



DEUTSCHE BÖRSE
GROUP

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Financial report 2015

Excerpt: remuneration report



Remuneration report

This remuneration report outlines the principles of the remuneration system for members of Deutsche Börse AG's Executive Board, and describes the structure and amount of Executive Board remuneration. Furthermore, it describes the principles applicable to, and the amount of Supervisory Board remuneration. The remuneration report is part of the combined management report; it complies with the requirements of the Handelsgesetzbuch (HGB, German Commercial Code) or International Financial Reporting Standards (IFRSs), as applicable, German Accounting Standard No. 17, and the German Corporate Governance Code (GCGC). The report is structured in four parts:

1. General principles for Executive Board remuneration
2. Remuneration system and aggregate Executive Board remuneration during the 2015 financial year
3. Remuneration system for the Executive Board applicable from the 2016 financial year onwards
4. Supervisory Board remuneration

General principles for Executive Board remuneration

The Executive Board remuneration is designed in a way that rewards sustainably successful and responsible corporate governance. Therefore, incentives based on multi-year assessment periods as well as components designed to prevent unjustifiable risks from being taken, form the foundation of Executive Board remuneration. This is determined by the entire Supervisory Board. The Personnel Committee is responsible for preparing the Supervisory Board's decision. The Supervisory Board reviews the appropriateness of Executive Board remuneration on a regular basis – at least every two years – including the ratio of Executive Board remuneration to remuneration of first-level managers and the workforce as a whole, as well as the development of the various salary levels over time. The remuneration system applies equally to all members of the Executive Board.

During financial year 2015, the Personnel Committee and the plenary meeting of the Supervisory Board discussed the remuneration system in detail, as part of their regular review of Executive Board remuneration. In this context, an independent advisor was commissioned in order to examine the remuneration system, and to develop proposals to change the system's structure and methodology. Following detailed discussion and review, the Supervisory Board then adopted a new remuneration system for the Executive Board in its meeting on 23 September 2015, to come into effect on 1 January 2016. The new remuneration system, which will be submitted to the Annual General Meeting on 11 May 2016 for approval, incorporates a focus on performance, balanced incentive systems and the strengthening of an equity culture.

Remuneration system and aggregate Executive Board remuneration during the 2015 financial year

Remuneration system and targets ^{CR}

Key components for defining targets and measuring the achievement of target criteria, within the remuneration system that was in place until (and including) 2015, were the company's economic performance, stakeholder management, succession planning for management positions and employee satisfaction – as well as the value contribution made to the economy and society over the medium and long term.

Non-performance-related remuneration components

Non-performance-related remuneration consisted of a monthly fixed basic remuneration as well as ancillary contractual benefits.

Fixed remuneration

The members of the Executive Board received a fixed basic salary, in twelve monthly instalments, which represented approximately 30 per cent of the total target remuneration for one year.

Ancillary contractual benefits

In addition to the basic remuneration, the members of the Executive Board received certain ancillary contractual benefits. These included the provision of an appropriate company car for business and personal use. Tax was payable by the Executive Board members on the pecuniary benefit arising from private use. In addition, members of the Executive Board received taxable contributions towards private pensions. The company has also taken out insurance cover for them, such as personal accident insurance and a D&O insurance. The D&O insurance policy includes a deductible of 10 per cent of the damages arising from the insured event, with the maximum deductible per year set by the Supervisory Board at 1.5 times the fixed annual remuneration of the relevant Executive Board member.

Performance-related remuneration components

Performance-related remuneration represented approximately 70 per cent of the total target remuneration for the year; it consisted of variable cash components that accounted for around 40 per cent and variable share components that accounted for around 30 per cent. Starting in the year under review, the reference periods for performance measurement were based on the past three years for the variable cash component and on the next three years for the variable share component. Consequently, in the year under review, the variable cash component was determined based on performance during the period from 2013 to 2015. Performance, for the purposes of the variable share component, was also determined based on a period of three financial years. However, within the scope of introducing the new remuneration system, all existing tranches (2013 to 2015) of the share bonus programme (ATP, Aktien-tantiemeprogramm) were settled as at 31 December 2015, with the tranches for 2014 and 2015 transferred to share components of the new remuneration system.

Variable cash component

The Supervisory Board established the 100 per cent target value of the variable cash component (in euros) for every Executive Board member each year. Two parameters were used to measure the extent to which targets have been met:

Achievement of the Group's consolidated net profit target: two-thirds of the variable cash component were based on meeting a specified target for the net profit for the period attributable to Deutsche Börse AG shareholders (hereinafter referred to as "consolidated net profit"). This measure took the consolidated net profit for the current financial year and the two preceding years into account. The degree to which the targets were achieved was defined for each of the three financial years, from a lower limit of 0 per cent to an upper limit of 200 per cent. The average level of target achievement was then used to calculate two-thirds of the variable cash component for the prevailing financial year. The Supervisory Board was able to consider exceptional, one-off effects when determining the level of target achievement.

Achievement of individual targets: one-third of the variable cash component was determined based on the degree to which each member of the Executive Board achieved their individual targets. Individual targets were set in each case for the current financial year and included specific requirements of particular importance for the individual areas of Executive Board responsibility. Target achievement was evaluated after the end of the respective year, by the Supervisory Board, for each Executive Board member. A range from the lower limit of 0 per cent and the upper limit not exceeding 200 per cent was defined for target achievement regarding individual targets and the total variable cash component.

Variable share component

The Supervisory Board established the 100 per cent target value (in euros) for the variable share component for each Executive Board member. Based on this target value, a number of phantom Deutsche Börse shares was calculated for each member of the Executive Board, at the beginning of the financial year, by dividing the euro amount of the target share component by the average share price (Xetra® closing price) in the two calendar months before the target value was determined. An entitlement to the variable share bonus only arose at the end of the three-year performance period (vesting period), and was settled fully in cash. The share bonus is variable in two ways. The first variable was the number of phantom Deutsche Börse shares, which depended on the relative performance of Deutsche Börse's total shareholder return (TSR) compared to the TSR of the STOXX® Europe 600 Financials Index. The second variable was the share price at the end of the period.

The number of shares calculated at the end of the vesting period was multiplied by the share price applicable on that date (average price / Xetra closing price of Deutsche Börse's shares during the preceding two full calendar months). If the average performance of Deutsche Börse AG's TSR during the vesting period moved in parallel to the average TSR of the benchmark index, the number of phantom shares remained unchanged at the end of this period. If the TSR of Deutsche Börse AG amounted to 50 per cent or less than the index's TSR, the number of phantom shares fell to nil. If the TSR of Deutsche Börse AG was at least twice the index's TSR, the number of phantom shares doubled. A double cap applied to the variable share component: firstly, the performance of the allocated phantom shares was restricted to a maximum of 200 per cent, at the ratio of Deutsche Börse AG's TSR to the TSR of the peer group. Secondly, the Supervisory Board settled a maximum of 250 per cent of the original target value as the upper limit for the cash payment of the variable share component.

