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Eurex Clearing AG

Remuneration Report 2014

according to Article 450 of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013

and § 16 of the German Remuneration Ordinance for Institutions (InstitutsVergV) of 16 December 2013

This report discloses information on remuneration 2014 for Eurex Clearing AG.

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1. Preamble

Eurex Clearing AG is responsible to fulfil regulatory requirements as a regulated banking institution in Germany.

The regulations on remuneration are manifested in the Capital Requirements Directive IV (Directive 2013/36/EU, in the following referred to as "CRD IV") and Capital Requirements Regulation (Regulation (EU) No 575/2013 of 26 June 2013, in the following referred to as "CRR"). According to the legislative processes, the requirements have been implemented at the national level mainly through amendments of the German Remuneration Ordinance for Institutions of 16 December 2013 (Institutsvergütungsverordnung, in the following referred to as "InstitutsVergV") and the German Banking Act (Kreditwesengesetz, in the following referred to as "KWG").

The Remuneration Report for 2014 at hand provides qualitative and quantitative information on remuneration of Eurex Clearing AG for the financial year 2014 according to the requirements on remuneration disclosure according to Article 450 of CRR and § 16 of InstitutsVergV. Therewith, Eurex Clearing AG discloses information on its remuneration policies and practices for those categories of staff whose professional activities have a material impact on its risk profile (in the following referred to as "Risk Taker(s)"). The criteria on identification of Risk Takers are set out in the Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile of 26 June 2013 (in the following referred to as "EBA-RTS"). Furthermore, Eurex Clearing AG implemented regulatory requirements on remuneration (Article 26 sentence 5) of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 (in the following referred to as "EMIR") as well as of European Commission delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing EMIR.

Eurex Clearing AG is classified as a major institution according to InstitutsVergV and must fulfil the general as well as the special requirements of InstitutsVergV in conjunction with CRD IV and CRR first time for the financial year 2014. Further subsidiaries of Eurex Clearing AG are not to be considered in accordance with § 27 InstitutsVergV.

Through implementation of CRD IV and CRR, Eurex Clearing AG has considerably strengthened its remuneration policies and processes. The implementation of a CRD IV compliant remuneration system was advised by external consultants of Hostettler, Kramarsch & Partner (hkp/// group) and project accompanied audited by KPMG.

References made to persons in the masculine for reasons of readability apply equally in the feminine.

2. Compensation Governance

2.1. Responsibilities for the Remuneration Systems

The Supervisory Board of Eurex Clearing AG acts as responsible body to implement a remuneration policy for the Executive Board and is supported by the Compensation Review and Nomination Committee (CRNC).

The remuneration policy for employees below the Executive Board lies in the responsibility of the Executive Board.

The Compensation Officer and Deputy Compensation Officer support the Compensation Review and Nomination Committee as well as the Supervisory Board in assessing the appropriateness of the remuneration systems of the employees.

The Remuneration Advisory Board ensures an appropriate involvement of the control functions in the design and monitoring of the remuneration systems.

2.2. Compensation Review and Nomination Committee

The Compensation Review and Nomination Committee, as subcommittee of the Supervisory Board, acts as remuneration control committee in accordance with § 25d KWG. In this respect, the Compensation Review and Nomination Committee is responsible for the Executive Board remuneration and the monitoring of the appropriateness of the remuneration systems for staff, in particular for those staff members heading compliance and risk functions or identified as having a material impact on the risk profile of the institution.

The core tasks of the Compensation Review and Nomination Committee - in compliance with CRD IV, EMIR and the InstitutsVergV - are to supervise the adequate arrangement of the remuneration system for Executive Board members of Eurex Clearing AG and to prepare the resolutions of the Supervisory Board on the remuneration of the Executive Board, taking into account the implications for the risk and risk management of the institution. Further core competences of the Committee are to identify candidates to fill vacancies in the Executive Board and to prepare the proposals for the election of members of the Supervisory Board, as well as to assess the composition and performance of the Executive Board and the Supervisory Board and to assess the knowledge, skills and experience of individual members of the Executive Board and the Supervisory Board periodically, at least annually.

