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REPORT OF THE SUPERVISORY BOARD



WULF VON SCHIMMELMANN
Chairman

DEAR SHAREHOLDERS,

In financial year 2014, Deutsche Post DHL Group continued to perform well as an attractive investment and the provider and employer of choice in the Group's market despite a consistently challenging economic environment. Building on Strategy 2015, the Group took steps early on to ensure that growth would remain positive beyond the current planning horizon. "Strategy 2020: Focus.Connect.Grow." underscores Deutsche Post DHL Group's aim of becoming the world leader in logistics and sets out the strategic priorities for the coming years.

Advising and monitoring the Board of Management

During 2014, the Supervisory Board closely examined the implementation of both Strategy 2015 and its successor Strategy 2020 as well as the Group and divisional results in the context of the global economic situation. To this end, the Board of Management provided the Supervisory Board with detailed, up-to-date information on the Group's financial position and performance, strategic initiatives, key business transactions, the progress of acquisitions, compliance and compliance management, risk exposure and risk management and all material planning and related implementation issues. The Chairman of the Supervisory Board was also kept abreast of developments between meetings. Measures requiring the consent of the Supervisory Board were subject to detailed discussion in advance by the relevant committees.

Eight meetings during the reporting year

The Supervisory Board met four times in each half of the financial year. All members attended at least half of the meetings. The overall attendance rate exceeded 95%.

The annual and consolidated financial statements and the management reports for 2013 were discussed in detail and approved at the financial statements meeting on 11 March 2014. The meeting was also attended by the auditors. After a thorough review, we endorsed the Board of Management's proposal for the appropriation of the net retained profit for financial year 2013. We also approved a share capital increase in order to finance a share buy-back to settle share-based payments due to executives in 2014. The financial statements meeting approved the Supervisory Board's proposed resolutions for the Annual General Meeting (AGM). The meeting also discussed variable remuneration components, with a particular emphasis on the performance targets achieved. In addition, we examined the findings of the efficiency review of the work of the Supervisory Board. The Supervisory Board noted and accepted Bruce Edwards' resignation from the Board of Management. Mr Edwards' successor, John Gilbert, was appointed to the Board of Management for a three-year term.

In an extraordinary meeting of the Supervisory Board on 26 March 2014, the Board of Management gave a detailed presentation setting out the principles of "Strategy 2020: Focus.Connect.Grow.". Another extraordinary meeting was held immediately after the Deutsche Post AG AGM on 27 May 2014 to determine the composition of the Supervisory Board committees. Hero Brahms stepped down from the Supervisory Board at the end of the AGM as he had reached the upper age limit for Supervisory Board members. The members of the Supervisory Board elected Stefan Schulte as the new chair of the Finance and Audit Committee. Details of the current members of the Supervisory Board committees can be found on page 109.

At the Supervisory Board meeting on 27 June 2014, we discussed the Group's IT strategy. We also considered the impending mandate renewals and new appointments relevant to the Board of Management.

At the start of July, the Supervisory Board accepted Angela Titzrath's resignation from the Board of Management using the written procedure. The Supervisory Board approved the renewal of Jürgen Gerdes' mandate and contract for a further five years at an extraordinary meeting on 8 July 2014.

The Supervisory Board held one ordinary meeting and one closed meeting on 22 and 23 September 2014. The main focus of the Supervisory Board meeting was the question of whether Board of Management remuneration was appropriate. The Supervisory Board decided to transfer responsibility for M & A activities from the Finance and Audit Committee to the Strategy Committee. During the closed meeting, presentations by external speakers describing the customers' and investors' point of view, as well as contributions from other speakers on social sustainability in logistics companies and management culture, formed the basis for lively debate in the plenary meeting. The discussions focused on implementing Strategy 2015 and integrating Strategy 2020 into Group and divisional activities. As part of the on-going training and support recommended for Supervisory Board members in the German Corporate Governance Code (DCGK), the meeting was followed by a Directors' Day, with presentations by selected speakers.

At the extraordinary Supervisory Board meeting on 31 October 2014, we appointed Melanie Kreis as member of the Board of Management and Labour Director.

On 10 December, at the last meeting of the Supervisory Board in 2014, we approved the 2015 business plan after extensive discussions and set the Board of Management's performance targets for 2015. In addition, a share capital increase was resolved upon for the purpose of financing a share buy-back to settle share-based payments due to executives in 2015. We also reiterated our unqualified Declaration of Conformity with the German Corporate Governance Code.

Hard work by the committees

The Executive Committee met five times during the year under review. The main agenda items were matters regarding the Board of Management and preparations for the various Supervisory Board meetings.

The Personnel Committee met four times. The topics discussed included women in executive positions, personnel development measures, the Group-wide Certified programme which promotes employee commitment and changes in corporate culture, and the annual Employee Opinion Survey.

The Finance and Audit Committee met seven times. Following Hero Brahms' resignation, both Stefan Schulte, Chair of the Finance and Audit Committee since 27 May 2014, and Simone Menne, also a member of the Finance and Audit Committee since 27 May 2014, have the accounting and auditing expertise required under the *Aktiengesetz* (AktG – German Stock Corporation Act). At the March meeting, the Committee examined the annual and consolidated financial statements for 2013 and recommended that the Supervisory Board approve the statements. The auditors attended the meeting and gave a detailed presentation on their findings regarding the key audit priorities for 2013 as defined by the Committee and made specific recommendations based on their findings. Following the AGM, the Finance and Audit Committee engaged the auditors to audit the 2014 annual and consolidated financial statements and the interim financial report for the first half of the year. The Committee also defined the key audit priorities. The Committee discussed the reviewed quarterly and half-year interim reports together with the Board of Management and the auditors prior to publication. The March meeting also examined recommendations to the Supervisory Board regarding the agenda of the AGM and its proposed resolutions. Key Group risk management factors were also examined during the meeting as planned. At the Finance and Audit Committee meeting on 18 June 2014, the Committee listened to a presentation on the findings of internal audits and discussed measures to implement the auditors' recommendations on the key audit priorities. At the Finance and Audit Committee meeting on 16 September 2014, the Chief Compliance Officer presented a detailed report on compliance. The report focused primarily on enhancing compliance organisation and management. The Finance and Audit Committee advised the Supervisory Board to transfer responsibility for M & A activities to the Strategy Committee. The Committee also examined the investment strategy for pension assets. On 3 December 2014, the Finance and Audit Committee meeting concentrated on the Group business plan for 2015 and recommended that the Supervisory Board approve the plan. The Committee discussed the Group's performance and the internal control and risk management system at regular intervals during the year. The Committee discussed the appropriateness of the Group's accounting system with the auditors.

The Strategy Committee met twice in 2014 and focused primarily on the progress made on implementing Strategy 2015, as well as how to develop and implement Strategy 2020.

The Nomination Committee met once in 2014 to discuss nominations for the 2014 AGM and approve the recommendations made to the Supervisory Board. Here, discussions covered the re-election of Henning Kagermann, Ulrich Schröder and Stefan Schulte and the nomination of Simone Menne for membership of the Supervisory Board.

The Mediation Committee formed pursuant to section 27 (3) of the *Mitbestimmungsgesetz* (German Co-determination Act) met once in 2014.

The chairs of the committees reported on the committees' deliberations in the subsequent Supervisory Board meeting.

Changes to the composition of the Supervisory Board and Board of Management

Having reached the upper age limit for office, Hero Brahms stepped down as a member of the Supervisory Board at the end of the AGM on 27 May 2014. The AGM elected Simone Menne as a shareholder representative on the Supervisory Board. At the extraordinary meeting held immediately after the AGM, the Supervisory Board voted to appoint Stefan Schulte as chair and Simone Menne as a member of the Finance and Audit Committee. Details of the current members of the Supervisory Board committees can be found on page 109. With regard to the employee representatives, Heinrich Josef Busch, the executive management representative, resigned from the Supervisory Board as of 30 November 2014, on the grounds that he would reach retirement age at the end of the year. Jörg von Dosky was appointed by the court as his successor on the Supervisory Board on 9 December 2014. The composition of the Board of Management changed as follows during the year under review: Bruce Edwards stepped down from the Board of Management on 10 March 2014. He was replaced by John Gilbert, who became a member of the Board of Management on 11 March 2014. Angela Titzrath stepped down from the Board of Management

as of 2 July 2014. Melanie Kreis was appointed as a member of the Board of Management and Labour Director on 31 October 2014. In the interim period, the Chief Executive Officer Frank Appel also took on responsibility for the Human Resources board department.