2015 total expense for share-based payments

(Prior-year figures in brackets)

	Expense recognised (total) € thous.	Carrying amount as at the balance sheet date (total) € thous.
Carsten Kengeter ¹⁾	2,550.2 (0)	2,550.2 (0)
Andreas Preuss	4,095.1 (700.6)	4,578.1 (1,576.2)
Gregor Pottmeyer	3,422.8 (557.3)	3,887.9 (1,194.0)
Hauke Stars	2,693.6 (342.8)	3,184.1 (558.2)
Jeffrey Tessler	3,261.8 (555.6)	3,645.4 (1,247.5)
Reto Francioni ²⁾	2,056.2 (1,426.9)	0 (2,482.4)
Total	18,079.7³⁾ (3,583.2)	17,845.7 (7,058.3)

1) Appointed to the Executive Board effective 4 April 2015. The 2015 tranche includes the phantom shares granted under the CPIP, for details see the ["Co-Performance Investment Plan \(CPIP\)"](#) section.

2) Left the Executive Board on 31 May 2015. The outstanding 2013 to 2015 tranches were settled with the departure of Reto Francioni.

3) The sum includes total expenses for the settlement of the 2013 to 2015 tranches. As part of the transition to the new remuneration system, the members of the Executive Board invest the 2014 and 2015 tranches in shares of Deutsche Börse AG. These shares are subject to a vesting period until 31 December 2016 (from the 2014 tranche) and 31 December 2017 (from the 2015 tranche), respectively.

A modified Black-Scholes option pricing model (Merton model) was used to measure the stock options arising from the variable share component. See [note 39 of the notes to the consolidated financial statements](#) for details on the valuation parameters of this model.

Number of phantom shares

		Number of phantom shares on the grant date	Adjustments of number of phantom shares since the grant date	Number of phantom shares as at 31 Dec 2015
Carsten Kengeter ¹⁾	Tranche 2015	84,092	27,387	111,479
	Total 2013 to 2015 tranches			111,479
Andreas Preuss	Tranche 2015	12,693	2,782	15,475
	Tranche 2014	14,391	5,688	20,079
	Tranche 2013	14,598	7,175	21,773
	Total 2013 to 2015 tranches			57,327
Gregor Pottmeyer	Tranche 2015	10,752	2,356	13,108
	Tranche 2014	12,045	4,761	16,806
	Tranche 2013	12,584	6,186	18,770
	Total 2013 to 2015 tranches			48,684
Hauke Stars	Tranche 2015	9,706	2,127	11,833
	Tranche 2014	9,669	3,822	13,491
	Tranche 2013	9,753	4,794	14,547
	Total 2013 to 2015 tranches			39,871
Jeffrey Tessler	Tranche 2015	10,154	2,225	12,379
	Tranche 2014	11,512	4,550	16,062
	Tranche 2013	11,536	5,670	17,206
	Total 2013 to 2015 tranches			45,647
Reto Francioni ²⁾	Tranche 2015	6,439	-6,439	0
	Tranche 2014	17,519	-17,519	0
	Tranche 2013	15,597	-15,597	0
	Total 2013 to 2015 tranches			0
Total 2013 to 2015 tranches				303,008

1) Appointed to the Executive Board effective 4 April 2015. The 2015 tranche includes the phantom shares granted under the CPIP, for details see the ["Co-Performance Investment Plan \(CPIP\)"](#) section.

2) Left the Executive Board on 31 May 2015. The outstanding tranches 2013 to 2015 were settled with the departure of Reto Francioni.

Amount of Executive Board remuneration

The tables “Granted contributions” and “Inflows” show the remuneration awarded to each Executive Board member for the financial years 2015 and 2014, in accordance with no. 4.2.5 (3) of the GCGC. Details disclosed in accordance with section 314 of the HGB are shown in the “Inflows” table.

Granted contributions

Carsten Kengeter CEO (since 1 June 2015, appointed as at 4 Apr 2015)

	2015 € thous.	2015 (min) € thous.	2015 (max) € thous.	2014 € thous.
Fixed remuneration	819.7	819.7	819.7	–
Ancillary benefits	76.4	76.4	76.4	–
Total	896.1	896.1	896.1	–
One-year variable remuneration (individual targets)	397.4	0	794.8	–
Multi-year variable remuneration	1,614.6	0	3,639.1	–
thereof variable cash component (consolidated net profit target, 3-year term)	794.9	0	1,589.8	–
thereof variable share component (SBP, 3-year term)	819.7	0	2,049.3	–
Total	2,908.1	896.1	5,330.0	–
Service cost	436.0	436.0	436.0	–
Total remuneration	3,344.1	1,332.1	5,766.0	–

Hauke Stars

	2015 € thous.	2015 (min) € thous.	2015 (max) € thous.	2014 € thous.
Fixed remuneration	650.0	650.0	650.0	580.0
Ancillary benefits	24.6	24.6	24.6	25.5
Total	674.6	674.6	674.6	605.5
One-year variable remuneration (individual targets)	300.0	0	600.0	278.3
Multi-year variable remuneration	1,250.0	0	2,825.0	1,127.8
thereof variable cash component (consolidated net profit target, 3-year term)	600.0	0	1,200.0	556.7
thereof variable share component (SBP, 3-year term)	650.0	0	1,625.0	571.1
Total	2,224.6	674.6	4,099.6	2,011.6
Service cost	209.3	209.3	209.3	202.2
Total remuneration	2,433.9	883.9	4,308.9	2,213.8

Andreas Preuss

Deputy CEO

Gregor Pottmeyer

2015 € thous.	2015 (min) € thous.	2015 (max) € thous.	2014 € thous.	2015 € thous.	2015 (min) € thous.	2015 (max) € thous.	2014 € thous.
800.0	800.0	800.0	800.0	720.0	720.0	720.0	650.0
31.5	31.5	31.5	30.9	28.4	28.4	28.4	27.8
831.5	831.5	831.5	830.9	748.4	748.4	748.4	677.8
418.0	0	836.0	418.0	320.0	0	640.0	278.7
1,686.1	0	3,797.3	1,686.1	1,360.0	0	3,080.0	1,268.8
836.0	0	1,672.0	836.0	640.0	0	1,280.0	557.3
850.1	0	2,125.3	850.1	720.0	0	1,800.0	711.5
2,935.6	831.5	5,464.8	2,935.0	2,428.4	748.4	4,468.4	2,225.3
997.3	997.3	997.3	843.8	290.0	290.0	290.0	292.7
3,932.9	1,828.8	6,462.1	3,778.8	2,718.4	1,038.4	4,758.4	2,518.0

Reto Francioni

CEO (until 31 May 2015)

Jeffrey Tessler

2015 € thous.	2015 (min) € thous.	2015 (max) € thous.	2014 € thous.	2015 € thous.	2015 (min) € thous.	2015 (max) € thous.	2014 € thous.
761.6	761.6	761.6	761.6	458.3	458.3	458.3	1,100.0
19.2	19.2	19.2	72.6	12.3	12.3	12.3	29.6
780.8	780.8	780.8	834.2	470.6	470.6	470.6	1,129.6
330.0	0	660.0	330.0	209.9	0	209.9	503.7
1,340.0	0	3,020.0	1,340.0	851.0	0	1,917.6	2,042.1
660.0	0	1,320.0	660.0	419.8	0	839.6	1,007.3
680.0	0	1,700.0	680.0	431.2	0	1,078.0	1,034.8
2,450.8	780.8	4,460.8	2,504.2	1,531.5	470.6	2,598.1	3,675.4
199.0	199.0	199.0	0	0	0	0	0
2,649.8	979.8	4,659.8	2,504.2	1,531.5	470.6	2,598.1	3,675.4

