

Clearstream Group

Remuneration Report for 2019

This report discloses information on remuneration for Clearstream Group (including Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A.)

according to

Article 450 of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, and

§ 16 of the German Remuneration Ordinance for Institutions (InstitutsVergV) of 15 April 2019, and

Circular 17/658 of the Luxembourgish Commission de Surveillance du Secteur Financier (CSSF).

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1. Preamble

Clearstream Holding AG must fulfil regulatory requirements on consolidated group level (“Clearstream Group”) as superordinate company of regulated credit institutions in Germany (Clearstream Banking AG) and Luxembourg (Clearstream Banking S.A.).

The regulatory requirements 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, in the following referred to as “CRR”) respectively the Guidelines¹ of the European Banking Authority. According to the legislative processes, the therefrom deriving requirements were implemented on national levels. In contrast to regulations that are binding directly for the member states to whom they are addressed, directives have to be implemented on national level.

In Germany, the implementation took place mainly through amendments of the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung, in the following referred to as “InstitutsVergV”)² and the German Banking Act (Kreditwesengesetz, in the following referred to as “KWG”).

In Luxembourg, CRD IV was reflected in the amended Luxembourg law of 5 April 1993 on the financial sector (in the following referred to as “Luxembourg law on the financial sector”)³. CRD IV related remuneration rules were applied as from 2014 to all Luxembourg entities of the Clearstream Group. In addition, Clearstream Banking S.A. remained subject to the requirements of the Circular 17/658 issued by the Commission de Surveillance du Secteur Financier (in the following referred to as “CSSF”).

The Remuneration Report for 2019 at hand provides qualitative and quantitative information on remuneration of Clearstream Group, for the financial year 2019 pursuant to the requirements that apply to Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. on remuneration disclosure according to Article 450 CRR, § 16 InstitutsVergV and/or section 17 EBA-Guidelines (the term “Company” does refer in the following to either Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. unless stated otherwise). Due to the interconnectedness between the different Clearstream companies, the information disclosed in this report covers the remuneration of all categories of employees whose professional activities have a material impact on the risk profile of Clearstream Group or of the respective institution (in the following referred to as “Risk Takers”⁴), which are identified from a Clearstream Holding AG, Clearstream Banking AG and/or Clearstream Banking S.A. perspective, regardless of the company the Risk Takers are under contract with. As a consequence, remuneration data

¹ Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013, in the following referred to as “EBA-Guidelines”.

² The requirements on national level were implemented through the InstitutsVergV dated 16 December 2013. With effective date 16 April 2019, the InstitutsVergV was revised (version applicable for this Report). “InstitutsVergV” in this report refers to the revised version.

³ Law of 23 July 2015 amending the Law of 5 April 1993 on the financial sector.

for identified Risk Takers under contract with Clearstream Services S.A., Clearstream International S.A., Clearstream Operations Prague s.r.o. or Clearstream Global Securities Services Ltd. are disclosed under Clearstream Group. The qualitative and appropriate quantitative criteria on the identification of Risk Takers are set out in the Regulation (EU) No 604/2014 (in the following referred to as “EBA-RTS”).

Clearstream Holding AG is classified as major institution according to KWG and is subject to InstitutsVergV. As superordinate company of Clearstream Group it sets out the group wide remuneration strategy according to § 27 InstitutsVergV in line with the specific requirements on remuneration. As credit institution Clearstream Banking AG is subject to the requirements on remuneration in accordance with the InstitutsVergV and KWG. Clearstream Banking AG does fulfil the general and special requirements of KWG and InstitutsVergV since their implementation in 2014. Being a significant institution in Luxembourg, Clearstream Banking S.A. is subject to the special requirements set by Circular 17/658. As (international) central securities depositories, both Clearstream Banking AG and Clearstream Banking S.A. fulfil requirements on remuneration stipulated in the Regulation (EU) No. 909/2014 and Regulation (EU) No. 2017/392 (in the following referred to as “CSDR”).

Upon introduction of the revised InstitutsVergV the regulatory compliant remuneration system in place was further developed under provision of legal advice from Gleiss Lutz and under consultation by hkp// group.

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

⁴ The term “Risk Taker” refers the Members to the Executive Board as well as to executive or non-executive employees identified as Risk Takers, unless stated otherwise.

2. Compensation governance

2.1. Responsibilities for the remuneration systems

Within Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. a two-tier board structure is in place. This structure features a clear separation between the powers of the Supervisory Board, which monitors and advises the Executive Board, and the Executive Board itself, which carries out the day-to-day business.

The respective Supervisory Board of Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. acts as responsible body to implement the remuneration system for the Executive Board. The remuneration policy for employees below the Executive Board lies in the responsibility of the Executive Board.

In 2019, the Supervisory Board of Clearstream Holding AG met four times for remuneration related topics and was once involved in a Circular resolution. The Supervisory Board of Clearstream Banking AG and of Clearstream Banking S.A. met each four times for remuneration related topics in 2019. Both Clearstream Banking AG and Clearstream Banking S.A. set up a Remuneration Committee on legal entity level to support the Supervisory Board in remuneration-related matters (see chapter 2.4).

The Executive Board of Clearstream Holding AG as superordinate company according to the German Banking Act (KWG) is responsible for the implementation of a Clearstream group wide remuneration policy and approved the corresponding resolutions on remuneration topics. The Clearstream Group remuneration system is implemented in a cascading process from group level down to entity level. The Compensation Officer supports the Supervisory Board of Clearstream Holding AG and Clearstream Banking AG in assessing the appropriateness of the remuneration systems for Clearstream Group and Clearstream Banking AG.

The Remuneration Advisory Board (in the following referred to as "RAB", for further details see chapter 2.3) of Clearstream Holding AG ensures an appropriate involvement of the control functions in the design and monitoring of the remuneration systems for Clearstream Group.

2.2. Compensation Officer and Deputy

Within the remuneration governance under the respective regulatory requirements, the Compensation Officer and the Deputy Compensation Officer of Clearstream Holding AG and Clearstream Banking AG 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 Clearstream Holding AG and Clearstream

Banking AG and have a direct functional reporting line to the respective Supervisory Boards.

