

**Regarding agenda item 8: Report of the Executive Board in accordance with section 221 (4) sentence 2 in conjunction with section 186 (4) sentence 2 of the AktG**

Agenda item 8 provides for Deutsche Börse Aktiengesellschaft's authorisation to issue convertible and/or warrant-linked bonds or combinations of such instruments (hereinafter collectively referred to as the "Bonds") and to create contingent capital associated therewith. Adequate capitalisation is a fundamental basis for the Company's development. By issuing Bonds, the Company can, depending on the market situation, take advantage of attractive financing options, for example to secure debt capital for the Company at favourable interest rates. The authorisation proposed under agenda item 8 would enable the Company or an affiliate within the meaning of sections 15 *et seq.* of the AktG to issue Bonds with a total principal amount of up to EUR 5,000,000,000 against cash, and would allow the creation of contingent capital of up to EUR 17,800,000 for this purpose. This is equivalent to approximately 9.37% of the Company's current share capital.

The issue price for the new shares may not be less than a certain minimum issue price, which is calculated based on a method stipulated in the authorisation resolution. Calculation of the issue price is linked to the volume-weighted average stock exchange price of the Company's shares as quoted in electronic trading on the Frankfurt Stock Exchange at a time proximate to the date on which the Bonds are issued or, in the case of Bonds carrying a conversion or option obligation, a right of substitution or a right of tender, also at a time proximate to the date of (final) maturity of the Bonds. Specifically, and except in the case of conversion or option obligations, rights of substitution or rights of tender, the issue price for the new shares must be equivalent to at least 80% of the volume-weighted average stock exchange price of the Company's shares as quoted in electronic trading on the Frankfurt Stock Exchange (i) on the 10 exchange trading days prior to the Executive Board's final decision on the issuance of the Bonds; or (ii) if subscription rights are traded, on the days on which subscription rights are traded, excluding the days required for timely publication of the conversion or option price, or, if the Executive Board sets the conversion or option price before trading in subscription rights commences, the period set out in (i).

Where Bonds carrying a conversion or option obligation, a right of substitution or a right of tender are issued, the issue price for the new shares must be equivalent to either the aforementioned minimum price or the volume-weighted average stock exchange price of the Company's shares as quoted in electronic trading on the Frankfurt Stock Exchange on the 10 exchange trading days before or the 20 exchange trading days after the date of (final) maturity of the Bonds or warrants, even if such average price is less than the aforementioned minimum price (80%). This gives the option of charging a premium and means it is possible to account for the conditions prevailing on the capital market at the time of the Bond issue.

Depending on the specific Bond Terms and Conditions, the issue price may be adjusted to preserve the value of the rights attached to the Bonds if, for example, the Company implements corporate actions during the term of the Bonds (e.g. a capital increase whereby subscription rights are granted to shareholders, or a capital reduction) or takes other action, or events occur

which could operate to dilute the value of the option or conversions rights or obligations of Bond holders (e.g. acquisition of control by third parties, distribution of dividends, restructuring/reorganisation measures) (so-called dilution protection clause). Dilution protection can also be provided through the grant of subscription rights or cash payments.

Shareholders are generally required to be granted subscription rights when Bonds are issued. In order to simplify settlement, there should also be the option of issuing the Bonds as described in section 186 (5) sentence 1 of the AktG to independent credit institutions, so-called financial institutions or a syndicate of such credit or financial institutions, subject to the requirement that they offer the Bonds to shareholders to the extent that their subscription right will allow (so-called indirect subscription right). However, in certain cases the Executive Board should also be authorised to exclude the subscription rights of shareholders, subject to the consent of the Supervisory Board. These cases are specifically mentioned in the proposed resolution and are explained in more detail below:

It is proposed that the Executive Board be authorised to exclude subscription rights for fractional amounts based on the market situation in order to ensure a practicable subscription ratio. This will meaningfully simplify the technical side of issuing Bonds. If subscription rights are excluded, any bonds linked to floating fractional shares would be liquidated either by sale on the stock exchange or otherwise on the most favourable terms possible for the Company. The potential dilution of interest associated with this would be low, because any exclusion of subscription rights would relate only to fractional amounts.

