Corporate Governance 2015

KfW IPEX-Bank

Corporate Governance Report

As a member of KfW Group, KfW IPEX-Bank has committed itself to acting responsibly and transparently in an accountable manner. Both the Management Board and the Board of Supervisory Directors of KfW IPEX-Bank recognise the principles of the German Federal Government's Public Corporate Governance Code (PCGC) as applicable to KfW IPEX-Bank. A Declaration of Compliance with the recommendations of the PCGC was issued for the first time on 23 March 2011. Since then, any instances of non-compliance have been disclosed annually and explained.

KfW IPEX-Bank has operated since 1 January 2008 as a legally independent, wholly-owned subsidiary of KfW Group. Its rules and regulations (Articles of Association, Rules of Procedure for the Board of Supervisory Directors and its Committees, and Rules of Procedure for the Members of the Management Board) contain the principles of management and control by the bank's bodies.

Declaration of compliance

The Management Board and the Board of Supervisory Directors of KfW IPEX-Bank hereby declare: 'Since the last Declaration of Compliance submitted on 20 March 2015, the recommendations of the Federal Government's Public Corporate Governance Code, as adopted by the Federal Government on 1 July 2009, have been fulfilled, with the exception of the following recommendations.'

D&O insurance deductible

KfW has concluded D&O insurance contracts in the form of a group insurance policy which also provides insurance cover for members of the Management Board and the Board of Supervisory Directors of KfW IPEX-Bank. These contracts contain only an option to introduce a deductible, contrary to Clause 3.3.2 of the PCGC. The decision to exercise this option will be taken together with the Chairman and Deputy Chairman of the Board of Supervisory Directors of KfW.

Delegation to committees

The committees of the Board of Supervisory Directors of KfW IPEX-Bank essentially perform only preparatory work for the Board of Supervisory Directors. The Loan Committee takes final loan decisions for financings that exceed certain predefined limits; this is contrary to Clause 5.1.8 of the PCGC. This procedure is necessary for both practical and efficiency reasons. The delegation of loan decisions to a loan committee is standard practice at banks. It serves to accelerate the decision-making process and to consolidate technical expertise within the committee. The Chairman of the Executive Committee – and not the Board of Supervisory Directors as per Clause 4.4.4 of the PCGC – decides on sideline activities exercised by the members of the Management Board.

Loans to members of bodies

According to the Rules of Procedure for the Board of Supervisory Directors and its Committees, KfW IPEX-Bank may not grant individual loans to members of the Board of Supervisory Directors. Although the employment contracts of the members of the Management Board do not include a prohibition clause in this regard, neither do they grant an explicit legal entitlement. To ensure equal treatment, this prohibition does not apply – in derogation of Clause 3.4 of the PCGC – to utilisation of promotional loans made available under KfW programmes. Due to the standardisation of lending and the principle of on-lending through applicants' own banks, there is no risk of conflicts of interest with regard to programme loans.

Allocation of responsibilities

The Management Board has adopted Rules of Procedure, after consulting with the Board of Supervisory Directors and with the shareholder's consent, which include regulations governing cooperation among the management. According to these rules the Management Board allocates responsibilities itself – without additional consent from the Board of Supervisory Directors, in deviation from Clause 4.2.2 of the PCGC, but with the shareholder's approval – in a schedule of responsibilities. This ensures that the Management Board has the flexibility it needs to make necessary changes so that responsibilities are divided up efficiently.

Cooperation between the Management Board and the Board of Supervisory Directors

The Management Board and the Board of Supervisory Directors work together closely for the benefit of KfW IPEX-Bank. The Management Board, in particular the CEO, is in regular contact with the Chairman of the Board of Supervisory Directors. The Management Board discusses important matters concerning corporate governance and corporate strategy with the Board of Supervisory Directors. The Chairman of the Board of Supervisory Directors informs the Board of Supervisory Directors of any issues of major significance and convenes an extraordinary meeting if necessary.