Inflows

	Casten Kengeter CEO (since 1 June 2015, appointed as at 4 Apr 2015)				Andreas Preuss Deputy CEO ¹⁾	
	2015 € thous.	2014 € thous.	2015 € thous.	2014 € thous.	2015 € thous.	2014 € thous.
Fixed remuneration	819.7	–	800.0	800.0		
Ancillary benefits ⁴⁾	76.4	–	31.5	30.9		
Total	896.1	–	831.5	830.9		
One-year variable remuneration (individual targets)	476.9	–	477.0	439.8		
Multi-year variable remuneration	953.9	–	2,047.2	1,638.1		
thereof variable cash component (consolidated net profit target)	953.9	–	954.0	879.7		
thereof variable share component (SBP 2012/2011)	0	–	1,093.2	758.4		
Total	2,326.9	–	3,355.7	2,908.8		
Service cost	436.0	–	997.3	843.8		
Total remuneration (DCGK)	2,762.9	–	4,353.0	3,752.6		
SBP for the remuneration year ⁵⁾	819.7	–	850.1	850.1		
less variable share component	0	–	–1,093.2	–758.4		
less service cost	–436.0	–	–997.3	–843.8		
Total remuneration (section 314 of the HGB)	3,146.6	–	3,112.6	3,000.5		
Number of phantom shares ⁶⁾	15,105 ⁷⁾	–	12,693	14,391		

1) Deutsche Börse AG contributes €245.5 thousand (2014: €1,019.7 thousand) to total remuneration for Andreas Preuss. This amount is composed as follows: non-performance related remuneration: €64.0 thousand (2014: €64.0 thousand), other remuneration from ancillary contractual benefits: nil (2014: nil), variable cash component: €113.3 thousand (2014: €105.6 thousand), number of phantom shares: 1,016 (2014: 14,391), their amount at the grant date: €68.0 thousand (2014: €850.1 thousand).

2) Until 31 July 2015, Jeffrey Tessler was remunerated by Clearstream International S.A. Since 1 August 2015, Deutsche Börse AG pays out the total amount of Mr Tessler's remuneration. Thus, Deutsche Börse AG contributes €1,080.1 thousand (2014: nil) to total remuneration for Jeffrey Tessler. This amount is composed as follows: non-performance related remuneration: €317.3 thousand (2014: nil), other remuneration from ancillary contractual benefits: nil (2014: nil), variable cash component: €479.4 thousand (2014: nil), number of phantom shares: 4,231 (2014: nil), their amount at the grant date: €283.4 thousand (2014: nil).

3) Information relating to the termination of the Executive Board mandate can be found in the ["Termination benefits for members of the Executive Board"](#) section.

4) Ancillary benefits (other remuneration) comprise salary components such as taxable contributions towards private pensions, taxable lump-sum telephone allowances/living expenses, and company car arrangements.

5) Corresponds to the 100 per cent target value for the 2014 phantom stock bonus. The variable share component under the 2014 to 2016 performance assessment will be paid out in 2017.

6) The number of stock options at the 2015 grant date is calculated by dividing the target for the stock bonus by the average share price (Xetra® closing price) of Deutsche Börse shares in the calendar months January and February 2015 (€66.97). The number of phantom shares is indicative and may change as a result of the performance comparison based on total shareholder return.

7) The average share price (Xetra® closing price) of Deutsche Börse shares was €54.27 for the calculation of the number of the phantom shares in the assessment period from August to September 2014.

Gregor Pottmeyer		Hauke Stars		Jeffrey Tessler ²⁾		Reto Francioni CEO (until 31 May 2015) ³⁾		Total	
2015 € thous.	2014 € thous.	2015 € thous.	2014 € thous.	2015 € thous.	2014 € thous.	2015 € thous.	2014 € thous.	2015 € thous.	2014 € thous.
720.0	650.0	650.0	580.0	761.6	761.6	458.3	1,100.0	4,209.6	3,891.6
28.4	27.8	24.6	25.5	19.2	72.6	12.3	29.6	192.4	186.4
748.4	677.8	674.6	605.5	780.8	834.2	470.6	1,129.6	4,402.0	4,078.0
359.8	288.6	327.3	317.6	376.6	347.2	215.0	538.4	2,232.6	1,931.6
1,448.4	1,082.7	722.4	635.2	1,617.0	1,293.8	1,747.8	1,990.9	8,536.7	6,640.7
719.6	577.1	654.7	635.2	753.1	694.5	430.0	1,076.7	4,465.3	3,863.2
728.8	505.6	67.7	0	863.9	599.3	1,317.8	914.2	4,071.4	2,777.5
2,556.6	2,049.1	1,724.3	1,558.3	2,774.4	2,475.2	2,433.4	3,658.9	15,171.3	12,650.3
290.0	292.7	209.3	202.2	199.0	0	0	0	2,131.6	1,338.7
2,846.6	2,341.8	1,933.6	1,760.5	2,973.4	2,475.2	2,433.4	3,658.9	17,302.9	13,989.0
720.0	711.5	650.0	571.1	680.0	680.0	483.4	1,034.8	4,203.2	3,847.5
-728.8	-505.6	-67.7	0	-863.9	-599.3	-1,317.8	-914.2	-4,071.4	-2,777.5
-290.0	-292.7	-209.3	-202.2	-199.0	0	0	0	-2,131.6	-1,338.7
2,547.8	2,255.0	2,306.6	2,129.4	2,590.5	2,555.9	1,599.0	3,779.5	15,303.1	13,720.3
10,752	12,045	9,706	9,669	10,154	11,512	6,439	17,519	64,849	65,136

Remuneration of the CEO

In its meeting on 23 September 2015, the Supervisory Board resolved to adjust the target remuneration of Carsten Kengeter, with effect from 1 January 2016, to a total of €5 million.

Co-Performance Investment Plan (CPIP)

As part of its revision of the remuneration system, the Supervisory Board resolved to offer the Chief Executive Officer the one-time opportunity of participating in the new CPIP. According to the CPIP, the Chief Executive Officer may invest personal funds in Deutsche Börse AG shares once and once only. These shares (the so-called investment shares) must be held at least until the end of the 2019 financial year, and must not be sold during this period. In return for his acquisition of investment shares, using his personal funds up to a maximum amount of €4,500,000, the company has agreed to grant Mr Kengeter co-performance shares (so-called co-performance shares) in the company, which are subject to the same criteria and conditions as the newly introduced performance shares that will apply from 2016 onwards. Performance shares are explained in the [section “Measurement of target achievement for performance shares”](#).

Within the scope of the CPIP, on 14 December 2015 Mr Kengeter invested the maximum amount in investment shares. Accordingly, Deutsche Börse AG granted Mr Kengeter 68,987 co-performance shares equivalent to €4,500,000 (fair value at the time the co-performance shares were granted). The performance of the co-performance shares is based on (i) the increase in Deutsche Börse AG's consolidated net profit and (ii) the ratio of Deutsche Börse AG's total shareholder return (TSR), relative to the TSR of companies included in the STOXX Europe 600 Financials Index. The period for measuring performance criteria commenced in the fourth quarter of 2014, thus including company performance since the announcement of Mr Kengeter's appointment as Chairman of the Executive Board in October 2014. This also ensures that the year 2015 – during which Mr Kengeter was appointed Deutsche Börse AG's Chief Executive Officer – is taken into account.