According to section 221 (4) sentence 2 of the AktG, section 186 (3) sentence 4 of the AktG applies analogously to the exclusion of subscription rights when Bonds are issued. The ability to place Bonds subject to the exclusion of shareholders' subscription rights allows the Company to take advantage of favourable capital market conditions at short notice and in line with the market, and thus enables the Company to generate significantly more funds than it would otherwise. The granting of subscription rights could jeopardise the success of Bond placements due to uncertainty surrounding the extent to which subscription rights will be exercised, or the placement could involve additional expense. Favourable conditions for the Company that are as market-oriented as possible can only be set if the Company is not bound to them for an overly long offer period. Otherwise, a substantial discount would need to be applied as a safety margin in order to ensure that the conditions and prospects of the relevant issue remain appealing for the entire offer period.

The interests of shareholders are protected because the Bonds are issued at a price that is not significantly lower than the theoretical market value. The theoretical market value must be determined based on recognised methods of financial mathematics. When setting the price, the Executive Board will ensure that the discount relative to the stock exchange price is kept as low as possible, depending on the capital market situation. This means that the notional market value of a subscription right will fall to almost zero, so shareholders will not suffer any notable financial disadvantage as a result of the subscription rights exclusion.

Furthermore, shareholders can protect their existing interest in the share capital by purchasing additional shares on the stock exchange after the exercise of conversion rights or options. The dilution of shareholders' interests is also minimised by virtue of the fact that there is a limit here on the exclusion of subscription rights. In accordance with section 186 (3) sentence 4 of the AktG, the total number of shares attributable to Bonds issued without subscription rights may not exceed 10% of the respective share capital existing as at the date of the resolution by the Annual General Meeting or, if that amount is lower, as at the date on which this authorisation is exercised. This guarantees that the 10% threshold is not exceeded even if the share capital is reduced. Shares that are issued or sold from other sources subject to the exclusion of subscription rights (direct or analogous application of section 186 (3) sentence 4 of the AktG) in the period since the Annual General Meeting resolved to authorise the issue of Bonds and until exercise of such authorisation, count towards the 10% threshold. In addition, rights entitling or obligating the holder to subscribe for shares in the Company, and issued subject to the exclusion of subscription rights (direct or analogous application of section 186 (3) sentence 4 of the AktG) in the period since the Annual General Meeting resolved to authorise the issue of Bonds and until exercise of such authorisation, also count towards the 10% threshold.

All of this ensures that there is no notable dilution of share value by virtue of the exclusion of subscription rights, whereas the authorisation to exclude subscription rights allows the Company to set conditions in line with the market, achieve the greatest possible assurance of placement, and be able to take advantage of favourable market conditions at short notice.

The customary exclusion of subscription rights for the benefit of holders of previously issued Bonds has the advantage that the conversion or option price for previously issued Bonds, which often feature a built-in mechanism to protect against dilution, does not have to be discounted. This means that Bonds can be more attractively placed in several tranches, which allows the generation of more funds overall. The proposed subscription right exclusions are therefore in the best interests of the Company and its shareholders.

Bonds may be issued without subscription rights only if the total number of new shares to be issued pursuant to such Bonds account for, in total, a notional interest in the share capital of no more than 10%; this is calculated based on the share capital as at the date on which the authorisation becomes effective or, if that amount is lower, as at the date on which this authorisation is exercised. In addition, it shall be counted towards the 10% threshold mentioned above if, during the term of this authorisation until its exercise, another authorisation to issue shares of the Company or to issue rights which enable or obligate the holder to subscribe for shares in the Company, is exercised and shareholders' rights are excluded. This limits the extent to which Bonds can be issued without subscription rights. This also protects shareholders from any potential dilution of their existing holdings.

There are currently no concrete plans to exercise the authorisation to issue Bonds. The Executive Board will carefully review in each case whether the exercise of the authorisation and any exclusion of subscription rights is in the interests of the Company and its shareholders. It will report to the Annual General Meeting each time it exercises the authorisation and, if applicable, provide specific grounds for excluding subscription rights.

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