Managing conflicts of interest

None of the Supervisory Board members holds positions on the governing bodies of or provides consultancy services to the Group's main competitors. The Supervisory Board has not been informed of any conflicts of interest affecting individual members during the year under review.

Full compliance with the recommendations of the German Corporate Governance Code

In December 2014, the Board of Management and the Supervisory Board issued an unqualified Declaration of Conformity pursuant to section 161 of the AktG, which was also published on the company's website. The declarations from previous years are also available on the website. In financial year 2014, Deutsche Post AG complied with all recommendations of the Government Commission for the German Corporate Governance Code, as amended on 13 May 2013 and 24 June 2014. The company also intends to continue to comply with all recommendations contained in the Code as amended on 24 June 2014. The Corporate Governance Report (page 111 ff.) contains more information about corporate governance within the company and the remuneration report.

Annual and consolidated financial statements audited

The auditors appointed by the AGM, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (PwC), Düsseldorf, conducted an audit of the annual and consolidated financial statements for financial year 2014, including the respective management reports, and issued unqualified audit opinions. PwC also reviewed the quarterly financial reports and the interim report for the first half of the year.

Following a detailed preliminary assessment by the Finance and Audit Committee, the Supervisory Board reviewed the 2014 annual and consolidated financial statements and the management reports, including the appropriation of the net retained profit as proposed by the Board of Management, at the financial statements meeting held on 10 March 2015. The auditors' reports were made available to all Supervisory Board members and were discussed in detail with the Board of Management in the presence of the auditors. The Supervisory Board concurred with the results of the audit and approved the annual and consolidated financial statements for financial year 2014, as recommended by the Finance and Audit Committee. No objections were raised on the basis of the final outcome of the examination by the Supervisory Board and the Finance and Audit Committee of the annual and consolidated financial statements, the management reports and the proposal for the appropriation of the net retained profit. The Supervisory Board endorses the Board of Management's proposal for the appropriation of the net retained profit and the payment of a dividend of €0.85 per share.

We would like to thank the Board of Management and all employees for their genuine commitment and all their hard work in a challenging economic climate. You have all made an important contribution to the company's success.

Bonn, 10 March 2015
The Supervisory Board



Wulf von Schimmelmann
Chairman

SUPERVISORY BOARD

B.01 Members of the Supervisory Board

Shareholder representatives

Prof. Dr Wulf von Schimmelmann (Chair)
Former CEO of Deutsche Postbank AG

Hero Brahms (until 27 May 2014)
Management consultant

Werner Gatzler
State Secretary, Federal Ministry of Finance

Prof. Dr Henning Kagermann
Former CEO of SAP AG

Thomas Kunz
CEO of Danone Dairy, member of the Executive Committee of Danone S.A., France

Simone Menne (since 27 May 2014)
Member of the Executive Board, Deutsche Lufthansa AG

Roland Oetker
Managing Partner, ROI Verwaltungsgesellschaft mbH

Dr Ulrich Schröder
CEO of KfW Bankengruppe

Dr Stefan Schulte
Chair of the Executive Board of Fraport AG

Elmar Toime
Managing Director, E Toime Consulting Ltd.

Prof. Dr-Ing. Katja Windt
Bernd Rogge Chair of Global Production Logistics
President/Member of the Executive Board of Jacobs University Bremen gGmbH

Employee representatives

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

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

Heinrich Josef Busch (until 30 November 2014)
Chair of the Group and Company Executive Representation Committee, Deutsche Post AG

Jörg von Dosky (since 9 December 2014)
Chair of the Group and Company Executive Representation Committee, Deutsche Post AG

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

Anke Kufalt
Member of the Works Council, DHL Global Forwarding GmbH, Hamburg (until 26 May 2014)

Chair of the Works Council, DHL Global Forwarding GmbH, Hamburg (since 27 May 2014)

Andreas Schädler
Chair of the Central Works Council, Deutsche Post AG

Sabine Schielmann
Member of the Executive Board of the Central Works Council, Deutsche Post AG

Stephan Teuscher
Head of wage, civil servant and social policies in the Postal Services, Forwarding Companies and Logistics department ver.di national administration

Helga Thiel
Deputy Chair of the Central Works Council, Deutsche Post AG

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

B.02 Committees of the Supervisory Board

Executive Committee

Prof. Dr Wulf von Schimmelmann (Chair)
Andrea Kocsis (Deputy Chair)
Rolf Bauermeister
Werner Gatzler
Roland Oetker
Stefanie Weckesser

Finance and Audit Committee

Dr Stefan Schulte (Chair) (since 27 May 2014)
Hero Brahms (Chair) (until 27 May 2014)
Stephan Teuscher (Deputy Chair)
Werner Gatzler
Thomas Koczelnik
Simone Menne (since 27 May 2014)
Helga Thiel

Personnel Committee

Andrea Kocsis (Chair)
Prof. Dr Wulf von Schimmelmann (Deputy Chair)
Thomas Koczelnik
Roland Oetker

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

Prof. Dr Wulf von Schimmelmann (Chair)
Andrea Kocsis (Deputy Chair)
Rolf Bauermeister
Roland Oetker

Nomination Committee

Prof. Dr Wulf von Schimmelmann (Chair)
Werner Gatzler
Roland Oetker

Strategy Committee

Prof. Dr Wulf von Schimmelmann (Chair)
Andrea Kocsis (Deputy Chair)
Rolf Bauermeister
Prof. Dr Henning Kagermann
Thomas Koczelnik
Dr Ulrich Schröder

MANDATES

B.03 Mandates held by the Board of Management

Membership of supervisory boards required by law	Membership of comparable bodies	
Lawrence Rosen Deutsche Postbank AG	Ken Allen DHL-Sinotrans International Air Courier Ltd, China (Board of Directors) ¹	Bruce Edwards (until 10 March 2014) Ashtead plc, UK (Board of Directors) Greif, Inc., USA (Board of Directors)
	Roger Crook DHL Global Forwarding Management (Asia Pacific) Pte Ltd, Singapore (Board of Directors) ¹	Williams Lea Group Limited, UK (Board of Directors) ¹ Williams Lea Holdings PLC, UK (Board of Directors, Chair) ¹
		Lawrence Rosen Qiagen N.V. (Supervisory Board)

¹ Group mandate.

B.04 Mandates held by the Supervisory Board

Shareholder representatives		Employee representatives
Membership of supervisory boards required by law	Membership of comparable bodies	Membership of supervisory boards required by law
Prof. Dr Wulf von Schimmelmänn (Chair) Allianz Deutschland AG Maxingvest AG	Prof. Dr Wulf von Schimmelmänn (Chair) Accenture Corp., Ireland (Board of Directors) Thomson Reuters Corp., Canada (Board of Directors) Western Union Company, USA (Board of Directors) (until 16 May 2014)	Rolf Bauermeister Deutsche Postbank AG
Hero Brahms (until 27 May 2014) Georgsmarienhütte Holding GmbH (Deputy Chair) Krauss-Maffei-Wegmann GmbH & Co. KG Live Holding AG (Chair) (until 15 January 2014)	Hero Brahms (until 27 May 2014) Zumtobel AG, Austria (Supervisory Board, Deputy Chair)	Andreas Schädler PSD Bank Köln eG (Chair)
Werner Gatzler Bundesdruckerei GmbH Flughafen Berlin Brandenburg GmbH Partnerschaften Deutschland öPP Deutschland AG (since 10 October 2014)	Prof. Dr Henning Kagermann Nokia Corporation, Finland (Board of Directors) (until 17 June 2014) Wipro Ltd., India (Board of Directors) (until 30 June 2014)	Stephan Teuscher DHL Hub Leipzig GmbH (Supervisory Board, Deputy Chair)
Prof. Dr Henning Kagermann BMW AG Deutsche Bank AG Franz Haniel & Cie. GmbH Münchener Rückversicherungs-Gesellschaft AG	Simone Menne Frankfurt Stock Exchange (Exchange Council) (since 14 November 2014) Miles & More GmbH (Advisory Council, Chair) (since 4 September 2014) ¹	Helga Thiel PSD Bank Köln eG (Deputy Chair)
Simone Menne (since 27 May 2014) Delvag Luftfahrtversicherungs-AG, Germany (Chair) ¹ LSG Lufthansa Service Holding AG, Germany (Chair) ¹ Lufthansa Cargo AG, Germany ¹ Lufthansa Systems AG, Germany (Chair) ¹ Lufthansa Technik AG, Germany ¹	Roland Oetker Rheinisch-Bergische Verlagsgesellschaft mbH (Supervisory Board)	
Roland Oetker Evotec AG (until 16 June 2014)	Dr Ulrich Schröder DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (Supervisory Board)	
Dr Ulrich Schröder Deutsche Telekom AG	Elmar Toime Postea Inc., USA (Non-Executive Chairman) Blackbay Ltd., United Kingdom (Non-Executive Director) (since 7 March 2014) Qatar Postal Services Company, Qatar (Non-Executive Director) (since 19 November 2014)	
Prof. Dr-Ing. Katja Windt Fraport AG		

¹ Group mandates, Deutsche Lufthansa.

