

lastminute.com N.V.

(“LMN” or the “Company”)

Shareholders Circular relating to the Annual General Meeting of Shareholders

To be held on May 4, 2016, World Trade Center Schiphol - Business & Conference Center, Schiphol
Boulevard 127 - G3, 1118 BG Schiphol, The Netherlands- Meeting room number - G3.02

This Shareholders Circular is being posted on the Company’s website and made available to shareholders to provide information to shareholders concerning the matters set forth herein. The information contained in this Shareholders Circular speaks only as of March 23, 2016. The Company expressly disclaims any obligation or undertaking to update, amend or supplement the information contained herein in any way to reflect facts or circumstances arising or occurring after such date.

March 23, 2016

Explanation to the Shareholders of the Company in respect of the Agenda for the Annual General Meeting of Shareholders to be held on May 4, 2016.

To the Shareholders:

This Shareholders Circular contains information concerning the items on the agenda for the Annual General Meeting of Shareholders of the Company (the “**AGM**”) to be held on May 4, 2016 at 11:00 A.M. CET at the WTC Schiphol Airport, Business & Conference Center, Schiphol Boulevard 127 1118 BG Schiphol, The Netherlands, meeting room number - G3.02. A copy of the agenda for the AGM is annexed hereto as Annex A.

Vote Required to Approve the Items on the Agenda for the AGM:

All items on the agenda for the AGM must be approved by a majority of the votes cast at the AGM in respect of such item, with the exception of the vote on the resolution proposed to be adopted as Item 5 below, which must be approved by at least two-thirds of the votes cast at the AGM if the holders of less than 50% of the Company’s issued and outstanding shares are present or represented at the meeting.

As of April 1, 2014 certain shareholders of the Company currently holding 47.5% of the Company’s issued and outstanding shares entered into a Shareholders Agreement (the “**Shareholders Agreement**”) providing, inter alia, that all parties to the Shareholders Agreement will vote all of their shares at all shareholders meetings of the Company held prior to April 15, 2017 in accordance with the decision of the holders of a majority of those shares in the Company that are held by the parties to the Shareholders Agreement. Certain parties to the Shareholders Agreement have informed the Company that the parties to the Shareholders Agreement intend to vote all of their shares in the capital of the Company in favour of all of the proposals set forth in this Shareholders Circular.

Cautionary Note Regarding Forward-Looking Statements

This Shareholders Circular includes forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “targets,” “believes,” “expects,” “aims,” “intends,” “will”, “may,” “anticipates,” “would,” “could,” or similar expressions or the negative thereof. Such forward-looking statements are not promises or guarantees and involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause actual outcomes to be materially different from future outcomes suggested by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company operates. This Shareholders Circular does not purport to set forth any of the assumptions underlying any forward-looking statements contained herein. Moreover, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based.

EXPLANATION OF ITEM 2 OF THE AGENDA FOR THE ANNUAL GENERAL MEETING
(DISCUSSION OF BOARD COMPENSATION DURING THE YEAR 2015)

Disclosure of Director Compensation for the Year 2015

Pursuant to Article 135, paragraph 5a, of Book 2 of the Dutch Civil Code the Company is required to make certain disclosures with respect to the compensation paid to the members of the Board of Directors of the Company (the “**Board**”), and of stock option grants to employees generally, for the period from January 1, 2015 through December 31, 2015 (i.e. the period covered by the accounts which shareholders are being requested to adopt at the AGM (see Item 3 below)).

The table below shows the Company cost related to the remuneration, including contingent and deferred compensation, received by the directors in their role of directors, consultants or executives of the Company during the year ended December 31, 2015:

In € ,000

Name	Fixed Remuneration	Bonus	Options	Other	Total Compensation
Fabio Cannavale	510	0	0	0	510
Francesco Signoretti	485	0	0	0	485
Jérôme Cohen Scali	169	0	0	0	169
Roberto Italia	30	0	0	0	30
Fabio Selmoni	20	0	0	0	20
Ottonel Popesco	30	0	0	0	30
Minter Dial	25	0	0	0	25
Julia Bron	25	0	0	0	25
Total remuneration to BoD	1,294	0	0	0	1,294

