

Remuneration Policy

of

Eurex Clearing AG

Version 1.3

Remuneration Policy

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1 Introduction

1.1 Purpose and objectives of the Policy

The Remuneration Policy (“Policy”) is a central element for the implementation of the Remuneration systems within the organisation. The objectives of the Policy are in particular

- to set out the principles governing the Company’s Remuneration systems of Eurex Clearing AG in the organisational guidelines, and to build an overall framework on Remuneration in the organisational guidelines; further details on Remuneration can be outlined as applicable for the respective locations, categories of staff, Remuneration Components and/or e.g. in service or employment contracts, guidelines, works council agreements, Variable Remuneration Scheme for Risk Taker, Terms and Conditions of the Instruments,
 - to ensure that the Remuneration in the Company is in line with the applicable regulations on Remuneration in particular
 - the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (“CRR”),
 - Directive 2013/36/EU of the European Parliament and of the council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (“CRD IV”) to be implemented nationally,
 - European Commission delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 (“EMIR”) with regard to regulatory technical standards on requirements for central counterparties (“Regulatory Technical Standards”),
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- the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung), dated 25 July 2017 (“**InstitutsVergV**”) (Remuneration Ordinance for Institutions dated 16 December 2013 as amended with Article 1 of the Ordinance, dated 25 July 2017),
 - the German Banking Act (Kreditwesengesetz – “**KWG**”), and
 - all national remuneration laws and requirements of the jurisdiction where the entity operates.
- to ensure the Remuneration is properly monitored and in line with the business and risk strategy,
 - to inform the members of the Executive Board, Risk Taker and other employees on the applicable rules as well as on their Remuneration system.

The Policy is in line with the Deutsche Börse Group Remuneration principles unless amendments are required under applicable regulatory requirements.

1.2 Ownership

- 1) The Supervisory Board (*Aufsichtsrat*) of Eurex Clearing AG is responsible to fulfill regulatory requirements, which include the design and implementation of compliant Remuneration systems for members of the Executive Board. The regulations and Remuneration systems for Risk Taker set out in this Policy apply for members of the Executive Board as long as not stated otherwise.
 - 2) The Executive Board (*Vorstand*) of Eurex Clearing AG is responsible to fulfill regulatory requirements, which include the design and implementation of compliant Remuneration systems for Risk Taker and other employees.
 - 3) The Remuneration system set out in this Policy has been elaborated in co-operation with the Control Units (i.e. Risk Management, Compliance, Internal Audit, Human Resources, Compensation Officer and the Deputy Compensation Officer). In particular, representatives of those relevant Control Units participate in the Remuneration Advisory Board, which is involved in
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the decision-making process with respect to the design and development of the Company's Remuneration systems.

- 4) A so-called Compensation Review and Nomination Committee ("CRNC") was set up by the Supervisory Board (*Aufsichtsrat*) in accordance with regulatory requirements and EMIR. The CRNC shall serve as the Remuneration Review Committee pursuant to sec. 25d para. 12 sent. 1 KWG (*Vergütungskontrollausschuss*) and fulfil all the tasks assigned to such committee pursuant to sec. 15 InstitutsVergV. Therefore, the CRNC, inter alia, supervises the Company's Remuneration system in accordance with the regulatory requirements. Further details with regard to the CRNC, in particular its composition and tasks/responsibilities, are stipulated in sec. 9 of the rules of procedure (*Geschäftsordnung*) of the Supervisory Board.

1.3 Compensation Officer and Deputy Compensation Officer

The Executive Board of Eurex Clearing AG appoints a Compensation Officer (*Vergütungsbeauftragter*) and a Deputy Compensation Officer (*stellvertretender Vergütungsbeauftragter*) in accordance with sec. 23 InstitutsVergV ("Compensation Officer and Deputy Compensation Officer"). Amongst other, the Compensation Officer – and as the case may be also the Deputy Compensation Officer – shall support the CRNC supervising and, therefore, fulfilling their responsibilities regarding the monitoring and design of the Company's Remuneration systems in accordance with the regulatory requirements.

