



2016 REMUNERATION REPORT



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2. AMOUNT OF REMUNERATION AND MANAGEMENT BONUSES FOR THE 2016 FINANCIAL YEAR

In the 2016 financial year, the expenses for remuneration were kEUR 5,655. The members of the Management Board received a share of kEUR 1,296 thereof. In this context, management bonuses of kEUR 1,459 were granted in the 2016 financial year, with the members of the Management Board accounting for a share of kEUR 665 thereof.

in k€	Board	Staff	TOTAL
Fix compensation (basic salary)	507	2,629	3,136
Annual variable compensation	520	794	1,313
Multi-year variable compensation	145	0	145
Pension	125	199	323
Other	0	737	737
TOTAL	1,296	4,358	5,655
Beneficiaries:	4	52	56

The amounts specified are based on the individual presence of the employees (for example in the event that they join or leave the company during the year) and their respective working time factor. The item "Other" mainly refers to the social charges and fringe benefits granted.

3. GENERAL REMUNERATION STRUCTURE

The remuneration system of ECC has a stable structure which takes into account fixed and variable components as well as fringe benefits. Across the different positions, the fixed annual remuneration is paid out in the form of twelve equal monthly sums. In addition, variable remuneration which considers both financial corporate targets (actual adj. EBT EEX Group / budgeted adj. EBT EEX Group)¹ as well as individual targets (categories: customer, process and personnel targets) is granted. The amount of variable remuneration is defined by hierarchical employee categories as follows:

Employee positions:

- At a maximum, 2 monthly salaries (plus potential amount if corporate targets exceeded)

¹ Adj. EBT EEX Group is defined as consolidated group's EBT after minorities excl. one-offs from transactions

- In this context, a share of 25% of the variable remuneration is based on the achievement of the financial corporate target (actual adj. EBT EEX Group / budgeted adj. EBT EEX Group) with a degree of target achievement of between 0 and 150%.
- The remaining 75% are based on individual targets in the context of the respective job position with a degree of target achievement of between 0 and 100%.

In the case of EMIR Compliance employees as well as employees of Internal Audit and the Risk Controlling Department, the bonus payment is completely dependent on the achievement of individual targets and, as a result, it is independent of the business success.

Head of and Senior Expert positions:

- At a maximum, 25 % of the fixed annual remuneration (plus exceeding of corporate targets)
- In this case, a share of 35% of the variable remuneration is based on the achievement of the financial corporate target (actual adj. EBT EEX Group / budgeted adj. EBT EEX Group) with a degree of target attainment of between 0 and 150 %.
- The remaining 65% are based on individual targets in the context of the respective job position with a degree of target achievement of between 0 and 100 %.

Director positions:

- At a maximum, 35 % of the fixed annual remuneration (plus exceeding of corporate targets)
- In this context, a share of 50 % of the variable remuneration is based on the attainment of the financial corporate target (actual adj. EBT EEX Group / budgeted adj. EBT EEX Group) with a degree of target achievement of between 0 and 150 %.
- The individual targets in the context of the respective position with a degree of target attainment of between 0 and 100 % account for the remaining 50 %.

In addition, the fringe benefits include annual payments to the corporate pension scheme (€ 1,800), capital-forming benefits (€ 480) and a contribution to lunch catering (€ 558) as well as a further grant (€ 300) which can optionally be used for fitness studio membership or public passenger transport. Moreover, a grant (up to € 1,200) for childcare for children who are not yet of school age can be applicable.

The remuneration system for the employees was established by the Management Board and confirmed by the Supervisory Board. In the framework of the annual salary adjustment round, an implicit annual review of the remuneration structure as well as its adequacy is carried out. The Management Board informs the Supervisory Board of the design of the remuneration system on an annual basis. Most recently, this information was provided on 14th December 2016. In addition, the

chairman of the Supervisory Board has the right to be provided corresponding information by the Management Board at all times.

4. MANAGEMENT BOARD REMUNERATION

The Supervisory Board establishes the Management Board remuneration. Furthermore, the remuneration structure is reviewed and discussed at regular intervals, i.e. in connection with new and re-appointments of Management Board members. In this context, care is taken to ensure that the remuneration strategy complies with strategic aims of ECC.

At its meeting on 29th February 2016, the Supervisory Board adopted a new system for the assessment of the degree of target attainment for financial management board aims. These amended rules were first applied in the 2016 financial year.

The remuneration which the members of the Management Board receive for their work at ECC is finally specified in the employment contracts. The employment contracts and later amendments thereof require the written form in any case.

In line with the remuneration system for the employees, the Management Board remuneration also consists of both fixed and variable components as well as fringe benefits.

The **fixed annual salary** is paid out in the form of twelve equal monthly instalments.

In addition, **variable remuneration** tied to the targets is granted. A share of 2/3 of the variable compensation is based on the financial objectives for the company, while a further 1/3 is based on the individual/ board resort targets. The variable remuneration can amount to, at a maximum, 88 to 157% of the fixed annual remuneration. A floor/cap is specified by the Supervisory Board. The actual variable remuneration results from the connection between the degree of target achievement and the payment amount. The degree of target achievement for financial targets can range from 0 to 200 % and between 0 and 150% for individual targets. As a result, the target bonus agreed for full (100%) target achievement in the individual contract is paid out to the degree of target achievement.

In addition, a **long-term incentive (LTI)** referring to a three-year assessment period is granted to promote the sustainable development of the result of the company. To this end, defined growth targets are considered and translated into degrees of target attainment with the help of a scale de-

financed by the Supervisory Board. The overall LTI attained is paid out as a total amount after the expiry of the assessment period and amounts to, at a maximum, EUR 300,000.00.

There are rules deviating from this with regard to the Chief Executive Officer in the sense that the assessment period for the LTI is five years and other parameters are used for assessing the LTI in this case. The LTI is paid out as a total of, at a maximum, EUR 450,000.00 after the end of the assessment period. The payment for the Chief Executive Office is effected fully in shares in Deutsche Börse AG.

Guaranteed variable remuneration is only permissible in the framework of the beginning of an employment or work relationship and, at a maximum, for one year.

In the event of the termination of the work relationship, there are no claims to benefits which are established in individual contracts and to which employees are entitled to an unchanged amount in spite of individual negative profit contributions.

In the framework of fringe benefits, members of the Management Board are granted a contribution to a corporate pension scheme on the basis of individual agreements. In addition, there is the possibility for deferred compensation for the purpose of personal retirement planning and for participation in the offerings of fringe benefits for the employees.

5. FORMAL ASPECTS

The members of the Management Board and employees are informed of the design of the remuneration systems relevant for them in writing in the framework of agreements in individual contracts and in the applicable guidelines (intranet, employee guideline).

6. CONCLUSION

Overall, the remuneration system is not considered to create any incentive for employees to take inadequate risks. The remuneration system complies with the strategic aims of ECC.