As shown in the table above, no options have been awarded to directors during 2015. As of 31 December 2015, however, Francesco Signoretti held a package of options previously granted, as represented in the table below:

OPTIONS 2015					
Outstanding Options as of Beginning of the Year	Options Granted During the Year, Including Exercise Price	Options Forfeited/ Exercised During the Year	Options Outstanding at the End of the Year		
			Number of Shares	Weighted Average Exercise Price	Weighted Average Residual Life
200,000	0	0 / 0	200,000	EUR 8.00	1 years

None of the directors of the Company other than Mr. Signoretti held any options during the year 2015.

The table below provides the same information on an aggregate basis for all employees of the Company as a whole, for the year 2015:

EMPLOYEE STOCK OPTIONS (AGGREGATE BASIS), 2015					
Outstanding Options as of Beginning of the Year	Options Granted During the Year, Including Exercise Price	Options Forfeited/ Exercised During the Year	Options Outstanding at the End of the Year		
			Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Life of the Options Outstanding
622,000	0	(0/0)	622,000	EUR 9.17	1.39 years

As of 31 December 2015, there are no outstanding bonds convertible into, or options to acquire, shares, except for the options issued under the Company's employee stock option program.

No loans were made by the Company or any of its subsidiaries to any of the directors of the Company during the year 2015.

Remuneration Policy for Directors

On April 14, 2014, immediately prior to the Company's initial public offering on SIX Swiss Exchange (the "IPO"), the general meeting of shareholders of the Company adopted a remuneration policy for directors (the "**Remuneration Policy**"), containing the following general principles:

- The goal of the Remuneration Policy is to recruit, retain and motivate high quality directors. The Company is committed to providing a total remuneration package that is consistent with sound industry practice and reflects individual country practices, and job market and geographic differences. The Selection, Appointment and Remuneration Committee of the Board (the "**Committee**") will annually evaluate each executive director's performance against relevant Company and personal goals.
- The Company intends that the amount and structure of the remuneration paid to executive directors will be such that qualified and expert managers can be recruited and retained. The remuneration package will include a fixed and a variable component.
- The remuneration of the executive directors is determined by the Board's non-executive directors upon the recommendation of the Committee, and is subject to approval by the general meeting of shareholders.
- The remuneration of executive directors may consist of a fixed and a variable component. The variable component of the remuneration may include one or more of the following elements:

- (a) Performance bonus. At the beginning of each year, each executive director will be provided a list of measurable objectives to be achieved in the course of the year according to guidelines to be proposed and approved by the Committee. The measure of the level of achievement of such objectives will be approved by the Committee. Such performance bonus will be paid in cash after confirmation of the annual results by the Company's auditor.
 - (b) Additional performance bonus. A specific bonus plan may be determined for a specific region and/or for the Company (as a whole or any part thereof) before the respective financial year and may include revenues, gross profit and EBITDA. In case of over-performance of the objectives included in such business plan, an additional bonus – approved by the Committee – may be distributed. Such additional performance bonus will be paid in cash after confirmation of the annual results by the Company's auditor.
 - (c) Long-Term Incentive Plan. Between 2011 and 2013, the Company granted stock options to upper and middle management under the Company's amended and restated employee stock option plan, dated 14 April 2014 (the "ESOP"). Directors were also entitled to participate in the ESOP.
 - (d) Pensions. Post-employment plans for employees are maintained based on the respective legislation in each country.
 - (e) Additional arrangements. In addition to the main conditions of employment, a number of additional arrangements apply to members of the Board, such as expense and relocation allowances, medical insurance, accident insurance and company car arrangements. Directors also benefit from coverage under the Company's Directors and Officers (D&O) insurance policy. Loans to members of the Board (if any) will be granted on an arm's length basis.
- Upon termination of employment, an executive director will receive an amount to be determined in accordance with applicable law or, if agreed differently, an amount not higher than the value of the director's most recent 12 months total compensation including bonus.