1.4 Scope of the Policy

This Policy provides the applicable framework for the design and implementation of the Remuneration systems for members of the Executive Board, Risk Taker and other employees of Eurex Clearing AG.

The Executive Board resp. the Supervisory Board carry the responsibility to implement the Remuneration systems and to ensure compliance with specific local requirements. In case national law of the jurisdiction the Company operates in is in conflict with this Policy, compliance within the national jurisdiction of the entity shall be ensured.

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The Compensation Officer shall be consulted in case a Remuneration system which is not compliant with all principles of the Policy or materially deviating from the Remuneration Scheme is going to be implemented.

1.5 Effective date

The Policy becomes effective upon approval by the Executive Board (*Vorstand*) resp. the Supervisory Board (*Aufsichtsrat*) of Eurex Clearing AG with effect from 1 January 2017 due to regulatory requirements. Certain regulatory requirements set out in this Policy will become effective in accordance with the commencement of the InstitutsVergV and with the transition arrangements set out in sec. 28 of InstitutsVergV.

This Policy replaces and/or overrules any Remuneration Policies that might have been applicable within the scope of this Policy prior to its enactment.

1.6 Regular review

The Policy, the Remuneration system and their practical operation shall be reviewed by the CRNC and the Supervisory Board as well as the Executive Board on a regular basis, at least once a year. In this respect the compliance of the Policy with regulatory requirements and applicable law as well as alignment with the business and risk strategy shall be ensured. The Compensation Officer and Deputy Compensation Officer shall provide the preparation for such reviews. The Policy and the Remuneration system shall be amended if necessary. Any changes to the Policy shall be properly documented. The results of such review shall be made available to the Supervisory Board.

The Remuneration Advisory Board of Eurex Clearing AG assesses the implementation of the Remuneration system.

2 Definitions

In this Policy

“Breach of Duty” means serious infringements of employment or service agreement provisions or culpable breach of internal policies, including violations of risk limits.

“Company” means Eurex Clearing AG.

“Control Units” mean those organisational units that monitor organisation units that originate business. These include the Back Office, Risk Management, Compliance, Internal Audit, Human Resources and Compensation Officer and Deputy Compensation Officer.

“Fixed Remuneration” means the portion of Remuneration which in particular is based on predetermined criteria, non-discretionary, transparent, permanent, not related to performance criteria and does not provide incentives for risk assumption, non-revocable, cannot be reduced, suspended or cancelled by the institution.

“Instrument” means the Share-based Remuneration granted under the respective Terms and Conditions as applicable for the respective year(s).

“Members of the Executive Board” means the members of the management body in its management function.

“Members of the Supervisory Board” means the members of the management body in its supervisory function.

“Negative Performance Contributions” mean (i) falling short of targets, (ii) misbehaviour or (iii) any other risks or errors resulting in a downturn of the financial performance in each case taking into account the underlying performance of the institution as a whole and the business area in which the respective member of the Executive Board, Risk Taker or other employee is performing his/her duties in.

“Remuneration” is either Fixed or Variable Remuneration. It means all monetary or monetarily measurable ancillary benefits of any kind as well as benefits from the Company or third parties that the member of the Executive Board, Risk Taker or other employee receives in performance of their professional duties; All remuneration components shall be correctly allocated to either Variable or Fixed Remuneration in line with this Policy and regulatory requirements on Remuneration.

“Remuneration Scheme” means the framework of the respective general parameters as applicable for the respective year(s) according to which the Variable Remuneration shall be awarded and paid out.

“Risk Taker” means categories of staff whose professional activities have a material impact on an institution’s risk profile.

“Severance Payments” means the portion of payment which is awarded for the (premature) termination of the employment or service agreement. Rules or the use of severance payments applies as set out for the respective locations and/or categories of staff as applicable for the respective year(s), e.g. legal entitlements, internal guidelines or works council agreements.

“Unconscionable Conduct” means a serious infringement, which violates common decency or established codes of professional behavior.

