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REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

We faced considerable challenges in the 2018 financial year but also set the stage for the lasting business success of the Group in the future.

The Supervisory Board advised and oversaw the Board of Management in the management of the company, made decisions regarding Board of Management membership, consulted with the members of the Board of Management on the strategic direction of the company and shaping corporate policy, as well as participating in decisions that were material for the company.

The Board of Management informed us on an ongoing basis about the course of business and material transactions. Fundamental issues concerning business planning, profitability, maintaining competitiveness and business performance were thoroughly deliberated after the committees had laid the groundwork for these discussions.

Between meetings, I had discussions with the Chairman of the Board of Management (CEO), Frank Appel, regarding Board of Management issues and current developments. Stefan Schulte, Audit Committee Chair, also held regular conversations outside of scheduled meetings with Melanie Kreis, Board Member for Finance.

Only a few members were unable to attend all meetings. In cases where their absence was unavoidable, they generally participated in decisions by submitting their votes in writing. The overall attendance rate was around 95%. An overview of the meeting attendance records of individual members is provided on page 84.

Ten plenary Supervisory Board meetings and 26 committee meetings were held in the year under review. The members of the Board of Management participated in plenary meetings – unless decisions on Board of Management membership were taken – and reported on the business performance in the divisions for which they are responsible. The chairman, and the members of the Board of Management responsible for their relevant divisions, attended the committee meetings. Executives from the tier immediately below the Board of Management and representatives of the auditors were also invited to attend for individual agenda items.

Key topics addressed in plenary meetings

In our March 2018 meeting, we discussed the annual and consolidated financial statements, including the management reports and the separate combined non-financial report. Following the

report by the auditor regarding the findings of the audit, we approved the financial statements at the recommendation of the Finance and Audit Committee. We concurred with the Board of Management's proposed resolution on the appropriation of the net retained profit. Based upon the results of the audit, no objections were raised regarding the non-financial report.

We determined the annual bonus for active Board of Management members based upon the degree of target achievement and corresponding recommendations by the Strategy and Executive Committees.

The proposed resolutions for the 2018 Annual General Meeting, including the dividend proposal, were also approved at this meeting.

Additionally, we addressed the results of the efficiency review of our activities.

In early April, the main issue discussed was the division of responsibilities of the Board of Management. We agreed that innovations such as the development of Street Scooters should be combined in the new Corporate Incubations board department. The new department was initially assigned to Jürgen Gerdes, whilst Frank Appel assumed interim leadership of Post - eCommerce - Parcel.

After preparatory work was completed by the Finance and Audit Committee, we agreed to the purchase of 14 Boeing 777 cargo planes in early May to further renew the Express intercontinental fleet.

In June, we dealt with Jürgen Gerdes' departure from the Board of Management and transferred responsibility for the Corporate Incubations board department to Thomas Ogilvie, who is Board Member for Human Resources and Labour Director for the Group.

The focus of September's meeting was the attainment of the strategic goals assigned to Board of Management members as the basis for granting the long-term incentive component for 2018 and setting new ones for awarding the 2019 tranche.

In the closed meeting that followed, we discussed the progress made in implementing our Strategy 2020 as well as future strategic challenges, particularly digitalisation, together with the Board of Management, with the support of invited outside presenters. Subsequently, the Supervisory Board held a meeting without the members of the Board of Management.

In October, we approved the sale of the supply chain business in China, Hong Kong and Macao to S.F. Holding in the course of a strategic partnership.

At the last Supervisory Board meeting of the year in December, we approved the Group's business plan for 2019 and the targets for variable remuneration of the Board of Management for 2019, and agreed to again issue an unqualified Declaration of Conformity.

NIKOLAUS VON BOMHARD
Chairman



Key topics addressed in committee meetings

The primary duty of the six committees of the Supervisory Board is to prepare the decisions to be taken in the plenary meetings. They have also been tasked with taking the final decisions regarding a few matters, including approval for property transactions and secondary activities of Board of Management members. The committee chairs report extensively in the plenary meetings on the work of the committees. Details on the composition of the committees are provided on page 78.

The Executive Committee met six times and dealt mainly with Board of Management issues and preparatory work for Supervisory Board meetings.

The Personnel Committee held four meetings. Items discussed included human resources development, promoting women to executive positions, further developing the Group-wide initiatives and the results of the annual employee opinion survey.

The Finance and Audit Committee met eight times. It examined the financial statements and the management reports for the company and the Group. It discussed the quarterly financial reports and the half-yearly financial report, which were reviewed by the auditors, before their publication with the Board of Management and the auditors. In addition, it issued the audit engagement for the auditors elected by the Annual General Meeting and specified the key audit priorities. The committee also addressed the non-audit services provided by the auditors, the

accounting process and risk management, discussed the findings of internal audits. It obtained detailed reports from the Chief Compliance Officer on compliance and on updates to the compliance organisation and compliance management.

