

GOVERNANCE

Annual Corporate Governance Statement

pursuant to sections 289f and 315d *Handelsgesetzbuch* (HGB – German Commercial Code) with respect to Deutsche Post AG and Deutsche Post DHL Group.

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

The new German Corporate Governance Code (the “Code”) entered into force in March 2020. The Board of Management and the Supervisory Board reviewed the principles, recommendations and suggestions contained therein and in December 2020 resolved to again issue an unqualified Declaration of Conformity pursuant to section 161 of the *Aktiengesetz* (AktG – German Stock Corporation Act) with respect to the new Code recommendations:

“The Board of Management and the Supervisory Board of Deutsche Post AG hereby declare that all recommendations of the Government Commission German Corporate Governance Code (DCGK) as amended on 7 February 2017 and published in the Federal Gazette on 24 April/19 May 2017 have been complied with, including after issuance of the Declaration of Conformity in December 2019, and that all recommendations of the Code as amended on 20 March 2020 and published in the Federal Gazette on 16 December 2019 shall be complied with in the future.”

The suggestions made in the Code as amended on 16 February 2019 will likewise be implemented without exception.

The current Declaration of Conformity and all Declarations of Conformity for the past five years are available on the company’s website.

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 relationships with our shareholders, our employees and other stakeholders, whose decisions to select Deutsche Post DHL Group as a supplier, employer or investment are increasingly also based upon the requirement that we apply good corporate governance criteria.

As a Group-wide framework of policies and regulations, the  **Code of Conduct** is firmly established within the company and is applicable across all divisions and regions. The Code of Conduct was updated in the year under review. For one thing, we addressed some of the core topics from our Strategy 2025, such as sustainability and digital transformation. We also reviewed the provisions of the Code of Conduct for conformity with the Group’s broader policies and regulations. This relates to the “Anti-Corruption and Anti-Bribery” and “Human Rights” sections, for example. The Code of Conduct is based upon the principles set out in the United Nations (UN) Global Compact and the Universal Declaration of Human Rights. It is consistent with recognised legal standards, including the applicable anti-corruption legislation and agreements. We adhere to the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. As a longstanding partner of the United Nations, we also support the UN’s Sustainable Development Goals (SDGs).

The Code of Conduct also defines what is meant 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 executive positions.

Doing business 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 personally.

Ensuring that 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. This is also the foundation of Deutsche Post DHL Group’s lasting business success. Our compliance management system (CMS) focusses upon preventing corruption and anti-competitive conduct. Insights gained from compliance audits and reported violations are also used to continually improve and upgrade the CMS system,  **Compliance**.

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

As a German listed company, Deutsche Post AG is managed by the members of the Board of Management, who are appointed, advised and supervised by the members of the Supervisory Board.

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. The members of the

Board of Management manage their board departments on their own responsibility, except where decisions of particular significance and consequence for the company or the Group must be taken by the members of the Board of Management as a whole. They are required to subordinate the interests of their individual board departments to the collective interests of the company and to inform the full Board of Management about significant developments in their spheres of responsibility.

The Chair of the Board of Management conducts Board business, aligns board department activities with the company's overall goals and plans, and ensures that corporate policy is implemented. 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. Any conflicts of interest must be disclosed to the chairs of the Supervisory Board and the Board of Management without delay; the other Board of Management members must also be informed.

The Supervisory Board works with the Board of Management to ensure long-term succession planning for the Board of Management. In addition to the requirements of the *Aktiengesetz* (AktG – German Stock Corporation Act) and the German Corporate Governance Code, succession planning is based on the diversity criteria stipulated by the Supervisory Board for the Board of Management's composition and the target for the percentage of women on the Board of Management. Taking into account the specific qualifications required, the Executive Committee develops a profile, selects particularly suitable candidates from those available for interviews and submits candidate proposals to the Supervisory Board. The initial term of service for members of the Board of Management runs for no more than three years. No member of the Board of Management is a member of a supervisory board of a non-Group listed

company or exercises a comparable function. The Supervisory Board has stipulated that the term of service of Board of Management members generally should end no later than the year in which the Board of Management member reaches the age of 65. The company's D&O insurance for the members of the Board of Management provides for a deductible as set out in the AktG.

The  **rules of procedure for the Supervisory Board** include principles governing the Board's internal organisation and the work of the Supervisory Board committees as well as a catalogue of Board of Management transactions requiring approval. The Chair elected by the members from their ranks co-ordinates the work of the Supervisory Board and represents the Supervisory Board publicly. The Supervisory Board represents the company in respect of the Board of Management members. The Annual General Meeting determines the remuneration of Supervisory Board members. There are no contracts between the company and Supervisory Board members apart from those governing their Supervisory Board activities and the employment contracts with the employee representatives.

The Supervisory Board meets at least twice each half-year, often without the Board of Management present. Extraordinary Supervisory Board meetings are held whenever decisions need to be taken at short notice or particular issues require discussion. In the 2020 financial year, Supervisory Board members held six plenary meetings, 25 committee meetings and one closed meeting, as described in the  **Report of the Supervisory Board**. Some of those meetings were held as conference calls due to pandemic-related restrictions. Whenever the Supervisory Board held meetings without the participation of the full Board of Management, certain agenda items were only dealt with when the Chair of the Board of Management was present. In September, the Supervisory Board met without the Board of Management

present. The attendance rate was very high at nearly 100%. The Report of the Supervisory Board contains a breakdown of attendance by member.

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. Of particular importance in the year under review were the effects of the pandemic on our employees' health and on the performance of our divisions, including the specific measures implemented by the divisions. The Board of Management informs the Supervisory Board promptly and in full about all issues of significance. The Chair of the Supervisory Board and the CEO maintain close contact about current issues.

Supervisory Board decisions are prepared 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 regarding 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. They receive appropriate support from the company in the process. One of the core elements is the annual Directors' Day, which was last held in December 2020. Speakers from within the company made presentations on current issues and developments and were available to answer questions.

Independence of shareholder representatives on the Supervisory Board

All Supervisory Board members are independent within the meaning of the German Corporate Governance Code. The number of independent Supervisory Board members therefore exceeds both the previous target of a minimum of 75% we had set for the Supervisory Board as a whole and the more ambitious target – set in December 2020 to replace the previous target – of a minimum of 60% for the group of shareholder representatives. The largest shareholder in the company, KfW Bankengruppe, currently holds 20.49% of the shares in Deutsche Post AG and therefore does not exercise control. Accordingly, Dr Jörg Kukies and Dr Günther Bräunig are also independent. None of the shareholder representatives have been on the Supervisory Board for more than twelve years. Lawrence Rosen is the only former Board of Management member with a seat on the Supervisory Board. It has been more than four years since Mr Rosen served on the Board of Management.

No Supervisory Board member exceeds the maximum age limit of 72, holds seats on governing bodies of the Group's main competitors or provides consultancy services to or maintains personal relationships with such competitors.

Effectiveness of the Supervisory Board's activities

The Supervisory Board carries out an annual review of the effectiveness of its work in plenary meetings and in the committees. This review is based upon a questionnaire, individual conversations between the Supervisory Board members and the chair and discussion in a Supervisory Board meeting, without the Board of Management. Suggestions made by individual members of the Supervisory Board are also taken up and implemented during the year. In the 2020 financial year, the Supervisory Board reviewed the efficiency of its activities in its September meeting. The

Board concluded that it had performed its monitoring and advisory duties effectively and efficiently. Constructive collaboration within the Supervisory Board and with Board of Management members in an atmosphere of trust enables duties to be performed in a proper and professional manner, as does the way in which the meetings are organised and conducted, which extends to the timely provision of decision-useful information.

Targets for the composition of the Supervisory Board (skills profile)

The Supervisory Board most recently amended the targets it had set for its composition in December 2020 to reflect Recommendation C.6 of the new German Corporate Governance Code. The target for an appropriate number of independent Supervisory Board members now relates solely to the group of shareholder representatives. The new target of 60% is higher than the figure previously set with due consideration for the group of employee representatives. The targets established also act as targets for the skills profiles sought by the Supervisory Board.

- ❶ 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 the independent group of shareholder representatives as defined in C.6 of the German Corporate Governance Code accounts for at least 60% of the Supervisory Board, and that at least 30% of Supervisory Board members are women.
- ❷ The Supervisory Board's future proposals to the Annual General Meeting will continue to consider candidates whose origins, education or professional experience equip them with international knowledge and experience.

- ❸ 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, digital transformation.
- ❹ The Supervisory Board should collectively have sufficient expertise in the areas of accounting and 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.
- ❺ Conflicts of interest affecting Supervisory Board members are an obstacle to providing independent 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.
- ❻ 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. The Supervisory Board took such targets and the skills profile into account in the election proposals it made to the 2020 Annual General Meeting. It will do the same with respect to election proposals to be made to this year's Annual General Meeting.

Board of Management and Supervisory Board committees

All Board of Management members meet once a year to hold business review meetings for each division. Additional business review meetings are held per division or cross-divisional function between the CEO, the CFO and representatives of management for each division. The review meetings involve discussions of strategic initiatives, operational matters and the budgetary situation in the divisions.

The members of the Supervisory Board's committees prepare the resolutions to be taken in the plenary meetings and fulfil the duties assigned to them by the law, the company's Articles of Association and the rules of procedure for the Supervisory Board.

The Executive Committee prepares the resolutions to be taken in the plenary meetings regarding the appointment of members to the Board of Management, preparation of their service agreements (including remuneration), the system for remunerating Board of Management members, the establishment of variable remuneration targets and the review of the appropriateness of Board of Management remuneration. The Executive Committee also works on long-term succession planning for the Board of Management.

The Finance and Audit Committee reviews the company's accounts, oversees its accounting process and the effectiveness of the internal control system, risk management, internal audit and the audit of the financial statements, in particular with respect to audit quality and the independence of the auditors. It prepares the proposals of the Supervisory Board to be made to the Annual General Meeting concerning appointment of the auditor and is responsible for carrying out the selection process. The Finance and Audit Committee, moreover, deals with the audit of the non-financial statement. If the auditor is to be engaged to perform non-audit services, the committee must also

approve any such engagement. It examines corporate compliance and discusses the half-yearly financial reports and the quarterly statements with the Board of Management prior to their publication. Based upon its own assessment, the committee submits proposals for the approval of the annual and consolidated financial statements by the Supervisory Board. Since 1 January 2020, the Finance and Audit Committee has been additionally responsible for issuing findings on the required Supervisory Board approvals of significant transactions between the company and related parties.

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 and in D.4 of the German Corporate Governance Code. 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 will 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 any such grounds for exclusion or impairment are not immediately remedied. In addition, it has been agreed that the auditors will 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 statements audit, they find any facts leading to the Declaration of Conformity issued by the Board of Management and Supervisory Board being incorrect. The Audit Committee chair and the auditor regularly exchange information both at meetings and at other times.

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 divisions. In addition, it does preparatory work on corporate acquisitions and divestitures that require the Supervisory Board's approval.

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 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.

Further information about the work of the Supervisory Board and its committees in the 2020 financial year is contained in the [▶ Report of the Supervisory Board](#). The members of the Supervisory Board and all offices held by them can be found on [▶ page 7 f.](#), and the members of the Board of Management and all offices held by them can be found on [▶ page 6](#).

Committees of the Supervisory Board

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| <p>Executive Committee</p> <p>Dr Nikolaus von Bomhard (Chair) Andrea Kocsis (Deputy Chair) Rolf Bauermeister (until 15 July 2020) Ingrid Deltenre Werner Gatzter (until 12 February 2020) Thomas Held Thorsten Kühn (since 4 September 2020) Dr Jörg Kukies (since 23 April 2020)</p> | <p>Strategy Committee</p> <p>Dr Nikolaus von Bomhard (Chair) Andrea Kocsis (Deputy Chair) Rolf Bauermeister (until 15 July 2020) Dr Günther Bräunig Dr Heinrich Hiesinger (since 4 September 2020) Thomas Koczelnik Roland Oetker (until 27 August 2020) Stephan Teuscher (since 4 September 2020)</p> |
| <p>Personnel Committee</p> <p>Andrea Kocsis (Chair) Dr Nikolaus von Bomhard (Deputy Chair) Ingrid Deltenre (since 4 September 2020) Thomas Koczelnik Roland Oetker (until 27 August 2020)</p> | <p>Nomination Committee</p> <p>Dr Nikolaus von Bomhard (Chair) Ingrid Deltenre Werner Gatzter (until 12 February 2020) Dr Jörg Kukies (since 23 April 2020)</p> |
| <p>Finance and Audit Committee</p> <p>Dr Stefan Schulte (Chair) Stephan Teuscher (Deputy Chair) Werner Gatzter (until 12 February 2020) Thomas Koczelnik Dr Jörg Kukies (since 23 April 2020) Simone Menne Stefanie Weckesser</p> | <p>Mediation Committee (pursuant to section 27(3) of the German Co-determination Act)</p> <p>Dr Nikolaus von Bomhard (Chair) Andrea Kocsis (Deputy Chair) Rolf Bauermeister (until 15 July 2020) Dr Heinrich Hiesinger (since 4 September 2020) Thorsten Kühn (since 4 September 2020) Roland Oetker (until 27 August 2020)</p> |

Diversity

When selecting members for the Board of Management, the Supervisory Board pays close attention to ensuring that they have a variety of qualifications, abilities and experience and that their skills profiles offer a meaningful addition to the Board of Management as a whole. Long-term succession planning in all divisions guarantees that there will be sufficient qualified candidates to fill Board of Management positions in future. The early promotion of women in the company also plays a key role. The current target for the proportion of women on the Board of Management until the 2021 Annual General Meeting is 2:8.

