

Report of the Supervisory Board



Prof. Dr. Wulf von Schimmelmann, Chairman

Dear shareholders,

The Group continued to expand its leading position in nearly all areas of business and is well equipped for the future.

The reporting year was marked by two decisions that represent a turning point in our history. In September 2008, Deutsche Post agreed to gradually sell its stake in Postbank to Deutsche Bank. In the future, the Group plans to concentrate on mail, express and logistics activities and to exit the financial services sector. We also decided to restructure the us express business, making the final decision in November 2008 after having begun weighing our options in May. We discontinued domestic air and ground transport operations in the us express segment as at 30 January 2009. However, we will continue offering international express services in the United States.

Our strategic corporate initiatives – Roadmap to Value, First Choice and GoGreen – have been well received. These programmes have already led to encouraging progress in increasing enterprise value, customer satisfaction and environmental protection.

Advising and overseeing the Board of Management

The Supervisory Board again devoted close attention to the strategic focus and business performance of the Group in all areas in 2008. We discussed in detail the restructuring of the us express business and the sale of Deutsche Postbank AG. Other topics of particular significance were the effects of the financial crisis on the company's transactions, the company's participation in the capital increase of Deutsche Postbank AG, the progress made by our Roadmap to Value capital markets programme and personnel changes in the management of Deutsche Post AG.

All major decisions affecting the company were discussed in detail with the Board of Management, which informed us in a timely and comprehensive manner on all key issues relating to planning and business development. We received regular reports on the risk situation and risk management, major business transactions and projects in the individual divisions as well as on strategic measures and the company's future direction. In particular, all measures requiring the consent of the Supervisory Board were discussed in depth. The Board of Management kept the chairman of the Supervisory Board continuously updated on all key transactions and major impending decisions, both at the Supervisory Board meetings and between meetings. We prepared our approval for business measures in the relevant committees. The chairs of the committees reported regularly on the committees' work at the Supervisory Board meetings.

Nine meetings during the reporting period

Five meetings were held in the first half of the year and four in the second half. No member of the Supervisory Board was absent from more than half of the meetings. At all of its meetings, the Supervisory Board concerned itself with issues of corporate strategy, the business performance of the divisions and risk management.

In a special meeting held on 18 February 2008, the Supervisory Board accepted the resignation of Dr Klaus Zumwinkel from his post as Chairman of the Board of Management and appointed Dr Frank Appel as the new Chairman of the Board of Management.

At the financial statements meeting held on 4 March 2008, we discussed and approved the annual and consolidated financial statements for 2007, following in-depth discussions between the auditors and the Finance and Audit Committee and the chairman of the Supervisory Board. We also reviewed the efficiency of the Supervisory Board's work based on an updated questionnaire. Further topics involved the new appointments of Bruce Edwards and Hermann Ude as members of the Board of Management and the related adjustment of business responsibilities. The LOGISTICS Division was split into Global Forwarding, Freight, headed by Hermann Ude, and Supply Chain, Corporate Information Solutions, headed by Bruce Edwards. Responsibility for Global Mail was transferred to the MAIL Division, which is headed by Jürgen Gerdes. We also approved an increase in our stake in Williams Lea at this meeting.

At the meeting on 5 May 2008, we dealt in detail with the situation of the us express business.

The terms of office of the employee representatives appointed to the Supervisory Board by the assembly of delegates pursuant to the *Mitbestimmungsgesetz* (MitbestG – German co-determination act) commenced upon the close of the AGM of Deutsche Post AG on 6 May 2008. At the Supervisory Board meeting directly following the AGM, Andrea Kocsis was re-elected deputy chair of the Supervisory Board, deputy chair of the Executive Committee and chair of the Personnel Committee. Wolfgang Abel was appointed member and deputy chair of the Finance and Audit Committee, Thomas Koczelnik and Helga Thiel were appointed members of the Finance and Audit Committee, Rolf Bauermeister and Stefanie Weckesser were appointed members of the Executive Committee, Thomas Koczelnik was appointed member of the Personnel Committee and Rolf Bauermeister was additionally appointed member of the Mediation Committee of the Supervisory Board of Deutsche Post AG by the employee representatives.

In another special meeting on 28 May 2008, we approved the restructuring of the us express business following extensive discussions.

In June 2008 we approved in a written resolution the request of Dr Wolfgang Klein to step down temporarily as member of the Board of Management of Deutsche Post AG in order to avoid any potential conflicts of interest that might arise during a possible reorganisation of the shareholder structure of Deutsche Post AG. The duties of the Board of Management members were reallocated to allow Dr Frank Appel to assume responsibility for the FINANCIAL SERVICES Division in addition to his position as chairman of the Board of Management for the time during which Dr Klein had ceased active participation.

In the Supervisory Board meeting of 12 September 2008, we dealt in detail with the situation of the express business in the us. We also approved the gradual sale of the shares in Postbank to Deutsche Bank. The contracting parties subsequently negotiated a contract that best serves the interests of both sides. The new contract stipulates that Deutsche Post will receive the entire proceeds from the transaction on the closing date – i.e., three years earlier than originally anticipated – including the proceeds from the Postbank shares that will not be transferred until a later date. This has not increased overall transaction risk. We approved the changes in the transaction structure on 14 January 2009.

In another special meeting on 26 October 2008, the Supervisory Board addressed in detail the proposed share purchase to ensue from a possible capital increase of Deutsche Postbank AG and approved the subscription of 100% of the shares issued.

In a special meeting that followed on 10 November 2008, we approved our exit from the domestic us express business, including the costs that this will entail. In the future, Deutsche Post World Net will focus on its international core competencies in the us express market. The exit from the market occurred as planned in January 2009. As a

result, costs arising from the express business in the US will decrease by more than 80%, whilst competitive standing will improve substantially given that 71% of all international deliveries from US metropolitan areas will be able to be processed more quickly. We also accepted Dr Wolfgang Klein's resignation from the Board of Management and approved the related adaptation of the bylaws.

In the last meeting of the Supervisory Board on 16 December 2008, we approved the business plan for 2009 and agreed to focus on an updated plan in February 2009. We also took note of the plan for 2010 and 2011. At the same meeting Dr Jürgen Weber announced his resignation, effective 31 December 2008. Prof. Dr Wulf von Schimmelmann was elected unanimously as Dr Weber's successor. Furthermore, we submitted the Declaration of Compliance with the 2008 German Corporate Governance Code and passed a resolution giving global authorisation for the award of loans by Postbank.

Meticulous work by the committees

The Executive Committee met nine times during the year under review. Agenda items focused on Board of Management and Supervisory Board business as well as the further development of the company's corporate governance.