Main activities performed in 2019:

- involvement in the continuous analysis of regulatory requirements and alignment regarding the necessary changes,
- involvement in the remuneration policy review, including the review of the respective plan documents,
- involvement in the process to identify Risk Takers within Clearstream Group,
- involvement in the preparation and conduction of the merit process,
- ongoing monitoring of the remuneration systems of employees below the Executive Board,
- ongoing monitoring of the hedging prohibition,
- preparation of the Remuneration Review Reports,
- supporting the Supervisory Boards within Clearstream Group as well as the respective Remuneration Committee of Clearstream Banking AG and Clearstream Banking S.A. (from a group perspective) in fulfilling their responsibilities in designing and monitoring the Executive Board remuneration (preparation of meetings of the respective Supervisory Board and Remuneration Committee).

2.3. Remuneration Advisory Board

The Remuneration Advisory Board (RAB) is set up for Clearstream Holding AG by the Executive Board and, in order to involve also control units in the design and monitoring of remuneration systems as per requirements of § 3 InstitutsVergV, includes representatives of control units such as Internal Audit, Human Resources, Compliance, Risk Management and the Compensation Officer as well as representatives of Finance and Legal.

According to the rules of procedure, the RAB was involved in the design and development of the Clearstream Group's remuneration systems covering the remuneration of all employees (the term "employees" refers to non-executive, executive employees as well as the Members of the Executive Board, irrespective if identified as Risk Taker or not, unless stated otherwise). The RAB supports Clearstream Group's efforts to ensure compliance of its remuneration system with regulatory requirements and applicable law.

With regard to its tasks and in the context of its meeting in 2019, the RAB consulted about:

- the design and implementation of the remuneration system for 2019,
 - an update on expected changes on the remuneration systems for 2020,
-

- the process for involvement of control units for the determination of the total amount of variable remuneration.

2.4. Remuneration committees

Clearstream Banking AG and Clearstream Banking S.A. have established based on Article 48 CSDR and respectively for Clearstream Banking AG § 25d paragraph 12 KWG and § 15 InstitutsVergV, each a Remuneration Committee.

The core tasks of the respective Remuneration Committee are to supervise the reasonableness of the remuneration system for the Members of the Executive Board of Clearstream Banking AG respectively Clearstream Banking S.A. and in particular the appropriateness of the remuneration of the head of the risk control function and of the compliance function as well as of such employees having a substantial influence on the overall risk profile of the Company and to support the Supervisory Board in the monitoring of the reasonableness of the remuneration system of the Company and at the same time to assess the effects of the remuneration system to the risk-, capital- and liquidity structure.

During 2019, the Remuneration Committee of Clearstream Banking AG and Clearstream Banking S.A. decided upon the total amount of variable remuneration for 2018, the individual variable remuneration 2018 for the Members of the Executive Board and the remuneration packages for 2019 for the Members of the Executive Board and reviewed the remuneration packages of the senior management in control functions. Further, the respective Remuneration Committee reviewed the design and monitored the adequacy of the remuneration system, and acknowledged the Risk Taker analysis for the year 2019. Moreover, the respective Remuneration Committee assessed the measurement and deferral periods for Risk Takers. In doing so, the Remuneration Committees ensured that the remuneration systems are aligned with the business and risk strategy and monitored the appropriateness of the remuneration systems for the Executive Board and employee groups below. The Remuneration Committee of Clearstream Banking AG met four times during 2019 and the Remuneration Committee of Clearstream Banking S.A. met two times in 2019.

The Remuneration Committee of Clearstream Banking AG consists of Stephan Leithner (Chairman) as well as Christina Bannier and Norfried Stumpf. The Remuneration Committee of Clearstream Banking S.A. consists of Stephan Leithner (Chairman) as well as Gregor Pottmeyer and André Roelants until 27 March 2019. As of 28 March 2019, the Remuneration Committee of Clearstream Banking S.A. consists of Stephan Leithner (Chairman), Gregor Pottmeyer and Wolfgang Gaertner.

3. Remuneration systems

3.1. Remuneration principles

The strategic goals of Clearstream Group, derived from a strategic process, were developed and cascaded down to the next level and the individual target agreements.

The remuneration system for Executives and Risk Takers fosters a high performance orientation as well as an enhanced share-based orientation in order to comply with regulatory requirements and to ensure a sustainable development.

Remuneration principles are set out in the Clearstream Group remuneration policy, which is reviewed in a regular yearly process and implemented by the respective Boards. Further remuneration principles are included in the individuals' service respectively employment contracts, the variable remuneration schemes for Risk Takers, the applicable terms and conditions for the long-term sustainable instrument (in the following referred to as the "LSI") respectively in the terms and conditions for the long-term sustainable instrument or the restricted stock units (in the following referred to as the "RSU")⁵.

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 organization. It aims at:

- setting out the principles governing the remuneration systems of Clearstream Group, including Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A., in the organisational guidelines,
- ensuring that the remuneration in the Clearstream Group companies is in line with the applicable regulations on remuneration,
- informing employees on the applicable rules as well as on their remuneration system,
- describing the determination of the total amount of variable remuneration, and
- aligning the interests of the shareholders and employees, particularly for Risk Takers by using LSI and RSU, if applicable.

Clearstream Holding AG, as superordinate company, Clearstream Banking AG as well as Clearstream Banking S.A., performed several activities to ensure that the remuneration policy and the remuneration principles are in line with applicable regulations on remuneration. The requirements of the InstitutsVergV in its latest version effective 16 April 2019 are reflected. Additionally, the remuneration policy takes the requirements of CSDR into account. The regular review of the remuneration policy was performed in the course of 2019.

⁵ LSI and RSU are both instruments with share-based character. After final conversion, a payout in cash applies. No real shares will be granted.

Further, Clearstream Group does not guarantee variable remuneration in general. It may be only be awarded in exceptional cases in line with regulatory requirements and is limited in accordance to new hires from outside the Company for a maximum period of one year and subject to appropriate equity and liquidity resources as well as sufficient capital in order to ensure its risk-bearing capacity.

3.2. Overview on remuneration systems

The remuneration for Risk Takers including members of the Executive Board of Clearstream Holding AG, Clearstream Banking AG, Clearstream Banking S.A. as well as for executive and non-executive employees consists of a fixed salary and variable remuneration, which is in general and amongst others specified in the respective service or employment contracts.