Conformity of 2015 Director Compensation to the Remuneration Policy

The Company believes that the compensation of directors for the year 2015, as disclosed above under "Disclosure of Director Compensation for the Year 2015", has been established and paid in conformity with the principles set forth in the Remuneration Policy, as adopted by the general meeting of shareholders prior to the IPO.

EXPLANATION OF ITEM 3 OF THE AGENDA FOR THE ANNUAL GENERAL MEETING
(ADOPTION OF STATUTORY ACCOUNTS FOR THE YEAR 2015)

At the AGM, shareholders will be asked to adopt the Company's statutory annual accounts for the year ended December 31, 2015, as required under Dutch law and the Company's Articles of Association.

The Company's net loss for the year 2015, amounting to EUR 17,901,000, will be allocated to the Company's retained earnings reserve.

EXPLANATION OF ITEM 4 OF THE AGENDA FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (DISCHARGE OF DIRECTORS)

Shareholders are being requested to grant discharge to all present and former members of the Board for the performance of their duties during the year ended December 31, 2015.

This discharge is without prejudice to the provisions of the laws of The Netherlands relating to bankruptcy and does not extend to matters not disclosed to all shareholders.

EXPLANATION OF ITEM 5 OF THE AGENDA OF THE ANNUAL GENERAL MEETING (DELEGATION TO THE BOARD OF THE POWER TO ISSUE SHARES AND EXCLUDE PRE-EMPTIVE RIGHTS)

In accordance with Dutch law and the Company's Articles of Association, shares are issued pursuant to a resolution passed by the Company's general meeting of shareholders, upon the proposal of the Board containing the price and further terms and conditions of the issue. Under the Articles of Association, the Company's general meeting of shareholders may delegate the authority to issue shares, and to grant the right to acquire shares, and to exclude pre-emptive rights with respect to the issuance of shares and the grant of the right to acquire shares, to the Board, for a fixed period not exceeding five years, in a resolution specifying the number of shares that may be issued and any further relevant conditions for the issuance of shares. Such designation is irrevocable unless otherwise provided and may be renewed each time for a period not exceeding five years.

The Company's general meeting of shareholders on April 14, 2014 irrevocably authorized the Board for a period of 24 months ending April, 2016, to issue shares and grant rights to subscribe shares, up to a maximum number equal to 10% of the Company's issued share capital as of the date of the IPO (i.e. 1,462,263 shares), including the power to restrict or exclude pre-emptive rights in connection with such issue of shares or grant of rights to subscribe for shares.

In order to provide the Company with sufficient flexibility to issue shares and grant rights to acquire shares, the Company proposes to shareholders to irrevocably authorize the Board of Directors, for a period of 5 years from the date of the AGM, i.e. until May 4, 2021, to issue shares and grant rights to subscribe shares up to a maximum number equal to 15% of the issued share capital as of the date of the AGM (currently anticipated to be approximately 2,193,390 shares), including the power to restrict or exclude pre-emptive rights in connection with such issue of shares or grant of the right to subscribe for shares.

If this proposal is approved by shareholders, the Board will have the authority to issue shares and to grant the right to acquire shares, for up to 15% of the Company's issued share capital as of the date of the AGM, at such price, and upon such terms and conditions, as the Board in its discretion deems appropriate based on the Board's determination of what is in the best interests of the Company at the time shares are issued or the right to acquire shares is granted. The Board will also, if this proposal is approved by shareholders, have the authority to exclude pre-emptive rights with respect to any issuance of shares or grant of the right to acquire shares, for up to 15% of the Company's issued

capital as of the AGM, in the event that the Board in its discretion believes that exclusion of pre-emptive rights with respect to any such issuance of shares, or grant of the right to acquire shares, is in the best interests of the Company.

At the general meeting of shareholders of the Company held on April 14, 2014, immediately prior to the IPO, a resolution was adopted delegating to the Board, for a period of five years ending on April 14, 2019, the power to issue (subject to certain conditions), up to 900,000 shares, or rights to subscribe for shares, under the Company's existing stock option plan and a share appreciation plan to be adopted by the Company in future.

