIN-FRA vv.

<sup>4</sup> Calculated as 95% of the aggregate number of **[CONFIDENTIAL]** SIN POS passengers (as that term is defined above in footnote 2) carried by the Parties in 2019 along SIN-ZRH vv.

Suspension of the commitments

- 3.3 The voluntary commitments, outlined in section 2 of this document, would be temporarily suspended for the period where, due to circumstances beyond the control of the Parties, any of the following arises:
- (a) force majeure which directly or indirectly affect the SIN-FRA vv or SIN-ZRH vv services for air passenger transport, including but not limited to:
    - (i) natural disasters;
    - (ii) war;
    - (iii) strikes (including airport or transport worker strikes etc);
    - (iv) terrorist attacks;
    - (v) disease outbreak;
    - (vi) airspace closures;
    - (vii) airport closures;
    - (viii) adverse weather conditions;
    - (ix) non-availability of insurance; or
    - (x) any other safety or security related developments which require cancellation of flights, or variations to flight schedules.
  - (b) Aircraft maintenance requirements with regard to a specific aircraft as determined by either of the Parties, or technical problems associated with a specific type of aircraft necessitating maintenance or repair as determined by the manufacturer and/or aviation authorities. For the avoidance of doubt, such requirements may arise in respect of aircraft deployed directly by the Parties on the SIN-FRA vv and/or SIN-ZRH vv routes for air passenger transport, or may arise in respect of other aircraft in the fleet of either of the Parties (where such maintenance requirements indirectly affect the deployment, operation or sustainability of services, and or capacity, on the SIN-FRA vv and/or SIN-ZRH vv routes for air passenger transport). Where aircraft maintenance (affecting compliance with the commitments within section 2) is conducted by either of the Parties, details of such maintenance shall be provided to CCCS in the Report.
  - (c) Delays in aircraft deliveries which impact the ability of the respective airlines to implement the commitments within section 2.
  - (d) Worldwide, regional, or local grounding of any aircraft category, class, model or variant, arising from circumstances outside the control of the Parties (and

which has an impact on the network of the Parties that could materially affect their ability to achieve the voluntary commitments).

- (e) Need for return of slots / traffic rights to aviation regulators which could have a direct or indirect impact on the commitments, including but not limited to seat capacity.
  - (f) Any development that, in the assessment of either of the Parties, could result in an imminent decline (i.e., within the next financial year) of expected quarterly revenue on either the SIN-FRA vv or SIN-ZRH vv routes (by more than 5% compared to revenue from the relevant route during the equivalent quarter of the preceding year).
- 3.4 In the circumstances set out above in paragraph 3.3(a) to 3.3(f), the Parties retain the right to effect any required changes immediately as determined by either of the Parties, and to notify the CCCS as soon as reasonably practicable.
- 3.5 In respect of notifications made to CCCS in accordance with paragraph 3.4 above, the Parties will seek the retroactive approval of CCCS for the variation from the committed capacity levels and SIN POS commitments within section 2. In doing so, the Parties will inform CCCS of the background and impact of these circumstances and provide CCCS with information (within the possession or custody or control of the Parties), that would support the stated impact (or aid in CCCS's assessment of such).
- 3.6 Other than in situations covered in paragraphs 3.3 and 3.4, where there are any circumstances that, in the Parties' view, would materially affect the ability of the Parties to satisfy the commitments within section 2 and/or the commitments in section 4 (collectively, the "**Relevant Commitments**") in any relevant Report Year (the "**New Circumstances**"):
- (a) The Parties will notify CCCS within [**CONFIDENTIAL**], or any other period as agreed upon with CCCS, following the Parties becoming aware that the New Circumstances would result in the Parties not meeting (or being unlikely to meet) the Relevant Commitments.
  - (b) The Parties will notify CCCS within [**CONFIDENTIAL**] of the commencement of the variation to committed capacity levels, where variations to capacity are not restored to committed levels within 14 days of the commencement of the variation.
  - (c) When notifying CCCS in accordance with paragraph 3.6(a), the Parties will inform CCCS of the background and impact of the New Circumstances and provide CCCS with information (within the possession or custody or control of the Parties), that would support the stated impact (or aid in CCCS's assessment of such).
  - (d) The Parties may propose and discuss with CCCS, in good faith, the possible variation, substitution or release of the Relevant Commitments, for the period

in which the Parties are unlikely to meet the Relevant Commitments as a result of the New Circumstances.

- (e) Where the New Circumstances result in the Parties not satisfying the Relevant Commitments, and the Parties have not gone through the process set out in paragraphs 3.6(a) to 3.6(c), the Parties acknowledge that CCCS may make a determination that the Relevant Commitments has been breached, and take such action as CCCS deems necessary in accordance with the Act.
- 3.7 Other than in situations covered in paragraphs 3.3, 3.4 and 3.6, the Parties will notify the CCCS as soon as reasonably practicable after becoming aware that they have not met (or are unlikely to meet) the Relevant Commitments. In doing so, the Parties will inform CCCS of the background and impact of these circumstances and provide CCCS with information (within the possession or custody or control of the Parties), that would support the stated impact (or aid in CCCS's assessment of such).