The fixed remuneration for all employees is set out in the employment or service contract. For Germany, the fixed remuneration of non-executive employees under the collective agreement takes into account the utilized salary table. In Luxembourg, the fixed remuneration of non-executive employees takes into consideration the Collective Bargaining Agreement for the Banking Sector in which Clearstream Banking S.A. takes part.

Non-executive employees may be granted variable remuneration in form of a cash bonus. They are evaluated through the appraisal system.

The remuneration systems for the Risk Takers and non Risk Taker Executives follow the guiding principles of the remuneration system of the Deutsche Börse AG Executive Board in order to ensure group wide alignment. Amongst others, a target bonus system is in place and applied in an additive bonus system.

Executive employees who are not identified as Risk Takers can receive under consideration of the target achievement a "Performance Bonus" in cash and share-based variable remuneration in form of a "Stock Bonus Plan". The determination of the variable remuneration is based on "Net Income Growth" and "Individual Objectives".

Risk Takers can receive a variable remuneration according to the conditions of the respective variable remuneration scheme for Risk Takers and depending on the Risk Taker category as well as the terms and conditions of the LSI respectively the terms and conditions of the LSI and RSU. The individual variable remuneration takes into consideration the "Target Variable Remuneration", the respective Company performance as well as the target achievement on individual level and area /team level.

For all executive employees, a so-called "Indicative Bonus Amount", which is subject to final decision of the respective decision making bodies is calculated: Target achievement of Net Income Growth targets, if applicable, adjusted by the modifier, and target achievement of individual targets result in the Overall Target Achievement. The Overall Target Achievement Level is multiplied with the individual Target Variable Remuneration which leads to the Indicative Bonus Amount.

Net Income Growth is a key element for variable remuneration and for executing and supporting the Deutsche Börse Group growth strategy and accounts to one third to the Overall Target Achievement Level. In addition, the Net Income Growth of the Company derived from the Clearstream Segment contributes another third. Individual targets that cover the level of the area/team as well as the individual level contribute to the determination to one third, too. They shall consider quantitative and qualitative targets. For executive employees in control units a different weighting of targets applies.

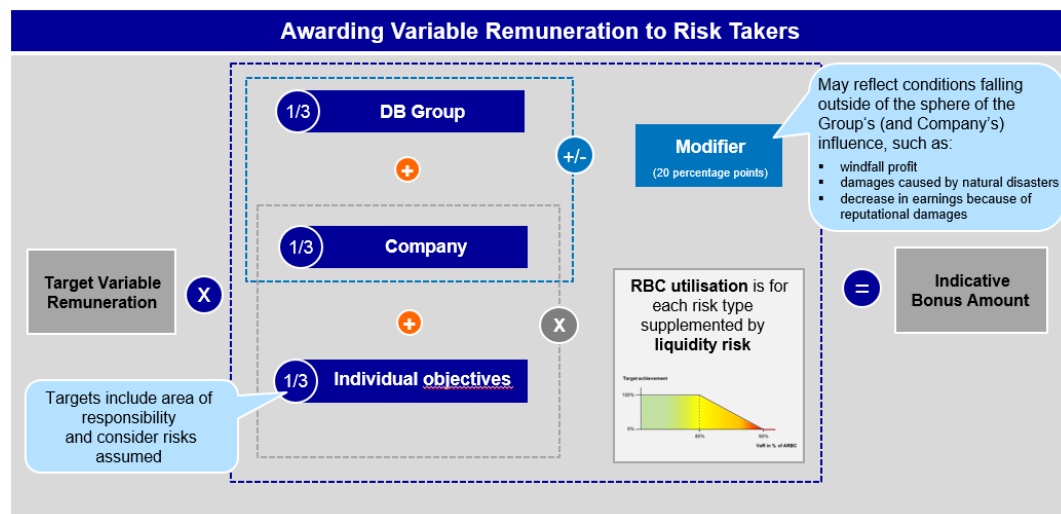
The following specifications complement the aforementioned systemic fundamentals that apply to all executive employees, and are only applicable for employees identified as Risk Takers. For Risk Takers in control units, the Members of the Executive Board and the Member of the Executive Board responsible for risk controlling, systemic differences are outlined in sections 3.2.1. and 3.2.2.

Target achievement of Company Net Income Growth and of the individual targets is multiplied with a risk adjustment factor. This risk adjustment is in general based on the ratio of Value at Risk ("VaR") relative to the Available Risk Bearing Capacity ("ARBC") reflecting the limits by Risk Management. A modifier might be applied by the respective decision making body under exceptional circumstances on the Net Income Growth measurement levels Group and Company and may correct the combined target achievement up to 20 percentage points upwards or downwards in accordance with regulatory requirements. It shall reflect conditions falling outside of the sphere of the Group's and if applicable the Company's influence. Amongst others, it might be applied under the condition of an unpredictable and uncontrollable change in the environment of the Company and in case of events the respective Company or Group cannot foresee or account for in advance. In general, the modifier applies uniformly on legal entity level and was not utilized for 2019.

The final bonus amount is subject to decision of the respective decision making bodies (an adjustment of +/- 20% of Target Variable Remuneration may apply for Risk Takers). Allocation maximum is 200% of the Target Variable Remuneration to comply with the "Bonus Cap" (variable remuneration is maximum 200% of fixed remuneration) and, if applicable, local requirements are fulfilled. The shareholders passed a resolution on the maximum variable remuneration of 200% of the annual fixed remuneration according to regulatory requirements (Bonus Cap) with regard to the provisions of § 25a paragraph 5 sentence 5 KWG. For Clearstream Banking S.A., respective decisions are sought for relevant individuals according to Luxembourgish requirements.

If the Supervisory Board, the Executive Board or the line manager of a Risk Taker decides in an overall assessment that the awarding of variable remuneration is not appropriate, there is no right to the award. Thereby, the Supervisory Board, the Executive Board and/or 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 and the respective variable remuneration schemes.

The payout of any variable remuneration is subject to check for side conditions in institutions according to § 7 InstitutsVergV respectively Section 14 EBA-Guidelines (i.e. Company/group performance, capital planning, liquidity requirements, risk bearing capacity) and backtesting (for further details see chapter 3.6). Overall budget limit may apply for Risk Takers.



Graphic 1: Exemplary process of awarding variable remuneration to Risk Takers.