The Strategy Committee met six times, primarily addressing the business units' strategic positioning in their respective market segments and the implementation of our Strategy 2020. Particular areas of focus were the progress made in the digital transformation of the company and regular status updates by the divisions.

The Nomination Committee met twice. In March, it recommended that the Supervisory Board propose Günther Bräunig and Mario Daberkow to the Annual General Meeting as candidates to the Supervisory Board. In December, a resolution was passed to propose Heinrich Hiesinger to the 2019 Annual General Meeting as a Supervisory Board candidate.

The Mediation Committee did not meet in the year under review.

Changes to the Supervisory Board

Shareholder representatives Wulf von Schimmelmann and Ulrich Schröder stepped down from the Supervisory Board. Wulf von Schimmelmann, who was Chairman of the Supervisory Board for many years, did not make himself available for re-election after serving more than two full terms of office. Ulrich Schröder stepped down due to a serious illness. The 2018 Annual General

Meeting elected Günther Bräunig and Mario Daberkow as new members of the Supervisory Board, both for a term of office of five years.

Following the Annual General Meeting, the Supervisory Board elected me as chair and Andrea Kocsis as deputy chair.

Since the term of office of the employee representatives was close to expiring, in March 2018 the assembly of delegates (re-) elected the employee representatives to a five-year term beginning at the end of the 2018 Annual General Meeting. An overview of current Supervisory Board members is provided on page 77.

Changes to the Board of Management

Jürgen Gerdes, who laid down the leadership of Post - eCommerce - Parcel and assumed initial responsibility for the new Corporate Incubations board department in April, resigned from the Board of Management on 12 June 2018 due to differences of opinion regarding the company's strategic priorities. He left the company on 30 June 2018. After Frank Appel had assumed interim leadership of the Post - eCommerce - Parcel division in April, we transferred responsibility for Corporate Incubations to Thomas Ogilvie. As at 1 January 2019, responsibility for the newly created eCommerce Solutions division was assigned to Ken Allen. His contract was extended to July 2022. John Pearson was appointed to the Board of Management as successor for the Express board department as at 1 January 2019, initially for three years. In today's meeting we appointed Tobias Meyer as member of the Board of Management effective from 1 April 2019 for an initial period of three years and entrusted him with the management of the Post & Paket Deutschland division.

Managing conflicts of interest

Supervisory Board members do not hold positions on the governing bodies of, or provide consultancy services to, the Group's main competitors. The Supervisory Board was not informed of any conflicts of interest affecting individual members during the year under review.

Compliance with all recommendations of the German Corporate Governance Code

In December, the Board of Management and the Supervisory Board issued an unqualified Declaration of Conformity pursuant to section 161 of the *Aktengesetz* (AktG – German Stock Corporation Act), which was also published on the company's website. The declarations from previous years are also available there. The company also continued to comply with all recommendations of the Government Commission on the German Corporate Governance Code in the version dated 7 February 2017, which was published in the Federal Gazette on 24 April/19 May, following submission of the Declaration of Conformity in December 2017, and decided to continue to do so in the future. We have also

implemented all the suggestions made by the Government Commission, with the exception of broadcasting the full AGM on the internet. Further information regarding corporate governance within the company can be found in the Corporate Governance Report (page 83 ff.).

2018 annual and consolidated financial statements examined

The auditors elected by the AGM, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Düsseldorf, audited the annual and consolidated financial statements for financial year 2018, including the respective management reports, and issued unqualified audit opinions. PwC also reviewed the quarterly financial reports and the half-yearly financial report and audited the non-financial report on behalf of the Finance and Audit Committee without issuing any objections.

Upon recommendation by the Finance and Audit Committee, the Supervisory Board in its meeting today focussed upon the annual and consolidated financial statements, including the Board of Management's proposal on the appropriation of the net retained profit, the management reports and the combined (consolidated) non-financial report for financial year 2018, and discussed these in depth with the Board of Management. The auditors reported on the results of their audit before the Finance and Audit Committee and plenary meeting and were available to answer questions and provide information. The Supervisory Board concurred with the results of the audit and approved the annual and consolidated financial statements for financial year 2018, as recommended by the Finance and Audit Committee. No objections were raised on the basis of the final outcome of the examination by the Supervisory Board and the Finance and Audit Committee of the annual and consolidated financial statements, the management reports and the proposal for the appropriation of the net retained profit. Similarly, no objections were raised with regard to the examination of the combined non-financial report. The Supervisory Board endorsed the Board of Management's proposal for the appropriation of the net retained profit and the payment of a dividend of €1.15 per share.