“Variable Remuneration” means the portion of Remuneration, which is not Fixed Remuneration, i.e. the awarding or amount of which is at the Company’s discretion or is dependent on the occurrence of agreed conditions and shall include discretionary pension benefits.

3 General rules on Remuneration

3.1 Consistency with business and risk strategy

The Remuneration and principles of this Policy shall be in line with the business and risk strategy, objectives, values and long-term interests, such as sustainable growth prospects. The definition of

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performance criteria for the assessment of Remuneration levels and target achievements will be determined in accordance with the business and risk strategy. The level and structure of the Remuneration shall be in accordance with prudent risk management.

3.2 Remuneration components

Members of the Executive Board, Risk Taker and other employees shall receive Fixed and Variable Remuneration. The Fixed Remuneration shall be a substantial proportion of the total annual Remuneration. The Variable Remuneration is aligned with the rules of the Policy and is not guaranteed.

Fixed Remuneration consists of basic Fixed Remuneration and other Fixed Remuneration as classified in accordance with regulatory requirements. Basic Fixed Remuneration should primarily reflect and/or take into account:

- relevant professional experience,
- organisational responsibility,
- level of education,
- degree of seniority,
- level of expertise and skills,
- job experience,
- relevant business activity,
- remuneration level of the geographical location,
- other constraints (e.g. social, economic, cultural or other relevant factors), market and industry practices.

Variable Remuneration is remuneration such as performance bonus or payments in Instruments (as Long-Term Sustainable Instrument, Stock Bonus Plan) and should reflect:

- a sustainable and risk adjusted performance, as well as
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- performance in excess of that required to fulfil the employee's job description as part of the terms of employment.

The Remuneration shall be designed in a way that incentives for incurring disproportionately high risk positions are avoided. In light of this, there should not be a significant dependency on Variable Remuneration.

3.3 Appropriateness of Remuneration

The Remuneration shall be designed appropriately. This means, in particular, that:

- 1) The Remuneration shall not incentivise the assumption of disproportionately high risks.
 - 2) The Remuneration shall be commensurate with the respective tasks and the performance as well as the situation of the Company and shall not exceed the usual Remuneration without cause.
 - 3) Guidelines for Variable Remuneration shall take due account of possible mismatches of performance and risk periods. In particular, payments of Variable Remuneration shall be deferred as appropriate. Variable Remuneration is not guaranteed, i.e. all Variable Remuneration is based on a performance measurement and can be 0.
 - 4) There shall be an appropriate ratio between the Fixed and the Variable Remuneration; according to the shareholders consent at the annual general meeting, dated 10 April 2014, the Variable Remuneration may amount up to a maximum of 200% of the Fixed Remuneration as defined in sec. 25a para. 5 KWG, taking into account the respective criteria.
 - 5) Guaranteed Variable Remuneration is exceptional and is only allowed in connection with the hiring, is limited to a maximum period of one year and subject to appropriate equity and liquid resources as well as sufficient capital in order to ensure its risk-bearing capacity.
 - 6) As a rule, the Company shall not provide discretionary pension benefits. The terms of the Company's pension scheme include pension benefits that are not based on performance and which are consistently granted to a category of staff, such pension benefits shall not be considered
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as discretionary pension benefits, but shall be considered as part of routine employment packages in line with the definitions in section 2. For exceptions to this rule, discretionary pensions benefits shall be treated as a form of Variable Remuneration. In case a staff member leaves the Company or retires with discretionary pension benefits, the Company shall ensure that those are paid out under consideration of the economic and risk situation of the Company. In case the employee leaves the Company before retirement with discretionary pension benefits, those shall be held by the Company for a period of five years in form of instruments. Malus arrangements shall apply to all discretionary pension benefits in the same way as to other elements of Variable Remuneration.

- 7) In general, Severance payments are Variable Remuneration. Payments in connection with the premature termination shall take due account of the performance over time and shall not reward falling short of performance expectations or misconduct in accordance with sec. 5 para. 6 InstitutsVergV. There should not be any significant contractual severance entitlements which are not diminished by individual Negative Performance Contributions.