The Compensation Review and Nomination Committee consists of three members who are elected by the Supervisory Board. The members of the Compensation Review and Nomination Committee are Mr. Hugo Bänziger (Chairman of the Compensation Review and Nomination Committee), Mr. Clifford Lewis and Mr. Gregor Pottmeyer.

During 2014, the Compensation Review and Nomination Committee was incorporated in the process of the design and implementation of the new remuneration systems for the Executive Board and staff. In doing so, the Compensation Review and Nomination Committee ensured the remuneration systems are aligned with the business and risk strategy and monitored the appropriateness of the new remuneration systems. Besides that, the impact of the remuneration systems on the institution's risk, capital and liquidity situation was reviewed and also addressed in the Audit and Risk Committee. The Compensation Review and Nomination Committee met four times for the corresponding meetings of the Supervisory Board during 2014.

2.3. Compensation Officer and Deputy

Within the new compensation governance under CRD IV, the Compensation Officer and the Deputy Compensation Officer ensure appropriate, long-term and effective control of the company's remuneration systems according to §§ 23 – 26 InstitutsVergV. The Compensation Officer and the Deputy Compensation Officer have a direct functional and disciplinary reporting line to the Executive Board of Eurex Clearing AG and a direct functional reporting line to the Compensation Review and Nomination Committee.

Main activities performed in 2014:

- involvement in the conceptual development of the design of the remuneration systems for Risk Takers below the Executive Board
- involvement in the process to identify Risk Takers
- involvement in the preparation of the merit process
- ongoing monitoring of the employees' remuneration systems
- preparation of the remuneration review report
- supporting the Compensation Review and Nomination Committee in fulfilling its responsibilities in designing and monitoring the Executive Board remuneration (preparation of Supervisory Board meetings).

2.4. Remuneration Advisory Board

According to § 3 InstitutsVergV, the control units shall be involved in an appropriate manner in the design and monitoring of the remuneration systems. Therefore, the Executive Board implemented a Remuneration Advisory Board.

According to the rules of procedure, the Remuneration Advisory Board was involved in the design and development of the company's remuneration systems covering the remuneration of the employees, the executive employees and the Executive Board members. The Remuneration Advisory Board supports the company's efforts to ensure compliance of its compensation system with regulatory requirements and applicable law.

The members of the Remuneration Advisory Board include representatives of (control) functions such as Audit, Compliance, Finance, Human Resources, Legal, Risk Management and the Compensation Officer in order to involve control functions adequately in the design and monitoring of the remuneration systems.

3. Remuneration System

3.1. Remuneration Principles

The strategic goals of Eurex Clearing AG, derived from a strategic process, were developed and broken down in a cascade to the single special divisions on the next level and the individuals target agreements.

Remuneration principles are set out in the remuneration policy of Eurex Clearing AG which is reviewed in a regular process and implemented by the Supervisory respectively Executive Board. Further remuneration principles are included in the individuals' contracts, the remuneration schemes for Risk Takers and the applicable terms and conditions for the long-term sustainable instrument (in the following referred to as the "LSI").

The remuneration policy is an important framework to ensure the implementation of the business and risk strategy and is a central element for the implementation of the remuneration systems within the organisation. It aims at:

- setting out the principles governing the company's remuneration systems for Eurex Clearing AG in the organisational guidelines,
- ensuring that the remuneration in the company is in line with the applicable regulations on remuneration,
- informing staff on the applicable rules as well as on their remuneration system,
- describing the determination of variable remuneration pools,
- aligning the interests of the owners and staff by using long-term sustainable instruments.

Eurex Clearing AG performed several activities to ensure that the remuneration policy and the remuneration principles are in line with the applicable regulations on remuneration. Additionally, the remuneration policy takes the requirements of EMIR into account. The remuneration systems have been elaborated in co-operation with the control units during 2014.

3.2. Remuneration Systems for Executive Board and Staff

The remuneration systems for the Executive Board members of Eurex Clearing AG and Risk Taker, executive and non-executive (staff) employees consist of a fixed salary and variable remuneration which is specified in the respective employment contracts.

The fixed remuneration for tariff employees is set out in a company-based tariff agreement between Eurex Clearing AG and ver.di and is utilised for 2014. Staff employees are granted their variable remuneration in the form of a cash bonus. They are evaluated through the staff appraisal system.