CORPORATE GOVERNANCE REPORT

Annual Corporate Governance Statement pursuant to section 289a of the *Handelsgesetzbuch* (HGB – German Commercial Code)

This Annual Corporate Governance Statement contains information about the main components of Deutsche Post DHL Group's corporate governance structure. These include the Declaration of Conformity by the Board of Management and the Supervisory Board, relevant corporate governance practices that exceed legal requirements, the working methods of the Board of Management and the Supervisory Board, the composition and working methods of the committees, and the composition targets for the Supervisory Board.

 dpdhl.com/en/investors

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

In December 2014, the Board of Management and the Supervisory Board once again issued an unqualified Declaration of Conformity pursuant to section 161 of the AktG, which reads as follows:

“The Board of Management and the Supervisory Board of Deutsche Post AG declare that the recommendations of the Government Commission German Corporate Governance Code in the version dated 13 May 2013/24 June 2014 have been complied with since issuance of the Declaration of Conformity in December 2013 and that it is intended to comply with all recommendations of the Code in the version dated 24 June 2014 in the future.”

We also intend to implement the suggestions made in the Code, with one exception: the Annual General Meeting will only be broadcast on the internet up to the end of the Chief Executive Officer's address.

Specific corporate governance practices

Our guiding principle is “respect and results”: we expect our corporate governance to rise to the challenge of achieving first-class results every day whilst also considering the needs of our employees, customers and investors.

Accepting corporate responsibility is integral to our Group strategy. We put our knowledge and global presence to good use so as to make a positive contribution to the environment, society and our business. We systematically include our stakeholders' expectations and needs in our strategic decisions, develop sustainable solutions for our customers and use our expertise in logistics to also address social issues. We concentrate these efforts on environmental protection, disaster management and improving educational and employment opportunities. We also support voluntary activities undertaken by our employees. Our annual Group-wide Employee Opinion Survey has again revealed high levels of continuing positive feedback. As in 2013, 77% of our employees participated in the survey.

 [Employees, page 73](#)

Furthermore, the annual private customer survey conducted by the *Kundenmonitor Deutschland* independent market study confirmed that customer satisfaction remains high at 95%. We achieved excellent results in transit times for letters sent within Germany, thus exceeding the statutory requirement of 80% for next-day letter deliveries by a wide margin. According to surveys conducted by the quality research institute Quotas, 94% of the letters received during our daily opening hours and before final post box collections were delivered the next day.

Code of Conduct, diversity and compliance management

Our Code of Conduct remained unchanged in 2014. It has been a firm part of our corporate culture since 2006 and is applicable to all regions and divisions and the basis of guidelines within the Group. The Code of Conduct and these guidelines, together with regional guidelines and procedures, provide the framework for ethical and environmentally sound corporate conduct. The guidelines serve as a clear point of reference for all employees, informing them of our values and principles. The guidelines are based upon the principles set out in the Universal Declaration of Human Rights, the United Nations (UN) Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work of 1998 and the OECD Guidelines for multinational enterprises. The Code is available in 21 languages. Employees can attend webinars to learn about the Code.

The Code of Conduct also sets out our commitment to the health of our employees, respect for human rights, the rejection of child and forced labour, and our position on diversity and inclusion. The Corporate Diversity & Inclusion Statement issued in 2013 reflects our belief that diversity represents both a key factor for success and a distinct competitive advantage. In the Statement we also undertake to promote an inclusive working environment and express our opposition to all forms of discrimination. The Diversity Council began work in February 2014, meeting on three occasions during the year under review. The participants discussed the strategic direction of diversity and exchanged views on the divisions' various requirements of diversity management.

The Supervisory Board supports the Group's diversity strategy, placing particular emphasis on the target for increasing the number of women on the Board of Management. The Supervisory Board sees efforts to increase diversity as part of long-term succession planning, for which the Supervisory Board and Board of Management are jointly responsible. In the opinion of the Supervisory Board, the targeted increase in the number of women in executive positions is necessary to ensure that, overall, more suitable female candidates are available for vacant positions on the Board of Management. As at 31 December 2014 the proportion of women in management around the world remained almost stable at 19.3% (previous year: 19.6%). The international composition of the Board of Management already clearly reflects the company's international activities.

In order to protect our employees from hazards and risks in the workplace, we have created a comprehensive regulatory framework that goes far beyond statutory occupational safety requirements and minimum standards. In addition, preventive measures were defined in the course of occupational safety information events organised around Germany in the year under review. We seek to maintain and improve the health and wellbeing of our employees. All measures undertaken to promote health and safety at work are consistent with our Group-wide strategy for health, safety and wellbeing.

Within Deutsche Post DHL Group, the Chief Compliance Officer is responsible for the compliance management system and reports directly to the Chief Financial Officer. The Chief Compliance Officer is supported by the Global Compliance Office, which establishes Group-wide compliance management standards and supports the implementation of related activities within the divisions. Each of the four operating divisions has a Compliance Officer, who regularly presents a report to the Board of Management member for the respective division. These reports are incorporated into the Chief Compliance Officer's report to the Board of Management and to the Finance and Audit Committee of the Supervisory Board.

The main compliance management activities within Deutsche Post DHL Group include creating a system for identifying potential compliance risks, evaluating business partner compliance, and developing and organising compliance-related training and communications. Our compliance hotline is a key factor in reporting breaches of the law or our guidelines. The hotline is available in around 150 countries and assists employees in reporting potential breaches of the law or the Code of Conduct within the company. The hotline also provides a structure for addressing and resolving such breaches. The insights gained from reported cases are used to improve the compliance management system on an on-going basis. Group-wide communications on compliance ensure that all employees are aware of the relevance of compliance, and provide briefings on specific features of the Code of Conduct.

Working methods of the Board of Management and the Supervisory Board

As a German public limited company, Deutsche Post AG is required to use a dual management system. The Board of Management is responsible for managing the company. The Board of Management is appointed, overseen and advised by the Supervisory Board.

In addition to the board departments of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Board Member for Human Resources, the Board of Management also includes four operating divisions: Post - eCommerce - Parcel, Express, Global Forwarding, Freight, and Supply Chain. Group management functions are centralised in the Corporate Center. The Group Strategy provides a framework for the whole Group. It follows the goal of remaining the postal service for Germany and becoming the logistics company for the world. The Board's rules of procedure lay down objectives for the basic internal structure, management and co-operation within the Board of Management. Within this framework, each Board member manages their department independently and informs the rest of the Board about key developments at regular intervals. The Board of Management as a whole decides on matters of particular significance for the company or the Group, including all decisions that have to be presented to the Supervisory Board for approval, and on all tasks that cannot be delegated by law. The entire Board of Management also decides upon matters presented by one member of the Board of Management for decision by the Board of Management as a whole.

When making decisions, members of the Board of Management may not act in their own personal interest or exploit corporate business opportunities for their own benefit. The Supervisory Board must be informed of any conflicts of interest without delay.

The Supervisory Board advises and oversees the Board of Management and also appoints the members of the Board of Management. The Supervisory Board has established rules of procedure that include the basic internal structure, a catalogue of Board of Management transactions requiring Supervisory Board approval and rules for the Supervisory Board committees. The Supervisory Board meets at least twice every six months in a calendar year. Extraordinary Supervisory Board meetings are held whenever particular developments or measures need to be discussed or approved promptly. In financial year 2014, the Supervisory Board met for eight plenary meetings, 20 committee meetings and one closed meeting, as described in the Report of the Supervisory Board. All members attended at least half of the meetings. The overall attendance rate remained high in the year under review, at over 95%.