For the purpose of the calculation of the ratio between Fixed and Variable Remuneration and for the application of deferral and the payout in instruments, the following severance payments shall not be taken into account:

- a. Severance payments mandatory under national law or based on a social plan,
- b. Severance payments by mutual agreement, court decision or court settlement,
- c. Categories of severance payments (such as by mutual agreement or compulsory redundancies by the institution) not exceeding a maximum amount as specified in separate policy/concept
- d. Severance payments made because of early termination of a contract not due to a failure of the Company not exceeding the requirements set out in accordance with § 5 para. 6 number 3 InstitutsVergV or where the appropriateness of the amount has been demonstrated.

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Further details and the parameters of the severance payment setting are specified in a separate policy/concept.

- 8) Payments made as compensation for forfeited Remuneration in previous service and/or employment relationships shall be in line with the long-term interests of the Company and take into account individual performance and the deferral requirements stipulated in the respective Remuneration Scheme as applicable for the respective year(s) in case the beneficiary is identified as Risk Taker or is a member of the Executive Board.
- 9) The Remuneration of Risk Taker and other employees in Control Units shall be designed with respect to their function. Therefore, the
- a. Remuneration level of Risk Taker and other employees in the Control Units should allow to employ qualified and experienced employees in these functions,
 - b. method of determining the Remuneration of the Risk Taker and other employees involved in the Control Units must not compromise their objectivity or be likely to do so,
 - c. mix of Fixed and Variable Remuneration for Risk Taker and other employees in Control Units should be weighted in favour of Fixed Remuneration. Therefore, the Fixed Remuneration shall in any case be the predominant part of the total Remuneration.
- 10) In case of overlapping regulatory requirements on Remuneration on national implementation level, the stricter requirements shall be applied.

3.4 Circumvention

‘Circumvention’ is the non-compliance with Remuneration requirements and takes place if an institution is actually not meeting the regulatory requirements when considered together, while formally the institution complies with the wording of the single Remuneration requirements. The Company shall ensure that Variable Remuneration is not paid through vehicles, methods or instruments (in the following referred to as “vehicles”) which aim at or effectively lead to non-

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compliance with Remuneration requirements for all staff (including Risk Taker). This includes arrangements between the institution and third parties where the staff member has a financial or personal interest in. Furthermore, the Company shall ensure that appropriate controls for the method for measuring the performance are in place so that the award criteria cannot be manipulated.

Among others, circumvention takes place in the following circumstances (non-exhaustive):

- where Variable Remuneration is considered as Fixed Remuneration in line with the wording of this Policy, but not in with its objectives;
 - where Variable Remuneration other than guaranteed Variable Remuneration is awarded or vests although, effectively: there has been no positive performance measured by the staff member, business unit or institution; or there is no effective risk alignment (i.e. ex ante or ex post risk adjustment); or the Variable Remuneration is not sustainable according to the institution's financial situation;
 - where staff receive payments from the Company within the scope of consolidation which do not fall under the definition of Remuneration, but are vehicles of pay that contain an incentive for risk assumption or provide disproportionate returns on investments on instruments of the firm that are significantly different from conditions for other investors who would invest in such a vehicle;
 - where staff receive payments from the Company which do not fall under the definition of Remuneration, but are vehicles to circumvent the Remuneration requirements (e.g. non-redeemable loan);
 - where Fixed Remuneration components are awarded as a fixed number of instruments and not as a fixed amount;
 - where staff are awarded Remuneration in instruments or are able to buy instruments which are not priced at the market value or the fair value in the case of non-listed instruments and the additional value received is not taken into account in the Variable Remuneration;
 - where adjustments to Fixed Remuneration components are frequently negotiated and adjustments are in fact made to align the Remuneration with the performance of staff;
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- where allowances are awarded at an excessive amount that is not justified for the underlying circumstances;
- where Remuneration is labelled as payment for early retirement and not taken into account as Variable Remuneration, where in fact the payment has the character of a severance pay, as it is made in the context of the early termination of the contract, or where in fact the staff member does not retire after such award is made or where the payments are not granted on a monthly basis.