Depending on the category of Risk Taker, 40 to 73% of the variable remuneration are deferred (the RSU for five, the LSI over a period of three to five years, both paid out after an additional retention period of one year). The share based components RSU and LSI link parts of the variable remuneration with a sustainable development. The Deferral Period is defined in accordance to the regulatory requirements, the Company's/Clearstream Group's business cycle as well as the nature and risk content of Clearstream's business activities.

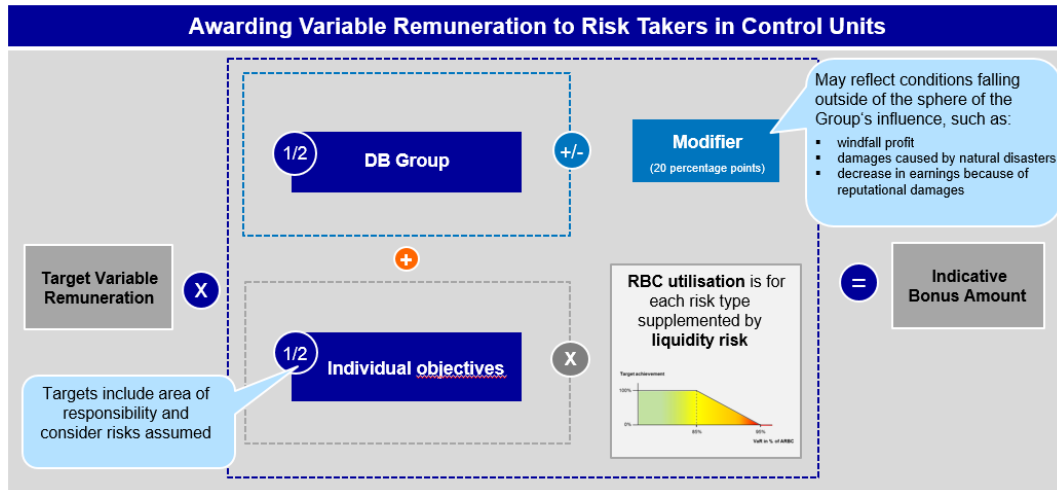
Overall, the variable remuneration systems do not incentivise to take disproportional high risks and is designed in a way that bonus can be reduced to zero in order to apply with the regulatory requirements of § 45 KWG and of §§ 38.5 and 38.6 of the Luxembourg law on the financial sector.

3.2.1. Risk Takers in Control Units below the Executive Board

Individual targets for Risk Takers in control units shall be independent from the performance of the business area they monitor and should not compromise their independence or create conflicts of interest in their advisory role. In order to ensure that the remuneration parameters of Risk Takers in control units and the business units they control are not predominantly synchronized, targets only include Net Income Growth of Deutsche Börse Group as well as individual targets. The overall target achievement is measured by Net Income Growth and by the individual targets, which are equally weighted.

Specifically for Risk Takers in control unit primarily control targets shall be set.

For Risk Takers in control units, the target achievement of the Group Net Income Growth target, adjusted by the Modifier, and target achievement of individual targets, multiplied with the respective risk adjustment factor, result in the Overall Target Achievement.



Graphic 2: Exemplary process of awarding variable remuneration to Risk Takers in control units.

3.2.2. Risk Takers as Members of the Executive Board and as Members of the Executive Board responsible for Risk Controlling

Members of the Executive Board of of Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. are identified as Risk Takers. The award of variable remuneration follows the system set out in section 3.2., however target setting and the assessment of target achievement is performed by the Supervisory Board (and Remuneration Committee, if applicable). For the Members of the Executive Board an assessment of the performance in a multi-year measurement, based on annual targets, applies.

A phase-in approach for new Members of the Executive Board is implemented so that the reduced measurement period is balanced by an extended Deferral Period.

Regulations set special requirements on the remuneration system for the Members of the Executive Board responsible for Risk Controlling: In order to ensure that the remuneration parameters of the Member of the Executive Board responsible for Risk Controlling are not predominantly synchronized with those for the business units overseen, targets include Net Income Growth of Deutsche Börse Group and Net Income Growth of the respective Company, each with a weighting of one quarter, as well as individual targets with a weighting of one half.

Individual targets for the Member of the Executive Board responsible for Risk Controlling shall be independent from the performance of the business area. They monitor and should not compromise their independence or create conflicts of interest in their control function role. Therefore, primarily control targets shall be set.

3.3. Total Amount of variable remuneration

For the financial year 2019, the total amount of variable remuneration (the “Total Amount”) was defined in a formalised and transparent process as well as under involvement of the control units in accordance with § 7 InstitutsVergV respectively Section 14 EBA-Guidelines. The award of variable remuneration requires the respective Supervisory Board to jointly with the respective Executive Board resolve upon a sufficient Total Amount of variable remuneration for the performance period, out of which among others the Risk Takers of the respective Company will be awarded, taking into account § 45 paragraph 2, sentence 1, number 5a German Banking Act (KWG) and § 7 InstitutsVergV respectively Section 14 EBA-Guidelines.

Precondition to this resolution upon a Total Amount is that the respective Company did not experience negative overall business performance. In particular, where this is accompanied by a significant decrease of the Company’s enterprise value, as a general rule, no Total Amount will be resolved upon.

Assessment of the requirements to determine the Total Amount		Assessment
Overall economic situation		
Overall company performance	Taking into account economic capital, economic profit, 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 (or equivalent)</i> allows with respect to extraordinary circumstances, to resolve a Total Amount, regardless of the overall negative business performance.	If applicable
Requirements of the InstitutsVergV (additional national regulatory requirements may apply in analogy)		
§ 7 (1)	The Total Amount was determined under adequate involvement of the control functions corresponding with their scope of tasks.	✓/✗
§ 7 (1) 1	When determining the Total Amount, risk-bearing capacity, multi-year capital planning and profitability of the Group and/or Company are taken into account.	✓/✗
§ 7 (1) 2 a), b)	The determination of the Total Amount does not limit the Group’s and/or the Company’s ability to maintain adequate funds and liquidity as well as the combined capital buffer requirements in accordance with section 10i KWG (or equivalent).	✓/✗
A total amount is resolved upon:		✓/✗

Graphic 3: Overview of the requirements to determine the Total Amount.

The Total Amount is determined by summing up individual variable remuneration that shall be awarded of all employees of the Company whereas such summed up amount is subject to the examination of side conditions, i.e. on performance criteria 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.