The investment shares are subject to a holding period until 31 December 2019. The performance period commenced on 1 January 2015 and will end on 31 December 2019. The claim on payout from CPIP shares will be vested in three steps:

- Prepayment on the disbursement amount as at 31 March 2019 (first prepayment): the amount of the first prepayment will be determined by the Supervisory Board; it is supposed to be approximately one-third of the expected amount to be disbursed.
- Prepayment on the disbursement amount as at 31 March 2020 (second prepayment): the amount of the second prepayment will be one-third of the disbursement amount determined.
- Disbursement of the remaining disbursement amount as at 31 March 2021 (final disbursement): the final disbursement will be equivalent to the total disbursement amount, less the first and second prepayments.

Termination benefits for members of the Executive Board

The service contract with the company's long-standing CEO, Reto Francioni, expired at the end of 31 May 2015. Upon leaving the Executive Board, Mr Francioni received a severance payment as compensation for the loss of remuneration over the original residual term of his contract of service (1 June 2015 to 31 October 2016). The severance payment consisted of the following amounts:

- €2,874.3 thousand, comprising fixed annual remuneration (€1,558.3 thousand), lost non-monetary ancillary benefits (€100.0 thousand) and lost share bonuses (€1,216.0 thousand);
- €903.0 thousand for the lost 2015 cash bonus;
- €1,323.5 thousand for the lost 2016 cash bonus.

Mr Francioni is subject to a post-contractual non-compete clause until 31 October 2016, when his appointment was originally due to end. This prohibits him from providing services to, or for, a competing company. The severance payment constitutes compensation for the post-contractual non-compete clause.

Retirement benefits

Messrs Kengeter, Francioni, Pottmeyer and Tessler are entitled to pension benefits after reaching the age of 60, Ms Stars after reaching the age of 62, and Mr Preuss after reaching the age of 63, provided that they are no longer in the employment of Deutsche Börse AG in each case at that time. As a matter of principle, the Supervisory Board reviews and determines the pensionable income from which retirement benefits are derived. There are two different retirement benefit systems for Deutsche Börse AG Executive Board members. Executive Board members who were appointed for the first time before 1 January 2009 receive a defined benefit pension. Executive Board members who were appointed for the first time after that date receive a defined contribution pension. The pensionable income and the present value of the existing pension commitments as at 31 December 2015 are presented in the [table "Retirement benefits"](#).

Like his fellow Executive Board members, Mr Tessler is entitled to pension payments which are secured by a trust agreement. The trust assets are held under German jurisdiction, the pension commitments are governed by Luxembourg law. As a US citizen, Mr Tessler is subject to US income tax. Due to his entitlement to the pension payments mentioned above, Mr Tessler incurred a tax burden in the gross amount of €2,713.7 thousand in 2015. This tax amount was refunded by Clearstream International S.A. in accordance with a cost assumption agreement relating to the company's pension commitment for Mr Tessler dating from 2005.

Defined benefit retirement benefit system

After reaching the contractually agreed retirement age, members of the Executive Board to whom the defined benefit pension system is applicable receive a specified percentage (replacement rate) of their individual pensionable income as a pension. This is subject to the Executive Board member in question having served on the Executive Board for at least three years, and having been reappointed at least once. Pensionable income is determined and regularly reviewed by the Supervisory Board. When the term of office began, the replacement rate was 30 per cent. It rose by 5 percentage points with each reappointment, up to a maximum of 50 per cent. The provisions of the defined benefit retirement benefit system apply to Messrs Francioni, Preuss and Tessler.

Defined contribution retirement benefit system

For Executive Board members to whom the defined contribution pension system applies, the company makes a contribution in the form of a capital component in each calendar year they serve on the Executive Board. This contribution is determined by applying an individual replacement rate to the pensionable income. As in the defined benefit pension system, the pensionable income is determined and regularly reviewed by the Supervisory Board. The annual capital components calculated in this way bear annual interest of 3 per cent. The provisions of the defined contribution pension system apply to Messrs Kengeter and Pottmeyer and to Ms Stars.

Early retirement pension

Members of the Executive Board who have a defined benefit pension are entitled to an early retirement pension if the company does not extend their contract, unless the reason for this is attributable to the Executive Board member or would justify termination without notice of the Executive Board member's contract. The amount of the early retirement pension is calculated in the same way as the retirement benefits by applying the relevant replacement rate to the pensionable income. Again, this is subject to the Executive Board member having served on the Executive Board for at least three years, and having been reappointed at least once. Members of the Executive Board who have a defined contribution pension are not eligible for early retirement benefits.

Retirement benefits

	Pensionable income	Replacement rate		Present value/defined benefit obligation		Pension expense	
		as at	as at	as at	as at	2015	2014
		31.12.2015	31.12.2014	31.12.2015	31.12.2014	2015	2014
	2015 € thous.	31.12.2015 %	31.12.2014 %	31.12.2015 € thous.	31.12.2014 € thous.	2015 € thous.	2014 € thous.
Defined benefit system							
Reto Francioni	1,000.0	40.0	40.0	8,163.5	8,309.6	0	0 ¹⁾
Andreas Preuss	800.0	50.0	50.0	10,082.6	8,989.0	997.3	843.8
Jeffrey Tessler ²⁾	577.8	40.0	40.0	4,756.8	5,913.4	169.0	0
Total	2,377.8			23,002.9	23,212.0	1,166.3	843.8
Defined contribution system							
Carsten Kengeter	1,000.0	40.0	–	449.0	–	436.0	–
Gregor Pottmeyer	500.0	48.0	48.0	2,009.7	1,724.9	290.0	292.7
Hauke Stars	500.0	36.0	36.0	652.5	437.4	209.3	202.2
Total	2,000.0			3,111.2	2,162.3	935.3	494.9

1) On commencement of the current appointment Mr Francioni acquired a pension right amounting to 40 per cent of his pensionable income. Further years of service until the agreed start of retirement will not lead to an increase in the pension. As service cost completely mirrored the expense arising from the pension increase already in 2013, there are no expenses for financial years 2014 and 2015.

2) Since 1 August 2015, Deutsche Börse AG contributes to the retirement benefits of Jeffrey Tessler. Until 31 July 2015, they were paid by Clearstream International S.A.

Death and permanent occupational incapacity benefits

In the event of the permanent occupational incapacity of a member of Deutsche Börse AG's Executive Board, the company is entitled to retire the Executive Board member in question. Permanent occupational incapacity exists if an Executive Board member is unable to perform his or her professional activities for more than six months and if it is not expected that his or her occupational capacity will be regained within a further six months. In such cases, Executive Board members who have a defined benefit pension plan receive the amount calculated by applying the relevant replacement rate to the pensionable income. Executive Board members with a defined contribution pension plan receive the benefit assets acquired when the benefits fall due, plus an allocated amount. The allocated amount corresponds to the full annual pension contribution that would have been due in the year of leaving service, multiplied by the number of years between the benefits falling due and the Executive Board member reaching the age of 60, 62, or 63, respectively.

In the event of the death of an Executive Board member, his or her spouse receives 60 per cent of the above amount and each dependent child receives 10 per cent (25 per cent for full orphans), up to a maximum of 100 per cent of the pension contribution.