Regarding the variable remuneration, executive employees who are not identified as Risk Takers receive a cash and a shared-based variable remuneration (according to the conditions of the Stock Bonus Plan). The individual variable remuneration took into consideration the individual bonus range, the company performance as well as the performance achievement scores assessed through the executive appraisal system.

Risk Taker including members of the Executive Board of Eurex Clearing AG receive a variable remuneration according to the conditions of the Remuneration Scheme for Risk Taker and the terms and conditions of the long-term sustainable instrument. The individual variable remuneration takes into consideration the individual bonus range, the company performance as well as the target achievements on individual, area of responsibility and institutional level.

The regulatory requirements set out in the respective remuneration schemes for Risk Taker are implemented in the appraisal system and are used in the target setting process and the determination of the individual target achievement. Targets are primarily based on a multi-year performance assessment and are defined on the principle that these shall cover the level of the company, the level of the area of responsibility as well as the individual level and include qualitative and quantitative targets. The individual target achievement is based on the weighted arithmetic mean of each of the targets and is confined.

Depending on the category of Risk Taker, 40-60% of the variable remuneration are deferred over a timeline of three to four years and paid out after an additional retention period of one year. The LSI links a part of the variable remuneration with a sustainable development. The deferral period is in accordance to Eurex Clearing AG's business cycle as well as the nature and risk content of Eurex Clearing AG's business activities.

For members of the Executive Board as well as employees, the shareholders passed a resolution on the maximum variable remuneration of 200 per cent of the annual fixed remuneration according to regulatory requirements ("Bonus Cap") with regard to the provisions of § 25a KWG.

To account for extraordinary developments (i. e. sale or takeover of a business, realisation of hidden reserves, external influences), the Supervisory Board may adjust variable remuneration of the Executive Board members according to § 10 InstitutsVergV.

Further, Eurex Clearing AG does not guarantee variable remuneration in general and only applies the exemption in case of an entry within the first twelve months after entry taking into account appropriate equity and liquidity resources as well as sufficient capital in order to ensure its risk-bearing capacity.

Overall, the variable remuneration system does not incentivise to take disproportional high risks and is designed in a way that bonus can be reduced to zero in order to apply with the regulatory requirements of § 45 KWG.

3.3. Total Amount and Allocation of Variable Remuneration

For the financial year 2014, the total amount of variable remuneration (the pool) was defined in a formalised and transparent process based upon the performance metric of Eurex Clearing AG. The performance criteria were derived from the company's business and risk strategy in order to promote long-term sustainable success of the company and to adequately reflect costs of capital and liquidity as well as risks incurred. The performance metric includes quantitative performance criteria such as Eurex Clearing AG's net revenues and Value at Risk (VaR) and qualitative performance criteria such as the strategic value contribution of the company which will be taken into account. Afterwards, the target achievement of the performance metric was transformed into the company's Payout Ratio ranging between 0 and 100%.

The Supervisory Board resolved jointly with the Executive Board a sufficient total amount of variable remuneration for 2014 taking into account and proving the requirements of § 45 KWG and § 7 InstitutsVergV. Payments will only be made in case the regulatory requirements are fulfilled.

The individual variable remuneration to be awarded will be derived from the total amount for variable remuneration of the company and the respective Payout Ratio, the level of target achievement and the individual bonus budget (for staff) respectively the individual upper bonus range (for executive employees and Executive Board members). This may not, however, exceed the individual upper bonus range.

Assessment of the requirements to determine the Total Amount		Assessment
Overall economic situation		
Overall company performance	Taking into account costs of liquidity and capital as well as the assumption of risk, the Company achieves a positive overall business performance.	✓/✗
Exceptional cases	The <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> allows with respect to extraordinary circumstances, to resolve a Total Amount, regardless of the overall negative business performance.	✓/✗
Requirements of the InstitutsVergV		
When determining the Total Amount, risk-bearing capacity, multi-year capital planning and profitability of the Company are taken into account. Moreover, the Company is able to maintain or recover adequate funds and liquidity.		✓/✗
The determination of the Total Amount does not limit the Company's ability to meet or recover the combined capital buffer requirements in accordance with KWG.		✓/✗
A Total Amount is resolved upon:		✓/✗

Graphic 1: Overview of the requirements to determine the total amount.