During the reporting year, the Management Board informed the Board of Supervisory Directors about all relevant matters regarding KfW IPEX-Bank, particularly any questions concerning the bank's net assets, financial position and results of operations, risk assessment, risk management, risk controlling and remuneration systems. In addition, they discussed the bank's overall business development and strategic direction.

Management Board

The members of the Management Board manage the activities of KfW IPEX-Bank with the appropriate due care and diligence of a prudent businessperson pursuant to the law, the Articles of Association and Rules of Procedure for the Members of the Management Board, as well as the decisions of the general shareholders' meeting and of the Board of Supervisory Directors. The allocation of responsibilities within the Management Board is governed by a schedule of responsibilities.

On 3 February 2015, the Management Board of KfW IPEX-Bank decided on a new schedule of responsibilities, which took effect as of 15 February 2015 following its approval by the shareholder. The 'Risk and Finance' area of business, for which Ms Laibach was responsible until her departure from the Management Board, has now become the 'Risk' area. 'Finance' now falls within Mr Michalak's area of responsibility. Since 15 February 2015, this has encompassed 'Finance, Products and Corporate Affairs'. The members of the Management Board were responsible for the following areas during the reporting year:

- Mr Klaus R. Michalak, CEO; Products and Corporate Affairs; from 15 February 2015 also Finance and (on an acting basis until 30 April 2015) Risk
- Ms Christiane Laibach: Risk and Finance (until 14 February 2015)
- Mr Christian K. Murach: Markets II/Transport Sectors and Treasury
- Mr Markus Scheer: Markets I/Industry Sectors
- Mr Andreas Ufer (from 1 May 2015): Risk

The members of the Management Board are obliged to act in the best interests of KfW IPEX-Bank, may not consider personal interests in their decisions, and are subject to a comprehensive non-competition clause during their employment with KfW IPEX-Bank. The members of the Management Board must immediately disclose any conflicts of interest to the shareholder. No such situation occurred during the reporting year.

Board of Supervisory Directors

The company has a mandatory Board of Supervisory Directors in accordance with Section 1 (1) Nº 3 of the German One-Third Participation Act *(Drittelbeteiligungsgesetz – DrittelbG).* The Board of Supervisory Directors advises and monitors the Management Board in the management of the bank.

In accordance with KfW IPEX-Bank's current Articles of Association, the Board of Supervisory Directors has nine members: two representatives from KfW, two representatives from the Federal Government – one each from the Federal Ministry of Finance and the Federal Ministry for Economic Affairs and Energy – and two representatives from industry as well as three employee representatives. In accordance with the Rules of Procedure for the Board of Supervisory Directors and its Committees, the latter is to be chaired by a representative of the Executive Board of KfW. As the current Chairman is Dr Norbert Kloppenburg, this requirement is met. There were two women on the Board of Supervisory Directors in the reporting year.

In accordance with the Rules of Procedure for the Board of Supervisory Directors and its Committees, adapted to the requirements of Section 25d (3) of the German Banking Act *(Kreditwesengesetz – KWG)*, the members of the Board of Supervisory Directors may not include anyone who is on the management board of a company and also a member of more than two companies' administrative or supervisory bodies, or who is a member of more than four companies' administrative or supervisory bodies. However, pursuant to Section 64r (14) of the Banking Act, this rule does not apply to mandates for administrative and supervisory bodies already held by members of the Board of Supervisory Directors as at 31 December 2013. This 'grandfather clause' applies to three members of the Board of Supervisory Directors. In addition, the German Federal Financial Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin)* may authorise a member of an administrative or supervisory body to assume an additional mandate. One member of the Board of Supervisory Directors has received such authorisation for an additional mandate. Members of the Board of Supervisory Directors should also not serve in an administrative, supervisory or consulting role for any significant competitors of the company. The members of the Board of Supervisory Directors complied with these recommendations during the reporting period. Conflicts of interest should be disclosed to the Board of Supervisory Directors. In one case when a loan was submitted to the Loan Committee for approval, one member abstained from the vote in order to avoid a conflict of interest. No other cases apart from this occurred during the reporting period.

One member of the Board of Supervisory Directors participated in fewer than half of the board meetings during the reporting year.