The authorization to be granted by shareholders at the AGM to the Board to issue shares and grant the right to subscribe for shares, and to exclude pre-emptive rights in connection therewith, as described above, is in addition to, and does not limit in any way, the grant of authority to the Board described in the preceding paragraph, which authority will continue in full force and effect after the AGM.

<p>EXPLANATION OF ITEM 6 OF THE AGENDA OF THE ANNUAL GENERAL MEETING (GRANT OF AUTHORITY TO REPURCHASE SHARES)</p>
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Under Dutch law and the Company's Articles of Association, the Board of Directors may, subject to compliance with certain Dutch statutory provisions, be authorized to cause the Company to repurchase the Company's shares in an amount, at prices and in the manner authorized by shareholders. Such authorization may not continue for more than 18 months, but may be given on a rolling basis.

On May 19, 2015, in order to provide the Company with sufficient flexibility to repurchase its shares without calling a special shareholders meeting for each repurchase of shares, the Company's general meeting of shareholders granted authority to the Board for the repurchase of up to 1,044,458 shares on the open market, or through privately negotiated repurchases or in self-tender offers, at prices ranging up to 110% of the average closing price of the Company's shares during the period of 5 trading days immediately preceding the time of the repurchase (the "2015 Repurchase Authorization"). Such authority was granted for 18 months from the date of the 2015 annual general meeting, until November 19, 2016.

The Company proposes to extend the "2015 Repurchase Authorization" for the repurchase of up to 826,787 shares (representing the number of shares that were not utilized in the "2015 Repurchase Authorization") on the open market, or through privately negotiated repurchases or in self-tender offers, at prices ranging up to 110% of the average closing price of the Company's shares during the period of 5 trading days immediately preceding the time of the repurchase. Such authority would extend for 18 months from the date of the AGM, until November 4, 2017.

Under Dutch law the authorization for repurchase of its own shares by the Company also includes authorization for subsidiaries of the Company, such as a share participation vehicle, to acquire shares in the capital of the Company. Therefore, in approving this resolution shareholders are also implicitly approving the acquisition of the Company's shares by its share participation vehicle, Sealine Investments L.P., a Scottish limited partnership that serves as a vehicle for participation in the Company's shares by the Company's directors and employees (the "**Share Participation Plan**"), as more fully described in the Shareholders Circular relating to the 2015 annual general meeting of

shareholders, which is available for review by shareholders on the Investor Relations portion of the Company’s website.

EXPLANATION OF ITEM 7 OF THE AGENDA OF THE ANNUAL GENERAL MEETING (ELECTION OF DIRECTORS)

Background

In accordance with Dutch law and the Articles of Association, the Company’s non-executive directors, upon the recommendation of the Selection, Appointment and Remuneration Committee, propose the election of the following persons as directors, to serve for a one-year term ending at the close of the annual general meeting of shareholders of the Company to be held in the year 2017:

Otonel Popesco	Non-Executive Director and Chairman
Fabio Cannavale	Executive Director and CEO
Francesco Signoretti	Executive Director
Roberto Italia	Non-Executive Director
Julia Bron	Non-Executive Director
Minter Dial	Non-Executive Director
Fabio Selmoni	Non-Executive Director

Biographical information concerning each of these director nominees is set forth below.

As approved by the extraordinary general shareholder meeting of the Company held on February 12, 2016 (the “**2016 EGM**”), Marco Corradino will continue after the AGM to serve as Executive Director of the Company for a term ending at the close of the annual general meeting of shareholders of the Company to be held in the year 2017. Current Executive Director Mr. Jérôme Cohen Scali will not stand for re-election.

Director Biographies

Otonel Popesco holds an MBA from Sorbonne University, an MSc in economics from Bucharest Academy, an Ingénieur professionnel de France-diploma from Société Nationale des Ingénieurs Professionnels de France and a diploma in Strategic Marketing Management from Harvard Business School. Between 1983 and 1988, Otonel Popesco acted as sales and marketing manager in the CLB manufacturing division of ABB France. In 1988, he joined Cavotec SA Switzerland (“**Cavotec**”). Currently Mr. Popesco is group CEO, and a member of the board of directors, of Cavotec.