The sum of the individual variable remuneration awarded to the members of the Executive Board or the Risk Takers respectively cannot exceed the part of the total amount resolved. Individual levels of target achievement can be adjusted accordingly.

If the Supervisory Board or respectively the line manager for Risk Takers decide in their overall assessment that the awarding of variable remuneration is not appropriate, there is no right to the award. Thereby, the Supervisory Board or respectively the line manager consider all circumstances leading to significant underperformance or negative performance contributions causing significant financial losses or damage to the reputation for the company. This also applies in the event of individual unconscionable conduct or conduct in breach of duty as defined in the remuneration policy.

3.4. Risk Taker Identification

According to § 18 InstitutsVergV and EBA-RTS, staff whose professional activities have a material impact on the institution's risk profile must be identified. In 2014, Eurex Clearing AG performed a risk analysis and identified 40.2 (full time equivalent) Risk Taker based on these qualitative and quantitative criteria set out in the regulatory requirements.

According to InstitutsVergV, members of the Supervisory Board were not considered as staff in 2014 and did not receive variable remuneration for 2014 in the sense of the ordinance.

The Risk Takers of Eurex Clearing AG can be differentiated between Risk Taker as members of the Executive Board of Eurex Clearing AG, Risk Taker below the Executive Board (n-1 Risk Taker) and other Risk Taker. Deutsche Börse AG's employees directly involved in providing services to Eurex Clearing AG for the purpose of conducting banking business or supplying financial services within the framework of an outsourcing agreement were identified as so-called Group Risk Taker (Group Risk Taker n-1 respectively Group Risk Taker other).

3.5. Variable Remuneration Scheme

Depending upon the classification of the different Risk Taker groups (Executive Board members, n-1 Risk Takers and other Risk Takers), the payout schemes vary. In general, the variable remuneration consists of an upfront part and a deferral part (either 40/60 or 60/40). Of each part, 50% contain of the long-term sustainable component (LSI). Further, the non-upfront part of variable remuneration will be deferred for a period of three or four years, also depending upon the Risk Taker-classification. An additional holding period of one year applies for the LSI.

Eurex Clearing AG applied the exemption limit up to which the German supervisory authority currently accepts the payout of the complete variable remuneration to avoid disproportional operating expenses. If a Risk Taker is granted variable remuneration of EUR 50,000 or higher, 50% of the deferred and non-deferred parts of the variable remuneration shall be granted in the long-term sustainable instrument.

3.5.1.Upfront Part

In accordance with the regulatory requirements, 40% of variable remuneration are rewarded as upfront part for members of the Executive Board and n-1 Risk Takers. For other Risk Taker, the upfront part is 60%. 50% of the upfront part (20% respectively 30% of variable remuneration) will be paid in cash in the year following the respective financial year. The remaining tranche of the upfront part (20% respectively 30%) will be converted into long-term sustainable instruments.

3.5.2.Deferral Part

The deferral part will be paid deferred pro rata over a period of four years for members of the Executive Board (respectively three years for other Risk Takers as well as n-1 Risk Takers) in four (three) instalments. Of each, 50% will be converted into LSI shares in accordance with the respective terms and conditions of the LSI with an additional retention period of one year. The remaining 50% will be paid out in cash.

3.5.3.Long-term Sustainable Instrument

The terms and conditions of the long-term sustainable instrument apply to Executive Board members of Eurex Clearing AG and to employees who have been identified as Risk Takers.