We would like to thank the members of the Board of Management and the employees of the company for their hard work in this challenging financial year.

Bonn, 6 March 2019
The Supervisory Board



Nikolaus von Bomhard
Chairman

SUPERVISORY BOARD

Members of the Supervisory Board

B.01

Shareholder representatives

Prof. Dr Wulf von Schimmelmann (Chair) (until 24 April 2018)
Former CEO of Deutsche Postbank AG

Dr Nikolaus von Bomhard (Chair since 24 April 2018)
Former Chair of the Board of Management, Münchener Rückversicherungs-Gesellschaft AG (Munich Re)

Dr Günther Bräunig (since 17 March 2018)
CEO of KfW Bankengruppe

Dr Mario Daberkow (since 24 April 2018)
Member of the Managing Board of Volkswagen Financial Services AG

Ingrid Deltenre
Former Director General of the European Broadcasting Union

Werner Gatzert
State Secretary, Federal Ministry of Finance (since 3 April 2018)
CEO of Deutsche Bahn Station & Service AG (from 1 January to 2 April 2018)

Prof. Dr Henning Kagermann
Former CEO of SAP AG

Simone Menne
Former member of the Board of Managing Directors, Boehringer Ingelheim GmbH

Roland Oetker
Managing Partner, ROI Verwaltungsgesellschaft mbH

Dr Ulrich Schröder (until 6 February 2018)
Former CEO of KfW Bankengruppe

Dr Stefan Schulte
Chair of the Executive Board of Fraport AG

Prof. Dr-Ing. Katja Windt
President/member of the Executive Board of Jacobs University Bremen gGmbH (until 14 January 2018)
SMS group GmbH (since 15 January 2018)
Member of the Managing Board of SMS group GmbH (since 1 April 2018)

Employee representatives

Andrea Kocsis (Deputy Chair)
Deputy Chair of ver.di National Executive Board and Head of Postal Services, Forwarding Companies and Logistics on the ver.di National Executive Board

Rolf Bauermeister
Head of Postal Services, Co-determination and Youth and Head of National Postal Services Group at ver.di National Administration

Jörg von Dosky
Chair of the Group and Company Executive Representation Committee, Deutsche Post AG

Gabriele Gülzau (since 24 April 2018)
Chair of the Works Council, Deutsche Post AG, Mail Branch, Hamburg

Thomas Held (since 24 April 2018)
Chair of the Central Works Council, Deutsche Post AG (since 27 June 2018)
Deputy Chair of the Central Works Council, Deutsche Post AG

Mario Jacobasch (since 24 April 2018)
Deputy Chair of the Group Works Council, Deutsche Post AG

Thomas Koczelnik
Chair of the Group Works Council, Deutsche Post AG

Anke Kufalt (until 24 April 2018)
Chair of the Works Council, DHL Global Forwarding GmbH, Hamburg

Ulrike Lennartz-Pipenbacher
Deputy Chair of the Central Works Council, Deutsche Post AG

Andreas Schädler (until 24 April 2018)
Business Division Sales Post, Deutsche Post AG

Sabine Schielmann (until 24 April 2018)
Member of the Executive Board of the Central Works Council, Deutsche Post AG

Stephan Teuscher
Head of Wage, Civil Servant and Social Policies in the Postal Services, Forwarding Companies and Logistics Department, ver.di National Administration

Stefanie Weckesser
Deputy Chair of the Works Council, Deutsche Post AG, Mail Branch, Augsburg

Committees of the Supervisory Board

B.02

Executive Committee

Prof. Dr Wulf von Schimmelmann
(Chair) (until 24 April 2018)
Dr Nikolaus von Bomhard
(Chair since 24 April 2018)
Andrea Kocsis (Deputy Chair)
Rolf Bauermeister
Ingrid Deltenre (since 24 April 2018)
Werner Gatzler
Thomas Held (since 24 April 2018)
Stefanie Weckesser (until 24 April 2018)

Personnel Committee

Andrea Kocsis (Chair)
Prof. Dr Wulf von Schimmelmann
(Deputy Chair) (until 24 April 2018)
Dr Nikolaus von Bomhard
(Deputy Chair) (since 24 April 2018)
Thomas Koczelnik
Roland Oetker

Finance and Audit Committee

Dr Stefan Schulte (Chair)
Stephan Teuscher (Deputy Chair)
Werner Gatzler
Thomas Koczelnik
Simone Menne
Stefanie Weckesser