The Board of Management has set a target of 30% for the percentage of women at Deutsche Post AG at both executive tiers below the Board of Management. We aim to meet these targets by 31 December 2024. 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 company intends to increase the share of women in management positions globally and has therefore set itself the goal of increasing the percentage of women in middle and upper management to 30% by 2025. This figure has risen continually in recent years and stood at 23.2% as at 31 December 2020.

The diversity criteria important to the Supervisory Board when considering its own composition, are outlined in the list of its goals. With a proportion of women of 35%, the Supervisory Board has exceeded its own target of 30%, which also reflects the minimum statutory requirement.

Shareholders and Annual General Meeting

Shareholders exercise their rights, and in particular their right to receive information and to vote, at the Annual General Meeting. Each share in the company entitles the holder to one vote. The agenda with the proposed resolutions for the Annual General Meeting and additional information will be made available on the company website at the latest when the General Meeting is convened. A detailed CV is published for each Supervisory Board candidate put forth for election. 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 by the shareholders. Additionally, shareholders can authorise company proxies and submit postal votes via the online service offered by the company. Due to the pandemic, the 2020 Annual General Meeting was held online in line with the applicable statutory provisions. Shareholders were able to submit their questions online up to two days prior to the AGM. They were able to vote either by absentee ballot or by authorising a company proxy to vote in their place. The 2021 Annual General Meeting will also be held online given that the pandemic is still ongoing.

Remuneration of the Board of Management and the Supervisory Board

The remuneration system applied to Board of Management members must be presented to the Annual General Meeting for approval whenever there are significant changes, or at least every four years. The 2018 Annual General Meeting approved the Board of Management remuneration system with around 89% of the votes cast in favour. The remuneration system continues to apply in largely unchanged form, as explained in greater detail in the  **Remuneration Report**. That report also contains information regarding the remuneration of the individual members of the Board of Management and the Supervisory Board. In December 2020, the Supervisory Board decided to modify the remuneration system for Board of Management members to reflect the requirements of the AktG, which was amended by way of the Act on the Implementation of the Second Shareholder Rights Directive (ARUG II), and in line with the recommendations and suggestions set out in the revised German Corporate Governance Code. The modified remuneration system will be presented to the 2021 Annual General Meeting for approval. The Board of Management and the Supervisory Board will additionally put forward their proposal for Supervisory Board remuneration to the AGM for voting. The remuneration system for Board of Management members and the AGM's resolution on Supervisory Board remuneration will be made accessible on the company's website.

Disclosures required by takeover law

Disclosures required under sections 289a(1) and 315a(1) *Handelsgesetzbuch* (HGB – German Commercial Code) and explanatory report.

Composition of issued capital, voting rights and transfer of shares

As at 31 December 2020, the company's share capital totalled €1,239,059,409 and was composed of the same number of no-par value registered shares. Each share carries the same rights and obligations stipulated by law and/or in the company's Articles of Association and entitles the holder to one vote at the Annual General Meeting (AGM). No individual shareholder or group of shareholders is entitled to special rights, particularly rights granting powers of control.

The exercise of voting rights and the transfer of shares are based upon statutory provisions and the company's Articles of Association, which place no restrictions on the exercise of voting rights or transfer of shares.

Shareholdings exceeding 10% of voting rights

KfW Bankengruppe (KfW), Frankfurt am Main, is our largest shareholder, holding 20.49% of the share capital. The Federal Republic of Germany holds an indirect stake in Deutsche Post AG via KfW.

Appointment and replacement of members of the Board of Management

The members of the Board of Management are appointed and replaced in accordance with the relevant statutory provisions (cf. sections 84 and 85 of the *Aktiengesetz* (AktG – German stock corporation act) and section 31 of the *Mitbestimmungsgesetz* (MitbestG – German

co-determination act)). Article 6 of the Articles of Association stipulates that the Board of Management must have at least two members. Beyond that, the number of board members is determined by the Supervisory Board.

Amendments to the Articles of Association

In accordance with section 119 (1), number 6 and section 179 (1), sentence 1 of the AktG, amendments to the Articles of Association are adopted by resolution of the AGM. In accordance with article 21 (2) of the Articles of Association in conjunction with sections 179 (2) and 133 (1) of the AktG, such amendments generally require a simple majority of the votes cast and a simple majority of the share capital represented on the date of the resolution. In such instances where the law requires a greater majority for amendments to the Articles of Association, that majority is decisive.

Board of Management authorisation, particularly regarding issue and buy-back of shares

The Board of Management is authorised, subject to the consent of the Supervisory Board, to issue up to 160,000,000 new, no-par value registered shares (Authorised Capital). Details may be found in article 5 (2) of the Articles of Association. The Articles of Association are available on the [@ company's website](#) and in the electronic Company Register. They may also be viewed in the commercial register of the Bonn Local Court.

The Board of Management has furthermore been authorised by resolution of the AGMs of 27 May 2014 (agenda item 8), 28 April 2017 (agenda item 7), 24 April 2018 (agenda item 6) and 27 August 2020 (agenda items 7 and 8) to issue Performance Share Units (PSUs). The authorisation resolutions are included in the notarised minutes of

the AGM, which can be viewed in the commercial register of the Bonn Local Court. In order to service both current PSUs and those yet to be issued, the AGM approved contingent capital increases. Details may be found in article 5 of the Articles of Association. As at 31 December 2020, the PSUs already issued conferred rights to up to 29,678,108 Deutsche Post AG shares, assuming the conditions are met. Under the authorisations granted, up to 49,350,484 additional PSUs may still be issued.

The AGM of 28 April 2017 authorised the company to buy back shares on or before 27 April 2022 up to an amount not to exceed 10% of the share capital existing as at the date of adoption of the resolution. Further details, including the option of using the treasury shares acquired on that basis or on the basis of a preceding authorisation, may be found in the authorisation resolution adopted by the AGM of 28 April 2017 (agenda item 8). In addition, the AGM of 28 April 2017 authorised the Board of Management to buy back shares within the scope specified in agenda item 8, including through the use of derivatives (agenda item 9). Based upon that authorisation resolution, the company repurchased 2,003,334 shares during the financial year. As at 31 December 2020, the company held no treasury shares.

Significant agreements that are conditional upon a change of control following a takeover bid and agreements with members of the Board of Management or employees providing for compensation in the event of a change of control

Deutsche Post AG holds a syndicated credit facility with a volume of €2 billion under an agreement entered into with a consortium of banks. If a change of control within the meaning of the agreement occurs, each member of

the bank consortium is entitled, under certain conditions, to cancel its share of the credit facility as well as its share of any outstanding loans and to request repayment. The terms and conditions of the bonds issued under the Debt Issuance Programme established in March 2012 and those of the convertible bond issued in December 2017 also contain change-of-control clauses. In the event of a change of control within the meaning of those terms and conditions, creditors are, under certain conditions, granted the right to demand early redemption of the respective bonds. Finally, Deutsche Post AG has concluded a factoring agreement providing for a maximum volume of €70 million in connection with distribution partnerships. The factoring agreement can be terminated without notice in the event of a change of control as defined in the agreement.

In the event of a change of control, any member of the Board of Management is entitled to resign their office for good cause within a period of six months following the change of control after giving three months' notice to the end of a given month, and to terminate their Board of Management contract (right to early termination). Starting in the 2021 financial year, Board members are no longer entitled to receive a severance payment when exercising their right to early termination. With regard to the Annual Bonus Plan with Share Matching for executives, the holding period for the shares will become invalid with immediate effect in the event of a change of control of the company. The participating executives will receive the total number of matching shares corresponding to their investment (or a cash equivalent) in due course. In such a case, the employer will be responsible for any tax disadvantages resulting from a reduction of the holding period. Taxes normally incurred after the holding period are exempt from this provision.

Remuneration

The remuneration report describes the system of remuneration applied to members of the Board of Management and the Supervisory Board for the 2020 financial year. It explains in detail and in individualised form the structure and amount of the individual components of Board of Management and Supervisory Board remuneration. The remuneration report has been prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch – HGB*), German Accounting Standards (GASs), International Financial Reporting Standards (IFRSs) and the recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex – the Code). It also contains previously selected disclosures made on a voluntary basis in accordance with the requirements of the Act Implementing the Second Shareholder Rights Directive (ARUG II) of 12 December 2019.

BOARD OF MANAGEMENT REMUNERATION

In terms of its basic design, the remuneration system for members of the Board of Management of Deutsche Post AG has been in place for many years. The Supervisory Board reviewed the remuneration system in depth in 2020 in response to changes in the regulatory framework due to ARUG II and the revision of the German Corporate Governance Code. The review also considered investor feedback as one of its key focuses. On 11 December 2020, the Supervisory Board therefore resolved changes to the remuneration system, as summarised in the following table.

Changes to the remuneration system

| Object | Previous regulations | New regulations |
|-----------------------------|---|---|
| Annual bonus | <p>Target structure:</p> <ul style="list-style-type: none"> • 75% financial targets • 25% non-financial targets, of which 12.5% are ESG targets <p>Calculation: Based on target achievement</p> | <p>From 2022</p> <p>Target structure:</p> <ul style="list-style-type: none"> • 70% financial targets • 30% non-financial targets, all from the ESG area: <ul style="list-style-type: none"> 10% “environmental” 10% “social” 10% “governance” <p>Calculation: Based on target achievement, in exceptional circumstances option for up to 20% increase/decrease</p> |
| Maximum remuneration | <p>Limit to amount of remuneration granted and, beginning in 2022, to amount received, excluding fringe benefits</p> | <p>From 2021 or 2022</p> <p>Remuneration granted including fringe benefits will be limited beginning in 2021, amount received including fringe benefits will be limited beginning in 2022</p> |
| Change of control | <p>Entitlement to severance payment for termination upon change of control</p> | <p>From 2021</p> <p>No entitlement to severance payment for termination upon change of control</p> |
| Pension commitment | <ul style="list-style-type: none"> • Variable interest with iBoxx Corporates AA 10+ Annual Yield • Minimum interest rate 2.25% | <p>From 2021</p> <ul style="list-style-type: none"> • Variable interest with weighted annual interest rate of Deutsche Post pension assets in Germany • Minimum interest rate 1% |

All incumbent members of the Board of Management have modified their current employment contracts to reflect the amended terms.

The remuneration system was last approved at the 2018 Annual General Meeting by 88.56% of the votes cast. It will be submitted to the 2021 Annual General Meeting for approval for the first time in accordance with section 120a of the German Stock Corporation Act (*Aktiengesetz – AktG*).

Principles of the remuneration system for the Board of Management

The remuneration system for the Board of Management provides incentives for the successful implementation of the corporate strategy as well as sustainable development of the Group and is largely geared toward creating long-term value for shareholders. It complies with the requirements of the German Stock Corporation Act and the recommendations and suggestions of the German Corporate Governance Code.

Furthermore, the Supervisory Board aims to set the remuneration so that it is competitive and in line with market standards in order to attract and retain the best candidates for Board of Management positions.

In designing the remuneration system, the Supervisory Board also ensures that, as far as possible, it is harmonised with the remuneration system for executives below the Board of Management in order to provide comparable performance incentives. When determining the remuneration system and levels of remuneration, the Supervisory Board therefore considers the following guidelines:

Principles for determining Board of Management remuneration

- The remuneration system makes a significant contribution to implementing corporate strategy.
- The remuneration structure is intended to support the Group's long-term, sustainable development.
- The performance criteria are based primarily on strategic targets in addition to operating targets.
- Ambitious targets ensure that outstanding performance is rewarded appropriately, whereas remuneration is reduced when targets are missed ("pay for performance").
- The remuneration system takes into account the concerns of shareholders, employees and other stakeholders.
- The Supervisory Board ensures that targets are consistent between the Board of Management and executives.
- The remuneration appropriately reflects the duties and performance of Board of Management members and the situation of the company, and is also customary in comparison with other companies.