3.5 Avoidance of Conflicts of Interest

Conflicts of Interest with relevance for Remuneration can arise in situations in which the interests of one party interfere with (or appear to interfere with) the interests of another party, impairing its ability to act fairly and ethically. The Company is subject to a framework aiming at preventing and dealing with Conflicts of Interest. All employees have to respect the related “Policy on Conflicts of Interest” at all times.

Therefore, the Company shall avoid Conflicts of Interest and take up measures to mitigate such risks.

Conflicts of Interest may arise either through

I. the establishment/implementation of the Policy or related processes, e.g.:

- during the determination of the level of Remuneration,
 - decisions or award of Variable Remuneration (e.g. hiding of information to the advantage to increase final bonus amounts),
 - decision on parameters on Remuneration (e.g. determination of final bonus),
 - determination of target achievement on company, area of responsibility or individual level (e.g. misuse of information for determination of level of achievement of a key performance indicator),
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- assessment of performance criteria and Remuneration parameters during the appraisal process (e.g. increase of target achievement in order to increase budget for Variable Remuneration of the respective staff group),

or through

II. acts or omissions, which might have a Remuneration-specific relation, but which are governed also by policies and processes implemented and enforced by further Control Units, e.g.

- usage of insider information,
- short-term profits at the cost of long-term, sustainable performance,
- encouragement to excessive risk-taking,
- circumvention of intended effects of risk-aligned Remuneration systems,
- limited objectivity of control functions.

In order to avoid or to mitigate potential or actual Conflicts of Interest, the Company shall ensure the implementation of the following mitigating measures, e.g. (non-exhaustive, with indication to address the above under I. mentioned potential Conflicts of Interest):

- a sufficient level of transparency (e.g. information on relevant parameters of the Remuneration systems in the respective service contracts, terms and conditions of Instruments, bonus letters)
 - a sufficient level of objectivity, e.g.
 - review of target achievements in Performance Panels,
 - the use of qualitative and quantitative targets
 - technical support of Remuneration related processes, e.g.
 - usage of control steps via merit tools, e.g. budget approval and reading rights of bonus proposals of line managers above,
 - implementation of check boxes for regulatory requirements on target setting in the appraisal system,
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- calculation of bonus amounts and check of compliance with Remuneration rules (e.g. bonus cap or maximum amounts) via merit tool.
- involvement of neutral third person/party, e.g.
 - Compensation Officer involvement in the determination of the final bonus amounts,
 - Remuneration Advisory Board involvement with regard to the design and implementation of the Remuneration Systems,
 - four eyes principle during the operation of the bonus process.

The following mitigating measures would be aligned with other internal functions e.g. (non-exhaustive, with indication to address the above under II. mentioned potential Conflicts of Interest):

- the alignment of relevant components of the Remuneration system with insider trading rules, e.g.
 - in case of usage of real share instruments within the Remuneration System.
 - the implementation of ex-ante as well as ex-post risk adjustment mechanisms, e.g.
 - risk adjustment in the yearly process for determination of Variable Remuneration,
 - malus process (including consideration of violation of risk limits).
 - check of occurrence of personal knockouts or significant Negative Performance Contributions (malus conditions) through malus process, e.g.
 - assessment of malus conditions in “Malus Meeting”,
 - assessment by line manager via malus tool in the appraisal tool.
 - the avoidance of significant dependency on Variable Remuneration (especially for Control Units),
 - hedging prohibition controls, e.g.
 - check of adherence to hedging prohibition.
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3.6 Total Amount of Variable Remuneration

The Variable Remuneration must not limit the Company's ability to sustainably maintain or recover an appropriate capital base. If the Company's ability to sustainably maintain or recover an appropriate capital base is limited, no Variable Remuneration is to be granted.