Strategy Committee

Prof. Dr Wulf von Schimmelmann
(Chair) (until 24 April 2018)
Dr Nikolaus von Bomhard
(Chair) (since 24 April 2018)
Andrea Kocsis (Deputy Chair)
Rolf Bauermeister
Prof. Dr Henning Kagermann
Thomas Koczelnik
Roland Oetker

Nomination Committee

Prof. Dr Wulf von Schimmelmann
(Chair) (until 24 April 2018)
Dr Nikolaus von Bomhard
(Chair since 24 April 2018)
Ingrid Deltenre (since 24 April 2018)
Werner Gatzler

Mediation Committee (pursuant to section 27(3) of the German Co-determination Act)

Prof. Dr Wulf von Schimmelmann
(Chair) (until 24 April 2018)
Dr Nikolaus von Bomhard
(Chair) (since 24 April 2018)
Andrea Kocsis (Deputy Chair)
Rolf Bauermeister
Roland Oetker

Mandates held by the Supervisory Board**B.03****Shareholder representatives****Membership of supervisory boards required by law**

Prof. Dr Wulf von Schimmelmann
(Chair) (until 24 April 2018)
Allianz Deutschland AG (until 2 March 2018)
Maxingvest AG

Dr Günther Bräunig (since 17 March 2018)
Deutsche Pfandbriefbank AG (Chair)
Deutsche Telekom AG (since 21 March 2018)

Werner Gatzert
DB Netz AG (from 1 January to 2 April 2018)
Flughafen Berlin Brandenburg GmbH
PD-Berater der öffentlichen Hand GmbH
(Chair)

Prof. Dr Henning Kagermann
Deutsche Bank AG (until 24 May 2018)
Münchener Rückversicherungs-
Gesellschaft AG (Munich Re)
KUKA AG

Simone Menne
BMW AG
Springer Nature KGaA (since 13 April 2018)

Dr Ulrich Schröder (until 6 February 2018)
Deutsche Telekom AG (until 6 February 2018)

Prof. Dr-Ing. Katja Windt
Fraport AG

Membership of comparable bodies

Prof. Dr Wulf von Schimmelmann
(Chair) (until 24 April 2018)
Thomson Reuters Corp., Canada
(Board of Directors)

Dr Nikolaus von Bomhard
(Chair since 24 April 2018)
Athora Holding Ltd., Bermuda
(Board of Directors, Chair)

Dr Mario Daberkow (since 24 April 2018)
Softbridge-Proyectos Tecnológicos S.A., Portugal¹
(Administrative Board) (since 18 April 2018)

Volkswagen Participações Ltda., Brazil
(Supervisory Board)¹

Volkswagen Holding Financière S.A., France
(Supervisory Board)¹

Volkswagen Finance Luxembourg II S.A.,
Luxembourg (Supervisory Board, Chair)¹
(renamed Volkswagen Payments S.A.
on 10 October 2018)

Volkswagen S.A., Institución de Banca
Múltiple, Mexico (Supervisory Board)¹
(since 1 October 2018)

VW Credit, Inc., USA (Board of Directors)¹
(since 1 October 2018)

Ingrid Deltenre

Givaudan SA, Switzerland (Board of Directors)

Banque Cantonale Vaudoise SA, Switzerland
(Board of Directors)

Agence France Presse, France (Board of Directors)

Sunrise Communications AG, Switzerland
(Board of Directors) (since 11 April 2018)

Roland Oetker

Rheinisch-Bergische Verlagsgesellschaft mbH
(Supervisory Board)

Simone Menne

Johnson Controls International plc, Ireland
(Board of Directors) (since 7 March 2018)

Russel Reynolds Associates Inc., USA
(Board of Directors) (since 30 January 2019)

Dr Ulrich Schröder

“Marguerite 2020”: European Fund for Energy,
Climate Change and Infrastructure, Luxem-
bourg (Supervisory Board) (until 6 Febru-
ary 2018)

Dr Stefan Schulte

Fraport Ausbau Süd GmbH (Supervisory
Board, Chair)²

Fraport Regional Airports of Greece A S.A.,
Greece (Board of Directors, Chair)²

Fraport Regional Airports of Greece B S.A.,
Greece (Board of Directors, Chair)²

Fraport Regional Airports of Greece Manage-
ment Company S.A., Greece (Board of Directors,
Chair)²

Fraport Brasil S.A. Aeroporto de Porto Alegre,
Brazil (Supervisory Board, Chair)²

Fraport Brasil S.A. Aeroporto de Fortaleza,
Brazil (Supervisory Board, Chair)²

Employee representatives**Membership of supervisory boards required by law**

Jörg von Dosky
PSD Bank München eG

Andreas Schädler (until 24 April 2018)
PSD Bank Köln eG (Chair)

Stephan Teuscher
DHL Hub Leipzig GmbH (Deputy Chair)

¹ Group mandates, Volkswagen AG.² Group mandates, Fraport AG.