The Supervisory Board determines the remuneration for members of the Board of Management and resolves the underlying remuneration system. It is supported in this process by the Executive Committee, which supervises the appropriate design of the remuneration system and prepares the Supervisory Board's resolutions. If necessary, the Supervisory Board calls in external consultants. It ensures the independence of all consultants selected.

Determining levels of remuneration

Based on the remuneration system, the Supervisory Board sets specific target and maximum remuneration amounts for every member of the Board of Management. For five-year contracts, remuneration is reviewed three years after the start of the contract. When setting remuneration levels, the Supervisory Board places value on providing appropriate remuneration for members of the Board of Management. The criteria for this include responsibilities, personal performance, and experience of the individual Board of Management members as well as the company's economic situation, success, and future prospects and the customary of remuneration levels in consideration of the market environment (horizontal appropriateness) and the remuneration structure that otherwise applies in the company (vertical appropriateness).

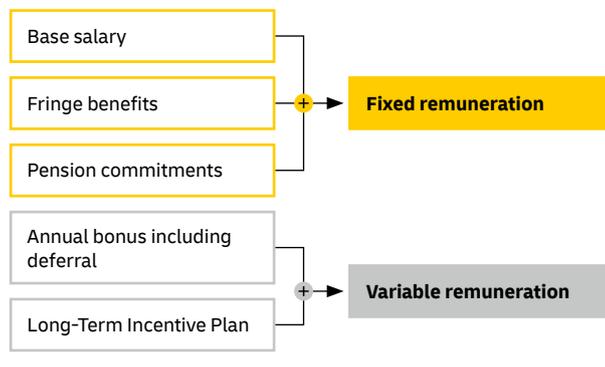
In order to assess horizontal appropriateness, the DAX companies are used as the peer group; the positioning within the peer group is determined in consideration of the market position of Deutsche Post based on the key figures revenue, number of employees and market capitalisation. In terms of vertical appropriateness, the Supervisory Board considers the relation to the remuneration of the senior management level and the company's workforce in Germany, including the development over time. The Supervisory Board has defined senior management as the top management levels within management levels B to D specified by the company. The remaining workforce consists of other executives and the employees both covered and not covered by collective agreements, for whom representative remuneration groups are considered.

Board of Management remuneration components

The total remuneration for members of the Board of Management consists of fixed and variable components. Fixed remuneration consists of base salary, fringe benefits and pension commitments. Variable remuneration consists of a short-term annual bonus, which is partially transferred into a medium-term remuneration component by means of a delayed payment (deferral), and long-term variable remuneration, the Long-Term Incentive Plan (LTIP).

The individual performance-based components are differentiated inter alia according to the term and the criteria used to assess performance.

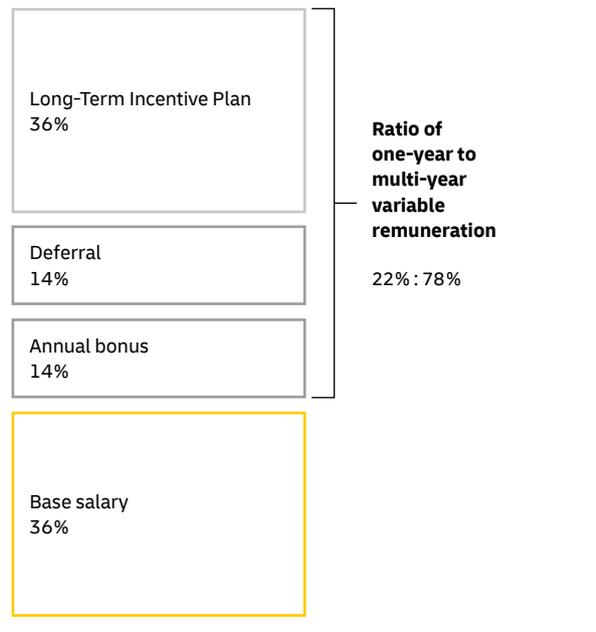
Remuneration components



Remuneration structure

When determining the variable remuneration, the Supervisory Board ensures a predominantly multi-year structure, i.e. long-term and medium-term remuneration components exceed short-term remuneration. This fosters the sustainable and long-term development of the company. At the same time, the share of the short-term variable remuneration ensures that the focus is also always on annual operative targets, the achievement of which forms the basis for future development. The target remuneration structure (excluding fringe benefits and pension commitment) is as follows:

Target remuneration structure



As additional components, pension contributions make up 35% of the respective base salary. Fringe benefits (excluding any compensation paid to new members of the Board of Management for variable remuneration granted by former employers and subsequently forfeited) should, as a rule, not exceed 15% of the base salary. In the 2020 financial year, they amounted, as a rule, to significantly less than 5% of the respective base salary, or up to 10% of the base salary in isolated cases involving other countries.

Overview of the remuneration components

The following table provides an overview of the remuneration system components, their purpose and how they relate to the company’s strategy, as well as their design.

Remuneration components

| Component | Purpose | Design |
|---|---|--|
| Fixed remuneration | | |
| Base salary | <ul style="list-style-type: none"> Serves to attract and retain Board of Management members who, due to their experience and expertise, are able to develop and successfully implement the strategy. Simultaneously fosters an independent, risk-adjusted and autonomous management of the company | <ul style="list-style-type: none"> Fixed, contractually agreed annual remuneration, generally paid monthly in twelve equal amounts |
| Fringe benefits | | <ul style="list-style-type: none"> Mainly the use of a company car (including the services of a driver, if applicable), allowances for health and long-term care insurance in analogous application of the regulations and benefits under German social insurance law, and benefits in cases where two households are maintained |
| Pension commitment | | <ul style="list-style-type: none"> Annual contribution of 35% of the base salary Interest rate: Pension contributions allocated up to and including 2020 in accordance with “iBoxx Corporates AA10+ Annual Yield”, but at least 2.25% Pension contributions allocated as of 2021: Weighted annual interest rate of overall pension assets of all German pension schemes of Deutsche Post, however no less than 1% |
| Variable remuneration | | |
| Annual bonus with medium-term component (deferral) | <ul style="list-style-type: none"> Ensures profitable growth in consideration of the overall responsibility of the Board of Management and the performance of the individual Board of Management members Provides incentives for Board of Management members to concentrate on successfully carrying out annual business priorities The deferred component, which is subject to an additional performance criterion, reinforces the focus of the Board of Management remuneration upon the company’s long-term performance | <ul style="list-style-type: none"> Target amount: 80% of the respective base salary Payout: 50% in the following year, 50% after an additional two years (sustainability phase), but only if the cost of capital is earned at the end of the sustainability phase (medium-term component) Deferred component designed solely as a malus provision Until 2021: <ul style="list-style-type: none"> 75% financial and 25% non-financial performance targets Maximum amount (cap): 100% of the respective base salary From 2022: <ul style="list-style-type: none"> 70% financial performance targets and 30% ESG targets Option for an increase/decrease of up to 20% in the event of exceptional developments Maximum amount (cap): 120% of the respective base salary possible in the event of exceptional developments |
| Long-term component – Long-Term Incentive Plan (LTIP) | <ul style="list-style-type: none"> Fosters sustainable, positive development of the company’s value and connects the interests of the Board of Management members with those of shareholders | <ul style="list-style-type: none"> Plan type: Stock appreciation rights Amount allocated: 100% of the base salary Personal investment: 10% of the base salary Performance targets based on share price: <ul style="list-style-type: none"> Absolute increase in share price Relative performance versus the STOXX Europe 600 Cap: 4x base salary (2.5x base salary for the Chairman of the Board of Management) Exercisability: based on performance targets reached after four years. Cash payout: in the fifth or sixth year after allocation, depending on the individual exercise date |

1. Fixed remuneration

BASE SALARY AND FRINGE BENEFITS

The base salary fosters independent, risk-adjusted and autonomous management of the company. Board of Management members also receive fringe benefits, which are taxed as a non-cash benefit. Fringe benefits may include the provision of a company car, including for personal use; the use of a driver; allowances for health and long-term care insurance; the assumption of costs for security installations at the board member’s private residence; benefits in the event of assignments outside of the member’s home country, such as the reimbursement of moving costs, benefits for maintaining two households, the reimbursement of costs associated with taking a position in Germany (e.g. for engaging a relocation service, for official applications or for tax consulting costs); reimbursement of expenses for journeys home. The amount of fringe benefits is capped. Fringe benefits should not exceed 15% of the base salary as a rule. In addition, compensation payments may be made to new members of the Board of Management to compensate them for variable remuneration that had been granted by former employers but subsequently forfeited. The overall cap (see  **number 3**) increases by the compensation amount in the year any such compensation payment is made.

PENSION COMMITMENTS

The members of the Board of Management are granted contribution-based pension commitments, the main features of which are shown in the table below. The company credits an annual amount to a virtual pension account for each member of the Board of Management. In connection with the review of the remuneration system, the Supervisory Board decided to no longer link the interest rate for

pension contributions made from 2021 onward to an external reference index, but to base it on the return generated by the company pension assets of the employees in Germany. For these pension contributions, the relevant interest rate therefore is the weighted annual interest rate of the overall pension assets of all German pension schemes of Deutsche Post for the year the interest is granted. At the same time, the minimum interest rate was lowered to 1%.

Contribution-based pension commitment

| Aspect | Description |
|-----------------------------------|--|
| Type of retirement benefit | Capital payment with annuity option |
| Retirement age | 62 years |
| Contribution amount | 35% of base salary, limited to 15 years |
| Invalidity and survivor's pension | Payout of the pension account balance without any risk benefit |
| Interest rate | Pension contributions allocated up to and including 2020: "iBoxx Corporates AA10+ Annual Yield", or 2.25% at minimum. Pension contributions allocated as of 2021: Weighted annual interest rate of overall pension assets of all German pension schemes of Deutsche Post, or a minimum of 1% |
| Adjustment of annuities | 1% p.a. |

In lieu of the benefits described, members of the Board of Management whose primary residence is outside of Germany may receive an annual amount equivalent to 35% of their base salary, paid directly (pension substitute). Since the contribution-based pension commitment was launched in 2008, this option has not been used.

When first appointed in 2002, the Chairman of the Board of Management was granted a final-salary-based pension commitment, as was customary in the company at the time. The main features of this pension commitment are shown in the following table.

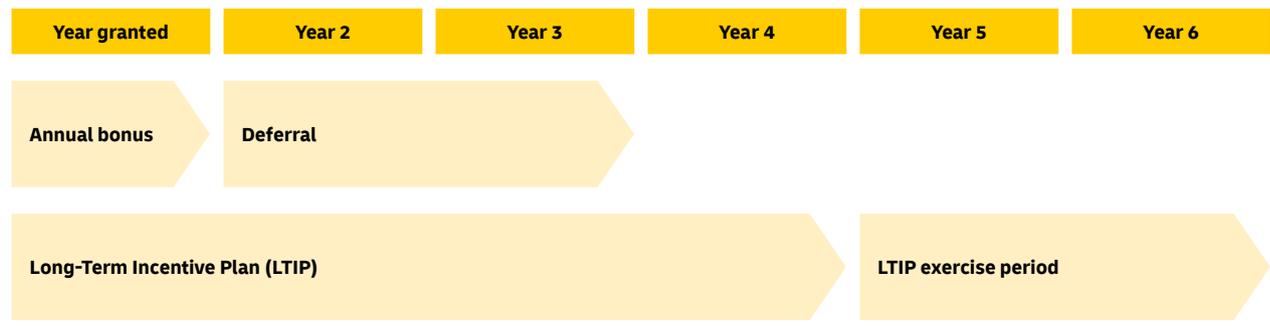
Final salary-based legacy pension commitment

| Aspect | Description |
|----------------------------|--|
| Type of retirement benefit | Annuity with capital payment option |
| Retirement age | Contractual retirement age: 55 (not applied), payments commence after leaving the Board of Management |
| Pension amount | 50% of last base salary |
| Invalidity pension | 50% of last base salary |
| Survivor's pension | Widow: 60% of the original beneficiary's pension benefit Children: 20% of the original beneficiary's pension benefit until reaching the age of 27 Maximum of 100% of the original beneficiary's pension in total |
| Annuity adjustment | According to the consumer price index for Germany |

2. Variable remuneration

By applying selected strategic performance criteria and ambitious targets, the variable remuneration of Board of Management members provides incentives for managing the company in line with the corporate strategy and in the interests of the shareholders and other stakeholders. The annual bonus – in combination with its medium-term component, which provides for a two-year sustainability phase with its own performance criterion – focuses on the annual targets derived from the company's strategy and simultaneously ensures that these are sustainably pursued. The long-term component, which takes the form of granting stock appreciation rights, aims for a lasting increase in enterprise value. The long-term component directly links the interests of Board of Management members with long-term shareholder interests by way of its performance targets, which are based on the company's share price, and its duration of up to six years. Neither the performance targets nor the comparison parameters are changed after the fact. There is no provision for the payment of special bonuses.