The Personnel Committee met twice and concentrated primarily on the First Choice and GoGreen programmes and the Group's involvement in educational initiatives.

The Finance and Audit Committee met ten times, with meetings chaired by Prof. Dr Ralf Krüger. The committee discussed the acquisition and disposal of companies, which was subsequently also addressed in the plenary sessions of the Supervisory Board, as well as the Group's business plan for the period from 2009 to 2011. It also examined the annual and consolidated financial statements, discussed the interim reports and dealt with the review of the interim financial reports for the first half of the year. The auditors attended the committee's financial statements meeting. Accounting and risk monitoring, as well as co-operation with the auditors, were also discussed in detail. Additionally, a number of real estate transactions were approved. Furthermore, individual Board of Management members gave presentations on the business performance of their respective divisions for discussion by the committee. Key topics included the US express business, the mail business in Germany and the transaction involving Postbank. The committee also deliberated on the organisation of compliance activities and the compliance tools applied in the Group.

The Nomination Committee met three times during the year under review. At its meetings, the committee resolved to recommend Prof. Dr Wulf von Schimmelmann as a suitable candidate for the Supervisory Board's nomination to the 2008 AGM.

It was not necessary for the Mediation Committee, which must be formed pursuant to Section 27 (3) of the *Mitbestimmungsgesetz*, to meet in the year under review.

Changed Supervisory Board and Board of Management composition

The following changes were made to the Supervisory Board of Deutsche Post AG in 2008: Effective 6 May 2008, employee representatives Frank von Alten-Bockum, Marion Deutsch, Dirk Marx, Silke Oualla-Weiß and Margrit Wendt left the Supervisory Board, Heinrich Josef Busch, Thomas Koczelnik, Anke Kufalt, Andreas Schädler and Helga Thiel were newly elected and Wolfgang Abel, Rolf Bauermeister, Annette Harms, Andrea Kocsis and Stefanie Weckesser were re-elected. Prof. Dr Wulf von Schimmelmann was appointed member of the Supervisory Board by the court on 6 August 2007 and on 6 May 2008 was appointed shareholder representative for five years by the 2008 AGM. At the Supervisory Board meeting on 16 December 2008, he was elected chairman of the Supervisory Board effective 1 January 2009 and Andrea Kocsis was confirmed as deputy chair. Ingrid Matthäus-Maier resigned her seat effective 31 August 2008. On 1 September, Dr Ulrich Schröder was appointed to the Supervisory Board by the court as a shareholder representative. The appointment will be submitted to the shareholders for ratification at the AGM on 21 April, 2009. Dr Jürgen Weber resigned his seat on the Supervisory Board and thus his position as chairman as at 31 December 2008.

The following changes occurred on the company's Board of Management: On 18 February 2008, Dr Klaus Zumwinkel resigned from office. The Supervisory Board accepted his resignation and, on the same day, unanimously appointed Dr Frank Appel as new chairman of the Board of Management. Dr Frank Appel initially assumed responsibility for the chairman's board department in addition to his previous duties. Bruce Edwards and Hermann Ude were appointed members of the Board of Management effective 4 March 2008. Dr Wolfgang Klein stepped down from his position on the Board of Management of Deutsche Post until further notice effective 25 June 2008, and Dr Frank Appel assumed responsibility for the FINANCIAL SERVICES Division for this period in addition to his other duties as chairman of the Board of Management. On 10 November 2008, Dr Wolfgang Klein resigned his seat on the Board of Management of Deutsche Post AG.

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

In December 2008, the Board of Management and the Supervisory Board submitted an updated Declaration of Conformity pursuant to Section 161 of the *Aktiengesetz* (Germany stock corporation act) and published it on the company's website. The previous declarations can also be viewed on this website. In financial year 2008, Deutsche Post AG complied with all recommendations of the German Corporate Governance Code as amended on 14 June 2007. The company plans to continue complying with the recommendations of the Code as amended on 6 June 2008. Further information on corporate governance within the company, including the remuneration of the Board of Management and the Supervisory Board members, is contained in the Corporate Governance Report on page 114.

Annual and consolidated financial statements audited

The auditors appointed by the AGM, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (PwC), Düsseldorf, audited the annual and consolidated financial statements for financial year 2008, including the respective management reports, and issued unqualified audit opinions.

Following a detailed preliminary assessment by the Finance and Audit Committee, the Supervisory Board reviewed the annual and consolidated financial statements and the management reports for financial year 2008 in the financial statements meeting on 25 February 2009. The auditors' reports were made available to all Supervisory Board members and were discussed in detail at the meeting with the Board of Management and the auditors in attendance. The audit included a review of the Board of Management's proposal for the appropriation of the unappropriated surplus. The Supervisory Board concurred with the results of the audit of the annual and consolidated financial statements and the management reports, and at today's meeting approved the annual and consolidated financial statements for financial year 2008 after detailed discussion with the Board of Management and the auditor's representative. Based on the final outcome of the examination of the annual and consolidated financial statements, the management reports and the proposal for the appropriation of the unappropriated surplus by the Supervisory Board and the Finance and Audit Committee, there are no objections to be raised. The Supervisory Board endorses the Board of Management's proposal for the appropriation of the unappropriated surplus and the payment of a dividend of €0.60 per share.

We would like to thank the Board of Management and all the employees of the Group for their commitment and successful efforts throughout 2008. The Supervisory Board would particularly like to thank Dr Klaus Zumwinkel for his extraordinary service for the Group.

Bonn, 25 February 2009
The Supervisory Board



Prof. Dr Wulf von Schimmelmann
Chairman

Supervisory Board

SHAREHOLDER REPRESENTATIVES

Prof. Dr Wulf von Schimmelmann

Chairman (since 1 January 2009)

Management Consultant

Willem G. van Agtmael

Managing Partner,
E. Breuninger GmbH & Co.

Hero Brahms

Management Consultant

Werner Gatzter

State Secretary, Federal Ministry of Finance

Prof. Dr Ralf Krüger

Management Consultant

Roland Oetker

Managing Partner,
ROI Verwaltungsgesellschaft mbH
President of Deutsche Schutzvereinigung für
Wertpapierbesitz e.V. (until 10 October 2008)

Harry Roels

Dr Ulrich Schröder (since 1 September 2008)

Chairman of the Board of Managing Directors,
KfW Bankengruppe

Elmar Toime

Managing Director, E Toime Consulting Ltd.