3.4. Risk Taker identification

According to § 25a (5b) KWG and EBA-RTS, employees whose professional activities have a material impact on the Company's risk profile must be identified. For the financial year 2019, Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. performed a risk analysis and identified Risk Takers based on these qualitative and quantitative criteria set out in the EBA-RTS. As superordinate company, Clearstream Holding AG performed the risk analysis on consolidated group level in line with § 27 InstitutsVergV.

Pursuant to regulatory requirements, members of the Supervisory Boards were identified as Risk Takers in 2019. The identified members received only attendance fees, if any, but no remuneration which would be classified as fixed or variable remuneration in the sense of the Remuneration Ordinance for the respective Supervisory Board function.

In general, the Risk Takers of Clearstream Holding AG, Clearstream Banking AG and Clearstream Banking S.A. can be differentiated between Risk Takers as Members of the Executive Board, Members of the Executive Board responsible for Risk Controlling, Risk Takers below the Executive Board (N-1 Risk Takers) and Other Risk Takers differentiated if in a Control Unit or not. Employees within Deutsche Börse Group directly involved in providing services to the Company 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 Takers (Group Risk Takers N-1 respectively Group Risk Takers other).

3.5. Variable remuneration scheme

For Risk Takers, the variable remuneration consists of an upfront and a deferred part. Depending upon the classification of the respective Risk Taker category, the final bonus amount is split into different instruments, namely the Cash bonus, the LSI shares and the RSU shares (if applicable). Therefore, the respective payout schedules are applied as shown below.

Clearstream Group applied in accordance with regulatory frameworks in all locations the exemption limit for the payout of the complete variable remuneration. If a Risk Taker is granted variable remuneration of EUR 50,000 or higher, variable remuneration will be deferred. At least a minimum of 50% of the deferred and non-deferred parts of the variable remuneration shall be granted in share-based long-term instruments according to regulatory requirements. For eligible persons, with the LSI and the additional RSU (the RSU shares will be deferred for five years with cliff vesting and are subject to an additional retention period of one year) two third of variable remuneration will be awarded in form of share-based instruments. This exemption limit, which is also applied to Clearstream Banking S.A., fulfils the indicative exemption limit set by the CSSF in its Circular 11/505.

The LSI links a part of the variable remuneration with a sustainable development. The Deferral Period is defined in accordance to the regulatory requirements, Clearstream Group's business cycle as well as the nature and risk content of Clearstream's business activities. The Deferral Part (non-upfront part) of variable remuneration will be deferred for a period of three or five years and vested pro rata, also depending upon the Risk Taker classification. In every case, an additional retention period of one year applies for the LSI shares.

The RSU shares will be deferred for five years. In addition and in analogy to the LSI shares, the RSU shares are subject to a retention period of one year. At the end of the retention period, the entire RSU part will be paid out (cliff vesting).

3.5.1. Payout process

Specific payout schedules with a cash and LSI bonus apply to all Risk Takers. Additionally, the RSU as a long-term share-based component applies to Members of the Executive Board as well as Group Risk Takers with the internal management level 6⁶.

For Risk Takers with the RSU (Members of the Executive Board with the internal management level 6, 5* (reads: "five star" as internal management level) as well as N-1 Risk Takers and N-1 Group Risk Takers with internal management level 6, 5* within Deutsche Börse Group), the Award is split into three components:

- One third of the final bonus amount will be converted in cash ("Cash bonus").
- One third of the final bonus amount will be converted into long-term sustainable instruments ("LSI shares") in accordance with the respective terms and conditions of the LSI. The LSI shares are subject to an additional retention period of one year.
- One third of the final bonus amount will be converted into Restricted Stock Units ("RSU shares") in accordance with the respective terms and conditions of the RSU. The RSU shares will be deferred for five years and are subject to an additional retention period of one year. Afterwards, the entire RSU part will be granted (cliff vesting).

40% of the Cash bonus and 40% of the LSI shares ("Upfront") are granted upfront. 60% of the Cash bonus and 60% of the LSI shares ("Deferral") will be deferred over a period of five years ("Deferral Period"). Within the Deferral Period, the Deferral will be split into five equal annual instalments. The LSI shares are subject to an additional retention period of one year.

For new Members of the Executive Board the Deferral Period is extended, for further details see section 3.5.2.

⁶ The internal management level for Executives incl. Members of the Executive Board ranges to three levels with highest level 6 (below the Executive Board of Deutsche Börse AG). In case of split contracts and different Risk Taker classification, the stricter payout process shall prevail.

For Risk Takers with internal management level 5*, 5 or non-executive Risk Takers (namely the categories of N-1 Risk Takers, Other Risk Takers, N-1 Group Risk Takers and Other Group Risk Takers) the award is split into two components:

- 50% of the final bonus amount will be converted in cash (“Cash bonus”).
- 50% of the final bonus amount will be converted into long-term sustainable instruments (“LSI shares”) in accordance with the respective terms and conditions of the LSI. The LSI shares are subject to an additional retention period of one year.

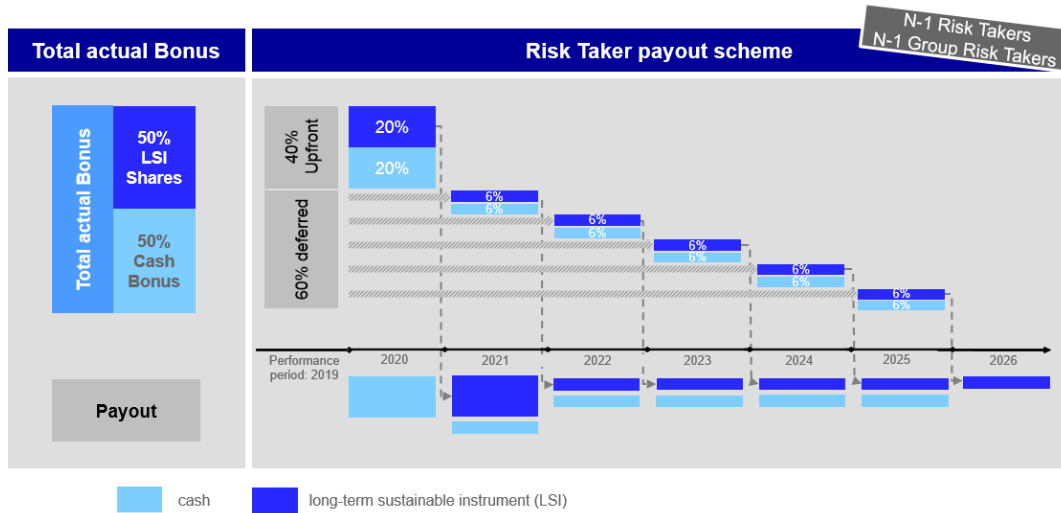
40% (namely the categories of N-1 Risk Takers and N-1 Group Risk Takers) respectively 60% (namely for Other Risk Takers respectively Other Group Risk Takers) will be granted as upfront part. 60% respectively 40% will be deferred over a period of five respectively three years (Deferral Period). Within the Deferral Period, the Deferral will be split into five respectively three equal annual installments. The LSI shares are subject to an additional retention period of one year. For Risk Taker categories with a less stricter payout scheme than for the N-1 Risk Takers, the N-1 Risk Taker scheme is applied in case of an Award of Variable Remuneration above the Internal Threshold in accordance with § 20 paragraph 3 InstitutsVergV.