 Members, page 16 f.,
Mandates, page 110

 Objectives and strategies,
page 30 f.

 Members, page 109,
Mandates, page 110

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The Board of Management and the Supervisory Board engage in regular dialogue regarding the Group's financial position and performance, strategic initiatives, key business transactions, the progress of acquisitions, compliance and compliance management, risk exposure and risk management, and all material planning and related implementation issues. The Board of Management informs the Supervisory Board promptly and in full about all issues of significance. The Chairman of the Supervisory Board and the CEO maintain close contact and discuss current issues. The Chairman of the Supervisory Board also has regular contact with other Board of Management members between Supervisory Board meetings.

The Supervisory Board carries out an annual efficiency review of the work of the Supervisory Board, which includes assessing co-operation with the Board of Management. The efficiency review for financial year 2014 concluded that the Supervisory Board had performed its monitoring and advisory duties efficiently and effectively.

All Supervisory Board decisions, particularly those concerning transactions that require Supervisory Board approval, are discussed in detail in advance by the relevant committees. Each Supervisory Board plenary meeting includes a detailed report on the committees' work and decisions taken.

None of the Supervisory Board members holds positions on the governing bodies of, or provides consultancy services to, the Group's main competitors. The Supervisory Board has not been informed of any conflicts of interest affecting individual members during the year under review.

Executive committees and Supervisory Board committees

Executive committees prepare the decisions to be made by the entire Board of Management and take decisions on matters delegated to them. The duties of the executive committees include preparing and/or approving investments and transactions in the various divisions. The Deutsche Post Executive Committee is responsible for the Post - eCommerce - Parcel division; the cross-divisional DHL Executive Committee is in charge of the Express, Global Forwarding, Freight, and Supply Chain divisions; the CC & GBS Executive Committee covers the Corporate Center (CC) and Global Business Services (GBS). The CEO, the CFO and the Board Member for Human Resources have permanent representation on the committees, whilst the Board members responsible for the divisions are represented on the committees in matters relating to their divisions. First-tier executives from the level immediately below the Board of Management also attend executive committee meetings that cover topics relevant to their field. For example, Accounting & Controlling, Corporate Finance, Corporate Development and Legal Services will be invited to take part in discussions on acquisitions. The Deutsche Post Executive Committee and the DHL Executive Committee each meet at least once a month; the CC & GBS Executive Committee usually meets every quarter.

Business review meetings also take place once a quarter. These meetings are part of the strategic performance dialogue between the divisions, the CEO and the CFO. The business review meetings discuss strategic initiatives, operational matters and the budgetary situation of the divisions.

For details of the members of the Board of Management, see the sections on the Board of Management and Mandates held by the Board of Management.

The Supervisory Board has formed six committees to ensure the efficient discharge of its duties. In particular, these committees prepare the resolutions for the Supervisory Board plenary meetings. The Supervisory Board delegates the final decisions on certain topics to the individual committees.

The Executive Committee's duties include arranging the appointment of members of the Board of Management and determining the Board of Management remuneration for approval by the Supervisory Board plenary meeting. The members of the Executive Committee are Wulf von Schimmelmann (Chair), Andrea Kocsis (Deputy Chair), Rolf Bauermeister, Werner Gatzler, Roland Oetker and Stefanie Weckesser.

The Finance and Audit Committee oversees the accounting process, the effectiveness of the internal control system, the risk management and internal auditing systems, and the audit of the financial statements. It examines corporate compliance issues and discusses the half-yearly and quarterly financial reports with the Board of Management before publication. Based upon its own preliminary assessment, the Committee submits proposals for approval of the annual and consolidated financial statements by the Supervisory Board. The members of the Finance and Audit Committee are Stefan Schulte (Chair), Stephan Teuscher (Deputy Chair), Werner Gatzler, Thomas Koczelnik, Simone Menne and Helga Thiel. The Chair of the Finance and Audit Committee, Stefan Schulte, is a financial expert as defined in sections 100 (5) and 107 (4) of the AktG.

The Personnel Committee discusses human resources principles for the Group. The members of the Personnel Committee are Andrea Kocsis (Chair), Wulf von Schimmelmann (Deputy Chair), Thomas Koczelnik and Roland Oetker.

The Mediation Committee carries out the duties assigned to it pursuant to the *Mitbestimmungsgesetz* (MitbestG – German Co-determination Act). The members of the Mediation Committee are Wulf von Schimmelmann (Chair), Andrea Kocsis (Deputy Chair), Rolf Bauermeister and Roland Oetker.

The Nomination Committee presents the shareholder representatives of the Supervisory Board with recommendations for shareholder candidates for election to the Supervisory Board at the AGM. The members of the Nomination Committee are Wulf von Schimmelmann (Chair), Werner Gatzler and Roland Oetker.

The Strategy Committee prepares material for strategy discussions in the Supervisory Board and for resolutions on corporate acquisitions and disposals requiring approval by the plenary meeting of the Supervisory Board. The Committee also regularly discusses the competitive position of the company and the individual divisions. The members of the Strategy Committee are Wulf von Schimmelmann (Chair), Andrea Kocsis (Deputy Chair), Rolf Bauermeister, Henning Kagermann, Thomas Koczelnik and Ulrich Schröder.

Information about the work of the Supervisory Board and its committees in financial year 2014 is also contained in the [Report of the Supervisory Board](#). Details of the members of the Supervisory Board and the composition of the Supervisory Board committees can be found in the sections on the [Supervisory Board](#) and [Mandates held by the Supervisory Board](#).

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 Members, page 109,
Mandates, page 110

Targets for the composition of the Supervisory Board

The Supervisory Board set specific targets for its composition in December 2010. In 2012, the Supervisory Board added a target for the number of independent Supervisory Board members. During the year under review, the Supervisory Board resolved to pursue the goal of 30% of its members being women beyond 2015.

- 1 The candidates proposed by the Supervisory Board to the AGM for election as Supervisory Board members must be made purely in the interests of the company. Subject to this requirement, the Supervisory Board aims to ensure that the independent Supervisory Board members as defined in number 5.4.2 of the German Corporate Governance Code comprise at least 75% of the Supervisory Board and that at least 30% of the Supervisory Board members are women.

- 2 The company's international activities are already adequately reflected in the composition of the Supervisory Board. The Supervisory Board aims to maintain this and will therefore, in future proposals to the AGM, consider candidates whose origin, education or professional experience equip them with international knowledge and experience.
- 3 Conflicts of interest affecting Supervisory Board members are an obstacle to providing independent and efficient advice to, and supervision of, the Board of Management. The Supervisory Board will decide how to deal with potential or actual conflicts of interest on a case-by-case basis, in accordance with the law and giving due consideration to the German Corporate Governance Code.
- 4 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 the term of office ends no later than the close of the Annual General Meeting after the Supervisory Board member reaches the age of 72.

The current composition of the Supervisory Board meets all these targets. Simone Menne was elected as a member of the Supervisory Board by the 2014 AGM. She has worked for Lufthansa AG for many years, which has given her a great deal of business experience and an excellent understanding of the industry. Simone Menne will also be able to support the Supervisory Board as an additional financial expert. With regard to the employee representatives, Heinrich Josef Busch, the executive management representative, resigned from the Supervisory Board as of 30 November 2014, after many years of service. He was succeeded by Jörg von Dosky, who was appointed by the court as a Supervisory Board member on 9 December 2014. Having been a manager with the company for many years, Jörg von Dosky has a sound understanding of the management perspective. At present, 35% of Supervisory Board members are female, which is above our target. The number of independent members of the Supervisory Board also currently exceeds the target. All members of the Supervisory Board are independent members as defined by the German Corporate Governance Code. In view of the European Commission's recommendation on independent non-executive directors, the wide-ranging protection against summary dismissal and the ban on discrimination contained in the *Betriebsverfassungsgesetz* (German Works Constitution Act) and *Mitbestimmungsgesetz* (German Co-Determination Act), it must be assumed that being an employee is consistent with the requirement for independence as defined by the Code. The largest shareholder in the company, KfW Bankengruppe, currently holds approximately 21% of shares in Deutsche Post AG. There are therefore no controlling shareholders as defined in the Code with whom relationships might exist that could call into question the Supervisory Board's independence. The international nature of the company's business is also appropriately reflected in the extensive international experience of many Supervisory Board members.