#### Full release or substitution or variation of the commitments

- 3.8 The commitments will be released with immediate effect should the Proposed Expanded JV be terminated for any reason, at any time.
- 3.9 Without prejudice to paragraph 3.8, where either of the Parties consider that there has been, or is likely to be, a material change in market conditions or operating circumstances or competitive conditions in respect of either of the SIN-FRA vv or SIN-ZRH vv routes, arising from any circumstance or development directly or indirectly connected to those routes and not contemplated in paragraphs 3.1 to 3.7 above, the Parties may make an application to the CCCS (supported by reasons) for any commitment specified in paragraphs 2.2 to 2.5 to be varied, substituted or released. Material changes would include, but are not limited to, long-term changes to the Parties' operational fleets, such as the retirement of certain aircraft types.
- 3.10 In respect of any application made by either Party under paragraph 3.9, any variation, substitution or release of any commitment would be subject to the express approval of the CCCS.
- 3.11 Without limitation to paragraph 3.9, after a period of 5 years from the date of the commencement of the commitments in accordance with paragraph 3.1, the Parties may make an application to the CCCS, supported by reasons, for any or all of the commitments specified in paragraphs 2.2 to 2.5 to be varied, substituted or released. Any subsequent, variation, substitution or release of the commitments in accordance with the application of the Parties would be subject to the express approval of the CCCS.

#### Inability to meet the commitments within paragraphs 2.4 to 2.5

- 3.12 Where the Parties have not met, or are of the view that they are unlikely to be able to meet, one of the commitments specified in paragraphs 2.4 to 2.5 in any relevant calendar year:

- (a) the Parties will notify the CCCS as soon as reasonably practicable following the Parties becoming aware that they have not met (or are unlikely to meet) the relevant commitment;
- (b) when notifying the CCCS in accordance with paragraph 3.12(a), the Parties will inform the CCCS of the reasons why the relevant commitment has not been met, and provide the CCCS with information (within the possession or custody or control of the Parties) that would support the stated reasons (or aid in the CCCS's assessment of such);
- (c) where the Parties have not met a relevant commitment, the Parties may discuss with the CCCS, in good faith, the possible release of the commitment for the period in which the Parties did not meet the relevant commitment;
- (d) where the Parties are unlikely to meet a relevant commitment, the Parties may discuss with the CCCS, in good faith, a possible variation, substitution or release of the relevant commitment, for the period in which the Parties are unlikely to meet the relevant commitment;
- (e) where the CCCS is satisfied that the relevant commitment has not been met (or is unlikely to be met) due to a circumstance or development outside the control of Parties, the Parties acknowledge that the CCCS may accept a proposed variation, substitution or release of the relevant commitment;
- (f) where the CCCS is not satisfied that the failure to meet the relevant commitment is due to a circumstance or development outside the control of Parties, the Parties acknowledge that the CCCS may make a determination that the relevant commitment has been breached, and take such action as the CCCS deems necessary in accordance with the Act; and
- (g) where the CCCS has accepted a variation, substitution or release of a relevant commitment, unless specified otherwise by the CCCS at the point at which it makes such a determination known to the Parties, the varied, substituted or released commitment shall apply to the period for which the Parties have not met or are unlikely to meet the relevant commitment.

#### **4. INDEPENDENT AUDITOR AND ANNUAL AUDIT REPORTS**

- 4.1 The Parties will appoint, at their own cost, an Independent Auditor (within three (3) months of the Effective Date, and if there are conditions, such conditions being acceptable to the Parties), whose appointment (and the terms and conditions of that appointment) will be subject to the approval of the CCCS.
- 4.2 The Independent Auditor will provide to the CCCS, on a yearly basis for each calendar year<sup>5</sup>, a report which monitors compliance of the Parties (over the preceding calendar year) with the commitments outlined within section 2.

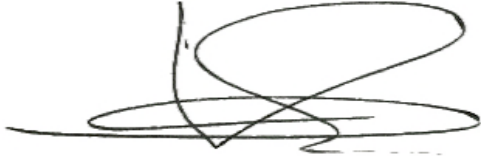
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<sup>5</sup> Within three months following the completion of the calendar year to which each Report relates, with the first Report to be provided to the CCCS by 31 March 2025 (for the 2024 calendar year).

- 4.3 Specifically, the Report will specify:
- (a) the weekly capacity provided by the Parties on each of the SIN-FRA vv and SIN-ZRH vv routes on an aggregate basis;
  - (b) whether the committed capacity levels in paragraph 2.2 have been operated on a [CONFIDENTIAL] basis;
  - (c) the weeks of non-fulfilment of the committed capacity levels in paragraph 2.3;
  - (d) whether the non-fulfilment of the committed capacity levels in paragraph 2.2 arises as a result of the circumstances listed in paragraph 3.3, or any other circumstances;
  - (e) the aggregate number of SIN POS passengers carried on the SIN-FRA vv and SIN-ZRH vv routes;
  - (f) whether the committed SIN POS passenger numbers in paragraphs 2.4 and 2.5 have been achieved; and
  - (g) where relevant and if required, reasons for any variations from the committed capacity levels and passenger numbers outlined in paragraphs 2.2 to 2.5 above.



**In witness whereof** tthhese Commitments has been entered into on 24 January 2025.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

SIGNED by Sheldon Hee

Vice President, Partnerships and International Relations


for and on behalf of

**SINGAPORE AIRLINES LIMITED**

NON-CONFIDENTIAL VERSION

4 November 2024


**In witness whereof** these Commitments has been entered into on 24 January 2025.

Signiert von:  
  
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SIGNED by i.V. Nora Kasper

Senior Director Partner Performance Steering and Asian Joint Ventures

for and on behalf of

**DEUTSCHE LUFTHANSA AG**

Signed by:  
  
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SIGNED by i.V. Marek Kuchta

Senior Director Partner Development and Atlantic Joint Venture

for and on behalf of

**DEUTSCHE LUFTHANSA AG**