Duration of variable remuneration components of target remuneration



ANNUAL BONUS WITH MEDIUM-TERM COMPONENT (DEFERRAL)

The annual bonus provides incentives for members of the Board of Management to focus on successfully implementing the annual business priorities. The aim is to achieve profitable growth whilst taking into account the overall responsibility of the Board of Management and the individual performance of the Board members. The deferral, which is subject to an additional performance criterion, reinforces the focus of the Board of Management remuneration on the company's long-term performance.

Performance criteria

The performance criteria used to measure the performance of Board of Management members for the annual bonus comprise financial and non-financial targets. Each performance criterion is geared towards ensuring that the business targets of the Group and its divisions are met and align with the strategic bottom lines.

In the spirit of value-based corporate management, the financial targets are derived from the Group's main key performance indicators with the aim of increasing profitability through the efficient use of capital. As such, the EBIT after asset charge (including asset charge on goodwill and before goodwill impairment – hereinafter EAC) for the Group and the divisions as well as the Group's free cash flow (FCF) are used as main financial key performance indicators to assess performance.

Up to and including 2021, financial targets comprise 75% and non-financial targets 25% of the total. From the 2022 financial year onward, the share of non-financial targets will increase to 30%. The target agreements for individual Board of Management members for 2021 include an

employee target as a non-financial ESG metric as well as additional individual targets that reflect the individual activities and priorities of the individual Board of Management members in the respective financial year.

From 2022 onward, the non-financial targets will be sustainability targets. Sustainability is a core element of the company's Strategy 2025. Together with its stakeholders, Deutsche Post has identified key topics for the Group which can be broken down into the ESG topics of environment, social responsibility and governance. Going forward, the three ESG topics will each be weighted at 10% in the target portfolio for the annual bonus. Linking ESG criteria to the Board of Management remuneration further underscores the significance of sustainability for the Group. In the area of social responsibility, the employee target "Employee engagement" will be retained. In the environmental area, the improvement of energy efficiency will be added. In 2022, the focus with respect to governance will be placed on preventing corruption and bribery. For subsequent years, different ESG targets may be agreed that are based on the Group's strategy and are essential for its implementation (for example, data protection and information security, or increasing the proportion of women in management positions).

The Group pursues clear and measurable targets in the area of sustainability. Beginning in 2022, progress in the respective areas can therefore be objectively and clearly measured using key indicators. More detailed information is disclosed ex post in the remuneration report for the respective financial year.

The performance criteria and their weighting are as follows:

Overview of performance criteria

| Performance criterion | Weighting ¹ | Incentive effect / Strategic connection |
|---|--|--|
| Group EAC | 55% / 65% From 2022: 50% / 60% | <ul style="list-style-type: none"> • Key performance indicator for the company • Adds a cost of capital component to EBIT to encourage the efficient use of resources and to ensure that the operating business is geared towards increasing value sustainably and generating increasing cash flow |
| Divisional EAC | 0% / 10% | <ul style="list-style-type: none"> • Measurement of individual performance in the respective Board departments • Incentive for market-leading performance in every division |
| Free cash flow | 10% | <ul style="list-style-type: none"> • Key performance indicator for the company • Measure of how much cash the company generates, taking into account payment commitments arising from the Group's operations as well as capital expenditure and lease and interest payments • Indicator of how much cash is available to the company for paying dividends, for repaying debt or for other purposes (e.g. funding pension obligations) |
| Non-financial targets (until 2021): <ul style="list-style-type: none"> • Employee engagement • Individual targets in line with Group strategy | 25% (12.5% each) | <ul style="list-style-type: none"> • Becoming employer of choice • Quantifies the identification of employees with the company and their motivation to contribute to the company's success • Compared with external benchmarks, identifies strengths and indicates action areas • Option of setting operational focal points each year depending on current priorities and the implementation level of the strategy • For example, implementation of digitalisation initiatives necessary for ensuring long-term business success, implementation of measures for improving customer satisfaction |
| Non-financial targets (from 2022): <ul style="list-style-type: none"> • E – improvement of energy efficiency • S – employee engagement • G – anchoring compliance as an integral component of all business activities | 30% (10% each) | <ul style="list-style-type: none"> • Sustainability is a core element of Strategy 2025 • ESG targets are essential to achieving our corporate mission "Connecting people, improving lives" <ul style="list-style-type: none"> • E – serves the implementation of the target of reducing all logistics-related emissions to zero • S – measures progress in achieving the target of becoming "employer of choice" • G – incentivises operating in accordance with ethical standards and, in doing so, fosters the minimisation of business risks |

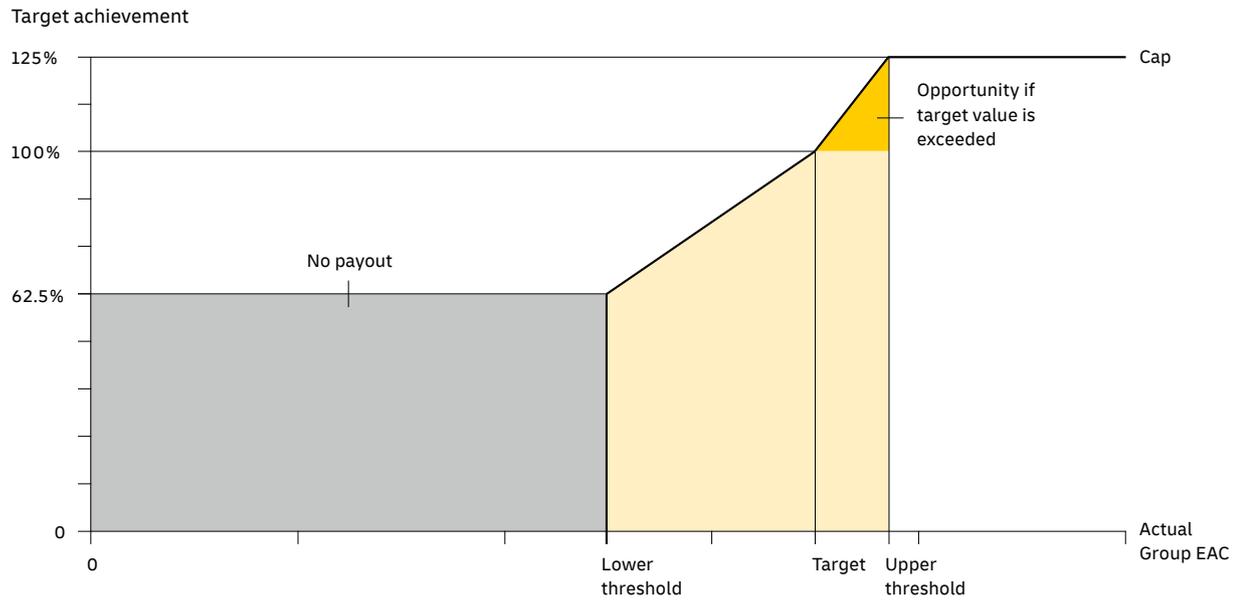
Target agreement and achievement

When defining target values and the lower and upper thresholds, the Supervisory Board ensures that targets are both adequate and ambitious. If the lower threshold of a performance criterion is not reached, the share of variable remuneration attributable to this criterion will decrease to zero. If the upper threshold of a performance criterion is exceeded, the share of variable remuneration attributable to this criterion is capped to a maximum amount. This approach provides for a balanced risk/opportunity profile in the remuneration system.

The actual amount of the annual bonus is based on the degree to which the predefined performance criteria have been met. The target amount for an overall target achievement of 100% is set at 80% of the base salary. The target achievement of each performance criterion can range between 0% and 125% (upper threshold). In case of a target achievement of less than 62.5% (lower threshold), the performance criterion has not been met; there will be no payout. In case of maximum target achievement, the payout amount resulting from target achievement is limited to 100% of the base salary. Using Group EAC as an example, the payout curve is as follows:

¹ Group EAC is weighted at 65% for the Chairman of the Board of Management, the CFO and the Board of Management member responsible for Human Resources. From 2022 onward, Group EAC will be weighted at 60%. In isolated cases, the Supervisory Board may change the weighting of the performance criteria for strategic reasons at the beginning of a performance period. Even if their weightings are changed, financial objectives should comprise a share of at least 75% and, beginning in 2022, at least 70%.

Payout curve



More detailed information on the target agreements and target achievement is shown under **Remuneration of the Group Board of Management in the 2020 financial year.**

Adjustment in case of exceptional developments

From the 2022 financial year onward, the Supervisory Board may adjust the calculated annual bonus in case of exceptional developments by increasing or decreasing the amount by up to 20% (bonus/malus option). The Supervisory Board will increase or decrease the annual bonus as calculated on the basis of the target achievement if it does not adequately reflect the actual performance of a member of the Board of Management in the overall picture. In

particular, potential situations in which this may occur are: exceptional successes or failures with regard to the sustainable development or reorganisation of Deutsche Post DHL Group, exceptional developments and/or an exceptional change in market circumstances, exceptional innovations or specific lapses in management conduct and integrity. After exercising the option for an increase or decrease for exceptional developments, the maximum amount of the annual bonus can therefore amount to 120% of the base salary.

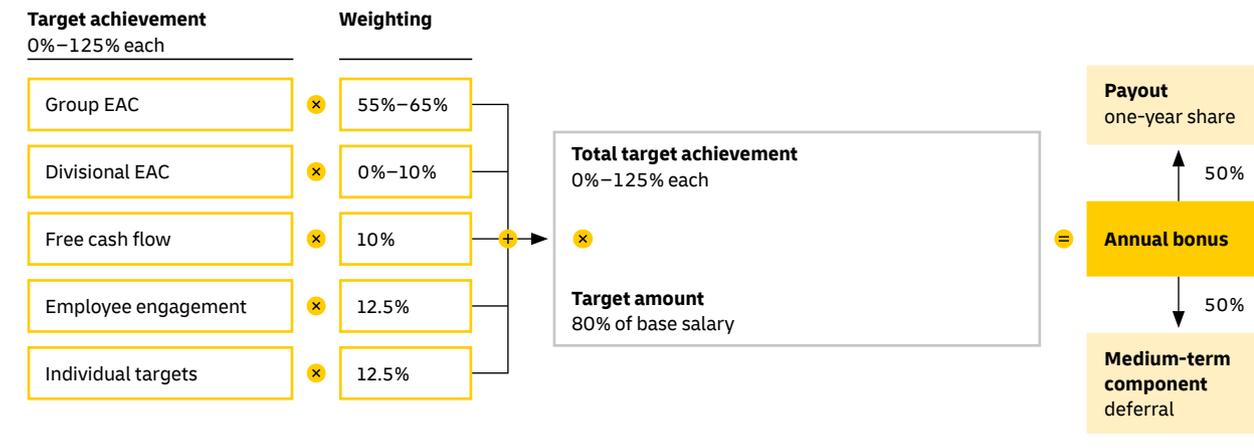
Should the Supervisory Board adjust the amount of the annual bonus on this basis, a detailed explanation will be published in the following year’s remuneration report which is submitted to the Annual General Meeting for approval.

Transfer to the medium-term component

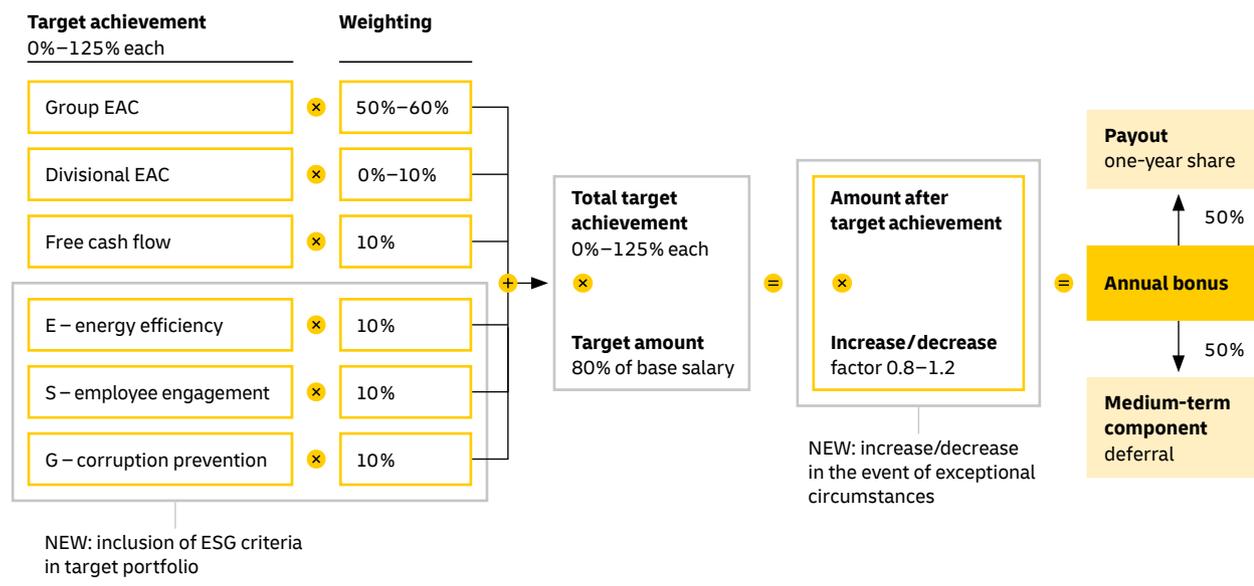
50% of the annual bonus, determined based on target achievement, and from 2022 onward, if applicable, a possible increase or decrease, will be paid out after the consolidated financial statement for the respective financial year has been approved.

