

Letter of Compliance with the IOSCO Principles for Financial Benchmarks and ESMA-EBA Principles*

On December 23rd 2014, Deutsche Börse AG (DBAG) publicly announced its compliance with the International Organisation of Securities Commission's (IOSCO) Principles for Financial Benchmarks for the DAX® Indices as well as other indices of Deutsche Börse (DBAG Indices).

The objective of the IOSCO Principles for Financial Benchmarks is to create an overarching regulatory framework for benchmarks used in global financial markets. The internationally valid guidelines focus on the methodology, transparency and overall quality of benchmarks, as well as the overall governance arrangements and accountability for index providers and other relevant bodies.

DBAG also claims compliance with the ESMA-EBA Principles for Benchmark-Setting Processes in the EU issued by the European Securities and Markets Authority and European Banking Authority (ESMA 2013/659, or "ESMA-EBA Principles"). The ESMA-EBA Principles aim to mitigate governance and incentive issues pertaining to Benchmarks provided by private sector Benchmark Administrators such as DBAG.

DBAG as the Index Administrator of the DBAG Indices ensures the administration of its Indices in compliance with the recommendations and in line with the principle of proportionality set forth in the IOSCO principles. While the process of Index Determination has been outsourced to STOXX Ltd., STOXX Ltd. is a wholly owned subsidiary of Deutsche Börse AG, the applied governance structure between STOXX Limited in Zurich, Switzerland ("STOXX") and Deutsche Börse ensures that DBAG resumes ultimate responsibility for all stages of DBAG index administration. STOXX has already declared full compliance with IOSCO Principles for Financial Benchmarks in July 2014.

Below is the full list of the principles and how DBAG ensures its compliance with them.

IOSCO Principle	How DBAG complies with the Principle
1. Overall responsibility of the administrator	<p>DBAG resumes ultimate responsibility for all stages of index administration for all DBAG Indices, such as:</p> <ul style="list-style-type: none"> » Definition and maintenance of the index methodologies » Compilation, publication and distribution of indices » Ensuring appropriate transparency over significant decisions affecting the compilation of indices and related determination processes » Appropriate governance, oversight and accountability procedures have been installed at STOXX and DBAG as well as

between the two parties to ensure that DBAG can fully resume its role as Index Administrator.

- » Adequate service level agreements with STOXX are in place.

2. Oversight over third parties

- » DBAG has outsourced certain tasks of the benchmark determination process, essentially the development and maintenance of its indices, to STOXX.
- » In addition, for some indices, DBAG may outsource determination of index components to specialized third-party financial service providers. A list of outsourcing partners and their roles may be obtained by stakeholders on request from STOXX [regulations@stox.com].
- » DBAG has service level agreements in place with STOXX and its outsourcing partners.
- » DBAG monitors the services provided by STOXX and its outsourcing partners to ensure their compliance with the agreed service levels and standards. The monitoring is ensured by way of an ISAE 3402 report which is being provided by STOXX to DBAG on an annual basis.
- » Operational risks of STOXX are mitigated by the fact that DBAG through its representatives on the Board of Directors of STOXX oversees the operations of STOXX and that STOXX itself has operational risk management measures and complies with the DBG Group business continuity management (BCM) policy .
- » Operational risks of other third parties employed in the index determination process are mitigated by STOXX' controls framework.

3. Conflicts of interest for administrators

- » DBAG is subject to the compliance policies of Deutsche Börse Group (DBG), which address potential and actual conflicts of interest in general.
- » DBAG has not identified any material conflicts of interest arising from its business relationships or ownership structure. DBAG is committed to disclose such material conflicts of interests should they arise.

4. Control framework for administrators

- » DBAG has a formalized internal controls framework in place which substantially covers the stages of the index administration that have not been outsourced to STOXX. This relates to infrastructure used for calculation of indices as well as the dissemination of the DBAG Indices via DBG's proprietary systems. A summary of the controls framework may be obtained by stakeholders on request from STOXX [regulations@stox.com].

5. Internal oversight

- » DBAG oversees all stages of the index administration process through a dedicated governance function. All matters regarding the DBAG Indices which require a decision, including all processes outsourced to STOXX, are being submitted to this function.
- » Information on this governance can be obtained by stakeholders on request from STOXX [regulations@stox.com].