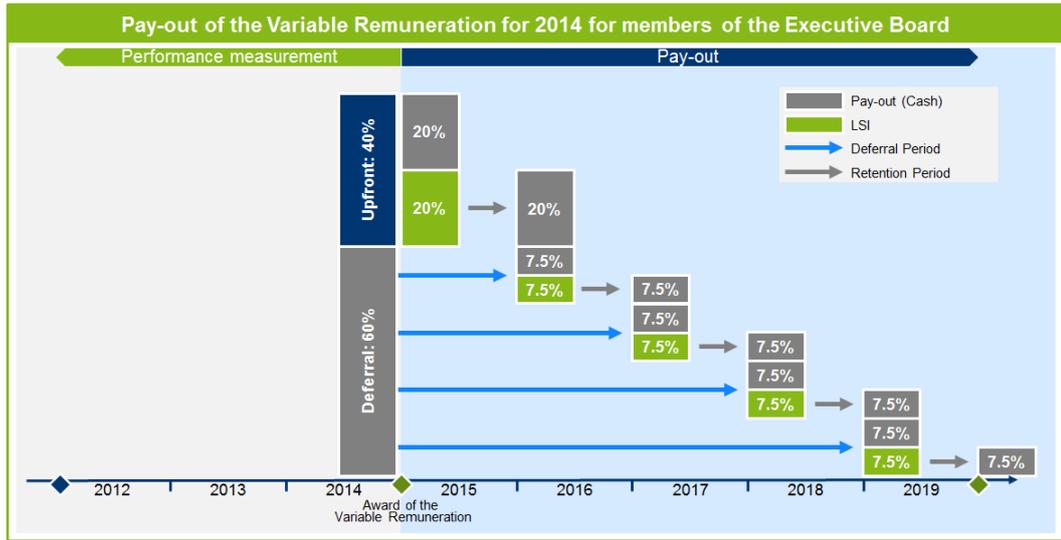
Each of the LSI parts of upfront and deferral part will be converted into virtual shares of the long-term sustainable instrument in accordance with the respective terms and conditions of the long-term sustainable instrument subject to a retention period of one year (four respectively three years deferral period and an additional holding period of one year).

Until the final decision of the Supervisory Board of the company regarding the payout of the awarded variable remuneration, there is no right to the deferred portion of the variable remuneration awarded, or variable remuneration which has already been converted into long-term sustainable instrument shares. During the deferral period and retention period, there is only a right to an accurate determination of the expectant (unpaid) portion of the variable remuneration. In case the total amount will not be approved, portions of the variable remuneration which are due to be paid out, but are not effectively paid out or are not converted into long-term sustainable instrument shares may forfeit and are not carried forward into future years.

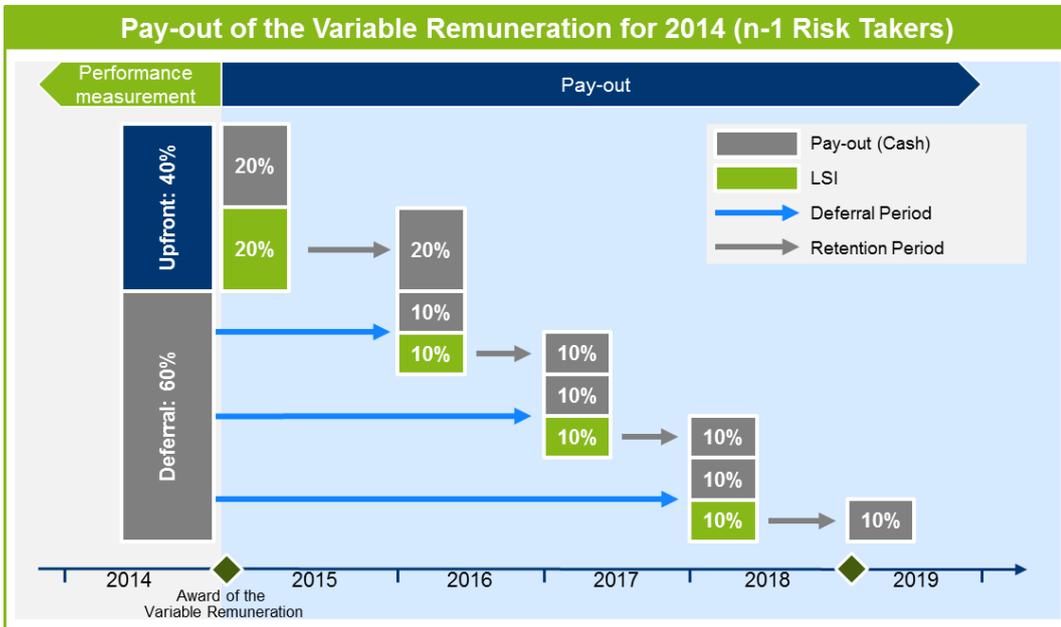
As of the date on which the number of shares of the long-term sustainable instrument resulting from deferred and non-deferred parts of the variable remuneration is fixed, the Risk Taker has neither a claim to payment of the cash value of the LSI shares nor any claim for delivery of the LSI shares.