Until the final decision regarding the payout of the final bonus amount (“Granting”), there is no right to the Deferral or to the non-deferred parts of the final bonus amount which have already been converted into LSI shares or RSU shares. During the Deferral Period and retention period, there is only a right to an accurate determination of the expected (unpaid) portion of the variable remuneration. Portions of the variable remuneration which are due to be paid out, but are not effectively paid out or are not converted into LSI shares or RSU shares forfeit and are not carried forward into future years. For the avoidance of doubt fixed remuneration shall not be subject to deferral or retention periods.

3.5.2. Payout schedules for Risk Takers (different categories)⁷

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

⁷ For reasons of readability, the percentages in this document are rounded and amount to 100% in each respective case.

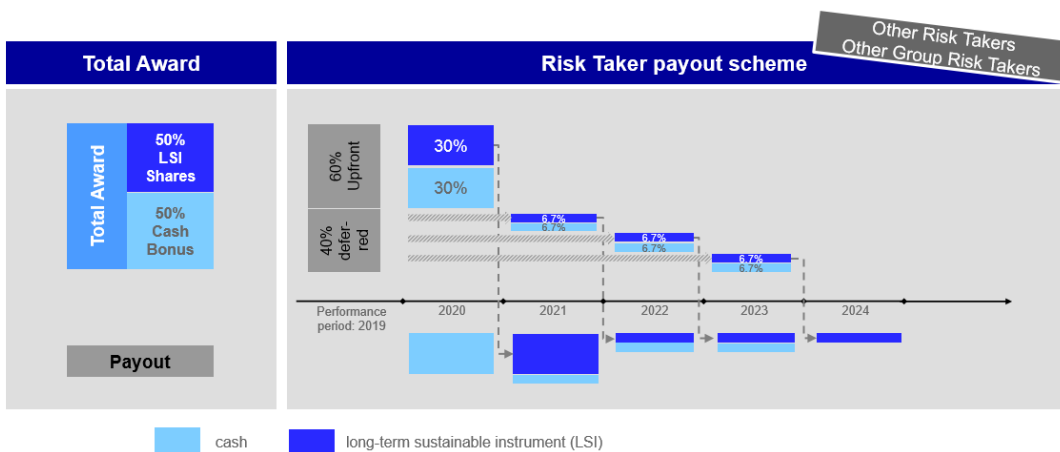


Graphic 4: Exemplary payout of the variable remuneration (N-1 Risk Takers and N-1 Group Risk Takers).

The respective components within the Group Risk Taker category, namely the cash part and the LSI part, may vary with regard to the payout as displayed in the following.

Upfront Payments		Deferred Payments	
Cash	LSI Shares	Cash (annual instalments)	LSI Shares (annual instalments)
20%	20%	30% (5 x 6%)	30% (5 x 6%)

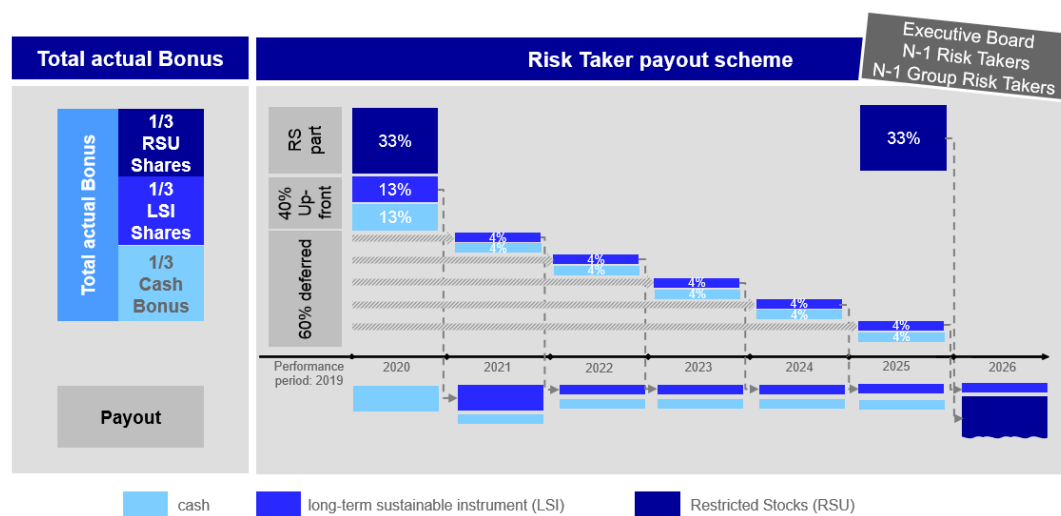
Graphic 5: Overview of Risk Taker payout schedule (N-1 Risk Takers and N-1 Group Risk Takers).



Graphic 6: Exemplary payout of the variable remuneration (Other Risk Takers respectively Other Group Risk Takers).

Upfront Payments		Deferred Payments	
Cash	LSI Shares	Cash (annual instalments)	LSI Shares (annual instalments)
30%	30%	20% (6.7% + 6.7% + 6.7%)	20% (6.7% + 6.7% + 6.7%)

Graphic 7: Overview of Risk Taker payout schedule (Other Risk Takers respectively Other Group Risk Takers).