Committees of the Board of Supervisory Directors

The Board of Supervisory Directors has established the following committees to fulfil its advisory and monitoring responsibilities in a more efficient manner.

The **Executive Committee** is responsible for personnel-related matters and the bank's management policies, as well as – insofar as necessary – preparation for the meetings of the Board of Supervisory Directors.

The **Loan Committee** is responsible for loan-related issues.

The **Audit Committee** is responsible for matters regarding accounting and risk management, as well as preparatory work for the issuance of the audit mandate and the establishment of audit priorities as part of the annual audit of the bank's financial statements. It discusses the quarterly reports and annual financial statements in preparation for meetings of the full Board of Supervisory Directors.

The **Remuneration Control Committee** is responsible for overseeing remuneration and ensuring that systems of remuneration for members of the Management Board and employees are appropriate.

The chairs of the committees report to the Board of Supervisory Directors on a regular basis. The Board of Supervisory Directors has the right to change or rescind the competencies delegated to the committees at any time – with the exception of the competencies of the Remuneration Control Committee.

The Board of Supervisory Directors provides information about its work and that of its committees during the reporting year in its report. An overview of the members of the Board of Supervisory Directors and its committees is available on the website of KfW IPEX-Bank.

Shareholder

KfW IPEX-Beteiligungsholding GmbH owns 100 % of the share capital of KfW IPEX-Bank. The general shareholders' meeting is responsible for all matters for which another governing body does not hold sole responsibility, either by law or by the Articles of Association. It is responsible in particular for the approval of the annual financial statements and the appropriation of the annual profit or retained earnings, for the determination of the amount available for payment of performance-based, variable remuneration within the company, for the appointment and removal of members of the Board of Supervisory Directors who are not employee representatives, and members of the Management Board, for the formal approval of their work at the end of each financial year, and for the appointment of the auditor.

Supervision

Since its spin-off, KfW IPEX-Bank has been fully subject to the provisions of the German Banking Act. With effect from 1 January 2008, BaFin granted the bank a licence to act as an IRBA (Internal Ratings-Based Approach) bank for rating corporates, banks, sovereigns and specialist financings (elementary/slotting approach). The bank uses the standard approach to calculate the regulatory capital requirements associated with operational risks. Due to the special status of KfW (in accordance with Section 2 (1) Nº 2 of the German Banking Act, KfW is not considered a credit institution), there is a financial holding group within the meaning of Section 10a of the German Banking Act in conjunction with Article 11 ff. of the CRR, for which KfW IPEX-Bank is the superordinated undertaking. KfW IPEX-Bank has incorporated KfW IPEX-Beteiligungsholding GmbH and MD Capital Beteiligungsgesellschaft mbH (in liquidation) into the consolidated group for regulatory reporting purposes as subordinated undertakings within the meaning of Section 10a (1) sentence 3 of the German Banking Act.

Protection of deposits

With effect from 1 January 2008, BaFin assigned KfW IPEX-Bank to the statutory deposit guarantee scheme of the Association of German Public Banks *(Entschädigungseinrichtung des Bundesverbandes Öffentlicher Banken Deutschlands GmbH)*. The bank is also a member of the deposit guarantee fund of the Association of German Public Banks *(Bundesverband Öffentlicher Banken Deutschlands e. V.)* on a voluntary basis.

Transparency

KfW IPEX-Bank provides all important information about itself and its annual financial statements on its website. The Communication department also regularly provides information regarding the latest developments at the bank. Annual Corporate Governance Reports including the Declaration of Compliance with the PCGC are always available on the website of KfW IPEX-Bank.

Risk management

Risk management and risk controlling are key responsibilities within the integrated risk/return management at KfW IPEX-Bank. Using the risk strategy, the Management Board defines the framework for the bank's business activities regarding risk tolerance and risk-bearing capacity. This ensures that KfW IPEX-Bank can fulfil its particular responsibilities with an appropriate risk profile in a sustainable, long-term manner. The bank's overall risk situation is analysed comprehensively in monthly risk reports to the Management Board. The Board of Supervisory Directors is regularly – at least once per quarter – given detailed information on the bank's risk situation.