The remaining 50% is transferred to a multi-year remuneration component, the medium-term component (deferral). A payout from the medium-term component will only be made after a two-year sustainability phase has expired and if, in addition, the sustainability criterion EAC has been achieved during this period. To meet this criterion, EAC must either be greater at the end of the sustainability period than it was in the initial year, or cumulative EAC must be positive during the sustainability phase, i.e. the cost of capital (including the asset charge on goodwill) must be covered at minimum. Because this is exclusively a malus arrangement, overfulfillment does not increase the amount paid out. If the sustainability criterion is not met, the deferral will not be paid out; it shall expire with no replacement.

Calculation of annual bonus (until 2021)



Calculation of annual bonus (from 2022)



LONG-TERM COMPONENT (LONG-TERM INCENTIVE PLAN LTIP)

As a long-term component, the company grants members of the Board of Management a share-price-based cash remuneration by issuing stock appreciation rights (SARs) on an annual basis. With a term of up to six years per tranche, the LTIP provides an incentive for the long-term and sustainable development of the company. Prior to the grant date of the respective tranche, the Board of Management members are required to deposit a personal investment of 10% of their base salary at the grant date, primarily in shares of the company. The personal investment must be held throughout the lock-up period. If a member of the Board of Management reclaims the personal investment before the lock-up period ends, all SARs from the respective tranche lapse.

Each year, members of the Board of Management are granted a number of SARs with a four-year lock-up period and a value of 100% of the base salary on the grant date; the number of SARs resulting from the grant value is calculated by the company actuary using financial mathematics and rounded to the nearest figure divisible by six. The Board of Management members receive remuneration from the granted SARs no earlier than upon expiry of the lock-up period. After the lock-up period has expired, the first step is determining whether the predefined performance targets have been met. Six share price based performance targets have been defined, two of which include a comparison with an index, in accordance with the Group’s strategic bottom line of being the investment of choice. The performance targets are not linked to the payment of a dividend. Upon achievement of each performance target, one-sixth of the SARs granted at the beginning of the lock-up period becomes exercisable.

Four performance targets can be achieved through an absolute increase in the price of Deutsche Post shares, if the final closing price of Deutsche Post shares at the end of the lock-up period exceeds the issue price by at least 10%, 15%, 20% or 25% (absolute share price targets). The issue price is determined at the start of the lock-up period based on the 20-day average price of Deutsche Post shares prior to the grant date. The final closing price is determined at the end of the four-year lock-up period based on the 60-day average price before the lock-up period expires. The four absolute share price targets emphasise the importance of the company’s long-term development and value growth, while gearing the Board of Management remuneration firmly toward the interests of shareholders.

The two further performance targets are linked to the performance of Deutsche Post shares in relation to the performance of the STOXX Europe 600 Index. Those targets are achieved if the share price equals the index performance or if it outperforms the index by more than 10% (relative share price targets). Here too, the performance of the index is determined on the basis of the 20-day or 60-day average. This also places focus on the performance of the company compared to that of the market. In the medium term, the Supervisory Board is considering including ESG criteria derived from the Group Strategy into the long-term component.

Mechanism of stock appreciation rights

| SAR performance targets | Thresholds | Number of exercisable SARs |
|-------------------------------------|------------|----------------------------|
| Performance versus STOXX Europe 600 | +10% | 1/6 |
| | +0% | 1/6 |
| Absolute increase in share price | +25% | 1/6 |
| | +20% | 1/6 |
| | +15% | 1/6 |
| | +10% | 1/6 |

SARs may be exercised on one or more occasions within an exercise period of two years after expiration of the lock-up period in compliance with insider trading regulations; any SARs not exercised during this period will lapse.

Each SAR exercised entitles the Board of Management member to receive a cash settlement equal to the difference between the average closing price of Deutsche Post shares for the five trading days preceding the exercise date and the issue price determined at the start of the four-year lock-up period. The Board of Management member therefore only receives a payout if the share price exceeds the issue price of the SARs. In this way, the LTIP creates an incentive to increase the price of Deutsche Post shares for a period of up to six years.

For each tranche of the LTIP, the Chairman of the Board of Management is entitled to receive a maximum amount of two-and-a-half times his base salary, whilst regular Board of Management members are entitled to receive a maximum amount of four times their base salary.

Non-exercisable SARs lapse without replacement if a member of the Board of Management leaves the company, unless one of the following exceptions applies: provided that the performance targets have been met at the end of the lock-up period, SARs that have already been allocated may be exercised until the end of the respective exercise period if a Board of Management member resigns at the instigation of the company before the end of the agreed contractual term or if the employment relationship ends after the end of the agreed contractual term without the company offering to renew the member’s contract. The same applies if a member retires or takes early retirement. In the event of termination upon a change of control, a Board of Management member may exercise the already granted SARs after the four-year lock-up period expires, should the exercise requirements governed in the respective plan conditions be met by the end of the respective exercise period.

If none of these exceptions apply, any exercisable SARs at the time of departure must be exercised within six months of termination of employment, otherwise they too will lapse without replacement. In the event of death, the company shall exercise the SARs without delay.

3. Cap on variable remuneration and maximum total remuneration

The Supervisory Board has defined upper limits for all variable remuneration components granted to Board of Management members. As previously explained, the maximum amount that can be received from the annual bonus, including the deferred portion (deferral), is limited to 100% of the base salary until year 2021. From 2022 onward, the maximum amount can be 120% of the base salary if the option for an increase is applied due to exceptional circumstances; usually, the maximum amount is limited to 100% of the base salary. For each tranche of the LTIP, the Chairman of the Board of Management is entitled to receive a maximum amount of two-and-a-half times his base salary, whilst regular Board of Management members are entitled to receive a maximum amount of four times their base salary. In addition, the Supervisory Board may limit the payout amount in the event of exceptional developments.

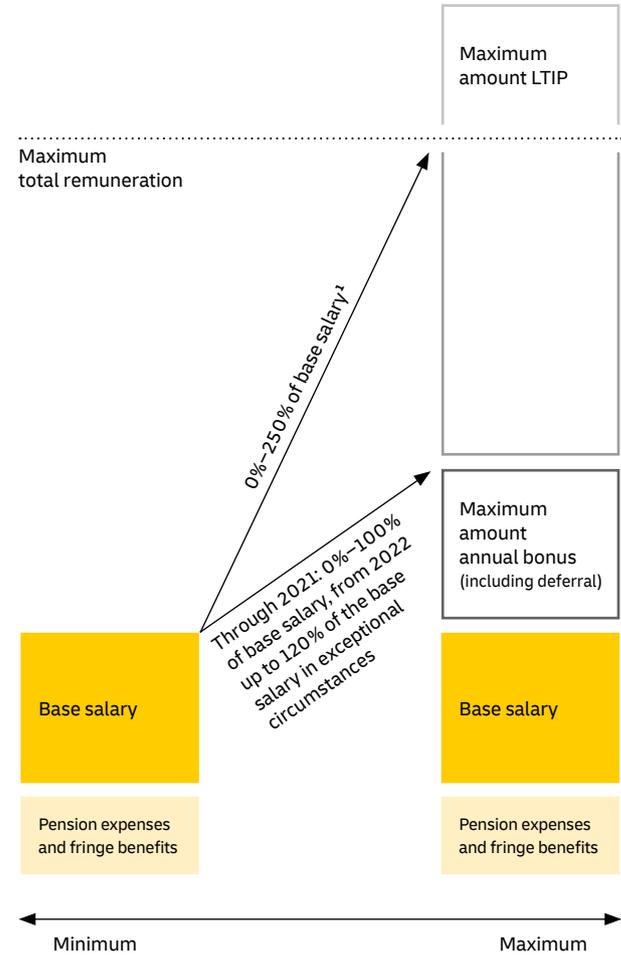
The remuneration system also provides for an overall cap on the amount paid out. First of all, this limits the remuneration granted in a specific financial year. For regular Board of Management members, the cap on remuneration granted is €5 million excluding fringe benefits until 2020 and €5.15 million including fringe benefits from 2021 onwards. For the Chairman of the Board of Management, remuneration granted is capped at €8 million excluding fringe benefits until 2020 and €8.15 million including fringe benefits from 2021 onwards. Starting in the 2022 financial year, the payments attributable to a financial year are also capped at €5.15 million and €8.15 million, respectively. In the event a compensation payment is made in accordance with **number 1**, the overall cap for the Board of Management member receiving the payment increases by the compensation amount.

Example of remuneration components included

| Total cap on remuneration granted: Example for 2020 | Total cap on remuneration granted: Example for 2021 | Total cap on amounts paid out: Example for 2022 |
|---|---|--|
| Remuneration components included <ul style="list-style-type: none"> • Long-Term Incentive Plan 2020 tranche • Deferral from 2020 annual bonus • Proportion of 2020 annual bonus for immediate payout • Base salary 2020 • Pension expense (service cost¹) 2020 | Remuneration components included <ul style="list-style-type: none"> • Long-Term Incentive Plan 2021 tranche • Deferral from 2021 annual bonus • Proportion of 2021 annual bonus for immediate payout • Fringe benefits 2021 • Base salary 2021 • Pension expense (service cost¹) 2021 | Remuneration components included <ul style="list-style-type: none"> • Long-Term Incentive Plan 2016/2017/2018² tranches • Deferral from 2020 annual bonus • Proportion of 2022 annual bonus for immediate payout • Fringe benefits 2022 • Base salary 2022 • Pension expense (service cost¹) 2022 |

¹ In case of payout of a pension substitute: amount of pension substitute.
² The payment date depends on the date of exercise within the two-year exercise period.

Total remuneration range for the Chairman of the Board of Management



¹ The maximum amount from the LTIP is 400% of the base salary for the regular members of the Board of Management.

4. Other contractual terms and conditions

MALUS AND CLAWBACK PROVISIONS RELATING TO VARIABLE REMUNERATION

Recommendation G.11 of the German Corporate Governance Code as amended on 20 March 2020 states that the Supervisory Board should have the possibility to account for exceptional developments to an appropriate extent. In justified cases, the Supervisory Board should be permitted to retain or reclaim variable remuneration. The first recommendation has been complied with in that SARs are granted on the condition that the Supervisory Board may limit the payout amount in the event of exceptional developments. From 2022 onward, the Supervisory Board may also increase or decrease the annual bonus in the event of exceptional developments by up to 20% in each instance. The second recommendation has been met in the form of a retention in that the variable remuneration components may be omitted in part or in full. Moreover, 50% of the annual bonus resulting from the target achievement is transferred into the medium-term component and is subject to a two-year sustainability phase. This medium-term component will be completely withheld if the sustainability target EAC is not met during the sustainability phase. The SARs granted are clawed back and lapse without replacement if and to the extent that the absolute or relative performance targets are not met during the four-year lock-up period. The statutory clawback rules are applied additionally within the statutory limitation periods.

SHARE OWNERSHIP

The targets for the LTIP are based on share price, ensuring that Board of Management remuneration is strongly and directly linked to, and aligned with, the interests of our shareholders. For each SAR tranche, a Board of Management member is entitled to receive at most two-and-a-half times (Chairman of the Board of Management) or four times (regular Board of Management members) their base salary, provided the cap on total remuneration is not met first. Even considering a one-year horizon, this provides an incentive for focusing upon share price that far exceeds one annual base salary. This effect is multiplied over several years. Furthermore, participation in the LTIP requires Board of Management members to make a personal investment of 10% of their base salary by the grant date per tranche, primarily in company shares.