3.5.4. Payout Schedules for Risk Taker (different categories)

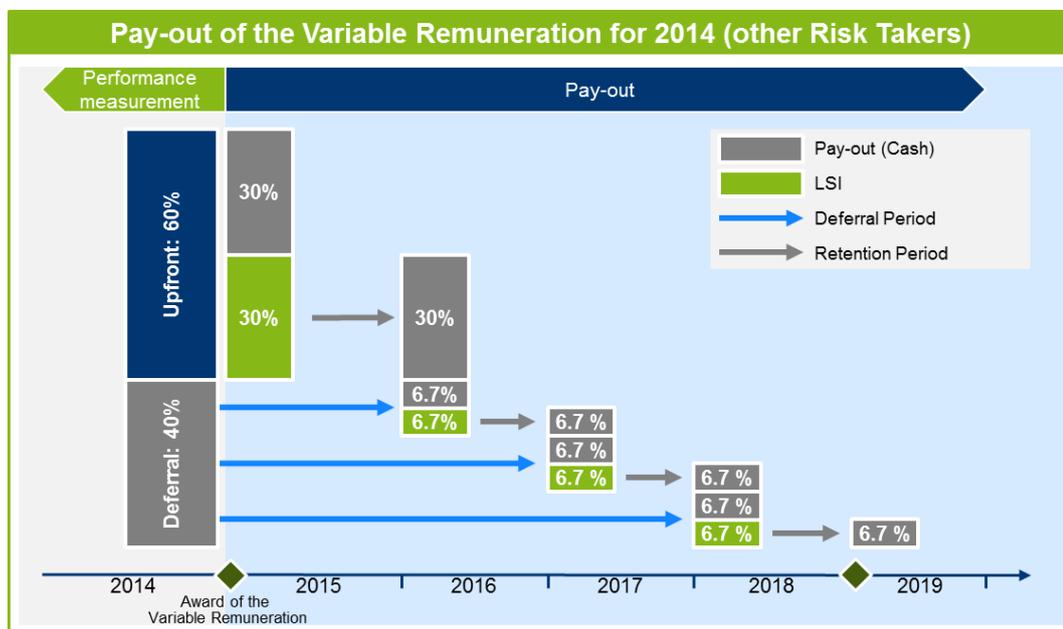
The tables below show the payout schedules for each category of Risk Taker.



Graphic 2: Exemplary payout of the Variable Remuneration for members of the Executive Board.



Graphic 3: Exemplary payout of the Variable Remuneration for n-1 Risk Takers (including Group Risk Taker n-1).



Graphic 4: Exemplary payout of the Variable Remuneration for other Risk Takers (including Group Risk Taker other).

3.6. Backtest for Variable Remuneration

Prior to each payment, within a comprehensive review, the sustainability of the performance contributions is assessed with regard to the initial performance, which led to the award of the variable remuneration. Indicators therefore are, in particular, significant changes in the capital base, decreases in the financial capacity, the sustainability of his performance contributions, area of responsibility as well as the overall performance of the company (Backtesting).

In case of a negative backtest, malus can apply to both elements, the cash portion and the long-term sustainable instrument portion of deferred remuneration, in particular in case of evidence of misbehavior or serious error (e.g. breach of code of conduct and other internal rules, especially concerning risks), negative performance contributions (e.g. if any material assumptions underlying the calculation of the variable remuneration later prove to not be sustainable or to be incorrect), significant failure of risk management respectively significant changes in the capital base, or significant downturn in the financial performance. In case of the circumstances described above have occurred to a significant degree, a reduction or forfeiture of portions of the deferred variable remuneration including LSI shares applies. For 2014, the backtest for variable remuneration did not lead to any reduction or forfeiture.