Transitional payments

In the event of permanent occupational incapacity, the agreements under the defined benefit pension system for Deutsche Börse AG's Executive Board provide for a transitional payment in addition to the benefits described above. The amount of this payment corresponds to the amount of the target variable remuneration (cash and stock bonuses) in the year in which the benefits fall due. It is paid out in two tranches, in the two subsequent years. In the case of the death of an Executive Board member, his or her spouse receives 60 per cent of the transitional payment.

Severance payments

In the event of early termination of an Executive Board member's contract of service other than for good cause, any payments made to the Executive Board member may not exceed the remuneration for the residual term of the contract of service and may also not exceed the value of two total annual remuneration payments (severance payment cap). The payment is calculated based on the total remuneration in the past financial year and, where appropriate, the expected total remuneration for the current financial year. The Supervisory Board may exceed the upper limit in exceptional, justified cases.

Change of control

If an Executive Board member is asked to stand down within six months of a change of control, he or she is entitled to a severance payment equal to two total annual remuneration payments or the value of the residual term of his or her contract of service, where this is less than two years. This entitlement may be increased to 150 per cent of the severance payment. If an Executive Board member resigns within six months of the change of control because his or her position as a member of the Executive Board is negatively impacted to a significant degree as a result of the change of control, the Supervisory Board may decide at its discretion whether to grant a severance payment of the above-mentioned amount.

Other provisions

Post-contractual non-compete clause

A post-contractual non-compete clause applies to members of the Executive Board of Deutsche Börse AG who were appointed or reappointed to the Board on or after 1 October 2014. This means that the respective members of the Executive Board are contractually prohibited from acting for a competing company, or from undertaking competing activities, for a period of one year from the end of the employment relationship. The compensation payable during the non-compete period amounts to 75 per cent of the member's final fixed remuneration and 75 per cent of the final cash bonus and is payable for the term of the post-contractual non-compete clause. Benefits under the pension agreement are deducted from the compensation. In addition, 50 per cent of other benefits are deducted if the other benefits plus the compensation exceed the final remuneration. The company may waive the post-contractual non-compete clause before termination of the contract of service.

Secondary employment

Additional appointments or sideline activities entered into by individual members of the Executive Board require the approval of the entire Executive Board and the Chairman of the Supervisory Board or, in certain cases, the entire Supervisory Board, which has delegated granting such approval to the Personnel Committee. If a member of the Executive Board is remunerated for an office performed at an affiliate of Deutsche Börse AG, this is offset against the Executive Board member's entitlement to remuneration from Deutsche Börse AG.

Loans to Executive Board members

The company did not grant any loans or advances to members of the Executive Board during the financial year 2015, and there are no loans or advances from previous years to members of the Executive Board.

Payments to former members of the Executive Board

Former members of the Executive Board or their surviving dependents received payments of €2.3 million in the year under review (2014: €2.2 million). The actuarial present value of the pension obligations as at the balance sheet date was €71.8 million in the year under review (2014: €64.5 million).

Remuneration system for the Executive Board applicable from the 2016 financial year onwards

Remuneration system and targets ^{CR}

The new remuneration system is based on three key guidelines: firstly, a marked performance orientation, with a more differentiated appraisal through ambitious internal and external targets. The focus is clearly on the company's above-average growth. The second guideline is a balanced system of incentives. This prevents incentivising excessive risk-taking, through a combination of various assessment bases extending over several years, sustainability elements, and the deferral of disbursements over time. Thirdly, the new remuneration system relies on strengthening the equity culture, for the purpose of aligning the interests of shareholders, senior management and other stakeholders.

Structure and remuneration components

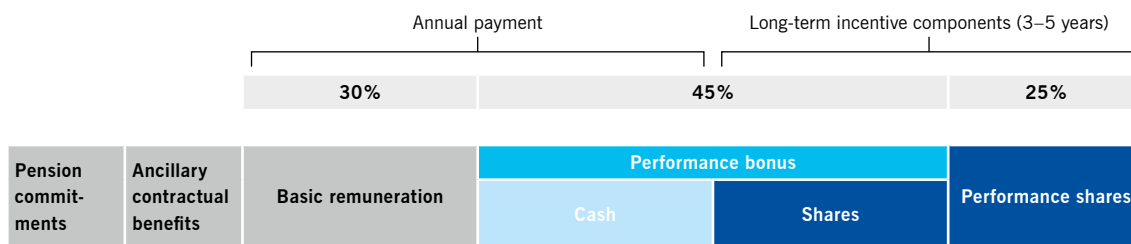
The remuneration system for the members of the Executive Board consists of four components:

- non-performance-related fixed remuneration
- performance-related remuneration components
- ancillary benefits
- pension commitments

In addition, Share Ownership Guidelines were introduced, according to which Executive Board members are obliged to hold a substantial amount of Deutsche Börse AG shares during their term of office.

Furthermore, the Supervisory Board resolved to offer Mr Kengeter a one-time participation in the CPIP, as outlined above, in the [section](#) “Co-Performance-Investment Plan (CPIP)”.

Composition of the total target remuneration



- % = Proportion of the total target remuneration
- Performance-related component (share-based payment)
- Performance-related component (cash component)
- Non-performance-related component (cash component)

Comparison of different target achievement levels

The table "Sample calculation" compares various scenarios for different target achievement levels.

Sample calculation

		Minimum	Below target value	Target value	Above target value	Maximum ¹⁾
Consolidated net profit growth (p.a.)	%	-20	5.5	7.5	12	15
Relative TSR	percentile	49th	52nd	60th	70th	80th
Changes in share price (p.a.)	%	-10	-3	0	3	15
Individuelle Ziele	%	0	100	100	100	200
Fixed remuneration	€	700,000	700,000	700,000	700,000	700,000
Performance bonus (cash)	€	0	668,889	700,000	980,000	1,400,000
Performance bonus (share-based)	€	0	610,477	700,000	1,070,872	2,129,225
Performance shares	€	0	400,743	700,000	1,338,150	3,519,875
Total remuneration	€	700,000	2,380,109	2,800,000	4,089,022	7,749,100

1) Unlimited share price performance

Non-performance-related remuneration

Fixed remuneration

The non-performance-related remuneration consists of a fixed basic salary, which continues to be paid in twelve monthly instalments. From the 2016 financial year onwards, as before, this represents approximately 30 per cent of the total target remuneration for one year.

Ancillary benefits

In addition to the basic remuneration, the members of the Executive Board continue to receive certain ancillary contractual benefits. As under the previous system, these benefits comprise the provision of an appropriate company car for business and personal use, taxable contributions towards private pensions, accident insurance and D&O insurance.

Performance-related remuneration

As in the past, performance-related remuneration comprises approximately 70 per cent of the total target remuneration for one year. The composition of this variable remuneration component has changed: from 2016 onwards, it consists of a performance bonus as well as of performance shares, with the latter measured and granted within the framework of the Performance Share Plan (PSP). The performance bonus amounts to approximately two-thirds of performance-related remuneration, and to approximately 45 per cent of the total target remuneration. It consists of a share-based component (the share-based performance bonus) and a cash component, in equal proportions. Performance shares reflect the performance of the Deutsche Börse share price over a five-year performance period (the vesting period). Performance shares amount to approximately one-third of performance-related remuneration, and to approximately 25 per cent of the total target remuneration.