Fabio Cannavale holds a diploma in engineering from Politecnico di Milano and an MBA from INSEAD, Fontainebleau, France. In 2004, he cofounded Volagratis.com (a predecessor of the Company) and acted as Chairman of the Company from that time until February 12, 2016, when he was elected to serve as CEO of the Company at the 2016 EGM. He started his career as a consultant, working between 1989 and 1996 for A.T. Kearney and for McKinsey & Company. Between 1996 and 1998, he launched The Floating Village in Venezuela, an innovative concept of a holiday village built on boats. Between 1999 and 2001 Mr. Cannavale was a member of the management team of eDreams, an online travel start-up. Between 2001 and 2004, he worked for his family-owned businesses and

collaborated with a not-for-profit entity. He is also a member of the boards of directors of Cavotec, Nomina SA and Consortium Real Estate B.V.

Francesco Signoretti holds a diploma in engineering from the University of Rome La Sapienza. He joined LMN in 2010 and acted as Chief Executive Officer of the Company until the 2016 EGM. Between 1993 and 1999, Francesco Signoretti worked as a consultant for McKinsey & Company. From 1999 to 2001, he cofounded, and acted as managing director of, eDreams Italy. From 2001 to 2004, he worked in the marketing department for Wind Telecom. Between 1994 and 2010, he worked for Unicredit Bank, where he held various positions until he became head of global CRM and multichannel banking and deputy head of global retail marketing and segments.

Roberto Italia graduated in Economics from LUISS University, Rome, Italy, and holds an MBA from INSEAD, Fontainebleau, France. He started working at Telecom Italia Group in 1990 and since 1994 has been active in private equity, initially with Warburg Pincus, then with Henderson Private Capital and more recently with Cinven, to which he is now a Senior Advisor. Mr. Italia is a co-founder and director of Space Holding Srl, Chief Executive Officer of Space2 SpA, and a Board Member of Avio SpA, Red Black Capital SA, Cinven Luxco 1 SA, Cinven Luxco 2 SA, FCP Manco Sarl and Digivalue Media Sarl.

Julia Bron holds a law degree from Belarus State University. Ms. Bron has been working in the financial services industry for the past 16 years. During her career she has advised clients on numerous transactions and restructurings, and concluded various audit engagements both locally and internationally, holding a position as senior manager at PwC, Amsterdam in 2009 and as a manager at Deloitte in Amsterdam, Ljubljana and Minsk between 1998 and 2007. She gained experience in the formation and management of companies, and the standardization of corporate governance, compliance and administration, from being a commercial director at TMF, Amsterdam between 2010 and 2012 and a senior integration manager at Citco Funds, Amsterdam between 2007 and 2008. Since 2012, she has been a partner at Lainsburgh, specializing in staffing and structuring operations for international companies in The Netherlands.

Minter Dial received his BA in Trilingual Literature from Yale University in 1987 and his MBA from INSEAD, Fontainebleau in 1993. President and founder of the Myndset Company, Minter Dial is a professional speaker, coach and consultant on Branding and Digital Strategy. Clients include Orange, Kering (PPR), Remy-Cointreau, Samsung, Crédit Agricole, LVMH, L'Oréal, Total, Publicis, Canal+, GDF, Suez and Tencent. Minter Dial has given talks and seminars to audiences in five continents about topics ranging from branding in the digital era and digital marketing strategy, to eReputation management. He is International Media Director at Netexplo, a worldwide observatory of new technology trends. Prior to founding Myndset, Mr. Dial had a 16-year international career with the L'Oréal Group. Before working at L'Oréal, Mr. Dial began his career in product marketing for the investment bank Donaldson, Lufkin & Jenrette in New York, for four years. He then joined a startup, The Myriad Group, a travel agency for entertainers based in Washington DC, for two years before returning to Europe to earn his MBA.

Fabio Selmoni received an MBA from the Wharton School of the University of Pennsylvania in 1996 and a BA from the University of California at Berkeley in 1990. Fabio Selmoni has over a decade of experience as an entrepreneur in the internet world. Prior to operating as an individual advisor and investor, Mr. Selmoni was Managing Director of European Sales and Operations at Google. In this role, Mr. Selmoni spearheaded Google's entry into multiple European markets and contributed to Google web search partnerships with a number of notable European portals and websites. Before

joining Google, Fabio Selmoni was the director of international business development for Shopnow.com. Before starting his internet career he was a management consultant at Booz Allen & Hamilton in New York and an investment banker at UBS Warburg in the mergers and acquisitions group.