Left in financial year 2008:

Ingrid Matthäus-Maier (until 31 August 2008)

Member of the Board of Managing Directors,
KfW Bankengruppe

Dr Jürgen Weber

Chairman (until 31 December 2008)

Chairman of the Supervisory Board,
Deutsche Lufthansa AG

EMPLOYEE REPRESENTATIVES

Andrea Kocsis (Deputy Chair)

Deputy Chair of the ver.di National Executive
Board and Head of the Federal Postal Services,
Forwarding Companies and Logistics section,
ver.di National Executive Board

Wolfgang Abel (since 18 February 2008)

Regional Head of the Regional Postal Services,
Forwarding Companies and Logistics section,
ver.di Hamburg Regional District

Rolf Bauermeister (since 18 February 2008)

Head of the Postal Services, Co-Determination
and Youth departments, National Head
of the Postal Services group, ver.di National
Administration

Heinrich Josef Busch (since 6 May 2008)

Chair of Group and Company Chair
Committee, Deutsche Post AG

Annette Harms

Deputy Chair of Works Council,
Deutsche Postbank AG, Hamburg

Thomas Koczelnik (since 6 May 2008)

Chair of Group Works Council,
Deutsche Post AG

Anke Kufalt (since 6 May 2008)

Member of Works Council,
DHL Global Forwarding GmbH, Hamburg

Andreas Schädler (since 6 May 2008)

Chair of Central Works Council,
Deutsche Post AG

Helga Thiel (since 6 May 2008)

Member of ver.di National Executive Board
(Postal Services, Forwarding Companies and
Logistics) and Member of Central Works
Council, Deutsche Post AG (until 3 June 2008)
Deputy Chair of Central Works Council,
Deutsche Post AG (since 4 June 2008)

Stefanie Weckesser

Member of Works Council, parcel delegate,
Augsburg Mail Branch

Left in financial year 2008:

Frank von Alten-Bockum (until 6 May 2008)

Managing Director, Deutsche Post AG
(until 31 August 2008)

Marion Deutsch (until 6 May 2008)

Deputy Chair of Works Council,
Deutsche Post AG, Saarbrücken Mail Branch

Dirk Marx (until 6 May 2008)

Chair of Group Works Council,
Deutsche Post AG

Silke Oualla-Weiß (until 6 May 2008)

Chair of Works Council, DHL Express Betriebs
GmbH, Düsseldorf (Dortmund office)

Margrit Wendt (until 6 May 2008)

Chair of European Works Council Forum
Chair of Deutsche Post World Net Forum

COMMITTEES

Executive Committee

- Prof. Dr Wulf von Schimmelmann, Chair (since 1 January 2009)
- Dr Jürgen Weber, Chair (until 31 December 2008)
- Andrea Kocsis, Deputy Chair
- Rolf Bauermeister (since 6 May 2008)
- Hero Brahms
- Werner Gatzter
- Margit Wendt (until 6 May 2008)
- Stefanie Weckesser (since 6 May 2008)

Personnel Committee

- Andrea Kocsis, Chair
- Prof. Dr Wulf von Schimmelmann, Deputy Chair (since 1 January 2009)
- Dr Jürgen Weber, Deputy Chair (until 31 December 2008)
- Hero Brahms
- Dirk Marx (until 6 May 2008)
- Thomas Koczelnik (since 6 May 2008)

Finance and Audit Committee

- Prof. Dr Ralf Krüger, Chair
- Wolfgang Abel, Deputy Chair (since 6 May 2008)
- Werner Gatzter
- Roland Oetker
- Dirk Marx (until 6 May 2008)
- Margrit Wendt (until 6 May 2008)
- Thomas Koczelnik (since 6 May 2008)
- Helga Thiel (since 6 May 2008)

Mediation Committee

(in accordance with Section 27 (3)
Mitbestimmungsgesetz)

- Prof. Dr Wulf von Schimmelmann, Chair (since 1 January 2009)
- Dr Jürgen Weber, Chair (until 31 December 2008)
- Andrea Kocsis, Deputy Chair
- Hero Brahms
- Margrit Wendt (until 6 May 2008)
- Rolf Bauermeister (since 6 May 2008)

Nomination Committee

- Prof. Dr Wulf von Schimmelmann, Chair (since 1 January 2009)
- Dr Jürgen Weber, Chair (until 31 December 2008)
- Hero Brahms
- Werner Gatzter



Board of Management

A DR FRANK APPEL

CHAIRMAN

Born in 1961, member of the Board of Management since 2002, appointed until October 2012, Chairman of the Board of Management since 18 February 2008, since then responsible for Corporate Executives, Corporate Communications, Corporate Development, the Corporate Office and Corporate Organisation as well as Corporate Public Policy and Sustainability. He is also responsible for Corporation Regulation Management, operational management of the Group-wide First Choice initiative and has cross-divisional responsibility for the Group's 100 biggest customers (Global Customer Solutions).

B JOHN ALLAN

FINANCE, GLOBAL BUSINESS SERVICES

Born in 1948, member of the Board of Management since 2006, appointed until December 2010 (but has resigned, effective 30 June 2009), responsible for Finance including Controlling, Corporate Accounting and Reporting, Investor Relations, Corporate Finance, Corporate Internal Audit/Security, Taxes and Global Business Services.

C BRUCE EDWARDS

SUPPLY CHAIN/CIS

Born in 1955, member of the Board of Management since 4 March 2008, appointed until December 2011, responsible for the SUPPLY CHAIN/CIS Division.

D JÜRGEN GERDES

MAIL

Born in 1964, member of the Board of Management since 2007, appointed until June 2010, responsible for the MAIL Division.

E JOHN P. MULLEN

Born in 1955, member of the Board of Management since 2005, resigned effective 25 February 2009, was previously responsible for the EXPRESS Division.

F WALTER SCHEURLE

PERSONNEL

Born in 1952, member of the Board of Management since 2000, appointed until March 2010, responsible for Personnel, including Corporate Compensation Policies/Labour Law, Human Resources and Human Resources Development.

G HERMANN UDE

GLOBAL FORWARDING/FREIGHT

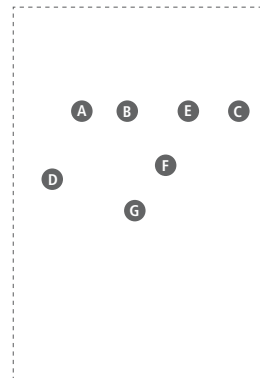
Born in 1961, member of the Board of Management since 4 March 2008, appointed until March 2011, responsible for the GLOBAL FORWARDING/FREIGHT Division.

KEN ALLEN

EXPRESS

Born in 1955, member of the Board of Management since 26 February 2009, appointed until Februar 2012, responsible for the EXPRESS Division.

