

## Convenience Translation from German into English

### **Report of the Executive Board regarding agenda item 5 in accordance with section 71 (1) no. 8 sentence 5 in conjunction with section 186 (4) sentence 2 of the AktG**

Under item 5 of the agenda, Deutsche Börse Aktiengesellschaft is authorised to acquire own shares.

In addition to acquisition via the stock exchange, the Company shall be able to acquire own shares via a public purchase offer (tender process) or a public invitation to submit sale offers. This method enables each shareholder of the Company wishing to sell to decide how many shares to sell and, when determining a price range, at what price these are to be offered. If the quantity offered at the determined price exceeds the number of shares requested by the Company, an acceptance of the sale offers is to be allocated. This should allow provision for a preferred acceptance of smaller offers or small parts of offers up to a maximum of 100 shares. This option helps to prevent fractional amounts when determining the quotas for acquisition, as well as small residual amounts, thus simplifying the technical settlement process. This also makes it possible to avoid any actual financial disadvantage to small shareholders. Moreover, allocations can be made according to shares tendered (tender ratios) rather than according to ownership interests because the acquisition procedure can be settled within a commercially reasonable framework. Ultimately, sums may also be subject to standard rounding in order to eliminate arithmetical fractions of shares. In this respect the acquisition ratio and the number of shares to be purchased from individual tendering shareholders can be rounded off as necessary in order to make the acquisition of whole shares possible for technical settlement purposes. The Executive Board considers the exclusion of any further shareholder rights of tender resulting therefrom to be justifiable and reasonable with regard to the shareholders.

Furthermore, the Company is also authorised to execute the acquisition by using rights of tender made available to the shareholders. These tender rights are structured in such a way that the Company is only obligated to acquire whole shares. If tender rights cannot be exercised thereafter, they will expire. This process conforms to the principle of equal treatment of shareholders, yet simplifies the technical settlement of share buybacks.

Deutsche Börse Aktiengesellschaft can generate additional equity by re-selling own shares. Under the authorisation, Deutsche Börse Aktiengesellschaft may re-sell own shares through disposal via the stock exchange – which ensures equal treatment of shareholders in accordance with the legal definition – or by an offer to all shareholders. In the case of the sale of own shares via an offer to all shareholders, the Executive Board shall be authorised to exclude the shareholders' subscription rights for fractional amounts. This is necessary in order to execute the technical settlement process to dispose of acquired own shares via an offer to shareholders. The own shares that are excluded from shareholders' subscription rights as floating fractional shares will be liquidated either via their sale on the stock exchange or otherwise at the most favourable terms possible for the Company.

Furthermore, agenda item 5 also makes the Company's own shares available for use as consideration in mergers and acquisitions or to acquire equity interests in companies or parts of companies and other assets under the exclusion of shareholders' subscription rights. This provision is designed to enable the Company to react swiftly and successfully, while protecting its liquidity, to advantageous offers or other opportunities with regards to mergers and acquisitions, to acquire companies and equity interests in companies or parts of companies, or other assets on both the domestic and international markets. Negotiations frequently reveal the necessity to provide consideration in the form of shares rather than in cash. The authorisation takes account of this necessity. To prevent price fluctuations from compromising the outcomes of negotiations that are in the interest of the Company, the Executive Board will take the quoted price of Deutsche Börse shares into consideration when determining pricing ratios, even if a schematic link was not provided for.

The Supervisory Board and the Executive Board also propose that the own shares acquired also be used to issue shares to employees and retired former employees of the Company and its affiliated companies within the meaning of sections 15 et seq. of the AktG at favourable conditions. The use of existing own shares in lieu of creating new shares by exercising authorised capital is usually less extensive and also more cost-effective for the Company because, among other things, the use of own shares is not required to be recorded in the commercial register, in contrast to the exercise of authorised capital. The use of own shares also prevents the dilutive effect that otherwise takes place. Issuing shares to the specified employees and retired former employees promotes an ongoing long-term equity culture that encourages the long-term commitment to the Company and helps these groups of individuals identify with the Company. A standard discount or an appropriate discount on the Company's performance may be granted when calculating the purchase price that is to be paid.

Acquired own shares may also be issued to selected employees in managerial and key positions in the Company, as well as to members of the executive board and to management and selected employees in managerial and key positions at affiliated companies within the meaning of sections 15 et seq. of the AktG (hereinafter also "employees") under the stock bonus plan (hereinafter "SBP") described in greater detail below. Unlike in the past, the Executive Board of the Company no longer participates in the SBP.

The SBP also allows the Company to offer shares in the Company, instead of merely cash, as part of variable, performance-based remuneration. The use of existing own shares in lieu of the creation of new shares also bears the advantage that this is usually less extensive and thus more cost-effective for the Company. The use of own shares also prevents the dilutive effect that otherwise takes place.

Under the SBP, bonus budgets are allocated on the basis of the targets and business results achieved and individual bonuses are set. The bonus is then partly converted into a specified number of shares as opposed to being paid out in cash. The number of shares is calculated by dividing the bonus component by the average quoted price of Deutsche Börse shares in the fourth quarter of the respective financial year to which the bonus relates, rounded in accordance with standard practice to the nearest whole number. The average quoted price is calculated based on the average (arithmetic mean) of the closing auction prices for Deutsche

Börse shares in electronic trading on the Frankfurt Stock Exchange in the fourth quarter of the financial year for which the bonus component is set.