EXPLANATION OF ITEM 8 OF THE AGENDA FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (APPROVAL OF DIRECTORS' COMPENSATION FOR THE YEAR 2016)

In accordance with Dutch law and the Articles of Association, the Non-Executive Directors upon the recommendation of the Selection, Appointment and Remuneration Committee - following the Remuneration Policy for directors (see the discussion under Item 2 above) - propose the general meeting of shareholders to approve the compensation payable to the Company's Executive and Non-Executive Directors in their role of directors of the Company for the year 2016:

- Board membership fee: € 20,000.
- Committee membership fee: € 5,000 for the members of the Audit Committee and/or the Selection, Appointment and Remuneration Committee (the “Committees”).
- Chairmanship of the Board of Directors fee: € 70,000 per year. This amount includes the board membership fee.
- Chairmanship of the Committees fee: € 10,000 per year. This amount includes the Committee membership fee.

These membership fees reflect the time and effort required from the members in fulfilling their Board and Committee responsibilities.

The membership fees will be not due if a director receives compensation, equal or higher than the above fees and for any reason whatsoever, provided by any of the Companies within the consolidation perimeter of the Company. In case the compensation would be less than the above fees the director will receive a fee equal to the difference between the two amounts. Services rendered by the directors might be arranged by means of a contract with the Company or with any of its subsidiaries, in the form of either a personal agreement or a corporate agreement through a legal entity to which the director provides such services.

Furthermore, the Non-Executive directors are now proposing that shareholders approve the payment of the following compensation to the executive directors in their role of consultants and/or members of the Executive Management Team¹- as employees and/or independent contractors- of the Company and/or any of its subsidiaries for the year 2016:

1. **Mr. Fabio Cannavale** (Group CEO-Executive Management) - Total Company Cost

- Fixed Remuneration of € 507,500 (Gross);
- An over-performance bonus up to a maximum of 6 months salary;
- Severance in case of termination by the Company or “good cause” resignation: 1 year of gross salary.

¹ During 2015 a management body was formally established and designated as the Executive Management Team, consisting of all corporate managers with strategic responsibility for the LMN group

2. **Mr. Francesco Signoretti** (Executive Management) - Total Maximum Company Cost

- Fixed remuneration of EUR 410,000 (Gross);
- Bonus up to EUR 150,000;
- Integration bonus up to EUR 62,500;
- An over-performance bonus up to a maximum of 6 months salary;
- Severance in case of termination by the Company or “good cause” resignation: 1 year of gross salary plus bonus.

3. **Mr. Marco Corradino** (Executive Management) - Total Company Cost

- Fixed remuneration of 20,000 EUR (Gross);
- An over-performance bonus up to a maximum of EUR 250,000;

EXPLANATION OF ITEM 9 OF THE AGENDA FOR THE ANNUAL GENERAL MEETING
(APPOINTMENT OF KPMG ACCOUNTANTS N.V. (“KPMG”) AS AUDITOR OF THE
COMPANY’S 2016 STATUTORY ACCOUNTS)

The Company recommends that KPMG be appointed as the Company’s independent registered public accounting firm to audit the Company’s statutory accounts for the year ending December 31, 2016, subject to agreement between KPMG and the Board on terms of engagement. If the proposed appointment of KPMG as auditor of the 2016 statutory accounts is not approved by shareholders, or if the Board is unable to reach agreement with KPMG on terms of engagement, the Board in its discretion may appoint another qualified independent accounting firm, based on what the Board believes to be in the best interest of the Company, to audit the Company’s accounts for the year 2016. No further meeting of shareholders will be held to approve such appointment.