BOARD OF MANAGEMENT

- 1 **FRANK APPEL**
- 2 **THOMAS OGILVIE**
- 3 **MELANIE KREIS**
- 4 **TIM SCHARWATH**
- 5 **JOHN PEARSON**
- 6 **JOHN GILBERT**
- 7 **KEN ALLEN**

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Members of the Board of Management

B.04

Dr Frank Appel

Chief Executive Officer
Global Business Services
Also responsible for Post - eCommerce - Parcel (since 4 April 2018)

Born in 1961
Member since November 2002
CEO since February 2008
Appointed until October 2022

Ken Allen

Express (until 31 December 2018)
eCommerce Solutions (since 1 January 2019)

Born in 1955
Member since February 2009
Appointed until July 2022

John Gilbert

Supply Chain
Born in 1963
Member since March 2014
Appointed until March 2022

Melanie Kreis

Finance
Born in 1971
Member since October 2014
Appointed until June 2022

Dr Thomas Ogilvie

Human Resources
Corporate Incubations (since 12 June 2018)

Born in 1976
Member since September 2017
Appointed until August 2020

John Pearson

Express (since 1 January 2019)
Born in 1963
Member since January 2019
Appointed until December 2021

Tim Scharwath

Global Forwarding, Freight
Born in 1965
Member since June 2017
Appointed until May 2020

Left the company during the year under review

Dr h.c. Jürgen Gerdes

Post - eCommerce - Parcel (until 3 April 2018)
Corporate Incubations (from 4 April 2018 to 12 June 2018)
Born in 1964
Member from July 2007 to June 2018

Mandates held by the Board of Management

B.05

Membership of supervisory boards required by law

Dr Frank Appel
adidas AG

Membership of comparable bodies

Ken Allen
DHL-Sinotrans International Air Courier Ltd, China (Board of Directors)¹

¹ Group mandate.

CORPORATE GOVERNANCE REPORT

and Annual Corporate Governance Statement for Deutsche Post AG and Deutsche Post DHL Group

Company in compliance with all recommendations of the German Corporate Governance Code

The Board of Management and the Supervisory Board follow the current initiatives and deliberations regarding the German Corporate Governance Code and in December 2018 once again issued an unqualified Declaration of Conformity pursuant to section 161 of the *Aktiengesetz* (AktG – German Stock Corporation Act):

“The Board of Management and the Supervisory Board of Deutsche Post AG declare that all recommendations of the Government Commission German Corporate Governance Code in the version dated 7 February 2017 and published in the Federal Gazette on 24 April/19 May 2017 have been complied with after issuance of the Declaration of Conformity in December 2017 and that all recommendations of the Code in the version dated 7 February 2017 and published in the Federal Gazette on 24 April/19 May 2017 shall also be complied with in the future.”

We also implement the suggestions made in the Code; however, the Annual General Meeting will only be broadcast on the internet up to the end of the CEO’s address. This helps ensure frank and open discussion during the shareholders’ debate.

The current Declaration of Conformity and those for the last five years can be viewed at [@ dpdhl.com/en/investors](https://www.dpdhl.com/en/investors).

Corporate governance principles and shared values

Our business relationships and activities are based upon responsible business practice that complies with applicable laws, ethical standards and international guidelines, and this also forms part of the Group’s strategy. Equally, we require our suppliers to act in this way. We encourage and facilitate long-term relationships with our stakeholders, whose decisions to select Deutsche Post DHL Group as a supplier, employer or investment of choice are increasingly also based upon the requirement that we comply with good corporate governance criteria.

Our [@ Code of Conduct, dpdhl.com/en](https://www.dpdhl.com/en), is firmly established within the company and is applicable in all divisions and regions. The Code of Conduct is based upon the principles set out in the Universal Declaration of Human Rights and the United Nations (UN) Global Compact. It is consistent with recognised legal standards, including the applicable anti-corruption legislation and agreements.

The Code of Conduct also defines what we mean by diversity. Diversity and mutual respect are some of the core values that contribute to good co-operation within the Group and thus to

economic success. The key criteria for the recruitment and professional development of our employees are their skills and qualifications. Our Diversity Council discusses the strategic aspects of diversity management and divisional requirements. Its members comprise executives from the central functions and divisions and it is chaired by the Board Member for Human Resources. Members also act as ambassadors for, and promote, diversity in the divisions. The members of the Board of Management and the Supervisory Board support the Group’s diversity strategy, with a particular focus upon the goal of increasing the number of women in the Group.