The Total Amount of the Variable Remuneration shall be determined in a formal, transparent and comprehensible process. The control functions shall provide effective input into the determination of the bonus pool, performance criteria and remuneration awards. The determination (i) shall take due account of the risk-bearing capacity, the multi-year capital planning and the profitability, (ii) must ensure the Company's ability to maintain or recover appropriate own funds, liquidity and the combined capital buffer requirements in accordance with the German Banking Act (KWG).

The Company shall consider performance and risks assumed to determine the Total Amount.

Details are stipulated in the respective Variable Remuneration Scheme and the documentation of the determination of the Total Amount of Variable Remuneration.

3.7 Individual performance

In case individual performance is determined, this shall be based on the achievement of a mix of quantitative/financial and qualitative/non-financial agreed targets, which shall be challenging and ambitious. Targets shall reflect the long-term interests of the Company.

Negative Performance Contributions resulting from unethical behaviour or misconduct shall not be compensated by positive Performance Contributions and must result in a reduction of Variable Remuneration (down to 0).

Performance of members of the Executive Board, Risk Taker and other employees is measured annually, documented and tracked in the respective appraisal systems. The performance assessment is executed by the respective line manager resp. by the Supervisory Board for members of the Executive Board.

3.8 Appraisal process

- 1) The individual performance measurement is ensured through the respective appraisal systems.
- 2) The appraisal process consists of the following steps:
 - at the beginning of each year, the manager and the appraisee agree on three to five targets for the respective year(s) and these are entered in the respective appraisal system,
 - towards the end of the year, the manager assesses the level of target achievement in the respective appraisal system,
 - at the end of the year, the line manager gives feedback to the appraisee on the level of target achievement.
- 3) Further details on the appraisal process are set out in the respective guidelines on target setting, in the respective appraisal system itself and for Risk Taker additionally in the respective Remuneration Schemes.

Objectives of the process are to

- apply transparent rules,
- set challenging and ambitious targets with respect to the function,
- link performance to business targets,
- link performance to long-term perspective,
- measure and judge performance in an objective and consistent way,
- clarify task definition and the expectation of accomplishment,
- avoid any Conflicts of Interests of staff making the judgement.

3.9 Prohibition of personal hedging strategies

Members of the Executive Board, Risk Taker and other employees shall not undertake any personal hedging strategies or other countermeasures that confine or neutralize the risk alignment effects of their Remuneration. This shall include, in particular, any insurance contract or external hedging

transactions creating an obligation of third parties and the conclusion of financial futures transactions, in each case to the extent that such transactions limit or exclude the risk of a lower Remuneration.

The Company shall provide for appropriate compliance structures and measures in order to prevent any hedging strategies. Such measures may include inspections carried out by the competent department with respect to securities accounts and other accounts maintained at the Company as well as at other institutions.

3.10 Information

Members of the Executive Board, Risk Taker and other employees shall be informed about the respective Remuneration system and be provided with the Variable Remuneration Scheme (in case of members of the Executive Board and Risk Taker) as applicable for the respective year(s).

3.11 Publication

The disclosure requirements on Remuneration in accordance with sec. 16 InstitutsVergV and Article 450 CRR, e.g. the general design (in particular the parameters, the decision-making process used for determining the Policy, information on the link between performance and pay, composition of Remuneration, quantitative information on Remuneration, the ratios between Fixed and Variable Remuneration, information on the performance criteria relevant for Variable Remuneration elements, involvement of external consultants and stakeholders, composition and mandate of CRNC) shall be published on the internet.