CONTRACTUAL TERM AND COMMITMENTS ASSOCIATED WITH CESSATION OF SERVICE ON THE BOARD OF MANAGEMENT

Initial appointments to the Board of Management are generally made for a contract term of three years. Reappointments are usually made for a term of five years.

Termination upon change of control

In the event of a change of control, Board of Management members are entitled to resign from office for good cause within a period of six months following the change of control, after giving three months' notice to the end of the month and to terminate their Board of Management contract (right to early termination). The severance payment claim previously provided for in the event of the exercise of the right to early termination will no longer apply from the 2021 financial year.

Disability or death

If a Board of Management member is temporarily unable to work due to illness, accident or another reason for which the Board of Management member is not responsible, remuneration will continue to be paid for a period of twelve months, but no longer than the end of the Board of Management contract. In the case of permanent disability of a Board of Management member during the term of the Board of Management contract, the contract shall expire at the end of the quarter in which the permanent disability was determined.

If the Board of Management contract ends on account of death or permanent disability, the annual fixed salary and maximum annual bonus, prorated in each case, will continue to be paid for a period of six months following the end of the month in which the Board of Management contract ends, but no longer than the scheduled expiration date of the contract. If the contract ends due to the death of the Board of Management member, the payment is made to the deceased's beneficiaries as joint and several creditors.

Termination by mutual consent

In the event of mutually agreed termination prior to the end of an appointment term at the instigation of the company, all commitments under the employment contracts shall be fulfilled by the time of departure. Variable remuneration components are paid out pursuant to the originally agreed conditions and at the originally agreed times. Variable remuneration components are not paid out early. In accordance with the Code recommendation, Board of Management contracts contain a provision stipulating that, in the event of early termination of a Board of Management member's contract, the severance payment may compensate no more

than the remaining term of the contract. The severance payment is limited to a maximum amount of two years' remuneration including fringe benefits (severance payment cap). The severance payment cap is calculated exclusive of the value of any rights allocated from LTIPs. No severance will be paid if the mutually agreed, early termination is instigated by the Board of Management member; the annual bonus will be paid out pro rata in accordance with the level of target achievement of the Board of Management member at the end of the assessment period. Any claims arising from the  LTIP are subject to the provisions therein.

Post-contractual non-compete clause

After leaving the Board of Management, Board of Management members are subject to a one-year non-compete period. During this period, the company pays compensation to the Board of Management member in an amount equivalent to the member's base salary. Any other income is subtracted from this compensation. In accordance with the Code recommendation, a severance payment is subtracted from the compensation paid. Any pension payments are also subtracted from the compensation. Prior to, or concurrent with, the end of the Board of Management contract, the company may declare its waiver of adherence to the non-compete clause. In such a case, the company will be released from the obligation to pay compensation due to a restraint on competition six months after receipt of such declaration.

Income from mandates

Members of the Board of Management shall assume mandates on supervisory boards, boards of administration and advisory boards, as well as similar functions or activities

in companies in which the company holds a direct or indirect interest, as well as functions or activities in associations or organisations of which the company is a member ("Group mandates"). Any resulting remuneration must be fully transferred to the company.

Prior approval from the Supervisory Board's Executive Committee is required before any offices can be held or work performed at external entities. Remuneration received from such activities is not transferred to the company.

Remuneration of the Group Board of Management in the 2020 financial year

In the following, the application of the remuneration system for Board of Management members in the 2020 financial year is described. This includes detailed information on total remuneration, on targets and target achievement of variable remuneration components as well as a breakdown of remuneration paid to individual Board of Management members.

IMPACTS OF THE PANDEMIC

In the current global health crisis, our logistics services and our worldwide network play a crucial role – whether for shipping medical equipment and supplies to healthcare workers, for delivering important merchandise to residential customers or for providing solutions to companies to help them remain in business. Therefore, ever since the pandemic set in, it has been necessary to continually adapt the business processes of Deutsche Post DHL Group in order to mitigate potential impacts, whilst placing top priority on ensuring the safety of our employees and our customers. Our global operations in more than 220 countries and territories with more than 570,000 employees worldwide and our very

large number of business and private customers require us to respond quickly to the constantly changing pandemic situation with strong regional variations. This has necessitated taking finely tuned, coordinated action at all times in an evolving situation. Our agile responses enabled us to handle the economic uncertainties and operating challenges brought by the COVID-19 pandemic in 2020 and to maintain our business operations. The Group even added some 25,000 additional jobs while also paying its employees all over the world a special bonus of €300 each in recognition of their outstanding achievements during the pandemic. Moreover, the Group's management had already laid the foundation that would permit the company to benefit from an acceleration of the structural trends seen in 2020 through its targeted build-up of e-commerce activities. The Group's good business performance – as reflected in the key performance metrics for the Group and the divisions and thus in the Board of Management's level of target achievement – rests on successful management of the company in both the short and long term. However, the changed economic climate impacted the long-term remuneration components for the reporting year, with significantly fewer SARs having been granted in the 2020 financial year compared with the prior year due, amongst other things, to the crisis-related volatility of Deutsche Post shares. In an overall view, the remuneration system for the Board of Management thus suitably reflects all of the impacts of the pandemic.

Tim Scharwath's and Thomas Ogilvie's base salaries were increased in the reporting year due to contractual arrangements made back in 2019. The salary increase reflects the Group's long-standing practice to adjust base salaries at the second term of appointment, starting from low entry-level salaries compared to the DAX peer Group.

The remuneration paid to Melanie Kreis was also adjusted as at 1 November 2020 due to the Group’s long-standing practice to review remuneration after six years of service and as is contractually stipulated. In 2020, the effect amounts to €7,750 in the base salary compared to the prior year. The decision not to exempt Melanie Kreis from the usual salary adjustments was made by the Supervisory Board in 2020 after careful consideration, which included taking the company’s situation during the pandemic into account. In the case of Melanie Kreis and Tim Scharwath, these salary adjustments did not result in higher total target remuneration; in fact the total target remuneration decreased from the previous year.

TOTAL REMUNERATION

Remuneration totalling €12.56 million was paid to members of the Board of Management in the 2020 financial year (previous year: €13.62 million) in accordance with the applicable accounting standards. Of that amount, €8.26 million (previous year: €8.15 million) was attributable to non-performance-related components and €4.30 million (previous year: €5.47 million) to performance-related components consisting of annual bonus payments (including the 2018 deferral). An additional €3.88 million (previous year: €2.88 million) of the annual bonus was transferred to the medium-term component (deferral) and will be paid out in 2023 subject to reaching the EAC sustainability indicator.

In the 2020 financial year, Board of Management members were additionally granted a total of 816,498 SARs (previous year: 2,322,978 SARs), which at the issue date were valued at €8.00 million (previous year: €9.90 million).

BASE SALARY AND FRINGE BENEFITS

The base salaries of regular Board of Management members ranged from €715,000 to €1,005,795. The Chairman of the Board of Management received a base salary of €2,060,684.

In the 2020 financial year, Board of Management members received fringe benefits in the amount of between approximately 1% and 10% of their base salary.

PENSION COMMITMENTS

The following overview presents a breakdown of contributions made for contribution based pension commitments in the 2020 financial year as well as the present value of defined benefit obligations (DBOs).

Contribution based pension commitments

| € | Total contribution for 2019 | Total contribution for 2020 | Present value (DBO) as at 31 Dec. 2019 | Present value (DBO) as at 31 Dec. 2020 |
|-------------------------------------|-----------------------------|-----------------------------|--|--|
| Ken Allen | 352,028 | 352,028 | 3,888,461 | 4,378,058 |
| Oscar de Bok (since 1 October 2019) | 62,563 | 250,250 | 517,661 | 788,925 |
| Melanie Kreis | 325,500 | 325,500 | 2,294,996 | 2,863,862 |
| Tobias Meyer (since 1 April 2019) | 187,688 | 250,250 | 745,611 | 1,147,360 |
| Thomas Ogilvie | 250,250 | 301,000 | 758,257 | 1,240,551 |
| John Pearson (since 1 January 2019) | 250,250 | 250,250 | 267,327 | 549,361 |
| Tim Scharwath | 250,250 | 301,000 | 711,698 | 1,092,752 |
| Total | 1,678,529 | 2,030,278 | 9,184,011 | 12,060,869 |

Final salary-based legacy pension commitment to the Board of Management Chair: individual breakdown

| | Pension commitments | | | | |
|-----------------------|---------------------------------|---------------------------------|-------------------------|--|--|
| | Pension level on 31 Dec. 2019 % | Pension level on 31 Dec. 2020 % | Maximum pension level % | Present value (DBO) as at 31 Dec. 2019 € | Present value (DBO) as at 31 Dec. 2020 € |
| Frank Appel, Chairman | 50 | 50 | 50 | 26,570,684 | 31,533,867 |
| Total | | | | 26,570,684 | 31,533,867 |

Former members of the Board of Management or their surviving dependants received benefits in the amount of €8.9 million in the 2020 financial year (previous year: €6.3 million). The defined benefit obligation (DBO) for current pensions calculated under IFRSs was €105 million (previous year: €100 million).

ANNUAL BONUS INCLUDING MEDIUM-TERM COMPONENT (DEFERRAL), 2020

In 2020, the target agreements with the Board of Management members reflected the [Overview of performance criteria](#) table and their weighting as determined by the remuneration system.

In the 2020 financial year, the performance targets for the financial performance criteria corresponded to the figures budgeted in December 2019. In setting the targets for 2020, it has already been agreed with the Board of Management members who are division heads that any effects on Group EAC arising from StreetScooter will not be taken into account when calculating their levels of target achievement.

Target achievement for 2020 annual bonus

| Performance criterion | Target amount €m | Actual amount €m | Level of target achievement % |
|--------------------------------------|--------------------|--------------------|-------------------------------|
| Group EAC¹ | 2,070 | 2,212 | 125.00 |
| | 2,111 ² | 2,535 ² | 125.00 |
| Divisional EAC¹ | | | |
| Post & Parcel Germany | 1,023 | 1,050 | 120.45 |
| Global Forwarding, Freight | 111 | 74 | 85.98 |
| Express | 1,079 | 1,697 | 125.00 |
| Supply Chain | 237 | -44 | 0.00 |
| eCommerce Solutions | -38 | 67 | 125.00 |
| Free cash flow | 1,129 | 2,535 | 125.00 |
| Employee Engagement score (%) | 77 | 82 | 125.00 |

¹ Including the asset charge on goodwill before goodwill impairment.

² Without StreetScooter.

In addition, individual targets were agreed on to ensure that the remuneration of individual Board of Management members reflects their own performance in addition to the collective performance of the Board of Management as a whole. The individual targets focussed on the operational priorities of the financial year and the status of strategy implementation. The majority of targets agreed on with Board of Management members in the reporting year related to the respective Board department’s digital transformation initiatives, which are necessary for lasting business success.

Based upon the level of target achievement determined, the average annual bonus (including deferral) amounted to 97.49% of one base salary. The annual bonus amount paid out to each individual Board of Management member is shown in the [▶ Payments](#) table. Equivalent amounts were transferred to the medium-term component (deferral) and are eligible for payout in the spring of 2023, if the costs of capital are covered at minimum at the end of the two-year sustainability phase. The deferred amounts otherwise lapse without replacement.

MEDIUM-TERM COMPONENT (DEFERRAL), 2018

The requirement for payout of the share of the annual bonus deferred in 2018 was likewise that the costs of capital be covered at minimum at the end of the two-year sustainability phase, i.e. that EAC at the end of the sustainability phase exceed EAC for the base year, or that cumulative EAC be positive during the sustainability phase. Both of those requirements were met. The individual amounts paid out from the 2018 Deferral are shown in the [▶ Payments](#) table.

LONG-TERM COMPONENTS (LTIP), 2016 TRANCHE

The lock-up period for the 2016 SAR tranche granted four years previously ended on 31 August 2020. The 60-day average price of Deutsche Post shares, which is used to cal-

culate absolute target achievement, was about 23% higher than the initial value recorded in 2016. This means that three of the four absolute share price targets were met. The shares’ performance relative to the STOXX Europe 600 was approximately 16%. Both of the relative share price targets were therefore met. In total, five of six performance targets were met, meaning that five-sixths of the SARs granted in the 2016 financial year have become exercisable. Board of Management members are able to exercise these SARs until 31 August 2022. One-sixth of the SARs originally granted lapsed without replacement.

LONG-TERM COMPONENTS (LTIP), 2020 TRANCHE

On 1 September 2020, the members of the Board of Management were again granted SARs by way of the 2020 tranche. The number of SARs granted to individual Board of Management members corresponded to their individual base salaries at the date of granting. The value of one SAR at the grant date was computed by the company actuary and amounted to €9.80.