Remuneration report

The remuneration report also forms part of the Group Management Report.

Remuneration structure of the Group Board of Management in financial year 2014

The remuneration paid to individual Board of Management members for financial year 2014 was determined by the Supervisory Board, which held consultations to resolve on the total remuneration to be paid to the individual members of the Board of Management, including the main contractual elements. In so doing it obtained advice from an independent remuneration consultant.

The Board of Management remuneration reflects the size and global reach of the company, its economic and financial situation and the roles and achievements of the individual members. It is set to ensure competitiveness with comparable German and international companies, thus incentivising the Board of Management members to deliver maximum performance and achieve results.

The remuneration paid to the Board of Management for 2014 is in line with standard market practice, appropriate to the tasks involved and designed to reward performance; it comprises fixed (non-performance-related) elements and variable (performance-related) elements, which include short, medium and long-term incentives. The remuneration as a whole as well as its variable components have been capped.

Non-performance-related components are the annual base salary (fixed annual remuneration), fringe benefits and pension commitments. The annual base salary is paid in twelve equal monthly instalments retroactively at the end of each month. Fringe benefits mainly comprise the use of company cars, supplements for insurance premiums and special allowances and benefits for assignments outside the home country.

The variable remuneration paid to the Board of Management is almost entirely medium and long-term based. More than half of the variable target remuneration consists of a long-term incentive plan (LTIP) with a four-year calculation period; the rest is made up of an annual bonus linked to the company's yearly profits, with 50% of the annual bonus flowing into a medium-term component with a three-year calculation period (deferral). Thus less than a quarter of the variable remuneration component is paid out on the basis of a one-year calculation. The amount of the annual bonus is set at the due discretion of the Supervisory Board on the basis of the company's performance. The individual annual bonus amounts reflect the extent to which predefined targets are achieved, missed or exceeded. The maximum amount of the annual bonus may not exceed 100% of the annual base salary.

In the reporting year, the same criteria were used to calculate the amount of the annual bonus as in the previous year. A key parameter for all Board of Management members is the Group's EBIT after asset charge performance metric, including the asset charge on goodwill before goodwill impairment (EAC). For the Board of Management members in charge of the Post - eCommerce - Parcel, Express, Global Forwarding, Freight and Supply Chain divisions, the EAC of their respective division is also a key parameter. The Group's reported free cash flow is one of the targets applicable to all members of the Board of Management. Furthermore, an employee-related target is agreed with all Board of Management members based upon the annual Employee Opinion Survey, as are additional targets.

Achievement of the upper targets for the financial year that have been agreed based upon demanding objectives is rewarded with the maximum annual bonus. If the targets specified for the financial year are only partially reached or completely missed, the annual bonus will be paid on a pro-rata basis or not at all. The Supervisory Board may also elect to award an appropriate special bonus for extraordinary achievement.

The annual bonus is not paid in full in a single instalment on the basis of having reached the agreed targets. Instead, 50% of the annual bonus flows into a medium-term component with a three-year calculation period (performance phase of one year, sustainability phase of two years). This medium-term component will be paid out after expiry of the sustainability phase subject to the condition that EAC, as an indicator of sustainability, is reached during the sustainability phase. Otherwise, payment of the medium-term component is forfeited without compensation. This demerit system puts greater emphasis on sustainable company development in determining management board remuneration and sets long-term incentives.

Stock appreciation rights (SARs) are granted as a long-term remuneration component based upon the LTIP resolved by the Supervisory Board in 2006 (2006 LTIP).

Each SAR entitles the holder 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 exercise price of the SAR. In 2014, the members of the Board of Management each made a personal financial investment consisting of 10% of their annual base salary. The waiting period for the stock appreciation rights is four years from the date on which they were granted. After expiration of the waiting period, and provided an absolute or relative performance target has been achieved, the SARs can be exercised wholly or partially for a period of two years. Any SARs not exercised during this two-year period will expire.

To determine how many, if any, of the SARs granted can be exercised, the average share price or the average index value for the reference period is compared with that of the performance period. The reference period comprises the last 20 consecutive trading days prior to the issue date. The performance period is the last 60 trading days before the end of the waiting period. The average (closing) price is calculated as the average closing price of Deutsche Post shares in Deutsche Börse AG's Xetra trading system.

A maximum of four out of every six SARs can be earned via the absolute performance target, and a maximum of two via the relative performance target. If neither an absolute nor a relative performance target is met by the end of the waiting period, the SARs attributable to the related tranche will expire without replacement or compensation.

One SAR is earned each time the closing price of Deutsche Post shares exceeds the issue price by at least 10, 15, 20 or 25%. The relative performance target is tied to the performance of the shares in relation to the STOXX Europe 600 Index (SXXP, ISIN EU0009658202). It is met if the share price equals the index performance or if it outperforms the index by at least 10%.

The proceeds from stock appreciation rights are limited to a maximum amount. The individual amount limits for the 2014 tranche can be seen in tables B.05 and B.06. The remuneration from stock appreciation rights may be limited by the Supervisory Board in the event of extraordinary circumstances.

Provisions to cap severance payments pursuant to the Corporate Governance Code recommendation, change-of-control provisions and post-contractual non-compete clauses

In accordance with the recommendation of the German Corporate Governance Code, Board of Management contracts contain a provision stipulating that in the event of premature 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 without any special remuneration or the value of rights allocated from LTIPs.

In the event of a change in 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 in control, after giving three months' notice by the end of a given month, and to terminate their Board of Management contract (right to early termination).

The contractual provisions stipulate that a change of control exists if a shareholder has acquired control within the meaning of section 29 (2) of the *Wertpapiererwerbs- und Übernahmegesetz* (WpÜG – German Securities Acquisition and Takeover Act) via possession of at least 30% of the voting rights, including the voting rights attributable to such shareholder by virtue of acting in concert with other shareholders as set forth in section 30 of the WpÜG or if a control agreement has been concluded with the company as a dependent entity in accordance with section 291 of the AktG and such agreement has taken effect or if the company has merged with another legal entity outside of the Group pursuant to section 2 of the *Umwandlungsgesetz* (UmwG – German Reorganisation and Transformation Act), unless the value of such other legal entity, as determined by the agreed conversion rate, is less than 50% of the value of the company.

In the event that the right to early termination is exercised or a Board of Management contract is terminated by mutual consent within nine months of the change of control, the Board of Management member is entitled to payment to compensate the remaining term of their Board of Management contract. Such payment is limited to 150% of the severance payment cap pursuant to the recommendation of the German Corporate Governance Code. The amount of the payment is reduced by 25% if the Board of Management member has not reached the age of 60 upon leaving the company. If the remaining term of the Board of Management contract is less than two years and the Board of Management member has not reached the age of 62 upon leaving the company, the payment will correspond to the severance payment cap. The same applies if a Board of Management contract expires prior to the Board of Management member's reaching the age of 62 because less than nine months remained on the term of the contract at the time of the change of control and the contract was not renewed.

Board of Management members are also subject to a non-compete clause, taking effect on the cessation of their contracts. During the one-year non-compete period, former Board of Management members receive 100% of their last contractually stipulated annual base salary on a pro-rata basis as compensation each month. Any other income earned during the non-compete period is subtracted from the compensation paid. The amount of the compensation payment itself is deducted from any severance payments or pension payments. Prior to, or concurrent with, cessation 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.

Apart from the aforementioned arrangements, no member of the Board of Management has been promised any further benefits after leaving the company.

Other provisions

Bruce Edwards went into retirement at the end of 30 September 2014. In the period between leaving his seat on the Board of Management on 10 March 2014 and going into retirement he was active in a consultative capacity for the company. Mr Edwards received total remuneration of €1,080,346 for that period.

Angela Titzrath left her position as member of the company's Board of Management on 2 July 2014 and left the company at the expiry of 31 July 2014. She received a payment in the amount of €1,392,589 to settle the claims arising from her employment agreement.

Amount of remuneration paid to members of the Group Board of Management in financial year 2014

The remuneration paid to members of the Board of Management in financial year 2014 totalled €13.61 million (previous year: €13.21 million) in accordance with the applicable international accounting standards. This amount comprised €7.62 million in non-performance-related components (previous year: €7.84 million) and €5.99 million in the performance-related component paid out (previous year: €5.37 million). An additional €3.22 million of the performance-related component was transferred to the medium-term component and will be paid out in 2017 subject to the condition that the required EAC, as an indicator of sustainability, be reached.