Compliance

The success of KfW IPEX-Bank depends to a large extent on the trust of its shareholder, clients, business partners, employees and the general public in terms of its performance and, especially, its integrity. This trust is based not least on implementing and complying with the relevant legal and regulatory provisions and internal procedures, and all other applicable laws and regulations. The compliance organisation at KfW IPEX-Bank includes, in particular, measures for assuring adherence to data protection requirements, ensuring securities compliance and compliance with financial sanctions, as well as measures for preventing money laundering, terrorist financing and other criminal activities, and achieving an appropriate level of information security. There are corresponding binding rules and procedures that ensure the day-to-day implementation of such values and determine the associated corporate culture; these are continually updated to reflect the current legal and regulatory framework as well as market requirements. Compliance also encompasses regulatory compliance. Training sessions on all compliance-related issues are held on a regular basis for KfW IPEX-Bank employees.

Accounting and annual audit

On 20 March 2015, the shareholder of KfW IPEX-Bank appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor of the financial statements for the 2015 financial year. The Board of Supervisory Directors then issued the audit assignment to KPMG on 30 June 2015 and in October determined the audit priorities together with the auditor. The bank and the auditor agreed that the Chairman of the Audit Committee would be informed without delay of any findings and incidents arising during the audit that could be of importance to the work of the Board of Supervisory Directors. It was furthermore agreed that the auditor would inform the Audit Committee Chairman if it identified any facts during the audit that would render the Declaration of Compliance with the PCGC incorrect, and/or record this in the audit report. A declaration of auditor independence was obtained.

Efficiency review of the Board of Supervisory Directors

The Board of Supervisory Directors has always regularly reviewed the efficiency of its activities. Since Section 25d (11) of the German Banking Act entered into force on 1 January 2014, the Board of Supervisory Directors has been obliged to evaluate itself and the Management Board on an annual basis. It performed its latest evaluation in the fourth quarter of 2015 on the basis of structured questionnaires. The overall outcome of the audit was a 'good' rating (with an average score of 1.6). The Board of Supervisory Directors' self-evaluation does not indicate an urgent or acute need for any measures to be taken. The evaluation of the Management Board began at the end of 2015 and will be completed in the first quarter of 2016.

Remuneration report

The remuneration report describes the basic structure of the remuneration system for members of the Management Board and of the Board of Supervisory Directors; it also discloses the remuneration of the individual members. The level of remuneration for the Management Board and the Board of Supervisory Directors is disclosed in the notes to the financial statements.

Summary of total remuneration to members of the Management Board and of the Board of Supervisory Directors

	2015	2014	Change
	EUR in thousands	EUR in thousands	EUR in thousands
Members of the Management Board	1,927	1,690	237
Members of the Board of Supervisory Directors	207	219	–12
Total	**2,134**	**1,909**	**225**

Remuneration for the Management Board

The remuneration system for the Management Board of KfW IPEX-Bank is intended to remunerate the members of the Management Board appropriately according to their roles and areas of responsibility and to take account of both individual performance and the performance of the bank. Management Board contracts are drawn up based on the 1992 version of the principles for the appointment of board members at German federal credit institutions *(Grundsätze für die Anstellung der Vorstandsmitglieder bei den Kreditinstituten des Bundes)*. The contracts take PCGC requirements into account.

Components of remuneration

The remuneration of the Management Board consists of a fixed, annual base salary and a variable, performance-based bonus. All contracts are in accordance with Section 25a (5) of the German Banking Act in conjunction with the German Remuneration Ordinance for Institutions *(Institutsvergütungsverordnung – IVV)*. However, as agreed with BaFin, the new requirements of the Ordinance valid from 1 January 2014 were implemented from 1 January 2015. The establishment of the variable, performance-based bonus component is based on an agreement regarding targets that is concluded with the Management Board by the shareholder – after consultation with the Board of Supervisory Directors – at the beginning of each year. This agreement includes financial, quantitative and qualitative targets for the entire bank, targets specific to the areas of responsibility for each member of the Management Board, and also personal targets. 50 % of the performance-based bonus, calculated according to achievement of targets, is paid out immediately, up to and including for financial year 2014. The remaining 50 % is deferred as a provisional claim and paid into a 'bonus account'. It is paid out in equal instalments over the following three years, provided that the bank does not materially miss its financial targets. Reductions in provisional claims during these years, up to and including complete elimination, are possible depending upon the bank's financial performance.