A comparison of SARs granted indicates that in the 2020 financial year, individual Board of Management members generally received less than one-third of the SARs granted in the previous year. One reason for this is that the SARs granted in the 2019 financial year corresponded on average to 139% of the respective Board of Management member’s base salary at the grant date. In contrast, in the 2020 financial year, SARs in the amount of 100% of the individual member’s base salary were granted to all Board of Management members. Another reason is that the value of a single SAR increased significantly compared with the previous year, mainly due to a substantial increase in the volatility of Deutsche Post shares during the pandemic, meaning that fewer SARs could be granted under this aspect as well.

At the grant date (1 September 2020), the index started out at 368.10 points. The issue price was €37.83. Payments from the 2020 tranche will be made no earlier than 1 September 2024, assuming that some of the total of six share price targets are met. If none of the targets are met, the SARs will lapse without replacement, which means that they will never give rise to any payments. The value of the SARs granted to the individual Board of Management members in the 2020 financial year is presented in the [▶ Target remuneration](#) table.

The following table summarises the basic information on each of the tranches whose lock-up periods or exercise periods were still in effect in the 2020 financial year:

Long-Term Incentive Plan: number of SARs granted

| Quantity | SARs | SARs |
|-------------------------------------|--------------|--------------|
| | 2019 tranche | 2020 tranche |
| Frank Appel, Chairman | 656,568 | 210,276 |
| Ken Allen | 336,210 | 102,636 |
| Oscar de Bok (since 1 October 2019) | – | 72,960 |
| Melanie Kreis | 310,878 | 94,902 |
| Tobias Meyer (since 1 April 2019) | 239,010 | 72,960 |
| Thomas Ogilvie | 253,824 | 94,902 |
| John Pearson (since 1 January 2019) | 239,010 | 72,960 |
| Tim Scharwath | 287,478 | 94,902 |

SAR tranches

| Tranche | Date granted | Issue price (exercise price) € | End of the waiting period | End of the exercise period |
|---------|------------------|--------------------------------------|---------------------------|----------------------------|
| 2014 | 1 September 2014 | 24.14 | 31 August 2018 | 31 August 2020 |
| 2015 | 1 September 2015 | 25.89 | 31 August 2019 | 31 August 2021 |
| 2016 | 1 September 2016 | 28.18 | 31 August 2020 | 31 August 2022 |
| 2017 | 1 September 2017 | 34.72 | 31 August 2021 | 31 August 2023 |
| 2018 | 1 September 2018 | 31.08 | 31 August 2022 | 31 August 2024 |
| 2019 | 1 September 2019 | 28.88 | 31 August 2023 | 31 August 2025 |
| 2020 | 1 September 2020 | 37.83 | 31 August 2024 | 31 August 2026 |

BENEFITS ASSOCIATED WITH CESSATION OF SERVICE ON THE BOARD OF MANAGEMENT

No such benefits were required to be extended as no Board of Management members left the Board in the 2020 financial year.

LOANS

The company did not extend any loans to Board of Management members.

REMUNERATION AMOUNT

The following tables, which are based on the reference tables contained in the German Corporate Governance Code as amended on 7 February 2017, provide a detailed breakdown of the remuneration granted to (target remuneration) and remuneration received (payments) by the members of the Board of Management.

In addition to the base salary and fringe benefits, the **▶ Target remuneration** table indicates the target amount of the annual bonus (including deferral) granted in the 2020 financial year. This is the amount upon target achievement of 100%. Moreover, the long-term component granted in the reporting year (2020 tranche) is reported at fair value

on the grant date. With respect to pension commitments, the pension expense, i.e. the service cost in accordance with IAS 19, is presented. The presentation is supplemented by the minimum and maximum values that can be achieved.

The **▶ Payments** table contains the same figures for base salary and fringe benefits as the **▶ Target remuneration** table. With respect to the one-year variable remuneration, the payments made for the 2020 financial year (amount paid out) are indicated. With regard to the medium-term component (the deferral), the payment amount reported is that of the deferral whose calculation period ended upon expiry of the year under review, which in the reporting year was the 2018 deferral. The table also reflects the amount paid out from the tranches of the long-term components that were exercised in the 2020 financial year. The pension expense (service cost pursuant to IAS 19) incurred for pension plans is also included in line with the previous “Payments” reference table.

All amounts are shown in comparison with the prior-year figures. The individual remuneration tables conclude with a breakdown of remuneration in accordance with the HGB and GAS 17.

Target remuneration

| € | Frank Appel Chairman | | | | Ken Allen eCommerce Solutions | | | |
|--|-------------------------|------------------|------------------|-------------------|----------------------------------|------------------|------------------|------------------|
| | 2019 | 2020 | Min. 2020 | Max. 2020 | 2019 | 2020 | Min. 2020 | Max. 2020 |
| Base salary | 2,060,684 | 2,060,684 | 2,060,684 | 2,060,684 | 1,005,795 | 1,005,795 | 1,005,795 | 1,005,795 |
| Fringe benefits | 50,933 | 49,759 | 49,759 | 49,759 | 100,672 | 101,726 | 101,726 | 101,726 |
| Total | 2,111,617 | 2,110,443 | 2,110,443 | 2,110,443 | 1,106,467 | 1,107,521 | 1,107,521 | 1,107,521 |
| Annual bonus: one-year share | 824,274 | 824,274 | 0 | 1,030,342 | 402,318 | 402,318 | 0 | 502,898 |
| Multi-year variable remuneration | 3,621,254 | 2,884,979 | 0 | 6,182,053 | 1,834,573 | 1,408,151 | 0 | 4,526,078 |
| LTIP with four-year lock-up period | 2,796,980 | 2,060,705 | 0 | 5,151,711 | 1,432,255 | 1,005,833 | 0 | 4,023,180 |
| Annual bonus: deferred with three-year deferral period | 824,274 | 824,274 | 0 | 1,030,342 | 402,318 | 402,318 | 0 | 502,898 |
| Total | 6,557,145 | 5,819,696 | 2,110,443 | 9,322,838 | 3,343,358 | 2,917,990 | 1,107,521 | 6,136,497 |
| Pension expense (service cost) | 1,093,499 | 1,280,054 | 1,280,054 | 1,280,054 | 348,733 | 351,897 | 351,897 | 351,897 |
| Total remuneration | 7,650,644 | 7,099,750 | 3,390,497 | 10,602,892 | 3,692,091 | 3,269,887 | 1,459,418 | 6,488,394 |
| Cap on the maximum payment amount (excluding fringe benefits) from remuneration granted in 2020 | | | | 8,000,000 | | | | 5,000,000 |

| | Oscar de Bok Supply Chain (since 1 October 2019) | | | | Melanie Kreis Finance | | | |
|--|---|------------------|----------------|------------------|--------------------------|----------------------|------------------|------------------|
| | 2019 | 2020 | Min. 2020 | Max. 2020 | 2019 | 2020 | Min. 2020 | Max. 2020 |
| Base salary | 178,750 | 715,000 | 715,000 | 715,000 | 930,000 | 937,750 ¹ | 937,750 | 937,750 |
| Fringe benefits | 13,499 | 21,856 | 21,856 | 21,856 | 20,674 | 17,849 | 17,849 | 17,849 |
| Total | 192,249 | 736,856 | 736,856 | 736,856 | 950,674 | 955,599 | 955,599 | 955,599 |
| Annual bonus: one-year share | 71,500 | 286,000 | 0 | 357,500 | 372,000 | 375,100 | 0 | 468,875 |
| Multi-year variable remuneration | 71,500 | 1,001,008 | 0 | 3,217,500 | 1,696,340 | 1,305,140 | 0 | 4,188,875 |
| LTIP with four-year lock-up period | – | 715,008 | 0 | 2,860,000 | 1,324,340 | 930,040 | 0 | 3,720,000 |
| Annual bonus: deferred with three-year deferral period | 71,500 | 286,000 | 0 | 357,500 | 372,000 | 375,100 | 0 | 468,875 |
| Total | 335,249 | 2,023,864 | 736,856 | 4,311,856 | 3,019,014 | 2,635,839 | 955,599 | 5,613,349 |
| Pension expense (service cost) | – | 225,189 | 225,189 | 225,189 | 309,440 | 346,444 | 346,444 | 346,444 |
| Total remuneration | 335,249 | 2,249,053 | 962,045 | 4,537,045 | 3,328,454 | 2,982,283 | 1,302,043 | 5,959,793 |
| Cap on the maximum payment amount (excluding fringe benefits) from remuneration granted in 2020 | | | | n.a. | | | | 5,000,000 |

| | Tobias Meyer Post & Parcel Germany (since 1 April 2019) | | | | Thomas Ogilvie Human Resources and Corporate Incubations | | | |
|--|--|------------------|------------------|------------------|---|----------------------|------------------|------------------|
| | 2019 | 2020 | Min. 2020 | Max. 2020 | 2019 | 2020 | Min. 2020 | Max. 2020 |
| Base salary | 536,250 | 715,000 | 715,000 | 715,000 | 763,333 | 883,333 ² | 883,333 | 883,333 |
| Fringe benefits | 20,045 | 21,649 | 21,649 | 21,649 | 14,079 | 12,578 | 12,578 | 12,578 |
| Total | 556,295 | 736,649 | 736,649 | 736,649 | 777,412 | 895,911 | 895,911 | 895,911 |
| Annual bonus: one-year share | 214,500 | 286,000 | 0 | 357,500 | 305,333 | 353,333 | 0 | 441,667 |
| Multi-year variable remuneration | 1,232,683 | 1,001,008 | 0 | 3,217,500 | 1,386,623 | 1,283,373 | 0 | 4,161,667 |
| LTIP with four-year lock-up period | 1,018,183 | 715,008 | 0 | 2,860,000 | 1,081,290 | 930,040 | 0 | 3,720,000 |
| Annual bonus: deferred with three-year deferral period | 214,500 | 286,000 | 0 | 357,500 | 305,333 | 353,333 | 0 | 441,667 |
| Total | 2,003,478 | 2,023,657 | 736,649 | 4,311,649 | 2,469,368 | 2,532,617 | 895,911 | 5,499,245 |
| Pension expense (service cost) | – | 267,454 | 267,454 | 267,454 | 242,938 | 338,495 | 338,495 | 338,495 |
| Total remuneration | 2,003,478 | 2,291,111 | 1,004,103 | 4,579,103 | 2,712,306 | 2,871,112 | 1,234,406 | 5,837,740 |
| Cap on the maximum payment amount (excluding fringe benefits) from remuneration granted in 2020 | | | | n.a. | | | | 5,000,000 |

| | John Pearson Express (since 1 January 2019) | | | | Tim Scharwath Global Forwarding, Freight | | | |
|--|--|------------------|------------------|------------------|---|----------------------|------------------|------------------|
| | 2019 | 2020 | Min. 2020 | Max. 2020 | 2019 | 2020 | Min. 2020 | Max. 2020 |
| Base salary | 715,000 | 715,000 | 715,000 | 715,000 | 799,583 | 900,833 ² | 900,833 | 900,833 |
| Fringe benefits | 86,469 | 73,916 | 73,916 | 73,916 | 40,620 | 28,398 | 28,398 | 28,398 |
| Total | 801,469 | 788,916 | 788,916 | 788,916 | 840,203 | 929,231 | 929,231 | 929,231 |
| Annual bonus: one-year share | 286,000 | 286,000 | 0 | 357,500 | 319,833 | 360,333 | 0 | 450,417 |
| Multi-year variable remuneration | 1,304,183 | 1,001,008 | 0 | 3,217,500 | 1,544,489 | 1,290,373 | 0 | 4,170,417 |
| LTIP with four-year lock-up period | 1,018,183 | 715,008 | 0 | 2,860,000 | 1,224,656 | 930,040 | 0 | 3,720,000 |
| Annual bonus: deferred with three-year deferral period | 286,000 | 286,000 | 0 | 357,500 | 319,833 | 360,333 | 0 | 450,417 |
| Total | 2,391,652 | 2,075,924 | 788,916 | 4,363,916 | 2,704,525 | 2,579,937 | 929,231 | 5,550,065 |
| Pension expense (service cost) | 246,341 | 263,357 | 263,357 | 263,357 | 244,868 | 261,072 | 261,072 | 261,072 |
| Total remuneration | 2,637,993 | 2,339,281 | 1,052,273 | 4,627,273 | 2,949,393 | 2,841,009 | 1,190,303 | 5,811,137 |
| Cap on the maximum payment amount (excluding fringe benefits) from remuneration granted in 2020 | | | | n.a. | | | | 5,000,000 |

¹ Regular adjustment, see [Impacts of the pandemic](#). ² Regular adjustment contractually agreed in 2019, see [Impacts of the pandemic](#).