The members of the Board of Management were granted a total of 1,591,332 SARs in financial year 2014 for a total value of €7.30 million (previous year: €7.30 million) at the time of issue (1 September 2014). The total remuneration of the Board of Management members is presented individually in the tables below. In addition to the applicable accounting principles, the new recommendations of the German Corporate Governance Code were also taken into account.

In accordance with the recommendations, the “target remuneration” tables (B.05 and B.06, or “benefits granted” in the language of the German Corporate Governance Code) do not show any actual payments of performance-based remuneration. By contrast with the statement of the payment amount, the target amount for the one-year variable remuneration and the portion of the one-year variable remuneration to be deferred (deferral) that was granted for financial year 2014 or for the previous year is stated (i.e., the amount when achieving 100% of the target). In addition, the long-term remuneration (LTIP with a four-year waiting period) granted in the reporting year or in the previous year is reported at the fair value at the time granted. 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.

B.05 Target remuneration for the Board of Management members active as at 31 December 2014

€	Dr Frank Appel Chairman			
	2013	2014	Min. 2014	Max. 2014
a) Non-performance-related remuneration				
Base salary	1,962,556	1,962,556	1,962,556	1,962,556
Fringe benefits	30,093	49,122	49,122	49,122
Total (lit. a)	1,992,649	2,011,678	2,011,678	2,011,678
b) Performance-related remuneration				
One-year variable remuneration	785,022	785,022	0	981,278
Multi-year variable remuneration	2,747,581	2,747,605	0	5,887,668
LTIP with four-year waiting period	1,962,559	1,962,583	0	4,906,390
Deferral with three-year waiting period	785,022	785,022	0	981,278
Total (lit. a and b)	5,525,252	5,544,305	2,011,678	8,880,624
c) Pension expense (service cost)	823,857	802,179	802,179	802,179
Total DCGK remuneration (lit. a to c)	6,349,109	6,346,484	2,813,857	9,682,803
d) Variable cash remuneration pursuant to DRS 17				
One-year variable remuneration (payment amount)	834,086	928,682		
Payout from medium-term component	436,268	519,194		
Total remuneration (cash components) pursuant to DRS 17 (lit. a and d)	3,263,003	3,459,554		

	Ken Allen Express				Roger Crook Global Forwarding, Freight			
	2013	2014	Min. 2014	Max. 2014	2013	2014	Min. 2014	Max. 2014
a) Non-performance-related remuneration								
Base salary	930,000	930,000	930,000	930,000	860,000	912,500	912,500	912,500
Fringe benefits	97,403	106,274	106,274	106,274	203,918	210,096	210,096	210,096
Total (lit. a)	1,027,403	1,036,274	1,036,274	1,036,274	1,063,918	1,122,596	1,122,596	1,122,596
b) Performance-related remuneration								
One-year variable remuneration	372,000	372,000	0	465,000	344,000	365,000	0	456,250
Multi-year variable remuneration	1,302,010	1,302,026	0	4,185,000	1,204,016	1,295,026	0	4,176,250
LTIP with four-year waiting period	930,010	930,026	0	3,720,000	860,016	930,026	0	3,720,000
Deferral with three-year waiting period	372,000	372,000	0	465,000	344,000	365,000	0	456,250
Total (lit. a and b)	2,701,413	2,710,300	1,036,274	5,686,274	2,611,934	2,782,622	1,122,596	5,755,096
c) Pension expense (service cost)	318,826	321,620	321,620	321,620	298,666	301,904	301,904	301,904
Total DCGK remuneration (lit. a to c)	3,020,239	3,031,920	1,357,894	6,007,894	2,910,600	3,084,526	1,424,500	6,057,000
d) Variable cash remuneration pursuant to DRS 17								
One-year variable remuneration (payment amount)	453,375	447,935			384,678	336,849		
Payout from medium-term component	208,708	419,100			290,228	407,756		
Total remuneration (cash components) pursuant to DRS 17 (lit. a and d)	1,689,486	1,903,309			1,738,824	1,867,201		

	Jürgen Gerdes Post - eCommerce - Parcel				John Gilbert Supply Chain (since 11 March 2014)			
	2013	2014	Min. 2014	Max. 2014	2013	2014	Min. 2014	Max. 2014
a) Non-performance-related remuneration								
Base salary	953,250	976,500	976,500	976,500	–	576,613	576,613	576,613
Fringe benefits	23,858	31,479	31,479	31,479	–	75,044	75,044	75,044
Total (lit. a)	977,108	1,007,979	1,007,979	1,007,979	–	651,657	651,657	651,657
b) Performance-related remuneration								
One-year variable remuneration	381,300	390,600	0	488,250	–	230,645	0	288,307
Multi-year variable remuneration	1,357,810	1,367,113	0	4,394,250	–	945,666	0	3,148,307
LTIP with four-year waiting period	976,510	976,513	0	3,906,000	–	715,021	0	2,860,000
Deferral with three-year waiting period	381,300	390,600	0	488,250	–	230,645	0	288,307
Total (lit. a and b)	2,716,218	2,765,692	1,007,979	5,890,479	–	1,827,968	651,657	4,088,271
c) Pension expense (service cost)	244,254	239,548	239,548	239,548	–	–	–	–
Total DCGK remuneration (lit. a to c)	2,960,472	3,005,240	1,247,527	6,130,027	–	1,827,968	651,657	4,088,271
d) Variable cash remuneration pursuant to DRS 17								
One-year variable remuneration (payment amount)	457,274	470,331			–	277,726		
Payout from medium-term component	465,000	448,725			–	–		
Total remuneration (cash components) pursuant to DRS 17 (lit. a and d)	1,899,382	1,927,035			–	929,383		

	Melanie Kreis Human Resources (since 31 October 2014)				Lawrence Rosen Finance, Global Business Services			
	2013	2014	Min. 2014	Max. 2014	2013	2014	Min. 2014	Max. 2014
a) Non-performance-related remuneration								
Base salary	–	121,089	121,089	121,089	930,000	930,000	930,000	930,000
Fringe benefits	–	3,849	3,849	3,849	20,220	29,476	29,476	29,476
Total (lit. a)	–	124,938	124,938	124,938	950,220	959,476	959,476	959,476
b) Performance-related remuneration								
One-year variable remuneration	–	48,436	0	60,545	372,000	372,000	0	465,000
Multi-year variable remuneration	–	48,436	0	60,545	1,302,010	1,302,026	0	4,185,000
LTIP with four-year waiting period	–	0	0	0	930,010	930,026	0	3,720,000
Deferral with three-year waiting period	–	48,436	0	60,545	372,000	372,000	0	465,000
Total (lit. a and b)	–	221,810	124,938	246,028	2,624,230	2,633,502	959,476	5,609,476
c) Pension expense (service cost)	–	–	–	–	321,414	325,451	325,451	325,451
Total DCGK remuneration (lit. a to c)	–	221,810	124,938	246,028	2,945,644	2,958,953	1,284,927	5,934,927
d) Variable cash remuneration pursuant to DRS 17								
One-year variable remuneration (payment amount)	–	58,056			453,375	434,264		
Payout from medium-term component	–	–			215,000	295,350		
Total remuneration (cash components) pursuant to DRS 17 (lit. a and d)	–	182,994			1,618,595	1,689,090		

B.06 Target remuneration for the Board of Management members who left the company in financial year 2014