Board of Management Deutsche Post World Net



Financial year 2008

Dr Frank Appel

Chairman
(since 18 February 2008)
LOGISTICS, MAIL International
(until 4 March 2008)

FINANCIAL SERVICES
(25 June to 10 November 2008)

Dr Klaus Zumwinkel
Chairman (until 18 February 2008)

John Allan

Finance, Global Business Services

Bruce Edwards (since 4 March 2008)

SUPPLY CHAIN/CIS

Jürgen Gerdes

MAIL and PARCEL Germany
(until 4 March 2008)

MAIL (since 5 March 2008)

Dr Wolfgang Klein

FINANCIAL SERVICES
(until 10 November 2008, mandate suspended
between 25 June 2008 and 10 November 2008)

John P. Mullen

EXPRESS

Walter Scheurle

Personnel

Hermann Ude (since 4 March 2008)

GLOBAL FORWARDING/FREIGHT

Mandates held by the Board of Management

Dr Frank Appel

- Deutsche Postbank AG¹⁾ (Member since 19 February 2008, Chair since 3 March 2008)
- Williams Lea Holdings plc (Board of Directors, Chair)¹⁾, until 1 May 2008
- Williams Lea Group Limited (Board of Directors)¹⁾, until 1 May 2008
- Exel Investments Limited (Board of Directors)¹⁾, until 1 May 2008
- Exel Limited (Board of Directors)¹⁾, until 1 May 2008
- Tibbett & Britten Group Limited (Board of Directors)¹⁾, until 1 May 2008

John Allan

- Deutsche Postbank AG¹⁾, since 8 May 2008
- Deutsche Lufthansa AG, since 29 April 2008
- National Grid plc (Non-Executive Director)
- ISS A/S (Board of Directors), since 20 June 2008

Bruce Edwards

- Williams Lea Holdings plc (Board of Directors, Chair)¹⁾, since 1 May 2008
- Williams Lea Group Limited (Board of Directors)¹⁾, since 1 May 2008
- Exel Investments Limited (Board of Directors)¹⁾, since 1 May 2008
- Exel Limited (Board of Directors)¹⁾, since 1 May 2008
- Exel Supply Chain Services de México, S.A. de C.V. (Board of Directors)¹⁾
- Exel Logistics, S.A. de C.V. (Board of Directors)¹⁾
- Exel Servicios, S.A. de C.V. (Board of Directors)¹⁾
- Exel North American Logistics, S.A. de C.V. (Board of Directors)¹⁾
- Exel Automocion, S.A. de C.V. (Board of Directors)¹⁾
- Hyperion Inmobiliaria, S.A. de C.V. (Board of Directors)¹⁾
- Tibbett & Britten Group Limited (Board of Directors)¹⁾, since 1 May 2008
- Greif, Inc. (Board of Directors)
- Ashtead plc (Board of Directors)

John P. Mullen (until 25 February 2009)

- Embarq Corp. (USA, Non-Executive Director)
- Telstra Corp. Ltd. (USA, Non-Executive Director), since 1 July 2008

Walter Scheurle

- Bundesanstalt für Post und Telekommunikation (Administrative Board)

Hermann Ude

- Fraport AG (Economic Advisory Board), since 27 November 2008
- Deutsches Verkehrsforum (Presiding Board), since 12 November 2008

Left in financial year 2008:

Dr Klaus Zumwinkel (until 18 February 2008)

- Deutsche Postbank AG¹⁾ (Chair), until 18 February 2008
- Deutsche Lufthansa AG, until 28 April 2008
- Deutsche Telekom AG (Chair), until 27 February 2008
- Arcandor AG, until 31 December 2008
- Morgan Stanley (Board of Directors), until 7 April 2008

Dr Wolfgang Klein (until 10 November 2008)

- BHW Holding AG¹⁾ (Chair), until 31 December 2008
- BHW Bausparkasse AG¹⁾ (Chair), until 31 December 2008
- Postbank Filialvertrieb AG¹⁾ (Chair)
- Postbank Finanzberatung AG¹⁾ (Chair)
- Comma Soft AG (Chair)
- PB Spezial-Investmentaktiengesellschaft mit Teilgesellschaftsvermögen¹⁾ (Member since 14 April 2008, Deputy Chair since 15 April 2008)
- Betriebs-Center für Banken AG¹⁾ (Chair, since 30 June 2008)
- Deutsche Postbank Financial Services GmbH¹⁾ (Supervisory Board, Deputy Chair)
- PB Capital Corp.¹⁾ (Board of Directors, Chair)
- PB (USA) Holdings Inc.¹⁾ (Board of Directors, Chair)
- Bundesverband deutscher Banken e.V. (Berlin, Board of Directors)

• Statutory mandate
 • Comparable mandate
 1) Group mandate

Mandates held by the Supervisory Board

SHAREHOLDER REPRESENTATIVES

Prof. Dr Wulf von Schimmelmann

Chair since 1 January 2009

- Maxingvest AG
- Deutsche Telekom AG
- Accenture Corp., USA (Board of Directors)
- ALTADIS S.A., Spain (Board of Directors), until 6 February 2008
- BAWAG P.S.K., Austria (Supervisory Board, Chair)

Willem G. van Agtmael

- Energie Baden-Württemberg AG (Advisory Board)
- Landesbank Baden-Württemberg (Advisory Board)
- L-Bank (Advisory Board)

Hero Brahms

- Georgsmarienhütte Holding GmbH (Deputy Chair)
- Arcandor AG (Chair), until 31 October 2008
- Wincor Nixdorf AG
- Live Holding AG
- M. M. Warburg & CO KGaA (Shareholders' Committee)
- Zumtobel AG (Supervisory Board, Deputy Chair), since 29 July 2008

Werner Gatzert

- KfW IPEX-Bank GmbH, since 1 December 2008
- Bundesanstalt für Immobilienaufgaben (Administrative Board, Chair)
- g.e.b.b. mbH (Supervisory Board)

Prof. Dr Ralf Krüger

- Deutsche Postbank AG
- DIAMOS AG (Chair)
- KMS AG (Chair)
- KMS Asset Management AG (Chair)
- SIREO REAL ESTATE ASSET MANAGEMENT GmbH (Advisory Board)

Roland Oetker

- IKB Deutsche Industriebank AG
- Volkswagen AG
- Dr August Oetker-Gruppe (Advisory Board, Deputy Chair since 1 March 2007)

Harry Roels

- Allianz AG (Advisory Board)
- Investitions-Bank NRW (Advisory Board), until 28 September 2008
- Deutsches Stiftungszentrum GmbH (Administrative Board), since 10 May 2007

Dr Ulrich Schröder (since 1 September 2008)