For the 2015 financial year and subsequent financial years, the rules for payment of performance-based bonuses have been amended in accordance with the relevant provisions of the Remuneration Ordinance for Institutions. According to these rules, 60 % of the performance-based bonus is deferred and generally paid out over a three-year payment period. Each 'annual tranche' of the payment (and the 40 % tranche paid immediately) is divided into two components: 50 % of the annual tranche is allocated to the 'cash component' and the remaining 50 % to the 'sustainability component'. Unlike the cash component, the sustainability component is subject to an additional one-year 'holding period' before being paid out. The 'value' of the sustainability component of this variable remuneration may also increase or decrease over the course of the payment period. Until further notice, the cash component will earn interest over the holding period at KfW IPEX-Bank's interest rate for deferred compensation.

Depending on the bank's performance, both the cash and sustainability components of the deferred 60 % of the performance-based bonus may be cancelled in their entirety.

The overview below shows the total remuneration paid to the individual members of the Management Board, divided into fixed and variable remuneration components and other remuneration, as well as additions to pension provisions. The members' bonus accounts containing the deferred performance-based bonus components are also shown.

Annual remuneration to members of the Management Board and additions to pension provisions during 2015 and 2014 in EUR thousands[1)]

	Salary		Variable remuneration		Other remuneration[2)]		Total		Bonus account[3)]		Additions to pensions provisions	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		EUR in thousands		EUR in thousands		EUR in thousands		EUR in thousands		EUR in thousands		EUR in thousands
Klaus R. Michalak (CEO)	395	252	39	–	21	17	456	269	157	78	227	48
Christiane Laibach[4) 5)]	46	400	74	71	89	10	208	481	81	146	1	292
Christian K. Murach	395	378	73	70	20	20	489	468	163	145	944	337
Markus Scheer	395	378	73	70	24	24	493	472	163	145	737	310
Andreas Ufer[6)]	262	–	–	–	20	–	281	–	61	–	596	–
Total	**1,494**	**1,407**	**259**	**210**	**174**	**72**	**1,927**	**1,690**	**625**	**513**	**2,503**	**987**

1) Rounding differences may occur in the table for computational reasons.
2) This remuneration is presented in analogy with the figures given in the Notes in accordance with Section 285 (9) of the German Commercial Code excluding employer benefits according to the German Social Insurance Act (*Sozialversicherungsgesetz*). These totalled EUR 45 thousand in 2015 (previous year: EUR 44 thousand).
3) As well as individual performance-based bonuses carried forward from previous years, the bonus account also includes the provision for bonuses for financial year 2015.
4) Left KfW IPEX-Bank GmbH with effect from 15 February 2015
5) Other remuneration 2015 includes a service anniversary bonus.
6) Appointed to the Management Board of KfW IPEX-Bank GmbH as of 1 May 2015

Responsibilities
The shareholder consults on the remuneration system for the Management Board, including its contractual elements, and reviews it regularly. It approves the remuneration system after consulting with the Board of Supervisory Directors. The most recent review of the system's appropriateness took place in November 2015.

Contractual fringe benefits
Other remuneration primarily includes contractual fringe benefits. The members of the Management Board of KfW IPEX-Bank are entitled to a company car for both business and private use. Costs incurred as a result of private use of a company car are borne by the members of the Management Board in accordance with currently valid tax legislation.

The members of the Management Board are insured under a group accident insurance policy. They are covered by two insurance policies for the risks associated with their activities on the bank's management bodies. The first provides liability insurance for monetary damages (D&O insurance) and the second offers supplemental legal protection for monetary damages. Both policies are group insurance policies. A deductible has not been agreed at present. As part of their activities, the members of the Management Board of KfW IPEX-Bank are also included in special criminal law protection insurance for employees that was established as a group insurance policy.