Doing business responsibly includes using our expertise as a mail and logistics services group for the benefit of society and the environment, and we motivate our employees to engage in volunteer work.

Ensuring our interactions with business partners, shareholders and the public are conducted with integrity and within the bounds of the law is vital to maintaining our reputation. It is also the foundation of Deutsche Post DHL Group’s lasting business success. The goal of the compliance management system (CMS) is to ensure observance of the statutory provisions and internal policies applicable to the Group. Its effectiveness is reviewed on an on-going basis in order to adapt it if necessary to relevant developments and new legal requirements. The CMS’s individual components, the Code of Conduct, and information on diversity management and CSR issues are outlined in detail in the

[@ Corporate Responsibility Report, dpdhl.com/cr-report2018](https://www.dpdhl.com/cr-report2018).

Co-operation between the Board of Management and the Supervisory Board

As a listed German public limited company, Deutsche Post AG has a dual management system. The Board of Management manages the company. The Supervisory Board appoints, oversees and advises the Board of Management.

The Board of Management’s rules of procedure set out the principles governing its internal organisation, management and representation, as well as co-operation between its individual members. Within this framework, Board members manage their departments independently and inform the rest of the Board about key developments at regular intervals. The Board of Management as a whole decides on matters of particular significance for the company or the Group, including all decisions that have to be presented to the Supervisory Board for approval, and all tasks that cannot be delegated to individual members of the Board. The Board of Management as a whole also decides on matters presented to it by individual members of the Board of Management for decision. When making decisions, members of the Board of Management may not act in their own personal interest or exploit corporate business opportunities for their own benefit. The Supervisory Board must be informed of any conflicts of inter-

est without delay. No member of the Board of Management is a member of more than two supervisory boards of non-Group listed companies or of other supervisory bodies with comparable requirements. D&O insurance for the members of the Board of Management provides for a deductible as set out in the AktG.

The Supervisory Board appoints, advises and oversees the Board of Management. It has established rules of procedure for itself containing the principles for its internal organisation, a catalogue of Board of Management transactions requiring its approval and the rules governing the work of the Supervisory Board committees. The chairman elected by the members from their ranks co-ordinates the work of the Supervisory Board and also represents the Supervisory Board publicly.

The Supervisory Board meets at least four times a year. Extraordinary Supervisory Board meetings are held whenever particular developments or measures need to be discussed or approved at short notice. In financial year 2018, Supervisory Board members held ten plenary meetings, 26 committee meetings and one closed meeting, as described in the [Report of the Supervisory Board, page 74 ff.](#) At 95%, the attendance rate remained very high in the year under review, as the following breakdown shows.

Attendance at plenary and committee meetings **B.06**

Board members	Attendance
Dr Nikolaus von Bomhard (Chair since 24 April 2018)	100
Prof. Dr Wulf von Schimmelmann (Chair until 24 April 2018)	100
Andrea Kocsis (Deputy Chair)	100
Rolf Bauermeister	100
Dr Günther Bräunig (since 17 March 2018)	56
Dr Mario Daberkow (since 24 April 2018)	88
Ingrid Deltenre	100
Jörg von Dosky	100
Werner Gatzler	73
Gabriele Gülzau (since 24 April 2018)	100
Thomas Held (since 24 April 2018)	100
Mario Jacubasch (since 24 April 2018)	100
Prof. Dr Henning Kagermann	94
Thomas Koczelnik	96
Anke Kufalt (until 24 April 2018)	100
Ulrike Lennartz-Pipenbacher	100
Simone Menne	94
Roland Oetker	95
Andreas Schädler (until 24 April 2018)	50
Sabine Schielmann (until 24 April 2018)	100
Dr Ulrich Schröder (until 6 February 2018)	100
Dr Stefan Schulte	100
Stephan Teuscher	100
Stefanie Weckesser	100
Prof. Dr-Ing. Katja Windt	100

The [Report of the Supervisory Board, page 74 ff.](#), can also be viewed at dpdhl.com/en/investors.

The Board of Management and the Supervisory Board regularly discuss the Group's strategy, the divisions' objectives and strategies, the financial position and performance of the company and the Group, key business transactions, the progress of acquisitions and investments, compliance and compliance management, risk exposure and risk management, and all material business planning and related implementation issues. The Board of Management informs the Supervisory Board promptly and in full about all issues of significance. The Chairman of the Supervisory Board and the CEO maintain close contact about current issues.