- ProHealth AG
- Deutsche Telekom AG, since 1 October 2008
- Ströer Out-of-Home Media AG, until 31 September 2008
- HSBC Trinkaus und Burkhardt AG (Administrative Board)

Elmar Toime

- Blackbay Ltd., United Kingdom (Non-Executive Director)
- SKYCITY Entertainment Group Ltd., New Zealand (Non-Executive Director)
- message AG (Non-Executive Chairman), since 3 March 2008
- Postea Inc. (Non-Executive Chairman), since 9 October 2008
- Earth Class Mail, Inc. (Non-Executive Member), since 25 November 2008

Left in financial year 2008:

Ingrid Matthäus-Maier (until 31 August 2008)

- Deutsche Telekom AG, until 31 August 2008
- RAG Aktiengesellschaft, until 31 August 2008
- Deutsche Steinkohle AG, until 31 August 2008
- Salzgitter Mannesmann Handel GmbH, until 31 August 2008
- KfW IPEX-Bank GmbH (Supervisory Board), until 31 August 2008

Dr Jürgen Weber (until 31 December 2008)

- Allianz Lebensversicherungs-AG
- Bayer AG
- Deutsche Bank AG, until 29 May 2008
- Deutsche Lufthansa AG (Chair)
- Voith AG
- Willy Bogner GmbH & Co. KG
- LP Holding GmbH (Supervisory Board, Chair)
- Tetra Laval Group (Switzerland, Board)

EMPLOYEE REPRESENTATIVES

Annette Harms

- Deutsche Postbank AG

Andreas Schädler (since 6 May 2008)

- PSD Bank Köln eG (Chair)
- Bundesanstalt für Post- und Telekommunikation (Administrative Board), since 15 September 2008

Helga Thiel (since 6 May 2008)

- PSD Bank Köln eG

Left in financial year 2008:

Frank von Alten-Bockum (until 6 May 2008)

- Stadtwerke Bonn GmbH
- VPV Lebensversicherungs-AG
- Energie- und Wasserversorgung Bonn/Rhein-Sieg (Supervisory Board)

Dirk Marx (until 6 May 2008)

- Bundesanstalt für Post und Telekommunikation (Administrative Board)

Corporate Governance Report

Unqualified Declaration of Conformity issued once again

In December 2008, the Board of Management and Supervisory Board issued an unqualified Declaration of Conformity for the seventh consecutive year. It confirms that since the previous Declaration of Conformity, Deutsche Post has complied with the recommendations of the German Corporate Governance Code as amended on 14 June 2007. We also implemented the suggestions set forth in the Code, with one exception: The Annual General Meeting can only be viewed on the internet until the start of the general debate. In the future, we will comply with the recommendations of the Government Commission on the German Corporate Governance Code as amended on 6 June 2008.

Board of Management and Supervisory Board

As a German public limited company, Deutsche Post operates under a dual management system. The Board of Management is responsible for the management of the company, and is appointed, overseen and advised by the Supervisory Board. After Dr Klaus Zumwinkel resigned as chairman of the Board of Management, Dr Frank Appel was appointed chairman on 18 February 2008. Bruce Edwards and Hermann Ude were appointed to the Board of Management effective 4 March 2008. On 25 June 2008, Dr Wolfgang Klein stepped down from his position on the Board of Management until further notice. On 10 November 2008, he left the Board of Management of Deutsche Post AG. The duties of the individual Board members were reallocated accordingly.

Dr Frank Appel initially assumed the duties of chairman of the Board of Management in addition to his other Board responsibilities. On 4 March 2008, the LOGISTICS Division – for which Dr Frank Appel had been responsible – was split into the new board departments of Global Forwarding, Freight, headed by Hermann Ude, and Supply Chain, Corporate Information Solutions, headed by Bruce Edwards. Global Mail was integrated into the MAIL Division, which is headed by Jürgen Gerdes. After Dr Wolfgang Klein ceased active participation on the Board of Management of Deutsche Post, Dr Frank Appel assumed Board responsibility for the FINANCIAL SERVICES Division from 25 June to 10 November 2008 in addition to his duties as chairman of the Board of Management.

The Supervisory Board comprises twenty members, who are listed on page 109. Ten shareholder representatives are elected at the AGM, whilst a further ten are elected by employees in accordance with the provisions of the *Mitbestimmungsgesetz* (MitbestG – German co-determination act). An overview of additional mandates held by Board of Management and Supervisory Board members in those supervisory boards and bodies of other companies that are required by law may be found on pages 112 and 113. The Supervisory Board's report on its activities in financial year 2008 is published on page 103.

At the AGM on 6 May 2008, Prof. Dr Wulf von Schimmelmann was elected to the Supervisory Board for a five-year term on an individual basis. In March 2008, an assembly of delegates elected new employee representatives to the Supervisory Board pursuant to the MitbestG. Their terms of office began upon the close of the AGM on

6 May 2008. Frank von Alten-Bockum, Marion Deutsch, Dirk Marx, Silke Oualla-Weiß and Margrit Wendt left the Supervisory Board, and Wolfgang Abel, Heinrich Josef Busch, Rolf Bauermeister, Annette Harms, Thomas Koczelnik, Andrea Kocsis, Anke Kufalt, Andreas Schädler, Helga Thiel and Stefanie Weckesser were either newly elected or re-elected. Ingrid Matthäus-Maier resigned her seat effective 31 August 2008. On 1 September 2008, Dr Ulrich Schröder was appointed to the Supervisory Board by the court as a shareholder representative. The appointment will be submitted to the shareholders for ratification by voting at the AGM to be held on 21 April 2009. Dr Jürgen Weber resigned his seat on the Supervisory Board and thus the office of Supervisory Board chairman effective 31 December 2008. On 16 December 2008, the members of the Supervisory Board elected Prof. Dr Wulf von Schimmelmann chairman of the Supervisory Board starting 1 January 2009. On 18 February 2009, Prof. Dr Henning Kagermann was appointed by the court to the Supervisory Board as a shareholder representative. He will be recommended to the 2009 AGM for election.

The majority of Supervisory Board members of Deutsche Post AG are independent as recommended by the German Corporate Governance Code, with which Deutsche Post is thus in compliance.

Five committees formed

The Supervisory Board has formed a total of five committees. In addition to the Mediation Committee required by the MitbestG, these include the Executive Committee, the Finance and Audit Committee, the Personnel Committee and the Nomination Committee recommended by the Code. A list of members of these committees may be found on page 109. The Supervisory Board's report on the committees' activities in the year under review is found on page 103.