Other remuneration does not include remuneration received for the exercise of corporate mandates held and sideline activities performed by a member of the Management Board outside the Group with the approval of the competent bodies of KfW IPEX-Bank. The entire amount of such remuneration is considered as personal income of members of the Management Board. In 2015, the members of the Management Board did not receive remuneration for exercising group mandates.

The members of the Management Board are entitled, as are all other members of the bank's staff, to participate in deferred compensation, a supplemental company pension plan involving deferred compensation payments deducted from salary, insofar as such a plan is generally offered.

In addition, contractual fringe benefits include the costs of security measures for residential property occupied by members of the Management Board; these costs are not reported under Other remuneration but instead under Non-personnel expense. As in the previous year, the bank did not incur any costs for security measures in the 2015 financial year. Contractual fringe benefits also comprise employer benefits as per the German Code of Social Law *(Sozialgesetzbuch – SGB);* in analogy to the figures in the Notes (Section 285 (9) of the German Commercial Code *[Handelsgesetzbuch – HGB]*), these are not reported under Other remuneration.

Contractual fringe benefits that cannot be granted tax-free are subject to taxation as non-cash benefits for members of the Management Board.

There were no outstanding loans to members of the Management Board in 2015.

Retirement pension payments and other benefits in the case of premature retirement

According to Section 5 (1) of the Articles of Association of KfW IPEX-Bank, the appointment of a member of the Management Board is not to extend beyond statutory retirement age. Board members who turn 65 and/or reach statutory retirement age and whose contract for serving on the Management Board has expired are entitled to retirement pension payments. Board members whose contract for serving on the Management Board was signed before 2014 may, at their request, retire early when they reach 63 years of age. Members of the Management Board are also entitled to retirement pension payments if their employment ends due to ongoing disability.

Pension commitments for Management Board members as well as for their surviving dependents are based on the 1992 version of the principles for the appointment of board members at German federal credit institutions. The PCGC is taken into account when contracts of employment are drawn up for members of the Management Board.

A severance cap has been included in the employment contracts of members of the Management Board in accordance with PCGC recommendations. This cap limits payments to a member of the Management Board following premature termination of employment without good cause as per Section 626 of the German Civil Code *(Bürgerliches Gesetzbuch – BGB)* to two years' annual salary or the remuneration including fringe benefits for the remainder of the contract, whichever is lower.

In principle the maximum retirement pension entitlement equals 70% of the pensionable remuneration. In one case the entitlement amounts to 55%. The pension entitlement is derived from the most recent gross base salaries paid. The retirement pension entitlement increases over an individually agreed period by a fixed percentage with every year of service completed until the maximum pension entitlement is attained.

If the employment contract of a member of the Management Board is terminated or not extended for good cause pursuant to Section 626 of the Civil Code, the retirement pension entitlements will expire according to the legal principles established for employment contracts.

Retirement pension payments to former members of the Management Board totalling EUR 141 thousand (previous year: EUR 0 thousand) were made in the 2015 financial year.

Provisions for pensions for former members of the Management Board and their surviving dependents totalled EUR 7,381 thousand at the end of the 2015 financial year (previous year: EUR 6,601 thousand).

Remuneration for the Board of Supervisory Directors

The members of the Board of Supervisory Directors receive annual remuneration at a level determined by the general shareholders' meeting. As per the shareholder resolution of 14 April 2010, the remuneration scheme of 2008 and 2009 was continued in 2010 and for the following years. According to its provisions, the net annual remuneration for a member of the Board of Supervisory Directors is EUR 22,000; the net annual remuneration for the Chairman is EUR 28,600.

Remuneration is earned on a pro rata basis when service is rendered for less than one year.

In addition, the members of the Board of Supervisory Directors receive a net fee of EUR 1,000 for each meeting of the Board of Supervisory Directors or of one of its committees that they attend. Furthermore, members of the Board of Supervisory Directors are entitled to reimbursement for travel expenses and other miscellaneous expenses that they incur within reasonable amounts.