Neither the converted bonus nor the number of shares shall be paid out on the date on which the bonus is set. Rather, subject to the further details of the program, the bonus or the shares shall generally be paid out or allocated at least two years after the bonus or shares have been granted ("waiting period"). Performance by the Company, however, is subject to the proviso that in principle the respective service or employment agreement has not been terminated by either (i) the SBP participant or (ii) the Company or the company affiliated with it for reasons for which the SBP participant is responsible. At the end of the waiting period, the number of shares calculated in the manner described above shall be converted, in the first instance, into a payment claim, by multiplying the original number of shares by the current quoted price of the Company's shares on the first trading day following expiration of the waiting period. The Company shall then have the right to choose between fulfilling the SBP participants claim either by delivering the number of Company shares originally agreed upon and calculated or by paying a cash settlement. Exceptions may arise due to distinctive general statutory and tax-related conditions in other jurisdictions.

At present, a group of persons in managerial and key positions at the Company (excluding members of the Company's Executive Board) and its affiliated companies within the meaning of sections 15 et seq. of the AktG has been identified for participation in the SBP. This group accounts for around 10% of Deutsche Börse Group's employees and shall be reviewed on an annual basis. The maximum quota of shares that may be issued in any given financial year for this group of participants (excluding members of the Company's Executive Board) amounts to 300,000 shares. The responsible body of the respective company shall decide which employees shall receive an offer to participate in the SBP.

The respective responsible body of the company concerned shall determine the further details of the overall conditions of the SBP, in particular with respect to special circumstances affecting the participants in the SBP (e.g. retirement, illness, death) or special circumstances at Deutsche Börse Group (e.g. restructuring), as well as the specific terms and conditions of the share issue.

When structuring the SBP, the Company to date refrained from tying the issue of shares to the achievement of further performance targets during the waiting period. Under the SBP, the achievement of performance targets for the respective prior year is accounted for within the framework of the annual determination of the bonus amount. As explained above, this decision is taken by the respective responsible body of the company concerned. In all cases, the claims of the SBP participants shall only fall due after the end of the waiting period. This means that, for the Company, the SBP shall serve to protect its liquidity not only in the case of share delivery, but also in the case of cash settlement. The SBP participants benefit not only from any increase in the price of the Company's shares, but also bear an unlimited share price risk, at least for the duration of the waiting period.

The SBP loyalty component is closely linked to the share price risk borne by the SBP participants. Subject to special cases, the details of which are yet to be defined, the

participants' claims shall lapse if they choose to leave the Company during the waiting period. The vast majority of the employees of the Company and its affiliated companies within the meaning of sections 15 et seq. of the AktG that may be considered for participation ranks among a small group of specialists for whom there is considerable market demand due to their high qualifications and experience. As a result, it is crucial that the Company retains these employees. Moreover, the performance-based compensation component is also an acknowledgement for the contributions made to the sustained success of Deutsche Börse Group, which can only be achieved with a certain degree of continuity among the Group's employees.

The SBP can only be implemented if the Company is given the option of awarding shares to select employees in managerial and key positions at the Company and its affiliated companies within the meaning of sections 15 et seq. of the AktG. This means that shareholders' subscription rights must necessarily be excluded.

Finally, provision has been made for selling own shares acquired off-market in return for cash payment and excluding shareholders' subscription rights. This is subject to the proviso that the shares are sold in return for cash payment at a price that does not fall substantially short of the quoted price of the Company's shares at the time the shares are sold. This makes use of the option for a less stringent exclusion of subscription rights as provided for in section 71 (1) no. 8 sentence 5 of the AktG in conjunction with section 186 (3) sentence 4 of the AktG. The fact that the shares can only be sold at a price that does not fall substantially short of the relevant quoted price of the Company's shares gives appropriate consideration to the principle of protecting the shareholders' anti-dilution interests. The final sale price for the own shares shall be determined shortly prior to the sale. The Executive Board shall ensure that any discount on the quoted price is as low as possible, taking into account the market conditions prevailing at the time of placement. The discount on the quoted price at the point in time at which the authorisation is exercised shall not, under any circumstances, exceed 5% of the current quoted price. This is subject to the proviso that the shares sold to the exclusion of shareholders' subscription rights in accordance with section 71 (1) no. 8 sentence 5 of the AktG in conjunction with section 186 (3) sentence 4 of the AktG do not exceed a total of 10% of the Company's share capital either at the point in time at which the authorisation becomes effective or at the time at which it is exercised. All shares issued from authorised capital excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 of the AktG during the period in which this authorisation becomes effective until such time as the authorisation is exercised shall be included in the calculation of this limit. This restriction, together with the fact that the issue price has to be based on the quoted price, is designed to give appropriate consideration to the financial and voting right interests of the shareholders. In principle, the shareholders have the option of maintaining their participating interest by purchasing Deutsche Börse shares via the stock exchange. The authorisations are in the interests of the Company because they provide it with greater flexibility. They enable, for example, the sale of own shares to institutional investors or the targeting of new groups of investors.

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