€	Bruce Edwards Supply Chain (until 10 March 2014)				Angela Titzrath Human Resources (until 1 July 2014)			
	2013	2014	Min. 2014	Max. 2014	2013	2014	Min. 2014	Max. 2014
a) Non-performance-related remuneration								
Base salary	930,000	180,000	180,000	180,000	715,000	390,020	390,020	390,020
Fringe benefits	124,884	52,423	52,423	52,423	61,234	77,294	77,294	77,294
Total (lit. a)	1,054,884	232,423	232,423	232,423	776,234	467,314	467,314	467,314
b) Performance-related remuneration								
One-year variable remuneration	372,000	72,000	0	90,000	286,000	156,008	0	195,010
Multi-year variable remuneration	1,302,010	72,000	0	90,000	1,001,017	1,016,027	0	3,635,010
LTIP with four-year waiting period	930,010	0	0	0	715,017	860,019	0	3,440,000
Deferral with three-year waiting period	372,000	72,000	0	90,000	286,000	156,008	0	195,010
Total (lit. a and b)	2,728,894	376,423	232,423	412,423	2,063,251	1,639,349	467,314	4,297,334
c) Pension expense (service cost)	327,236	325,446	325,446	325,446	239,711	246,742	246,742	246,742
Total DCGK remuneration (lit. a to c)	3,056,130	701,869	557,869	737,869	2,302,962	1,886,091	714,056	4,544,076
d) Variable cash remuneration pursuant to DRS 17								
One-year variable remuneration (payment amount)	446,493	86,697			303,875	174,807		
Payout from medium-term component	421,317	443,610			–	235,950		
Total remuneration (cash components) pursuant to DRS 17 (lit. a and d)	1,922,694	762,730			1,080,109	878,071		

The “payments” tables (B.07 and B.08) below include the same figures for fixed remuneration and fringe benefits as in the “target remuneration” tables (B.05 and B.06). By contrast with the presentation in the target remuneration tables, the one-year variable remuneration paid in financial year 2014 or in the previous year (the payment amount) is stated; the presentation therefore does not include the share of the annual bonus transferred to the medium-term component. With regard to the medium-term component (deferral), the payment amounts of the deferral whose calculation period ended upon expiry of the reporting year or the previous year is reported. The tables also reflect the amount paid (payment amount) from the tranches of the long-term components that were exercised in financial year 2014 or in the previous year. In addition, the pension expense (service cost in accordance with IAS 19) is stated pursuant to the recommendations of the German Corporate Governance Code. Although the pension expense does not represent an actual payment per se, it is included in the presentation for the purpose of illustrating the total remuneration.

B.07 Payments made to the Board of Management members active as at 31 December 2014

€	Dr Frank Appel Chairman	
	2013	2014
Payments		
Base salary	1,962,556	1,962,556
Fringe benefits	30,093	49,122
Total	1,992,649	2,011,678
One-year variable remuneration	834,086	928,682
Multi-year variable remuneration	4,221,236	5,845,059
Medium-term component (2011)	436,268	–
Medium-term component (2012)	–	519,194
LTIP (2009 tranche)	3,784,968	–
LTIP (2010 tranche)	–	5,325,865
Miscellaneous	–	–
Total	7,047,971	8,785,419
Pension expense (service cost)	823,857	802,179
Total	7,871,828	9,587,598

	Ken Allen Express		Roger Crook Global Forwarding, Freight		Jürgen Gerdes Post - eCommerce - Parcel	
	2013	2014	2013	2014	2013	2014
Payments						
Base salary	930,000	930,000	860,000	912,500	953,250	976,500
Fringe benefits	97,403	106,274	203,918	210,096	23,858	31,479
Total	1,027,403	1,036,274	1,063,918	1,122,596	977,108	1,007,979
One-year variable remuneration	453,375	447,935	384,678	336,849	457,274	470,331
Multi-year variable remuneration	2,730,482	4,015,170	290,228	407,756	2,976,610	4,141,942
Medium-term component (2011)	208,708	–	290,228	–	465,000	–
Medium-term component (2012)	–	419,100	–	407,756	–	448,725
LTIP (2009 tranche)	2,521,774	–	–	–	2,511,610	–
LTIP (2010 tranche)	–	3,596,070	–	–	–	3,693,217
Miscellaneous	–	–	–	–	–	–
Total	4,211,260	5,499,379	1,738,824	1,867,201	4,410,992	5,620,252
Pension expense (service cost)	318,826	321,620	298,666	301,904	244,254	239,548
Total	4,530,086	5,820,999	2,037,490	2,169,105	4,655,246	5,859,800

	John Gilbert Supply Chain (since 11 March 2014)		Melanie Kreis Human Resources (since 31 October 2014)		Lawrence Rosen Finance, Global Business Services	
	2013	2014	2013	2014	2013	2014
Payments						
Base salary	–	576,613	–	121,089	930,000	930,000
Fringe benefits	–	75,044	–	3,849	20,220	29,476
Total	–	651,657	–	124,938	950,220	959,476
One-year variable remuneration	–	277,726	–	58,056	453,375	434,264
Multi-year variable remuneration	–	–	–	–	2,774,610	3,994,924
Medium-term component (2011)	–	–	–	–	215,000	–
Medium-term component (2012)	–	–	–	–	–	295,350
LTIP (2009 tranche)	–	–	–	–	2,559,610	–
LTIP (2010 tranche)	–	–	–	–	–	3,699,574
Miscellaneous	–	–	–	–	–	–
Total	–	929,383	–	182,994	4,178,205	5,388,664
Pension expense (service cost)	–	–	–	–	321,414	325,451
Total	–	929,383	–	182,994	4,499,619	5,714,115

B.08 Payments made to the Board of Management members who left the company in financial year 2014

€	Bruce Edwards Supply Chain (until 10 March 2014)		Angela Titzrath Human Resources (until 1 July 2014)	
	2013	2014	2013	2014
Payments				
Base salary	930,000	180,000	715,000	390,020
Fringe benefits	124,884	52,423	61,234	77,294
Total	1,054,884	232,423	776,234	467,314
One-year variable remuneration	446,493	86,697	303,875	174,809
Multi-year variable remuneration	2,979,000	4,143,184	–	235,950
Medium-term component (2011)	421,317	–	–	–
Medium-term component (2012)	–	443,610	–	235,950
LTIP (2009 tranche)	2,557,683	–	–	–
LTIP (2010 tranche)	–	3,699,574	–	–
Miscellaneous	–	–	–	1,392,589
Total	4,480,377	4,462,304	1,080,109	2,270,660
Pension expense (service cost)	327,236	325,446	239,711	246,742
Total	4,807,613	4,787,750	1,319,820	2,517,402

B.09 Share-based component with long-term incentive effect

Number of shares	Number of SARS	
	2013 tranche	2014 tranche
Dr Frank Appel, Chairman	533,304	427,578
Ken Allen	252,720	202,620
Roger Crook	233,700	202,620
Bruce Edwards (until 10 March 2014)	252,720	–
Jürgen Gerdes	265,356	212,748
John Gilbert (since 11 March 2014)	–	155,778
Melanie Kreis (since 31 October 2014)	–	–
Lawrence Rosen	252,720	202,620
Angela Titzrath (until 1 July 2014)	194,298	187,368

Pension commitments under the previous system

Dr Frank Appel and Jürgen Gerdes have direct, final-salary-based pension commitments on the basis of their individual contracts, providing for benefits in case of permanent disability, death or retirement. If the contract of a member ends after at least five years of service on the Board of Management, the entitlements they have acquired will vest in full. Members become entitled to benefits due to permanent disability after at least five years of service. Eligibility for retirement benefits begins at the earliest at the age of 55, or at the age of 62 in the case of Jürgen Gerdes. The pensions are generally geared towards annuity payments. However, the members of the Board of Management have the option of choosing a lump sum payment instead of the annuity payment. The benefit amount depends on the pensionable income and the pension level derived from the years of service.

Pensionable income consists of the annual base salary (fixed annual remuneration) computed on the basis of the average salary over the last twelve calendar months of employment. Members of the Board of Management attain a pension level of 25% after five years of service. The maximum pension level of 50% is attained after ten years of service. Subsequent pension benefits increase or decrease to reflect changes in the consumer price index in Germany.

8.10 Individual breakdown of pension commitments under the previous system

	Pension commitments				
	Pension level on 31 Dec. 2013	Pension level on 31 Dec. 2014	Maximum pension level	Present value (DBO) as at 31 Dec. 2013	Present value (DBO) as at 31 Dec. 2014
	%	%	%	€	€
Dr Frank Appel, Chairman	50	50	50	11,083,250	17,206,903
Jürgen Gerdes	25	25	50	4,749,766	7,248,450
Total				15,833,016	24,455,353

The increase in the present value (DBO) as at 31 December 2014 compared with 31 December 2013 was due primarily to the significant reduction in the IAS discount rate. Since the pension commitments under the old system normally involve payment of a pension and thus a provision of benefits over a very long period, they are – by contrast with lump-sum commitments – subject to a high degree of interest rate risk, which is reflected directly in the amount of the DBO. For that reason, around 80% of the DBO increase is attributable to the interest rate risk.