EXPLANATION OF ITEM 10 OF THE AGENDA FOR THE ANNUAL GENERAL MEETING
(DISCUSSION OF DIVIDEND POLICY)

Background

Under the Dutch Corporate Governance Code, the Company is required to provide shareholders with an opportunity at the AGM to discuss the Company’s dividend policy and any major changes in that policy. Shareholders will not be entitled to adopt a binding resolution determining the Company’s future dividend policy.

Dividend Policy

The distribution of dividends by the Company depends on the Company’s performance, earnings and financial condition, the condition of the markets, the general economic climate and other factors, including the Company’s cash requirements and business prospects, and tax and regulatory considerations. Approval of future dividends, if any, is at the discretion of the Board and subject to approval of the Company’s general meeting of shareholders. Dividend payments, if any, to be proposed by the Board will depend on, among other things, the Company’s results of operations and financial condition, potential acquisitions and investments by the Company, the Company’s cash requirements and cash surplus, legal risks, the Company’s tax policies and capital requirements, restrictions contained in existing and future financing instruments, challenges to the Company’s business model, potential share buybacks and/or other factors that the Board may deem relevant. Currently, the Board does not intend to distribute profits, but to reinvest them to follow up on the

Company's further growth plans. The Board may reconsider this dividend policy and start to recommend the payment of dividends, once the Board believes that the Company has achieved a financial and operational position, and follows a strategy, that suggests dividend payments.

<p>EXPLANATION OF ITEM 11 OF THE AGENDA FOR THE ANNUAL GENERAL MEETING (DISCUSSION OF COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE)</p>
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Dutch listed companies are encouraged to comply with the provisions of the Dutch Corporate Governance Code adopted by the Dutch Corporate Governance Committee on December 9, 2003, as amended and restated in December 2008 (the “**Dutch Code**”). However, companies may elect not to comply with some or all of the provisions of the Dutch Code provided that such non-compliance, and the reasons for the non-compliance, are disclosed in the company's annual report included as part of its statutory accounts.

The Company is required by the Dutch Code to include the Company's compliance with the Dutch Code as a non-voting discussion item at the Company's annual shareholder meetings. Shareholders will not be entitled to adopt a binding resolution directing compliance by the Company with the provisions of the Dutch Code.

The most material provisions of the Dutch Code with which the Company does not comply are the following:

- The Dutch Code provides that options granted to directors may not be exercised during the first three years following the date of grant, and that restricted shares or similar equity-based compensation held by directors may not vest within the first five years following the date of grant. In the period from 2011 to 2013, the Company issued stock options with a vesting period of approximately 33 months. The Company believes that exercisability of options during the first three years following the date of grant, and vesting of restricted shares or similar equity-based compensation within the first five years following the date of grant, are appropriate in view of the objectives of the Company's equity incentive plans, in particular the Company's goal of aligning the interests of directors and shareholders, and the Company's need to attract skilful and experienced directors in a competitive international environment.
- The Dutch Code provides that restricted shares and other equity-based compensation may only be granted to executive directors if such executive directors have met challenging goals that the Company has established for them in advance of the grant. In the period from 2011 to 2013, the Company issued stock options with employment by LMN or its subsidiaries as the only vesting condition. The Company believes that grants to the Company's executive directors of restricted shares, options or other equity-based compensation (including interests in the Company's Share Participation Plan) that vest over time, sufficiently align the interests of the Company's executive directors with its shareholders and will be helpful if the Company seeks to attract additional skilful and experienced executive directors in a competitive international environment. The Company has therefore chosen not to comply with this provision of the Dutch Code.
- The Board has not appointed a Vice-Chairman. Vice-Chairmen are a feature of a large board where members have a varied background and communication may be difficult. The Company's Board of Directors is not large and consists of members with extensive knowledge of the

Company's business. The Company has therefore elected not to comply with this provision of the Dutch Code.

- At the 2016 EGM, Ottonel Popesco was elected to serve as Chairman of the Board of Directors. Mr. Popesco is not deemed to be an "independent director" within the meaning of the Dutch Code, due to the fact that he is an executive director of Cavotec, of which Fabio Cannavale is a non-executive director. This violates the provisions of the Dutch Code, which requires that a majority of the members of the Board of Directors be "independent" within the meaning of the Dutch Code.