Transparency and open communication with shareholders

We are committed to open communication with our shareholders. All relevant dates are displayed on our website, including the publication dates for the annual report and interim reports. The website also contains up-to-date information about our shares and share price movements, as well as announcements regarding the purchase and sale of company shares and related financial instruments pursuant to Article 15 a of the *Wertpapierhandelsgesetz* (WpHG - German securities trading act).

Members of the Board of Management and Supervisory Board are required to disclose immediately any potential conflicts of interest to the Supervisory Board. Outside activities pursued by members of the Board of Management are subject to the approval of the Supervisory Board.

Statutory and internal regulations complied with

All Group employees are expected to comply with statutory and internal regulations. Based on the company's corporate values, the Board of Management therefore introduced a Code of Conduct. All of our executives must indicate their willingness to uphold the Code of Conduct by signing a declaration of commitment. As part of our Group-wide compliance system, we have set up a Global Values Office and Regional Values Offices to provide advice on and monitor implementation of compliance processes. We have also established a Clearing Committee made up of members of our

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Legal, Human Resources and Internal Audit departments. The committee meets regularly to consult on specific issues related to compliance management. Employees can also report any violations to the complaints hotline. In the event of infringements, suitable measures will be taken; these may include action under labour and disciplinary law if appropriate. Compliance with the Code of Conduct is an issue regularly addressed by the Internal Audit department, which is part of the Finance Board Department. The subject of compliance is discussed at regular intervals by the Supervisory Board's Finance and Audit Committee.

Identifying risks early on

Our opportunity and risk management system ensures that any risks are identified early on. The system is continuously refined and updated to reflect the latest developments. Further details can be found in our risk report starting on page 85.

PwC appointed auditor

The Group accounts are prepared in accordance with International Financial Reporting Standards (IFRS). PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (PwC), Düsseldorf, was appointed by the AGM as the auditor of the annual and consolidated financial statements for the financial year 2008 and to review the half-year financial report. Before engaging the auditors, the Supervisory Board took steps to ensure that the existing relationships between the auditors and the company or its executive and controlling bodies did not call into question the auditors' independence.

Remuneration Report

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

Board of Management remuneration

The total remuneration paid to Board of Management members is determined by the Supervisory Board or its Executive Committee, which is headed by the chairman of the Supervisory Board. After holding consultations, the Supervisory Board decides on the remuneration system for the Board of Management – including the main contractual elements – based on the recommendation submitted by the Executive Committee. The remuneration system is regularly reviewed by the Supervisory Board. The remuneration of the Board of Management reflects the size and global reach of the company, its economic and financial situation and the roles fulfilled by the individual members. It is set to ensure competitiveness with comparable German and international companies, thus providing an incentive for the Board of Management members to deliver maximum performance and achieve results. The Supervisory Board conducts regular reviews to determine whether the remuneration paid to the Board of Management is appropriate, taking into account the company's results, the industry in which it operates and its future prospects.

The remuneration of the Board of Management is performance-based and comprises fixed and variable elements as well as long-term incentives.

Components not linked to performance are the basic salary, fringe benefits and pension commitments. The basic salary is paid monthly. Fringe benefits comprise

mainly the use of company cars, the reimbursement of travel expenses, a telephone allowance and supplements for insurance premiums as well as special allowances and benefits for assignments outside the home country.

The annual bonus is a variable, performance-linked element. The Supervisory Board or its Executive Committee exercises its due discretion to determine the annual bonus on the basis of the company's performance. The amount of the bonus reflects the extent to which predefined targets are achieved, missed or exceeded. Since 2008, a new performance indicator – EBIT after asset charge – has been included in the target agreements along with profit or loss from operating activities (EBIT). Achievement of the upper target for the financial year is rewarded with the maximum annual bonus. The maximum annual bonus opportunity is 100% of the annual basic salary. In addition, the Supervisory Board may elect to award an appropriate special bonus for extraordinary achievement.

As a variable remuneration component with long-term incentive effect, the Board of Management members receive stock appreciation rights (SAR) issued on the basis of a long-term incentive plan.

The remuneration paid to active members of the Board of Management in financial year 2008 totalled €11.89 million (previous year: €15.70 million). This amount comprised €9.01 million in non-performance-related components (previous year: €8.68 million) and €2.88 million in bonuses (previous year: €7.02 million). The members of the Board of Management were granted a total of 1,725,000 SAR in financial year 2008 with a total value of €4.78 million (previous year: €6.37 million) at the time of issue (1 July 2008).

Remuneration of the Group's Board of Management in financial year 2008

The following table presents the total remuneration paid to the active Board of Management members:

Cash components

€	Not linked to performance		Performance-related	Total
	Basic salary	Fringe benefits	Variable	
Active board members				
Dr Frank Appel (chairman since 18 Feb. 2008)	1,429,205	28,387	0	1,457,592
John Allan	1,046,580	593,906	0	1,640,486
Bruce Edwards (since 4 March 2008)	715,760	40,331	0	756,091
Jürgen Gerdes	715,000	37,222	0	752,222
John P. Mullen	1,139,871	767,765	0	1,907,636
Walter Scheurle	860,000	23,891	0	883,891
Hermann Ude (since 4 March 2008)	590,067	12,603	0	602,670

Components with long-term incentive effect

€	Number of SAR	Value of SAR on grant date (1 July 2008)	Change in value of total SAR granted from 2006 to 2008 on 31 Dec. 2008 compared with value on grant date
Active board members			
Dr Frank Appel (chairman since 18 Feb. 2008)	345,000	955,650	-1,995,050
John Allan	230,000	637,100	-420,650
Bruce Edwards (since 4 March 2008)	230,000	637,100	-527,064
Jürgen Gerdes	230,000	637,100	-895,664
John P. Mullen	230,000	637,100	-1,895,000
Walter Scheurle	230,000	637,100	-1,895,000
Hermann Ude (since 4 March 2008)	230,000	637,100	-422,076

The remuneration of the members of the Board of Management who left in 2008 breaks down as follows:

Dr Wolfgang Klein left the Board of Management of Deutsche Post AG effective 10 November 2008. As in previous years, he only received remuneration in financial year 2008 from Deutsche Postbank AG. His total remuneration breaks down as follows: basic salary of €751,042; fringe benefits in the amount of €24,833 and variable remuneration (one-time special payments) of €2,400,000, which was offered and paid by Postbank. The share attributable to financial year 2007 was €150,000. Dr Wolfgang Klein's total proportionate remuneration for financial year 2008 was €3,175,875. Dr Wolfgang Klein did not receive any stock appreciation rights.