Graphic 8: Exemplary payout of the variable remuneration for Risk Takers (Members of the Executive Board, N-1 Risk Takers with internal management level 6 as well as N-1 Group Risk Takers with internal management level 6 within Deutsche Börse Group) with the RSU. For clarification, the 60% deferred and 40% upfront part refer to LSI Shares and Cash Bonus part as base only.

Upfront Payments		Deferred Payments		
Cash	LSI Shares	Cash (annual instalments)	LSI Shares (annual instalments)	RSU Shares (cliff vesting)
13%	13%	20% (5 x 4%)	20% (5 x 4%)	33%

Graphic 9: Overview of Risk Taker payout schedule for Risk Takers (Members of the Executive Board, N-1 Risk Takers as well as N-1 Group Risk Takers with internal management level 6 within Deutsche Börse Group) with the RSU

Upfront Payments		Deferred Payments		
Cash	LSI Shares	Cash (annual instalments)	LSI Shares (annual instalments)	RSU Shares (cliff vesting)
13%	13%	20% (7 x 2,9%)	20% (7 x 2,9%)	33%

Graphic 10: Overview of the payout scheme for new members in the management body of a Company in the first year (rounded figures to enhance readability).

Upfront Payments		Deferred Payments		
Cash	LSI Shares	Cash (annual instalments)	LSI Shares (annual instalments)	RSU Shares (cliff vesting)
13%	13%	20% (6 x 3,3%)	20% (6 x 3,3%)	33%

Graphic 11: Overview of the payout scheme for new members in the management body of a Company in the second year (rounded figures to enhance readability).

3.6. Backtest and repayment of variable remuneration

Prior to the payment, within a comprehensive review, it is decided by taking into account the requirements of the InstitutsVergV if or to what extent the variable remuneration under review will be paid out or converted into LSI shares respectively RSU shares.

Therefore, the sustainability of the performance contributions of each Risk Taker, his area of responsibility as well as the overall performance of the Company will be considered. Moreover, the financial situation of the Company, in particular significant changes in the capital base, decreases in the financial capacity and the risk-bearing capacity will be taken into account (backtesting).

In case of a negative backtest, malus can apply to all elements: the cash portion as well as the LSI respectively the RSU 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. Breach of Duty), 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 respectively the RSU shares applies.

The regulations on adjustment of variable remuneration are complemented through the implementation of repayment obligations for Risk Takers in accordance with regulatory

requirements (so-called “Clawback”). Thus, the specific requirements of the InstitutsVergV, the interpretation aid of the InstitutsVergV⁸ and the EBA-Guidelines are taken into consideration. In case of a significant involvement in or the responsibility for a behaviour which led to a significant loss for the Company or to a major regulatory sanction, or a severe breach of relevant external or internal regulations concerning standards of suitability and conduct has been carried out, the respective Risk Taker is obliged to repay any variable remuneration already paid out respectively any claim to payment of variable remuneration shall lapse.

For 2019, a malus and clawback assessment was performed by the respective line managers as well as by the Malus/Clawback Meeting which includes representatives of Human Resources, Internal Audit, Compliance, Risk Management and the Compensation Officer. Within this comprehensive review, potential cases which could lead to reduction or forfeiture of bonus payments respectively deferred remuneration tranches (incl. clawback of already paid tranches) are assessed. The assessment results in a recommendation regarding a potential further treatment of critical cases. A final decision upon consequences lies in the responsibility of the respective Members of the Executive Board or the respective Supervisory Board. The malus and clawback assessment performed for Executive Board members and Risk Takers of Clearstream Group was reflected in the determination of variable remuneration for 2019 and for deferred tranches from previous financial year(s). The payout of variable remuneration for 2019 and of deferred tranches from previous financial year(s) was assessed as being in line with the regulatory requirements.

3.7. Prohibition of personal hedging strategies

The effectiveness of risk alignment would be significantly weakened if employees 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 remuneration 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 screening of securities accounts by Compliance and reporting in case of violations by the Compensation Officer. Through this, employees subject to the internal rules including Members of the Executive Board agreed to allow inspections of their securities accounts and to declare if personal hedging strategies or other countermeasures they utilised.

⁸ Interpretation of the InstitutsVergV as issued on 15 February 2018 by the German Federal Financial Supervisory Authority.

4. Information on remuneration

4.1. Information on Supervisory Board members⁹

According to EBA-RTS, members of the management body in its supervisory function (Supervisory Board) are classified as Risk Taker. As Clearstream Supervisory Board members receive no remuneration which is to be classified as fixed or variable remuneration in the sense of CRD IV, the number of mandates of the members of the Supervisory Board is disclosed below. Members of the Supervisory Boards under service contract within Deutsche Börse for Executive Board members and Risk Takers, identified as Risk Taker for an operational function and that received remuneration for their service contract are disclosed under table 2 and 3.

	Clearstream Holding AG	Clearstream Banking AG	Clearstream Banking S.A.	Σ
Supervisory Board structure 2019¹⁰				
<i>number of mandates</i>	3	6	8	17

Table 1: Structure of the respective Supervisory Boards.

⁹ Supervisory Board member are stated as Headcount. Supervisory Board members not employed within Deutsche Börse Group receive only an attendance fee.

¹⁰ In total for the three Clearstream Supervisory Boards there are 17 mandates of Clearstream Supervisory Boards as of 31 December 2019.

4.2. Remuneration Information by business area¹¹

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

Amounts in Mio. EUR	Clearstream Holding AG	Clearstream Banking AG	Clearstream Banking S.A.	Other Clearstream Group	Σ
Remuneration 2019					
<i>Risk Taker (FTE)</i>	1.60	12.10	17.15	33.65	64.50
total remuneration	1.46	4.30	6.42	11.87	24.06
thereof fixed remuneration	0.69	2.82	4.38	8.52	16.40
thereof variable remuneration	0.77	1.49	2.04	3.36	7.66
ratio variable to fixed remuneration	1 : 1.12	1 : 0.53	1 : 0.47	1 : 0.39	1 : 0.47

Table 2: Aggregate quantitative information according to Article 450 paragraph 1 g CRR.