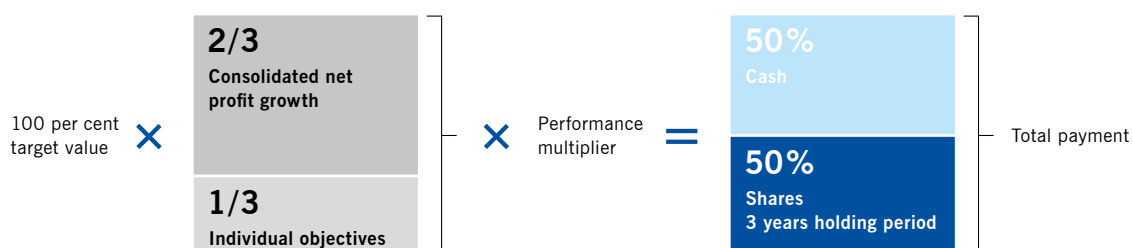
Accordingly, performance-related remuneration for Executive Board members is predominantly share-based. Furthermore, it is largely calculated on the basis of long-term performance, with various target criteria being assessed over a period of five years (performance shares) or four years (share-based performance bonus), respectively. The cash part of the performance bonus – which is calculated on the basis of a one-year performance assessment – is the only short-term element of variable remuneration.

The criteria which the Supervisory Board uses to assess target achievement of individual Executive Board members are described below. These criteria are used to determine the respective performance bonus, as well as the number and value of performance shares.

Assessment of target achievement for the performance bonus

Target achievement is determined for one financial year. Assessment of target achievement is based on two components: growth of (reported – not adjusted) consolidated net profit for the remuneration year concerned (with a weighting of two-thirds), and the Executive Board member's individual performance (with a one-third weighting). Once the Supervisory Board has determined the overall target achievement level, from these two components, it may conduct a final appraisal, adjusting it via a performance multiplier for individual Executive Board members, but also for the entire Executive Board. The total performance bonus will be disbursed in cash, not later than the regular salary payment for the calendar month following approval of Deutsche Börse's consolidated financial statements. However, Executive Board members are obliged to invest 50 per cent of the total amount after tax disbursed into Deutsche Börse AG shares, which they will have to hold for at least three years. These shares will be purchased by a bank, on behalf and for the account of each Executive Board member, within one month following disbursement of the performance bonus at the latest.

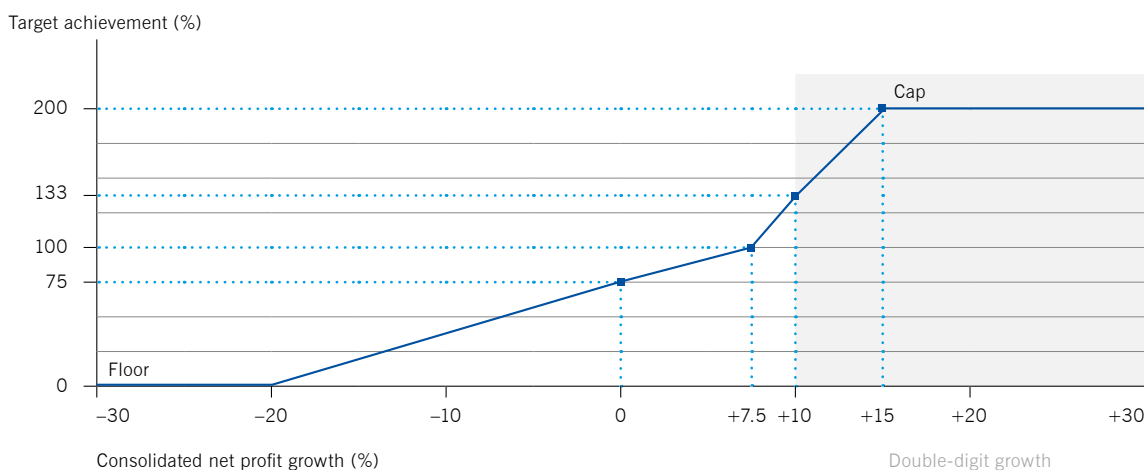
Overview of the new performance bonus



Assessment of consolidated net profit growth for the performance bonus

Growth of consolidated net profit serves as the basis for determining two-thirds of the performance bonus. The growth rate is derived – independent from the budget – by comparing the (reported) consolidated net profit for the remuneration year with the previous year's figure. Target achievement may range between 0 and 200 per cent, whereby a decline in consolidated net profit of 20 per cent or more means a 0 per cent target achievement (floor). Where consolidated net profit remains stable (i.e. unchanged year-on-year), this is deemed a 75 per cent target achievement; a 7.5 per cent increase is equivalent to a 100 per cent target achievement. An increase in consolidated net profit of 15 per cent or more means a 200 per cent target achievement (cap). Accordingly, a stronger incentive is provided for consolidated net profit growth rates between 7.5 per cent and 15 per cent, via a steeper slope of the target achievement curve (please refer to the chart “Assessment of consolidated net profit growth for the performance bonus”).

Assessment of the consolidated net profit for the performance bonus



Assessment of individual target achievement

One-third of the target achievement for the performance bonus is determined based on the degree to which each member of the Executive Board has achieved their individual targets. These targets are set by the Supervisory Board at the beginning of each financial year individually for each Executive Board member – taking individual requirements into account, especially those with particular importance for the individual Executive Board portfolios. The Supervisory Board assesses target achievement for each member of the Executive Board after the end of the respective remuneration year. In a similar manner to the assessment of consolidated net profit growth, a range from a lower limit of 0 per cent and an upper limit not exceeding 200 per cent has been defined for target achievement regarding individual targets.

Determining a performance multiplier

Moreover, the Supervisory Board may implement a general assessment of Executive Board performance by determining a performance multiplier for the performance bonus. For instance, in the event of mergers or acquisitions, the final assessment of overall target achievement may account for a dilution of equity, or incorporate achievement of qualitative or quantitative targets (especially integration parameters). The performance multiplier may be set in a range between 0.8 and 1.2; it is multiplied with the performance assessment for the performance bonus, taking the 200 per cent cap into account.

Fundamentals of the Performance Share Plan (PSP) and measurement of target achievement for performance shares

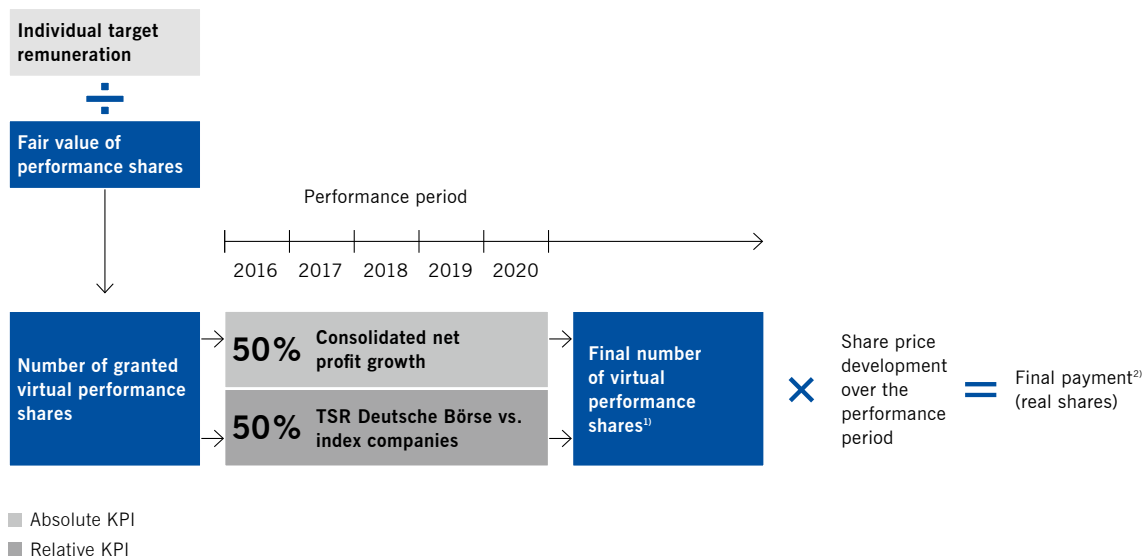
The PSP provides for a quantity of Deutsche Börse shares (the so-called performance shares) to be allotted to each member of the Executive Board from 2016 onwards. Target achievement in relation to performance shares is determined on the basis of two components: firstly, growth in consolidated net profit over a five-year period, and secondly, the relative performance of Deutsche Börse's total shareholder return (TSR) compared to the TSR of the industry benchmark STOXX Europe 600 Financials Index during the same period.