3.7. Prohibition of Personal Hedging Strategies

The effectiveness of risk alignment will be significantly weakened if staff members were able to transfer the downside risks to another party through hedging or certain types of insurance. To ensure the effectiveness of risk alignment, the remuneration policy and re-

muneration principles prohibit to undertake any personal hedging strategies or other countermeasures that confine or neutralise the risk alignment effects of their remuneration.

Also, appropriate compliance structures and measures in order to prevent any hedging strategies are implemented, including random checks of securities accounts and other accounts. Through this, all Risk Takers agreed to allow inspections of their securities accounts and to declare if and which personal hedging strategies or other countermeasures they utilised.

4. Information on Remuneration¹

4.1. By Business Area

According to Article 450 paragraph 1 g CRR, aggregate quantitative information on remuneration broken down by business area:

Amounts in Mio. EUR	Clearing Business & Treasury	Other	Σ
Remuneration 2014			
<i>Risk Taker (FTE)</i>	19.8	20.4	40.2
total remuneration	5.01	9.29	14.30
thereof fixed remuneration	3.67	6.02	9.69
thereof variable remuneration	1.34	3.27	4.60

Table 1: Aggregate quantitative information according to Article 450 paragraph 1 g CRR.

¹ The remuneration information is disclosed in EUR (foreign currencies are converted into EUR) and includes remuneration awarded for the respective service period for the financial year 2014. In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base. Risk Taker are reported as identified as per 31.12.2014 with full-time equivalent (FTE). Remuneration information is allocated according to contractual situation with the legal entity respectively allocated to the legal entity for which entity the Risk Taker is identified for or delivers services to (e.g. Executive Board member, Group Risk Taker). For data protection reasons, the two key business activities Clearing Business and Treasury are summarised and there are no further distinctions made. The business area disclosed as Clearing Business & Treasury includes e.g. Clearing Sales, IT, Clearing Product Design, Treasury. "Other" consists of corporate (service) functions such as e.g. Finance, Human Resources, Internal Audit.

4.2. By Senior Management and Risk Takers

According to Article 450 paragraph 1 h CRR, aggregate quantitative information on remuneration by senior management and Risk Taker:

Amounts in Mio. EUR	Members of the Executive Board	Risk Taker (including Group Risk Taker)		Σ
		Clearing Business & Treasury	Other	
Remuneration 2014				
<i>Risk Taker (FTE)</i>	4.4	17.4	18.4	40.2
total remuneration	2.40	4.27	7.63	14.30
thereof total fixed remuneration	1.45	3.14	5.10	9.69
thereof total variable remuneration	0.94	1.13	2.54	4.60
Total variable remuneration 2014				
thereof in cash	0.47	0.77	1.44	2.68
thereof in share-linked instruments	0.47	0.36	1.09	1.92
Deferred variable remuneration 2014				
<i>Risk Taker</i>	4.1	3.5	5.5	13.1
total deferred variable remuneration	0.75	0.57	1.75	3.07
thereof in cash	0.28	0.21	0.66	1.15
thereof in share-linked instruments	0.47	0.36	1.09	1.92
thereof vested	-	-	-	-
thereof unvested	0.75	0.57	1.75	3.07
Amounts of deferred remuneration from previous years				
<i>beneficiaries</i>	-	-	-	-
thereof vested and paid out	-	-	-	-
thereof unvested and deferred	-	-	-	-
Sign-on / buy-out 2014				
<i>beneficiaries</i>	-	-	-	1,0
total amount of sign-on / buy-out payments	-	-	-	0,15
Severance payments 2014				
<i>beneficiaries</i>	-	-	-	-
total amount of severance payments	-	-	-	-
highest such award to a single person	-	-	-	-

Table 2: Aggregate quantitative information according to Article 450 paragraph 1 g CRR, broken down by senior management and Risk Taker.

4.3. Information on High Earners

Pursuant to Article 450 paragraph 1 i CRR, the number of individuals being remunerated EUR 1 million or more (high earners) per financial year must be broken down into pay bands of EUR 500 000. Overall for financial year 2014 Eurex Clearing AG remunerated one employee in the pay bracket between 1.0 – 1.5 Mio. €. Apart from this high earner, no other individual was granted more than EUR 1 million.