Payments

| € | Frank Appel Chairman | | Ken Allen eCommerce Solutions | | Oscar de Bok Supply Chain (since 1 October 2019) | |
|----------------------------------|--------------------------|----------------------|--|------------------|---|----------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Base salary | 2,060,684 | 2,060,684 | 1,005,795 | 1,005,795 | 178,750 | 715,000 |
| Fringe benefits | 50,933 | 49,759 | 100,672 | 101,726 | 13,499 | 21,856 |
| Total | 2,111,617 | 2,110,443 | 1,106,467 | 1,107,521 | 192,249 | 736,856 |
| Annual bonus: one-year share | 754,520 | 1,020,039 | 402,217 | 502,898 | 71,482 | 321,750 |
| Multi-year variable remuneration | 5,768,086 | 5,614,848 | 1,361,956 | 1,793,120 | – | – |
| Annual bonus: 2017 deferral | 952,351 | – | 487,945 | – | – | – |
| Annual bonus: 2018 deferral | – | 0 ¹ | – | 195,124 | – | – |
| LTIP, 2013 tranche | 4,815,735 | – | 874,011 | – | – | – |
| LTIP, 2014 tranche | – | 3,925,166 | – | 1,597,996 | – | – |
| LTIP, 2015 tranche | – | 1,689,682 | – | – | – | – |
| Other | – | – | – | – | – | – |
| Total | 8,634,223 | 8,745,330 | 2,870,640 | 3,403,539 | 263,731 | 1,058,606 |
| Pension expense (service cost) | 1,093,499 | 1,280,054 | 348,733 | 351,897 | – | 225,189 |
| Total | 9,727,722 | 10,025,384 | 3,219,373 | 3,755,436 | 263,731 | 1,283,795 |
| | Melanie Kreis Finance | | Tobias Meyer Post & Parcel Germany (since 1 April 2019) | | Thomas Ogilvie Human Resources and Corporate Incubations | |
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Base salary | 930,000 | 937,750 ² | 536,250 | 715,000 | 763,333 | 883,333 ⁴ |
| Fringe benefits | 20,674 | 17,849 | 20,045 | 21,649 | 14,079 | 12,578 |
| Total | 950,674 | 955,599 | 556,295 | 736,649 | 777,412 | 895,911 |
| Annual bonus: one-year share | 335,963 | 457,153 | 205,947 | 356,200 | 268,388 | 427,865 |
| Multi-year variable remuneration | 405,892 | 0 | – | – | 116,188 | 96,275 |
| Annual bonus: 2017 deferral | 405,892 | – | – | – | 116,188 | – |
| Annual bonus: 2018 deferral | – | 0 ³ | – | – | – | 96,275 |
| LTIP, 2013 tranche | – | – | – | – | – | – |
| LTIP, 2014 tranche | – | – | – | – | – | – |
| LTIP, 2015 tranche | – | – | – | – | – | – |
| Other | – | – | – | – | – | – |
| Total | 1,692,529 | 1,412,752 | 762,242 | 1,092,849 | 1,161,988 | 1,420,051 |
| Pension expense (service cost) | 309,440 | 346,444 | – | 267,454 | 242,938 | 338,495 |
| Total | 2,001,969 | 1,759,196 | 762,242 | 1,360,303 | 1,404,926 | 1,758,546 |

| | John Pearson Express (since 1 January 2019) | | Tim Scharwath Global Forwarding, Freight | |
|----------------------------------|--|------------------|---|----------------------|
| | 2019 | 2020 | 2019 | 2020 |
| Base salary | 715,000 | 715,000 | 799,583 | 900,833 ⁴ |
| Fringe benefits | 86,469 | 73,916 | 40,620 | 28,398 |
| Total | 801,469 | 788,916 | 840,203 | 929,231 |
| Annual bonus: one-year share | 262,977 | 357,500 | 301,043 | 436,358 |
| Multi-year variable remuneration | – | – | 196,780 | 129,773 |
| Annual bonus: 2017 deferral | – | – | 196,780 | – |
| Annual bonus: 2018 deferral | – | – | – | 129,773 |
| LTIP, 2013 tranche | – | – | – | – |
| LTIP, 2014 tranche | – | – | – | – |
| LTIP, 2015 tranche | – | – | – | – |
| Other | – | – | – | – |
| Total | 1,064,446 | 1,146,416 | 1,338,026 | 1,495,362 |
| Pension expense (service cost) | 246,341 | 263,357 | 244,868 | 261,072 |
| Total | 1,310,787 | 1,409,773 | 1,582,894 | 1,756,434 |

¹ No payments were made to Frank Appel, who waived his 2018 annual bonus, including the deferred portion, © 2018 Annual Report. ² Regular adjustment, see ▶ Impacts of the pandemic. ³ No payments were made to Melanie Kreis, who waived her 2018 annual bonus, including the deferred portion, © 2018 Annual Report. ⁴ Regular adjustment contractually agreed in 2019, see ▶ Impacts of the pandemic.

Remuneration in accordance with the HGB (DRS 17)

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| | Frank Appel Chairman | | Ken Allen eCommerce Solutions | |
|------------------------------|-------------------------|------------------|----------------------------------|------------------|
| | 2019 | 2020 | 2019 | 2020 |
| Base salary | 2,060,684 | 2,060,684 | 1,005,795 | 1,005,795 |
| Fringe benefits | 50,933 | 49,759 | 100,672 | 101,726 |
| Annual bonus: one-year share | 754,520 | 1,020,039 | 402,217 | 502,898 |
| Annual bonus: 2017 deferral | 952,351 | – | 487,945 | – |
| Annual bonus: 2018 deferral | – | 0 ¹ | – | 195,124 |
| LTIP, 2019 tranche | 2,796,980 | – | 1,432,255 | – |
| LTIP, 2020 tranche | – | 2,060,705 | – | 1,005,833 |
| Total | 6,615,468 | 5,191,187 | 3,428,884 | 2,811,376 |

| | Oscar de Bok Supply Chain (since 1 October 2019) | | Melanie Kreis Finance | | Tobias Meyer Post & Parcel Germany (since 1 April 2019) | |
|------------------------------|---|------------------|--------------------------|----------------------|--|------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Base salary | 178,750 | 715,000 | 930,000 | 937,750 ² | 536,250 | 715,000 |
| Fringe benefits | 13,499 | 21,856 | 20,674 | 17,849 | 20,045 | 21,649 |
| Annual bonus: one-year share | 71,482 | 321,750 | 335,963 | 457,153 | 205,947 | 356,200 |
| Annual bonus: 2017 deferral | - | - | 405,892 | - | - | - |
| Annual bonus: 2018 deferral | - | - | - | 0 ³ | - | - |
| LTIP, 2019 tranche | - | - | 1,324,340 | - | 1,018,183 | - |
| LTIP, 2020 tranche | - | 715,008 | - | 930,040 | - | 715,008 |
| Total | 263,731 | 1,773,614 | 3,016,869 | 2,342,792 | 1,780,425 | 1,807,857 |

| | Thomas Ogilvie Human Resources and Corporate Incubations | | John Pearson Express (since 1 January 2019) | | Tim Scharwath Global Forwarding, Freight | |
|------------------------------|---|----------------------|--|------------------|---|----------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Base salary | 763,333 | 883,333 ⁴ | 715,000 | 715,000 | 799,583 | 900,833 ⁴ |
| Fringe benefits | 14,079 | 12,578 | 86,469 | 73,916 | 40,620 | 28,398 |
| Annual bonus: one-year share | 268,388 | 427,865 | 262,977 | 357,500 | 301,043 | 436,358 |
| Annual bonus: 2017 deferral | 116,188 | - | - | - | 196,780 | - |
| Annual bonus: 2018 deferral | - | 96,275 | - | - | - | 129,773 |
| LTIP, 2019 tranche | 1,081,290 | - | 1,018,183 | - | 1,224,656 | - |
| LTIP, 2020 tranche | - | 930,040 | - | 715,008 | - | 930,040 |
| Total | 2,243,278 | 2,350,091 | 2,082,629 | 1,861,424 | 2,562,682 | 2,425,402 |

¹ No payments were made to Frank Appel, who waived his 2018 annual bonus, including the deferred portion, © 2018 Annual Report. ² Regular adjustment, see ▶ Impacts of the pandemic. ³ No payments were made to Melanie Kreis, who waived her 2018 annual bonus, including the deferred portion, © 2018 Annual Report. ⁴ Regular adjustment contractually agreed in 2019, see ▶ Impacts of the pandemic.

REMUNERATION OF THE SUPERVISORY BOARD

Remuneration for the members of the Supervisory Board is governed by article 17 of the Articles of Association of Deutsche Post AG, according to which Supervisory Board members only receive fixed annual remuneration in the amount of €70,000 (as in the previous year).

The Supervisory Board chairman and the Supervisory Board committee chairs receive an additional 100% of the remuneration, and the Supervisory Board deputy chair and committee members receive an additional 50%. This does not apply to the Mediation or Nomination Committees. Those who only serve on the Supervisory Board or its committees, or act as chair or deputy chair, for part of the financial year are remunerated on a pro-rata basis.

As in the previous year, Supervisory Board members receive an attendance allowance of €1,000 for each plenary meeting of the Supervisory Board or committee meeting that they attend. They are entitled to reimbursement of out-of-pocket cash expenses incurred in the exercise of their office. Any value added tax charged on Supervisory Board remuneration or out-of-pocket expenses is reimbursed.

The remuneration for 2020 totalled €2.6 million. The following table presents a breakdown of the amounts paid out to each Supervisory Board member.

Remuneration paid to Supervisory Board members

| € | 2019 | | | 2020 | | |
|--|-----------------|----------------------|----------------|-----------------|----------------------|----------------|
| | Fixed component | Attendance allowance | Total | Fixed component | Attendance allowance | Total |
| Board members | | | | | | |
| Dr Nikolaus von Bomhard (Chair) | 315,000 | 17,000 | 332,000 | 315,000 | 21,000 | 336,000 |
| Andrea Kocsis (Deputy Chair) | 245,000 | 16,000 | 261,000 | 245,000 | 19,000 | 264,000 |
| Rolf Bauermeister (until 15 July 2020) | 140,000 | 12,000 | 152,000 | 75,833 | 9,000 | 84,833 |
| Dr Günther Bräunig | 91,875 | 6,000 | 97,875 | 105,000 | 11,000 | 116,000 |
| Dr Mario Daberkow | 70,000 | 4,000 | 74,000 | 70,000 | 6,000 | 76,000 |
| Ingrid Deltenre | 105,000 | 8,000 | 113,000 | 116,667 | 14,000 | 130,667 |
| Jörg von Dosky | 70,000 | 4,000 | 74,000 | 70,000 | 6,000 | 76,000 |
| Werner Gatzer (until 12 February 2020) | 140,000 | 14,000 | 154,000 | 17,500 | – | 17,500 |
| Gabriele Gülzau | 70,000 | 4,000 | 74,000 | 70,000 | 6,000 | 76,000 |
| Thomas Held | 105,000 | 8,000 | 113,000 | 105,000 | 10,000 | 115,000 |
| Dr Heinrich Hiesinger | 43,750 | 3,000 | 46,750 | 81,667 | 8,000 | 89,667 |
| Mario Jacobasch | 70,000 | 4,000 | 74,000 | 70,000 | 6,000 | 76,000 |
| Thomas Koczelnik | 175,000 | 19,000 | 194,000 | 175,000 | 25,000 | 200,000 |
| Thorsten Kühn (since 28 August 2020) | – | – | – | 37,917 | 4,000 | 41,917 |
| Dr Jörg Kukies (since 16 April 2020) | – | – | – | 99,167 | 16,000 | 115,167 |
| Ulrike Lennartz-Pipenbacher | 70,000 | 4,000 | 74,000 | 70,000 | 6,000 | 76,000 |
| Simone Menne | 105,000 | 11,000 | 116,000 | 105,000 | 16,000 | 121,000 |
| Roland Oetker (until 27 August 2020) | 140,000 | 12,000 | 152,000 | 93,333 | 9,000 | 102,333 |
| Lawrence Rosen (since 27 August 2020) | – | – | – | 26,250 | 2,000 | 28,250 |
| Dr Stefan Schulte | 140,000 | 11,000 | 151,000 | 140,000 | 16,000 | 156,000 |
| Stephan Teuscher ¹ | 105,000 | 11,000 | 116,000 | 116,667 | 18,000 | 134,667 |
| Stefanie Weckesser | 105,000 | 11,000 | 116,000 | 105,000 | 16,000 | 121,000 |
| Prof. Dr-Ing. Katja Windt | 70,000 | 4,000 | 74,000 | 70,000 | 6,000 | 76,000 |

¹ Stephan Teuscher receives €1,500 per year for his service on the Supervisory Board of DHL Hub Leipzig GmbH.