¹¹ The remuneration information for Risk Takers not being Supervisory Board member is disclosed in EUR (foreign currencies are converted into EUR) and includes remuneration awarded for the respective service period for the financial year 2019. In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base (deviations may occur due to commercial rounding). Risk Takers are, unless other stated, reported as identified for financial year 2019 with full-time equivalent (FTE) as per 31 December 2019 (if appropriate changes in the course of the year are reflected). 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. For Clearstream Banking AG and Clearstream Banking S.A., business activities can not be considered as business units as they are no separate entities or business lines. Further, business activities in Clearstream Group are highly interconnected, so that Clearstream Banking AG and Clearstream Banking S.A. were considered as material business units according to the Risk Taker identification process and reported as legal entities. Due to data protection reasons, there are no further distinctions within each legal entity, especially information on remuneration for Clearstream International S.A., Clearstream Operations Prague s.r.o., Clearstream Services S.A. and are incorporated under "other Clearstream Group". The information reported for Clearstream Banking AG and Clearstream Banking S.A. include Risk Takers in operations, client relations, control functions and support functions; "Other Clearstream Group" include Risk Takers of other Clearstream Group entities and Risk Takers in operations, client relations, control functions and support functions.

4.3. Remuneration Information by Senior Management and Risk Takers¹²

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

amounts in Mio. EUR	Members of the Senior Management			Risk Taker (including Group Risk Takers)			Σ
	Clear-stream Holding AG	Clear-stream Banking AG	Clear-stream Banking S.A.	Clear-stream Banking AG	Clear-stream Banking S.A.	Other Clear-stream Group	
Remuneration 2019							
<i>Risk Taker (FTE)</i>	1.60	4.50	3.55	7.60	13.60	33.65	64.50
total remuneration	1.46	2.20	2.03	2.10	4.39	11.87	24.06
thereof total fixed remuneration	0.69	1.37	1.23	1.45	3.14	8.52	16.40
thereof total variable remuneration	0.77	0.84	0.79	0.65	1.25	3.36	7.66
ratio fixed to variable remuneration	1 : 1.12	1 : 0.61	1 : 0.64	1 : 0.45	1 : 0.40	1 : 0.39	1 : 0.47
Total variable remuneration 2019							
thereof in cash	0.26	0.28	0.26	0.36	0.62	1.64	3.42
thereof in share-linked instruments	0.51	0.56	0.53	0.30	0.63	1.72	4.24
Deferred variable remuneration 2019¹³							
<i>Risk Taker (FTE)</i>	1.60	4.50	3.55	4.30	5.60	19.95	39.50
total variable remuneration (deferral and upfront part)	0.77	0.84	0.79	0.55	1.04	2.91	6.89
total deferred variable remuneration	0.67	0.72	0.69	0.45	0.88	2.39	5.79
thereof deferred in cash	0.15	0.17	0.16	0.15	0.25	0.67	1.55
thereof deferred in share-linked instruments	0.51	0.56	0.53	0.30	0.63	1.72	4.24
thereof vested	0.10	0.11	0.11	0.10	0.17	0.52	1.10
thereof unvested	0.67	0.72	0.69	0.45	0.88	2.39	5.79
Amounts of deferred remuneration from previous years¹⁴							
vested and paid out from previous years	0.17	0.43	0.93	0.33	0.43	1.70	3.99
unvested and deferred from previous years	0.58	1.30	2.72	0.57	0.55	3.46	9.17
thereof reduced through performance adjustments	-	-	-	-	-	-	-

12 Supplementing elements in addition to the table above as stated in the following (in order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base): Pension benefits classified as fixed remuneration amounted to EUR 1.53 mn. Remuneration in accordance to InsitutsVergV and EBA-GL amounted in 2019 to EUR 0.68 mn classified as fixed and to EUR 0.27 mn classified as variable. This fixed category includes compensation for remaining holidays as well as lunch, housing, mobility, seniority and internet allowance and this variable category consist of recognition awards, reimbursements for education as well as paid-out variable remuneration components of Risk Takers from previous non-Risk Taker periods. The table with deferred variable remuneration 2019 includes all Executive Board members who received variable remuneration for who the payout schedule of the respective payout scheme applied. The figures on members of the Senior Management contain the remuneration data of Executive Board members. In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base (deviations may occur due to commercial rounding).

13 Deferred remuneration includes the Deferral and Upfront LSI part as well as RSU part (upfront LSI as well as RSU regarded as deferred due to the retention period).

14 Amounts of deferred remuneration from previous years allocated as identified in 2019. Unvested share-linked tranches are calculated with the share price according to the respective terms and conditions. In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base.

amounts in Mio. EUR	Members of the Senior Management			Risk Taker (including Group Risk Taker)			Σ
	Clear-stream Holding AG	Clear-stream Banking AG	Clear-stream Banking S.A.	Clear-stream Banking AG	Clear-stream Banking S.A.	Other Clear-stream Group	
Sign-on / buy-out 2019¹⁵							
<i>Risk Taker (FTE)</i>	-	-	-	-	-	-	4.00
total amount of guaranteed variable remuneration/sign-on/ buy-out payments (awarded or paid-out)	-	-	-	-	-	-	0.49
Severance payments 2019¹⁵							
<i>Awarded</i>							
- <i>Risk Taker (FTE)</i>	-	-	-	-	-	-	4.00
- total amount of severance Payments	-	-	-	-	-	-	0.85
- highest such award to a single person	-	-	-	-	-	-	0.46
<i>paid out</i>							
- <i>Risk Taker (FTE)</i>	-	-	-	-	-	-	5.00
- total amount of severance Payments	-	-	-	-	-	-	1.71

Table 3: Aggregate quantitative information according to Article 450 paragraph 1 g CRR, broken down by members of the Executive Board and Risk Takers.

4.4. Information on High Earners

Pursuant to Article 450 paragraph 1 i CRR, the number of individuals being remunerated EUR 1 Mio. or more (High Earners) per financial year must be broken down into pay bands of EUR 0.5 Mio.. For financial year 2019, one institution within Clearstream Group remunerated one employee¹⁶ in the pay bracket between EUR 1.0 to 1.5 Mio..

¹⁵ In order to maintain confidentiality and for data protection reasons, data are shown on an aggregated and rounded base (in case of severance payments, the FTE refers to the latest active status). Severance payment awarded in the respective financial year refers to severance payments which are awarded in the relevant financial year but not necessarily yet paid out to the employee. Therefore, the amount or point of time of severance payment to be paid out in the financial year may differ from the awarded amount.

¹⁶ In case of split contracts, remuneration data reported in accordance with the legal entity employment contracts.