Dr Klaus Zumwinkel left the Board of Management of Deutsche Post AG effective 18 February 2008. His total remuneration breaks down as follows: basic salary of €207,265, fringe benefits in the amount of €26,596 and variable remuneration of €480,184 (€272,920 of this is attributable to a bonus share for financial year 2007 that was paid in 2008). Dr Klaus Zumwinkel's total proportionate remuneration for financial year 2008 was €714,045.

Share-based remuneration

In 2006, the Executive Committee of the Supervisory Board adopted the Long-Term Incentive Plan 2006 (LTIP 2006), which was based closely on the lapsed stock option plan 2003 (SOP 2003). On 1 July 2006, the members of the Board of Management were for the first time awarded SAR under this plan instead of the stock options granted in previous years.

Each SAR entitles the holder to receive a cash settlement equal to the difference between the issue price of the SAR and the average closing price of the Deutsche Post shares for the last five trading days before the exercise date. As in the past, the members of the Board of Management must each invest 10% of their annual target salary in Deutsche Post shares per tranche. The number of SAR to be issued to the members of the Board of Management is determined by the Supervisory Board or its Executive Committee as each tranche is issued. The other essential features of the previous stock option plan have been retained. Following a three-year lock-up period that begins on the date of issue, the SAR, like the stock options, may be exercised in full or in part within a period of two years provided an absolute or relative performance target has been achieved at the end of the lock-up period. Any SAR not exercised during this two-year period expire.

To determine how many – if any – of the SAR granted may be exercised, the average share price or the average index level is compared for the reference period and for the performance period. The reference period, as in the past, comprises the twenty consecutive trading days prior to the issue date. The performance period is the last sixty trading days before the end of the lock-up period. The average share price (closing price) is calculated as the average of the closing rates of Deutsche Post shares in Deutsche Börse AG's Xetra electronic trading system.

As in the past, the absolute performance target is achieved if 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 performance of the Dow Jones STOXX 600 Index (SXXP; ISIN EU0009658202). The target is met if the share price is not outperformed by the index during the performance period or if it outperforms the index by at least 10%.

A maximum of four out of every six SAR can be “earned” via the absolute performance target and a maximum of two via the relative performance target. If neither an absolute nor relative performance target is met by the end of the lock-up period, the SAR of the related tranche will expire and no replacement or compensation of any kind will be provided. The table below presents further details of the tranches of the LTIP 2006:

LTIP 2006

	Tranche 2006	Tranche 2007	Tranche 2008
Issue date	1 July 2006	1 July 2007	1 July 2008
Issue price	€20.70	€24.02	€18.40
Expiry of lock-up period	30 June 2009	30 June 2010	30 June 2011

The table below provides detailed information on the individual tranches of the expired stock option plan:

 Note 55
Stock options

	SOP 2003		
	Tranche 2003	Tranche 2004	Tranche 2005
Issue date	1 August 2003	1 July 2004	1 July 2005
Exercise price	€12.40	€17.00	€19.33
Expiry of lock-up period	31 July 2006 Exercisable at 6/6	30 June 2007 Exercisable at 4/6	30 June 2008
Expiry of exercise period	31 July 2008	30 June 2009	Expired at the end of the lock-up period

Any options of Tranche 2003 that had not been exercised expired at the end of the exercise period on 1 August 2008, with no replacement or compensation provided. The options of Tranche 2005 had already expired at the end of the lock-up period on 1 July 2008 – with no replacement or compensation – because the associated absolute and relative targets had not been met.

Pension commitments under the previous system

The members of the Board of Management have direct pensions 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 acquired will vest. Members are entitled to benefits due to permanent disability after at least five years of service. Eligibility for retirement benefits begins at the age of 55 at the earliest, or age 60 in the case of John P. Mullen and age 62 for Jürgen Gerdes. The members of the Board of Management may choose between ongoing pension payments and a lump sum 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 basic salary, which is calculated using the average salary over the last twelve months of employment. Members of the Board of Management appointed for the first time between 2002 and 2007 attain a pension

level of 25% after five years of service on the Board of Management. The maximum pension level of 50% is attained after ten years of service. For active Board of Management members appointed prior to 2002, the maximum pension level is 60%. Depending on the individual contractual arrangements, the pension level increases gradually based on either the period of service or the periods of appointment on the Board of Management. Subsequent pension benefits increase or decrease to reflect changes in the consumer price index in Germany.

Pension commitments under the previous system: individual breakdown

Pension commitments for the Board of Management

	Pension commitments		
	Pension level on 31 Dec. 2008 %	Maximum pension level %	Service cost for pension obligation Financial year 2008 €
Dr Frank Appel, Chairman (since 18 February 2008)	25	50	444,897 ¹⁾
Jürgen Gerdes ²⁾	0	50	112,312
John P. Mullen	35	50	546,824
Walter Scheurle	30	60	528,795
Dr Wolfgang Klein ³⁾ (until 9 November 2008)	60	60	180,264
Dr Klaus Zumwinkel, Chairman (until 17 February 2008)		75	0 ⁴⁾
Total			1,813,092

1) Increase in benefits due to assumption of chairmanship of the Board of Management.

2) Minimum period not yet complete. In the event of immediate entitlement, the provisions of the existing pension plan apply.

3) The pension commitment is owed by Deutsche Postbank AG.

4) Ongoing financing complete.

The pension commitment made to Dr Wolfgang Klein relates to his function as chairman of the Management Board of Deutsche Postbank AG and is owed in its entirety by Deutsche Postbank AG. The commitment therefore varies in certain respects from the arrangements described above that relate to Deutsche Post AG; the basic structure is, however, identical. The benefit amount depends on the pensionable income and the pension level derived from the years of service. Dr Wolfgang Klein has already attained the maximum pension level of 60%. According to his contract, retirement benefits are generally paid from the age of 62 or, if the employment contract is not renewed, after reaching the age of 55. A bridge allowance will be paid for a two-year period in addition to the retirement benefits if he leaves the employ of the company upon reaching the age of 62 or due to permanent disability. Subsequent adjustments to his retirement benefits will be based on the percentage change in the highest pay scale group specified in the collective agreement covering the Association of German Public Sector Banks.

Upon his appointment to the Board of Management, John Allan was not included in the pension scheme for members of the Board of Management. Due to his past contractual relationship with Exel, he will receive a taxable annual lump-sum payment of €363,017, in addition to the remuneration paid, which he may use to secure his own pension coverage. This amount is contained in the individual breakdown of fringe benefits.

Pension commitments under the new system

The pension commitment system was restructured in financial year 2008. Starting on 4 March 2008, newly appointed Board of Management members will receive pension commitments based on a defined contribution plan rather than the previous commitments which were based on final salary.