6. Benchmark design	<ul style="list-style-type: none"> » The respective processes have been outsourced to STOXX. DBAG retains the approval authority with respect to the design decisions in relation to the DBAG Indices. » STOXX has dedicated policies and procedures in place that regulate the index design process. » Internal controls with respect to benchmark design are integrated into the STOXX controls framework.
7. Data sufficiency	<ul style="list-style-type: none"> » The respective processes have been outsourced to STOXX. » STOXX has dedicated policies and procedures in place that ensure that the data quality for index determination purposes is in compliance with IOSCO principles. » The respective data sufficiency provisions are reflected in the index rule books of the DBAG Indices that are available on DBAG's website www.dax-indices.com.
8. Hierarchy of data inputs	<ul style="list-style-type: none"> » The respective processes have been outsourced to STOXX. » STOXX has dedicated policies and procedures in place to ensure that the data hierarchy used for index determination purposes is in compliance with IOSCO principles. » The respective provisions regarding data inputs are reflected in the index rulebooks of the DBAG Indices that are available on DBAG's website www.dax-indices.com.
9. Transparency of benchmark determinations	<ul style="list-style-type: none"> » DBAG Indices are derived from data sourced from regulated markets. The relevant details of index determination are described and disclosed in published rule books of the DBAG Indices, which are available on the DBAG website.
10. Periodic review	<ul style="list-style-type: none"> » The respective processes have been outsourced to STOXX. » STOXX has dedicated policies and procedures in place with respect to periodic review of index conditions and parameters. » Internal controls with respect to the index review are integrated into the STOXX controls framework. » Any changes to the DBAG Indices require the approval of DBAG. » Summaries of material revisions of indices as a result of such reviews are published under the announcement section on DBAG website www.dax-indices.com.
11. Content of methodology	<ul style="list-style-type: none"> » The respective processes have been outsourced to STOXX. » The methodologies of the current DBAG Indices are in line with the requirements of IOSCO and are reflected in the index rule books of the DBAG Indices that are available on DBAG website www.dax-indices.com. » The methodologies of new DBAG Indices require the approval of DBAG which is contingent on the fulfilment of IOSCO's requirements.
12. Changes to the methodology	<ul style="list-style-type: none"> » The respective processes have been outsourced to STOXX. » Changes to the DBAG Indices require the approval of DBAG which is contingent on the fulfilment of IOSCO's requirements.

	<ul style="list-style-type: none"> » Changes to the methodology of DBAG Indices are disclosed through the DBAG website www.dax-indices.com. » The internal controls framework of STOXX ensures that changes to the index methodology follow the STOXX policies and are subject to the appropriate oversight and stakeholder consultation.
13. Transition	<ul style="list-style-type: none"> » The respective processes have been outsourced to STOXX. » STOXX has put a dedicated policy in place that regulates transitions and cessations of indices operated by STOXX and also covers the DBAG Indices. This policy can be obtained by stakeholders from regulations@stox.com. » Transitions and cessations of DBAG Indices require approval of DBAG.
14. Submitter code of conduct	<ul style="list-style-type: none"> » The DBAG Indices are based on data sourced from regulated markets and are not submission-based.
15. Internal controls over data collection	<ul style="list-style-type: none"> » DBAG Indices are based on pricing data sourced from regulated markets. » Within its internal controls framework, STOXX has implemented appropriate internal control procedures with respect to the collection and processing of the underlying index data for DBAG indices.
16. Complaints procedure	<ul style="list-style-type: none"> » DBAG has implemented a dedicated complaints policy and a procedure which allows stakeholders to lodge their complaints in a user-friendly manner via www.dax-indices.com or via STOXX www.stox.com. » DBAG has entrusted STOXX with the handling of any complaints concerning DBAG Indices. Any necessary decisions based on such complaints are taken by DBAG.
17. Audits	<p>DBAG is committed to appointing an independent external auditor to perform an audit of compliance of DBAG with the IOSCO Principles. Regular independent audits will be conducted.</p>
18. Audit trail	<ul style="list-style-type: none"> » DBAG stores relevant data at least on an end-of-day basis on its systems. Such data are stored for at least five years.
19. Cooperation with regulatory authorities	<ul style="list-style-type: none"> » DBAG generally co-operates with regulatory authorities.

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