The Supervisory Board carries out an annual efficiency review of its work. In the year under review it again concluded that it had performed its monitoring and advisory duties efficiently and effectively. Suggestions made by individual members are also taken up and implemented during the year. Supervisory Board decisions are prepared and discussed in advance in separate meetings of the shareholder representatives and the employee representatives, and by the relevant committees. Each plenary Supervisory Board meeting includes a detailed report on the committees' work and the decisions taken. Supervisory Board members are personally responsible for ensuring they receive the training and professional development measures they need to perform their tasks (e.g. on changes to the legal framework and on issues relating to the future); the company supports them in this by arranging presentations by internal and external speakers, among other things.

No Supervisory Board members hold positions on the governing bodies of, or provide consultancy services to, the Group's main competitors.

All Supervisory Board members are independent within the meaning of the German Corporate Governance Code. The number of independent Supervisory Board members therefore exceeds the target we had set ourselves of at least 75% of the Supervisory Board as a whole. In light of the European Commission's recommendation on the independence of non-executive or supervisory directors and the wide-ranging protection against summary dismissal and ban on discrimination contained in the *Betriebsverfassungsgesetz* (BetrVG – German Works Constitution Act) and the *Mitbestimmungsgesetz* (MitbestG – German Co-determination Act), being an employee of the company is not inconsistent with the requirement for independence as defined by the Code. The largest shareholder in the company, KfW Bankengruppe, currently holds approximately 21% of the shares in Deutsche Post AG and therefore does not exercise control. Accordingly, Werner Gatzler and Günther Bräunig are also independent within the meaning of the Code.

No former members of the Board of Management are members of the Supervisory Board.

No Supervisory Board members exceed the maximum service period of three terms of office or the age limit of 72.

Board of Management and Supervisory Board committees

The structure of the Board of Management committees applicable in the financial year included divisional executive committees that held meetings to prepare decisions to be taken by the full Board of Management and to take decisions on the matters delegated to them. Executives from the first and second tiers immediately below the Board of Management attended executive committee meetings that covered topics relevant to their fields. Since January 2019, the executive committees have been eliminated and the matters previously delegated to them are now being handled by the Board of Management.

Business review meetings continue to take place once a quarter. These meetings are part of the strategic performance dialogue between the divisions, the CEO, the Board Member for Finance or also the full Board of Management. The business review meetings discuss strategic initiatives, operational matters and the budgetary situation in the divisions. The  **members of the Board of Management and the mandates held by them** are listed on [page 82](#).

The primary duty of the members of the Supervisory Board committees is to prepare the resolutions to be taken in the plenary meetings.

The Executive Committee does the preparatory work for appointing members of the Board of Management, drawing up their contracts of service and determining their remuneration.

The Finance and Audit Committee oversees the company's accounts, its accounting process, the effectiveness of the internal control system, risk management and internal auditing, and the financial statement audit, and in particular the selection of the auditors and their independence. In addition, the committee is responsible for preparing the voluntary external audit of the separate non-financial report, including selecting and engaging the external auditor. It also approves the Board of Management's engagement of the auditor to perform non-audit services. The committee examines corporate compliance issues and discusses the half-yearly and quarterly financial reports with the Board of Management before publication. Based upon its own assessment, the committee submits proposals for the approval of the annual and consolidated financial statements by the Supervisory Board. The Chairman of the Finance and Audit Committee, Stefan Schulte, is an independent financial expert as defined in sections 100 (5) and 107 (4) of the AktG. He has no relationship with the company, its governing bodies or its shareholders that could cast doubt on his independence.

An agreement has been reached with the auditors that the Chairman of the Supervisory Board and the Chairman of the Finance and Audit Committee shall be informed without delay of any potential grounds for exclusion or for impairment of the auditors' independence that arise during the audit, to the extent that these are not immediately remedied. In addition, it has been agreed that the auditors shall inform the Supervisory Board without delay of all material findings and incidents occurring in the course of the audit. Furthermore, the auditors must inform the Supervisory Board if, whilst conducting the financial statement audit, they find any facts leading to the Declaration of Conformity issued by the Board of Management and Supervisory Board being incorrect.

The Personnel Committee discusses human resources principles for the Group.

The Mediation Committee carries out the duties assigned to it pursuant to the MitbestG: it makes proposals to the Supervisory Board on the appointment of members of the Board of Management in those cases in which the required majority of two-thirds of the votes of the Supervisory Board members is not reached. The committee did not meet in the past financial year.

The Nomination Committee presents the shareholder representatives of the Supervisory Board with recommendations for shareholder candidates for election to the Supervisory Board at the Annual General Meeting.