The number of prospective performance shares for each member of the Executive Board is determined, at the beginning of each financial year, by dividing the amount of individual target remuneration (in euros) by the average Xetra closing price of Deutsche Börse shares over the last calendar month prior to the performance period. A claim on allocation of performance shares will only arise upon expiry of the five-year performance period (vesting period); the shares will be allocated by a bank, on behalf and for the account of the respective Executive Board member, within one month following the end of the vesting period.

The PSP is variable in two dimensions:

- The first variable is the number of performance shares, which is derived from the growth path of consolidated net profit and from the TSR of Deutsche Börse shares relative to the TSR of the reference index, each over a five-year period. In this context, the maximum number of performance shares is capped at 250 per cent of performance shares determined at the beginning of the vesting period.
- The second set of variables is the development of share price and dividends during the vesting period, with no cap applied to the share price.

Structure of the Performance Share Plan (PSP)



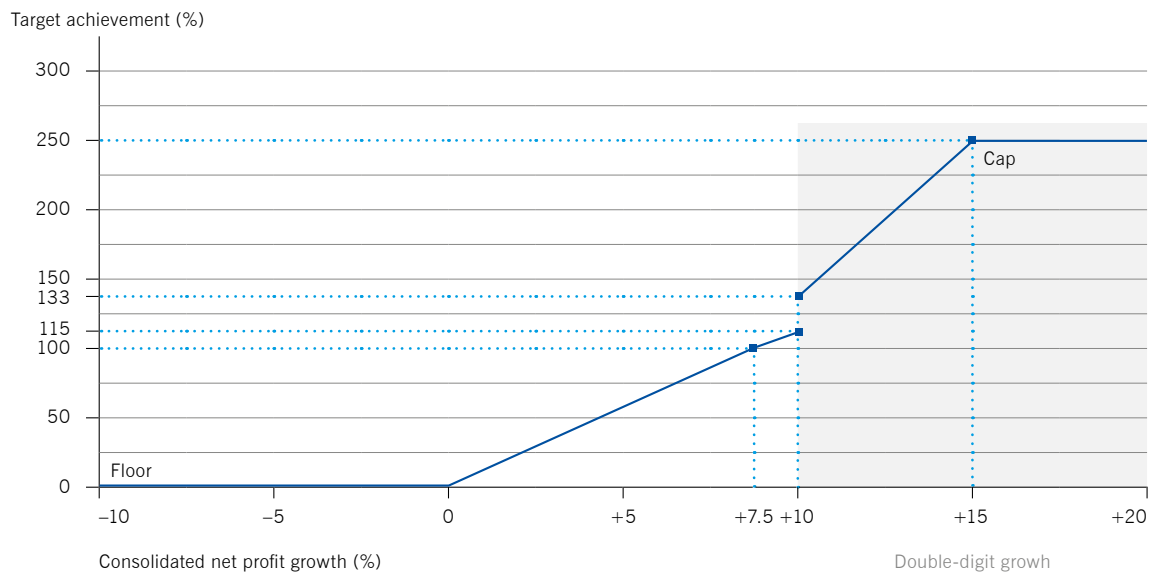
1) Cap at 250 per cent of the granted number

2) Final payment will incorporate dividends paid over the 5 years for the vesting share units.

Assessment of consolidated net profit for performance shares

During the five-year performance period, the Supervisory Board measures target achievement of Executive Board members after the end of each financial year and determines the number of performance shares. The level of target achievement may range between zero and 250 per cent. If consolidated net profit declines, or remains unchanged year-on-year, this is deemed a zero per cent target achievement level (floor). A 7.5 per cent increase in consolidated net profit is equivalent to a 100 per cent target achievement. An increase in consolidated net profit of 15 per cent or more means a 250 per cent target achievement (cap). The target achievement level increases more strongly for growth rates between 10 per cent and 15 per cent, compared to single-digit growth rates, providing a stronger incentive to Executive Board members to achieve double-digit consolidated net profit growth. Please also refer to the [chart](#) "Assessment of consolidated net profit growth for performance shares".

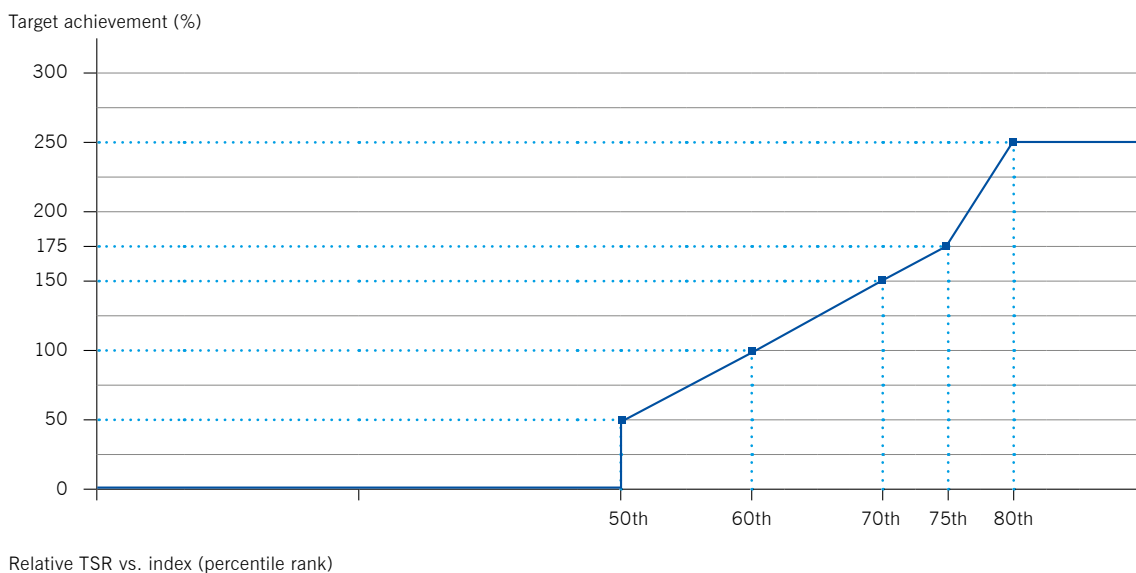
Assessment of consolidated net profit for performance shares



Assessment of TSR performance of Deutsche Börse shares

The TSR performance of Deutsche Börse shares is derived from Deutsche Börse AG's ranking, relative to the constituents of the STOXX Europe 600 Financials Index. The target achievement level for Executive Board members may range between zero per cent (floor) to a maximum of 250 per cent (cap). Zero per cent target achievement is assumed in the event of Deutsche Börse AG's relative five-year TSR falling short of the median, i.e. being lower than at least half of index constituents. Where Deutsche Börse AG's TSR has outperformed 60 per cent of index constituents, this represents a target achievement of 100 per cent – or 175 per cent if Deutsche Börse AG's TSR has outperformed 75 per cent of index constituents. The 250 per cent target achievement cap is reached if Deutsche Börse AG's TSR ranks amongst the top 20 per cent of index constituents – in other words, if it is ranked in the 80th percentile of the index or higher. Target achievement between these points is determined by way of linear interpolation. Please also refer to the [chart](#) "Assessment of the Total Shareholder Return (TSR) of the Deutsche Börse share for performance shares".