The representatives from KfW on the Board of Supervisory Directors of KfW IPEX-Bank have waived this remuneration and the meeting attendance fees since 1 July 2011 in accordance with a fundamental and permanent decision by the Executive Board of KfW to waive such remuneration for mandates exercised within the Group.

Details regarding the remuneration of the Board of Supervisory Directors during the 2015 and 2014 financial years are listed in the following tables; travel expenses and other miscellaneous expenses were reimbursed based upon receipts and are not included in this table. The indicated amounts are net values and were all paid.

Remuneration of members of the Board of Supervisory Directors for 2015 in EUR

Member	Dates of membership 2015	Annual remuneration	Attendance fees[1]	Total
Dr Kloppenburg	1 Jan.–31 Dec.	–	–	–
Mr Loewen	1 Jan.–31 Dec.	–	–	–
Dr Rupp	1 Jan.–31 Dec.	22,000	14,000	36,000
State Secretary Geismann[2]	1 Jan.–31 Dec.	22,000	15,000	37,000
State Secretary Machnig[3]	1 Jan.–31 Dec.	–	–	–
Ms Kollmann	1 Jan.–31 Dec.	22,000	14,000	36,000
Dr Marschhausen	1 Jan.–31 Dec.	22,000	15,000	37,000
Mr Goretzki	1 Jan.–31 Dec.	22,000	9,000	31,000
Mr Jacobs	1 Jan.–31 July	12,834	5,000	17,834
Mr Weigmann	1 Aug.–31 Dec.	9,167	3,000	12,167
Total		**132,001**	**75,000**	**207,001**

[1] Lump sum of EUR 1,000 net per meeting attended
[2] This amount is subject to the German Sideline Activity Earnings Regulation *(Bundesnebentätigkeitsverordnung)*.
[3] Remuneration not claimed

Remuneration of members of the Board of Supervisory Directors for 2014 in EUR

Member	Dates of membership 2014	Annual remuneration	Attendance fees[1]	Total
Dr Kloppenburg	1 Jan.–31 Dec.	–	–	–
Mr Loewen	1 Jan.–31 Dec.	–	–	–
State Secretary Geismann[2]	17 Feb.–31 Dec.	20,167	12,000	32,167
State Secretary Kapferer[2]	17 Feb.–30 Sep.	14,667	6,000	20,667
State Secretary Machnig[3]	23 Oct.–31 Dec.	–	–	–
Dr Rupp	1 Jan.–31 Dec.	22,000	13,000	35,000
Ms Kollmann	1 Jan.–31 Dec.	22,000	12,000	34,000
Dr Marschhausen	1 Jan.–31 Dec.	22,000	13,000	35,000
Mr Goretzki	1 Jan.–31 Dec.	22,000	10,000	32,000
Mr Jacobs	1 Jan.–31 Dec.	22,000	8,000	30,000
Total		**144,834**	**74,000**	**218,834**

[1] Lump sum of EUR 1,000 net per meeting attended
[2] This amount is subject to the German Sideline Activity Earnings Regulation *(Bundesnebentätigkeitsverordnung)*.
[3] Remuneration not claimed

There are no pension obligations in respect of members of the Board of Supervisory Directors.

Members of the Board of Supervisory Directors did not receive any remuneration for services provided personally during the reporting year.

No direct loans were extended to members of the Board of Supervisory Directors during the reporting year.

The members of the Board of Supervisory Directors are covered by two insurance policies for the risks associated with their activities on the board. The first provides liability insurance for monetary damages (D&O insurance) and the second offers supplemental legal protection for monetary damages. Both policies are group insurance policies of KfW. A deductible has not been agreed at present. As part of their activities, the members of the Board of Supervisory Directors of KfW IPEX-Bank are also included in special criminal law protection insurance for employees that was established by KfW as a group insurance policy.

Frankfurt, 18 March 2016

Management Board

Board of Supervisory Directors