4 Rules on Remuneration systems for members of the Executive Board and Risk Taker

4.1 Risk analysis

Eurex Clearing AG shall annually conduct a risk analysis to identify categories of staff whose professional activities have a material impact on the Company's risk profile ("Risk Taker" and members of the Executive Board) and to whom the specific requirements set out apply according to respective national regulatory requirements, unless exemptions apply. Staff is deemed to be identified as Risk Taker, amongst others, especially if one of the criteria below are met. The qualitative and appropriate quantitative criteria on identification of Risk Taker are set out in the Regulation (EU) No 604/2014 and Commission Delegated Regulation (EU) 2016/861 of 18 February 2016, e.g.:

- Member of the Executive Board or Supervisory Board,
- Staff responsible and accountable to the management body for control activities of the independent Risk Management function, Compliance function or Internal Audit function,
- Staff heading or having managerial responsibility for a material business unit,
- Staff heading a (control) function responsible for Legal Affairs, Finance including Taxation and Budgeting, Human Resources, Remuneration Policy, Information Technology, or Economic Analysis,
- Staff identified via quantitative criteria, e.g. staff with Remuneration exceeding criterions set out by regulation and deemed to have a material impact on the institution's risk profile.

For the different categories of Risk Taker (Risk Taker Executive Board, Risk Taker n-1 (Control or non-Control Unit) and Risk Taker other (Control or non-Control Unit), the performance measurement period, the deferral period and the level of deferral are appropriately aligned with the impact on the institution's risk profile. The Remuneration Schemes provide further details.

4.2 Criteria for determining Variable Remuneration

The Variable Remuneration shall take into account the overall performance of the Company, the performance of the areas of responsibility and individual Performance Contributions. The allocation of the Variable Remuneration components within the Company shall also take into account all types of current and future risks. When assessing individual performance, financial and non-financial criteria are taken into account. Further, the assessment of the performance is set in a multi-year framework. The criteria for determining the Variable Remuneration shall be consistent with the objective of long-term sustainable performance. The majority of targets shall be based on a multi-year performance period. Details are stipulated in the respective Variable Remuneration Scheme.

4.3 Deferral of Variable Remuneration

The payout schedules shall be sensitive to the time horizon of risks. In particular in case of Variable Remuneration is paid, due account shall be taken of possible mismatches of performance and risk periods and it shall be ensured that payments are deferred as appropriate.

At least 40% resp. 60% (depending on the category of Risk Taker or in case of Variable Remuneration of a particular high amount) of the Variable Remuneration component shall be deferred over a period which is not less than three to five years. Remuneration payable vest no faster than on a pro rata basis. Further, a substantial portion, and in any event at least 50% of any Variable Remuneration, shall be in shares or equivalent share-linked instruments. Instruments shall be applied to both, the portion of Variable Remuneration deferred and non-deferred (upfront).

Prior to vesting, there is only an entitlement to an accurate determination of the respective part of the Variable Remuneration. Details, in particular the pay-out schedule, are stipulated in the respective Variable Remuneration Scheme and the Terms and Conditions of Instruments each as applicable for the respective year(s). Exemption limits in line with regulatory requirements of the Company may apply.

4.4 Malus

Negative Performance Contributions shall result in a reduction (down to 0) of deferred parts of the Variable Remuneration. The Variable Remuneration shall be reduced to 0 in particular if a member of the Executive Board or a Risk Taker (i) participated in or was responsible for a conduct that resulted in a significant loss or (ii) did not comply with internal or external provisions on qualification and conduct. A reduction of deferred parts of the Variable Remuneration shall also apply in case of unconscionable conduct and conduct in culpable breach of duty.

The Heads of Human Resources, Internal Audit, Compliance and Risk Management of the Company provide respective information for the assessment of potential malus adjustments to ensure cross-comparison and equal treatment of the cases according to the respective Variable Remuneration schemes and the Terms of Reference of the Malus Meeting. The respective decision-making body of the Company of the assessed case(s) is responsible for the decision on the Variable Remuneration forfeiture or reduction.

4.5 Link to the Company's long-term performance

At least 50% of the deferred and non-deferred parts of the Variable Remuneration shall be linked to the Company's long-term performance. For this purpose the corresponding parts of the Variable Remuneration shall be granted in the form of Deutsche Börse AG share-based Remuneration (Instruments) under the respective Terms and Conditions. Exemption limits in line with regulatory requirements of the Company may apply.

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