The Strategy Committee prepares the Supervisory Board's strategy discussions and regularly discusses the competitive position of the enterprise as a whole and of the individual divisions. In addition, it does preparatory work on corporate acquisitions and divestitures that require the Supervisory Board's approval.

Further information about the work of the Supervisory Board and its committees in financial year 2018 is contained in the  **Report of the Supervisory Board, page 74 ff**. Details on the members of the Supervisory Board and the composition of the Supervisory Board committees can be found in the section on the  **Supervisory Board, page 77 f**.

Targets for the Supervisory Board's composition and skills profile

The Supervisory Board has set itself the following targets for its composition; they also represent the skills profile it has set itself:

- 1 When proposing candidates to the Annual General Meeting for election as Supervisory Board members, the Supervisory Board is guided purely by the best interests of the company. Subject to this requirement, the Supervisory Board aims to ensure that independent Supervisory Board members as defined in number 5.4.2 of the German Corporate Governance Code account for at least 75% of the Supervisory Board, and that at least 30% of the Supervisory Board members are women.

- 2 The company's international activities are already adequately reflected in the current composition of the Supervisory Board. The Supervisory Board aims to maintain this and its future proposals to the Annual General Meeting will therefore consider candidates whose origins, education or professional experience equip them with particular international knowledge and experience.
- 3 The Supervisory Board should be in a position to collectively provide competent advice to the Board of Management on fundamental future issues; in its opinion this includes, in particular, the digital transformation.
- 4 The Supervisory Board should collectively have sufficient expertise in the areas of accounting or financial statement audits. This includes knowledge of international developments in the field of accounting. Additionally, the Supervisory Board believes that the independence of its members helps guarantee the integrity of the accounting process and ensure the independence of the auditors.
- 5 Conflicts of interest affecting Supervisory Board members are an obstacle to providing independent and efficient advice to, and supervision of, the Board of Management. The Supervisory Board will decide how to deal with potential or actual conflicts of interest on a case-by-case basis, in accordance with the law and giving due consideration to the German Corporate Governance Code.
- 6 In accordance with the age limit adopted by the Supervisory Board and laid down in the rules of procedure for the Supervisory Board, proposals for the election of Supervisory Board members must ensure that their term of office ends no later than the close of the next Annual General Meeting to be held after the Supervisory Board member reaches the age of 72. As a general rule, Supervisory Board members should not serve more than three full terms of office.

The current Supervisory Board meets these targets and this skills profile.

Diversity

Diversity is important for the Supervisory Board, including when it comes to appointing members of the Board of Management. The company's success depends to a considerable extent upon the diversity of qualifications, personalities, skills and experience of the members of the Board of Management. All Board of Management members possess international expertise and experience. Long-term succession planning in all divisions aims to guarantee that there will be an adequate pipeline of qualified successors for

appointments to the Board of Management in the future. Particular attention is given to ensuring that women can advance within the company. They are supported when they join the company and candidates with potential are given opportunities for development.

The current target for the proportion of women on the Board of Management is 2:8, to be achieved by the date of Annual General Meeting in 2021. The previous target of 1:7, which was met, applied until the Annual General Meeting in 2018. The Board of Management has set target quotas for the proportion of women in the two executive tiers below the Board of Management of 20% for tier 1 and 30% for tier 2; these targets apply to the period between 1 January 2017 and 31 December 2019. The two executive tiers are defined on the basis of their reporting lines: tier 1 comprises executives assigned to the N-1 reporting line, whilst tier 2 consists of executives from the N-2 reporting line. The diversity criteria important to the Supervisory Board, including when considering its own composition, are outlined in the list of its goals. With seven women (35%), the Supervisory Board exceeds the statutory share of women of 30%.

Shareholders and General Meeting

Shareholders exercise their rights, and in particular their right to receive information and to vote, at the General Meeting. Each share in the company entitles the holder to one vote. The agenda with the resolutions for the General Meeting and additional information will be made available at [@ dpdhl.com/en/investors](https://dpdhl.com/en/investors) at the latest when the General Meeting is convened. We assist our shareholders in exercising their voting rights not only by making it possible to submit postal votes but also by appointing company proxies, who cast their votes solely as instructed to do so by the shareholders and who can also be reached during the General Meeting. Additionally, shareholders can authorise company proxies, submit postal votes and grant proxies to banks and shareholder associations attending the General Meeting via the company's online service.

Remuneration of the Board of Management and the Supervisory Board

The 2018 Annual General Meeting approved the current system of Board of Management remuneration with around 89% of the votes cast. An explanation of the remuneration system and information on the remuneration of the individual members of the Board of Management and Supervisory Board are provided in the

 [Remuneration Report, page 25 ff.](#)