Assessment of the Total Shareholder Return (TSR) of the Deutsche Börse share for performance shares



Share Ownership Guidelines

Under the Share Ownership Guidelines, members of the Executive Board are obliged to hold a multiple of their gross fixed remuneration in Deutsche Börse AG shares during their term of office. A multiple of 3 applies to the CEO, and a multiple of 2 to the Deputy CEO and to ordinary Executive Board members. Shares of the following three categories will be considered to assess compliance with the Share Ownership Guidelines: (i) shares purchased from the performance bonus, during the holding period; (ii) shares from allocation of performance shares; and (iii) shares held in private ownership. Such shareholdings must build up over a three-year period ending on 31 December 2018. The relevant figure for the purposes of the Share Ownership Guidelines is the weighted average fixed remuneration paid to each Executive Board member during the period between 1 January 2016 and 31 December 2018.

Basic remuneration as well as annual and long-term incentive components



% = Proportion of the total target remuneration
 ■ Performance-related component (share-based payment)
 ■ Performance-related component (cash component)
 ■ Non-performance-related component (cash component)

1) Unlimited share price performance

Pension commitments

Existing pension and other benefit commitments to Executive Board members were not changed in the course of the remuneration system being redesigned. For more details, please refer to the [☞](#) sections “Retirement benefits”, “Death and permanent occupational incapacity benefits” and “Transitional payments”.

Severance payments

The provisions of the previous remuneration system governing severance payments remain valid. For more details, please refer to the [☞](#) sections “Severance payments” and “Change of control” above. Performance shares will only be retained in the event of a premature termination of contract by mutual agreement and without serious cause. Where the company has good cause to terminate employment, any performance shares granted will lapse.

Supervisory Board remuneration

The members of the Supervisory Board receive a fixed annual remuneration of €70 thousand. The Chairman receives remuneration of €170 thousand and the Deputy Chairman receives €105 thousand. Members of Supervisory Board committees receive additional fixed annual remuneration of €30 thousand for each committee position they hold. This amount rises to €35 thousand for members of the Audit Committee. Committee Chairmen's remuneration is €40 thousand, or €60 thousand for the Chairman of the Audit Committee. If a Supervisory Board member belongs to several Supervisory Board committees, only the work in a maximum of two committees is remunerated. The remuneration for the work in the two most highly remunerated committees is awarded. Supervisory Board members who only belong to the Supervisory Board for part of the financial year, receive one-twelfth of the fixed annual remuneration and, if applicable, of the remuneration for their committee membership, for each month or part month of membership.

Remuneration paid to members of the Supervisory Board for advisory and agency services

There were no further agreements in the reporting period for advisory and agency services with members of the Supervisory Board or with the following companies that employ members of the Supervisory Board of Deutsche Börse AG or in which Supervisory Board members hold an interest.

Supervisory Board remuneration¹⁾

	2015	2014	2015 € thous.	2014 € thous.
Joachim Faber (Chairman)	full year	full year	250.0	250.0
Richard Berliand (Deputy Chairman as from 13 May 2015)	full year	full year	175.8	140.0
Irmtraud Busch ²⁾	1 Jan – 13 May	full year	41.7	100.0
Karl-Heinz Flöther	full year	full year	137.1	130.0
Marion Fornoff	full year	full year	100.0	100.0
Hans-Peter Gabe	full year	full year	100.0	100.0
Richard M. Hayden ²⁾	1 Jan – 13 May	full year	54.2	130.0
Craig Heimark	full year	full year	116.7	137.5
David Krell ²⁾	1 Jan – 13 May	full year	41.7	100.0
Monica Mächler	full year	full year	125.8	100.0
Friedrich Merz ²⁾	1 Jan – 13 May	full year	56.3	132.5
Thomas Neibe ²⁾	1 Jan – 13 May	full year	41.7	100.0
Heinz-Joachim Neubürgert	1 Jan – 5 Feb	full year	22.5	135.0
Gerhard Roggemann (Deputy Chairman until 13 May 2015)	full year	full year	144.6	165.0
Erhard Schipporeit	full year	full year	166.7	166.7
Jutta Stuhlfauth	full year	full year	120.0	100.0
Martin Ulrici ²⁾	1 Jan – 13 May	full year	41.7	100.0
Johannes Witt	full year	full year	137.5	132.5
Amy Yip ³⁾	13 May – 31 Dec	–	86.7	–
Total			1,960.7	2,319.2

1) The recipient of the remuneration is determined individually by the members of the Supervisory Board.

2) Left the Supervisory Board on 13 May 2015

3) Elected to the Supervisory Board on 13 May 2015

Acknowledgement

Published by

Deutsche Börse AG
60485 Frankfurt/Main
Germany
www.deutsche-boerse.com

Concept and layout

Lesmo GmbH & Co. KG, Dusseldorf
Deutsche Börse AG, Frankfurt/Main

Photographs

Jörg Baumann (Title),
Thorsten Jansen (Portraits)

Financial reporting system

Combined management report, consolidated financial statements and notes produced in-house using FIRE.sys and SmartNotes.

Printed by

Werbedruck GmbH Horst Schreckhase, Spangenberg

Publication date

15 March 2016

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We would like to thank all colleagues and service providers who participated in the compilation of this report for their friendly support.

Publications service

The Annual 2015 and the financial report 2015 are both available in German and English.

Order number 1000–4606 (Annual in German)
Order number 1000–4607 (Financial report in German)
Order number 1010–4608 (Annual in English)
Order number 1010–4609 (Financial report in English)

The corporate report 2015 of Deutsche Börse Group is available here:

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Phone +49-(0) 69–2 11–1 15 10
Fax +49-(0) 69–2 11–1 15 11

Contact

Investor Relations

E-mail ir@deutsche-boerse.com
Phone +49-(0) 69–2 11–1 16 70
Fax +49-(0) 69–2 11–1 46 08
www.deutsche-boerse.com/ir_e

Group Sustainability

E-mail group-sustainability@deutsche-boerse.com
Phone +49-(0) 69–2 11–1 42 26
Fax +49-(0) 69–2 11–61 42 26
www.deutsche-boerse.com/sustainability

Marketing Communication

E-mail corporate.report@deutsche-boerse.com
Phone +49-(0) 69–2 11–1 49 84
Fax +49-(0) 69–2 11–61 49 84

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