Pension commitments under the new system

Since 4 March 2008, newly appointed Board of Management members have received pension commitments based upon a defined contribution plan rather than the previous commitments, which were based upon the final salary. Under the defined contribution pension plan, the company credits an annual amount of 35% of the annual base salary to a virtual pension account for the Board of Management member concerned. The maximum contribution period is 15 years. The pension capital accrues interest at an annual rate equal to the “iBoxx Corporates AA 10+ Annual Yield” rate, or at an annual rate of 2.25% at minimum, and will continue to do so until the pension benefits fall due. The pension benefits are paid out in a lump sum in the amount of the value accumulated in the pension account. The benefits fall due when the Board of Management member reaches the age of 62 or in the case of invalidity or death whilst in office. In the event of benefits falling due, the pension beneficiary may opt to receive an annuity payment in lieu of a lump sum payment. If this option is exercised, the capital is converted to an annuity payment, taking into account the average “iBoxx Corporates AA 10+ Annual Yield” for the past ten full calendar years as well as the individual data of the surviving dependents and a future pension increase of 1% per year.

B.11 Individual breakdown of Board of Management pension commitments under the new system

€	Total contribution for 2013	Total contribution for 2014	Present value (DBO) as at 31 Dec. 2013	Present value (DBO) as at 31 Dec. 2014
Ken Allen	325,500	325,500	1,397,841	1,758,438
Roger Crook	301,000	301,000	783,308	1,112,203
Bruce Edwards (until 10 March 2014)	325,500	54,250	1,852,506	1,978,493
John Gilbert (since 11 March 2014)	–	187,688	–	196,163
Melanie Kreis (since 31 October 2014)	–	454,639 ¹	–	789,731
Lawrence Rosen	325,500	325,500	2,396,295	2,847,639
Angela Titzrath (until 1 July 2014)	250,250	250,250	461,924	1,171,010
Total	1,527,750	1,898,827	6,891,874	9,853,677

¹ Including settlement of the benefits resulting from previous pension commitments in the amount of €412,931. With respect to invalidity benefits and surviving dependents' benefits, the minimum benefit is based upon the previous pension commitment.

Benefits for former Board of Management members

Benefits paid to former members of the Board of Management or their surviving dependents amounted to €6.0 million in financial year 2014 (previous year: €4.4 million). The defined benefit obligation (DBO) for current pensions calculated under IFRSs amounted to €104 million (previous year: €72 million). The increase was due mainly to a significant reduction in the IAS discount rate compared with the previous year as well as an increase in the number of pensioners whose pension benefits fell due; no additional obligations were thus incurred. Without these special effects in the amount of €33.1 million, the defined benefit obligation would have decreased by around €1 million to around €71 million compared with the previous year.

Supervisory Board remuneration

The Annual General Meeting on 29 May 2013 decided on the remuneration payable to the members of the Supervisory Board. It is regulated by article 17 of the Articles of Association of Deutsche Post AG. Unlike in previous years (fixed remuneration of €40,000 plus variable, profit-related bonus) Supervisory Board members will receive only fixed annual remuneration in the amount of €70,000.

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 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 the 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 2014 totalled €2,671,000 (previous year: €1,416,833 plus a variable amount for 2013 to be paid in 2016). The following table shows the remuneration paid to each Supervisory Board member:

B.12 Remuneration paid to Supervisory Board members for 2014

€	Fixed component	Attendance allowance	Total
Board members			
Prof. Dr Wulf von Schimmelmann (Chair)	315,000	23,000	338,000
Andrea Kocsis (Deputy Chair)	245,000	19,000	264,000
Rolf Bauermeister	140,000	16,000	156,000
Hero Brahms (until 27 May 2014)	52,500	4,000	56,500
Heinrich Josef Busch (until 30 November 2014)	64,167	7,000	71,167
Jörg von Dosky (since 9 December 2014)	5,833	1,000	6,833
Werner Gatzler	140,000	19,000	159,000
Prof. Dr Henning Kagermann	105,000	8,000	113,000
Thomas Koczelnik	175,000	21,000	196,000
Anke Kufalt	70,000	8,000	78,000
Thomas Kunz	70,000	6,000	76,000
Simone Menne (since 27 May 2014)	65,625	9,000	74,625
Roland Oetker	140,000	18,000	158,000
Andreas Schädler	70,000	8,000	78,000
Sabine Schielmann	70,000	8,000	78,000
Dr Ulrich Schröder	105,000	9,000	114,000
Dr Stefan Schulte	126,875	15,000	141,875
Stephan Teuscher	105,000	15,000	120,000
Helga Thiel	105,000	14,000	119,000
Elmar Toime	70,000	8,000	78,000
Stefanie Weckesser	105,000	13,000	118,000
Prof. Dr-Ing. Katja Windt	70,000	7,000	77,000

The following table shows the fixed remuneration paid to each Supervisory Board member for the previous year (2013):

B.13 Remuneration paid to Supervisory Board members for 2013

Board members	Fixed component	Attendance allowance	Total	Maximum variable remuneration (cap) ¹
Prof. Dr Wulf von Schimmelmann (Chair)	141,667	16,000	157,667	70,833
Andrea Kocsis (Deputy Chair)	120,833	13,000	133,833	60,416
Rolf Bauermeister	60,833	9,000	69,833	30,416
Hero Brahms (until 27 May 2014)	80,000	12,000	92,000	40,000
Heinrich Josef Busch (until 30 November 2014)	40,000	4,000	44,000	20,000
Werner Gatzler	80,000	12,000	92,000	40,000
Prof. Dr Henning Kagermann	40,833	3,000	43,833	20,416
Thomas Koczelnik	80,833	16,000	96,833	40,416
Anke Kufalt	40,000	5,000	45,000	20,000
Thomas Kunz	40,000	4,000	44,000	20,000
Roland Oetker	80,000	14,000	94,000	40,000
Andreas Schädler	40,000	5,000	45,000	20,000
Sabine Schielmann	40,000	5,000	45,000	20,000
Dr Ulrich Schröder	40,833	4,000	44,833	20,416
Dr Stefan Schulte	60,000	10,000	70,000	30,000
Stephan Teuscher	60,000	12,000	72,000	30,000
Helga Thiel	60,000	9,000	69,000	30,000
Elmar Toime	40,000	5,000	45,000	20,000
Stefanie Weckesser	60,000	9,000	69,000	30,000
Prof. Dr-Ing. Katja Windt	40,000	4,000	44,000	20,000

¹ This variable remuneration component will fall due for payment as at the end of the 2016 AGM after determination of the consolidated net profit per share for financial year 2015.

The variable remuneration for financial year 2012 falls due for payment as at the end of the 2015 AGM. It will amount to €1,000 for each €0.02 by which the consolidated net profit per share for financial year 2014 exceeds the consolidated net profit per share for financial year 2011. The remuneration cap takes effect for financial year 2012, meaning that the variable remuneration component will be limited to 50% of the fixed component. The total amount of the variable remuneration of financial year 2012 amounts to €616,250. Of that amount, €21,250 is attributable to one Supervisory Board member who has meanwhile left the company and €595,000 to active Supervisory Board members, as broken down by member in the following table:

B.14 Variable remuneration paid to Supervisory Board members for 2012

€	Variable remuneration (cap)
Active Board members	
Prof. Dr Wulf von Schimmelmann (Chair)	70,000
Andrea Kocsis (Deputy Chair)	60,000
Rolf Bauermeister	30,000
Hero Brahms (until 27 May 2014)	40,000
Heinrich Josef Busch (until 30 November 2014)	20,000
Jörg von Dosky (since 9 December 2014) ¹	–
Werner Gatzer	40,000
Prof. Dr Henning Kagermann	20,000
Thomas Koczelnik	40,000
Anke Kufalt	20,000
Thomas Kunz	20,000
Simone Menne (since 27 May 2014) ¹	–
Roland Oetker	40,000
Andreas Schädler	20,000
Sabine Schielmann	20,000
Dr Ulrich Schröder	20,000
Dr Stefan Schulte	30,000
Stephan Teuscher	5,000
Helga Thiel	30,000
Elmar Toime	20,000
Stefanie Weckesser	30,000
Prof. Dr-Ing. Katja Windt	20,000

¹ Not a Board member in financial year 2012.

No variable remuneration for financial year 2011 was paid out in the previous year (2013) as the requirements had not been met.