The Company believes that this deviation from the Dutch Code is justified for the following reasons:

First, although a majority of the Board does not consist of independent directors, as suggested by the Dutch Code, the number of independent directors on the Board is exactly equal to the number of independent directors, which means that the non-independent directors cannot control the Board of Directors.

Second, the Company believes that this deviation from the Dutch Code is justified in light of Mr. Popesco's specific knowledge, relevant experience of the business of the Company, and his undisputable track record and expertise as top manager and Board member of several listed companies throughout the years.

Third, both Mr. Popesco and Mr. Cannavale have assured the Company that their relationship on the Board of Directors of Cavotec will not in any way interfere with the exercise of their best judgment as directors of LMN in performing their duty under Dutch law of watching over the interests of all of the various stakeholders of LMN.

ANNEX A

AGENDA FOR 2016 AGM

1. Opening and announcements.
2. Discussion of (i) certain disclosures concerning directors' compensation during the year 2015, as set forth in the Shareholders Circular relating to the AGM and (ii) the application during the year 2015 of the Company's remuneration policy for directors.
3. To discuss the annual report of the Management Board for the year ended December 31, 2015 and to adopt the Company's annual accounts for the year ended December 31, 2015, including allocation of the Company's net loss for the year 2015 (being EUR 17,901,000) to the Company's retained earnings reserve. A copy of the draft annual accounts of the Company, including the auditors report related thereto and the annual report of the Management Board of the Company, for the year 2015, is available for inspection by shareholders free of charge at the address of the Company in The Netherlands: Jan van Goyenkade 8, 1075 HP Amsterdam, The Netherlands, and can also be obtained free of charge by email request to investor.relations@lastminute.com.*
4. To discharge all present and former members of the Board from liability in respect of the exercise of their duties during the year ended December 31, 2015.*
5. To delegate to the Board, during a period of 5 years beginning on the date of the AGM and ending on May 4, 2021, the power (a) to issue shares and to grant the right to subscribe for shares, up to a maximum number equal to 15% of the issued share capital of the Company as of the date of the AGM, (b) to restrict or exclude pre-emptive rights in connection with such issue of shares or grant of the right to subscribe for shares, (c) to determine the share price and the other conditions for the issuance of shares, and the grant of the right to subscribe for shares, as aforesaid and (d) to take all necessary action in connection with the issuance of shares and grant of the right to subscribe for shares, as referred to above in this agenda item 5.*
6. To authorize the Board, during a period of 18 months beginning on the date of the AGM and ending on November 4, 2017, to acquire - through purchases on SIX Swiss Exchange, through privately negotiated transactions or in one or more self tender offers - up to a maximum of 826,787 shares of the Company, for a price not less than the nominal value of a share, and not greater than the average closing price of a share on SIX Swiss Exchange during the five trading days prior to the date of acquisition plus a 10% premium.*
7. To elect the following persons as directors, for a one-year term ending on the date of the Company's annual general meeting of shareholders to be held in the year 2017:
 - Mr. Ottonel Popesco Non-Executive Director and Chairman

- Mr. Fabio Cannavale Executive Director and CEO
- Mr. Francesco Signoretti Executive Director
- Mr. Roberto Italia Non-Executive Director
- Ms. Julia Bron Non-Executive Director
- Mr. Minter Dial Non-Executive Director
- Mr. Fabio Selmoni Non-Executive Director

Current Executive Director Mr. Marco Corradino was elected at the 2016 EGM to serve until the date of the Company's annual general meeting of shareholders to be held in the year 2017.

Current Executive Director Mr. Jérôme Cohen Scali will not stand for re-election.*

8. To approve the remuneration for 2016 of the executive directors and non-executive directors of the Company, as more fully set forth in the Shareholders Circular.*
9. To appoint KPMG as the Company's independent registered public accounting firm to audit the Company's accounts for the year ended December 31, 2016, subject to the Board reaching agreement with KPMG as to terms of engagement.*
10. Discussion of dividend policy.
11. Discussion of the Company's observance of the Dutch Code.
12. Closing.

The agenda items marked * are for voting. All other agenda items are discussion items.