Under the new defined contribution pension plan, each year the company pays a uniform amount of 25% of the annual basic salary into a virtual pension account for the Board of Management member concerned. The maximum contribution period is 15 years. Interest is paid on the pension capital at the rate applicable to pension provisions recognised for tax purposes (currently 6% annually) until the pension is drawn or the Board of Management member leaves the company. The retirement 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. The pension beneficiary may opt to receive a pension in lieu of a lump-sum payment. If this option is exercised, the capital is converted to a pension on the basis of the relevant tax base, taking into account the individual data of the surviving dependents and a future pension increase of 1%. If the Board of Management member leaves the company before the benefits fall due, the pension account will be maintained at the balance existing at the time the member left the company. The account will no longer accrue interest and no further contributions will be paid.

The new pension system is applicable to Board of Management members Hermann Ude and Bruce Edwards, who were appointed in 2008. The pension commitment made to Hermann Ude contains an arrangement guaranteeing him a minimum benefit in the amount of the benefits payable to him had his former pension commitment been continued using the assessment basis applicable at the time of his appointment to the Board of Management.

Pension commitments under the new system: individual breakdown

€	Total contribution for 2008	Pension account balance as at 31 Dec. 2008	Service cost for pension obligation Financial year 2008
Hermann Ude ¹⁾	465,361 ²⁾	486,149	133,647
Bruce Edwards ¹⁾	134,063	140,052	137,565
Total			271,212

1) Member of the Board of Management since 4 March 2008.

2) Including starting balance of €331,298 to replace his previous pension commitment.

Benefits of former Board of Management members

Benefits paid to former members of the Board of Management or their surviving dependants amounted to €43.1 million (restated prior-year figure: €10.28 million). The defined benefit obligations (DBO) for current pensions calculated under IFRS amount to €25.3 million (previous year: €27.0 million).

Severance payment complies with Code recommendation

In accordance with the recommendation of No. 4.2.3 of the German Corporate Governance Code as amended on 6 June 2008, the Board of Management contracts of Hermann Ude and Bruce Edwards contain a provision stipulating that in the event of premature termination of a Board of Management member's contract without good cause, the severance payment may compensate no more than the remaining term of

the contract. The severance payment is limited to the value of two years' remuneration (severance payment cap). Future Board of Management contracts or extension to existing Board of Management contracts will contain comparable provisions.

Right to early termination granted in case of changes in control pursuant to Code recommendation

In the event of a change in control, Hermann Ude and Bruce Edwards are each entitled to resign their office as a member of the Board of Management for good cause within a period of six months following the change in control, after giving three months' notice as of the end of the month, and to terminate their contract with the Board of Management (right to early termination). Future Board of Management contracts or extensions to existing Board of Management contracts will contain comparable provisions.

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 an independent entity in accordance with Section 291 of the *Aktien-gesetz* (AktG – German stock corporation act) 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* (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 the right to early termination is exercised or a Board of Management contract is terminated by mutual consent under the same conditions, the Board of Management member is entitled to payment to compensate the remaining term of his Board of Management contract. Such payment is limited to 150% of the severance payment cap pursuant to the recommendation of No. 4.2.3 of the German Corporate Governance Code as amended on 6 June 2008. 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.

Non-compete clause included

Board of Management contracts of Herman Ude and Bruce Edwards contain a non-compete clause effective for two years after the end of the contract. For the duration of the restraint on competition, they receive 50% of their last contractually stipulated basic salary as compensation each month. Any other earned income is generally deducted from the compensation paid during the period of restraint on competition, provided such other income – together with the compensation payment – exceeds the last annual basic salary paid on a monthly basis. 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 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.

Moreover, additional contractual provisions have been stipulated for the following members of the Board of Management: The Board of Management contract with John Allen provides the option of terminating his employment contract, which currently extends until 31 December 2010, upon six months' notice as of the end of the quarter, though no earlier than 30 June 2009. Mr Allen has made use of this option and will leave the company at his own request as at 30 June 2009. His contract contains a non-compete clause effective for two years after cessation of the contract. He will receive 50% of his basic salary for the duration of the two-year period. Any other income exceeding half of the basic salary will be credited against any such amount.

Dr Frank Appel, John Allan and John P. Mullen will receive their contractual remuneration until the end of the regular term of their contracts in the event their Board of Management contracts are terminated prematurely by Deutsche Post AG for good cause, provided such cause is not related to a serious breach of duty. Apart from the aforementioned arrangements, no member of the Board of Management has been promised any further benefits upon termination of employment.

Dr Klaus Zumwinkel left the Board of Management effective 18 February 2008. His contract of employment was terminated as at 29 February 2008 (end of day). After such date, he did not receive any basic salary or bonus share for the remainder of his original contract term (until 30 November 2008). His pension entitlement is calculated on the basis of the original contract term. As compensation for a non-compete clause effective for one year following the cessation of his contract, Dr Klaus Zumwinkel was granted 385,000 SAR in Tranche 2008. As at the issue date (1 July 2008), the SAR had a fair value of €1,066,450.

Supervisory Board remuneration

In accordance with Article 17 of the Articles of Association of Deutsche Post AG as adopted by the AGM, the annual remuneration of the members of the Supervisory Board comprises a fixed component, a short-term performance-related component and a performance-related component with a long-term incentive effect.

The fixed component amounts to €20,000 and the short-term performance-related component to €300 for every €0.03 by which the consolidated net profit per share exceeds the amount of €0.50 in the financial year in question. In 2008, neither short-term performance-related remuneration nor performance-related remuneration with a long-term incentive effect was paid.

For financial year 2008, the members of the Supervisory Board are entitled to annual performance-related remuneration with a long-term incentive effect of €300 for every 3% by which the consolidated net profit per share for financial year 2010 exceeds the consolidated net profit per share of financial year 2007. The remuneration falls due for payment at the end of the 2011 AGM. Taken individually, the two variable components may not exceed the amount of the fixed remuneration of €20,000.

The chairman of the Supervisory Board receives double the remuneration, and his deputy one and a half times the remuneration. The chairman of a Supervisory Board committee also receives double the remuneration, whilst a member of a committee receives one and a half times the remuneration. This does not apply for membership on the Mediation and Nomination Committee. Members who only belong to the Supervisory Board and its committees for part of the year receive corresponding compensation on a pro rata basis. The members of the Supervisory Board are entitled to claim out-of-pocket expenses incurred in the exercise of their office. Any value-added tax on the Supervisory Board remuneration and out-of-pocket expenses is reimbursed.

In addition, each member of the Supervisory Board attending a meeting receives an attendance allowance of €500 for each plenary meeting of the Supervisory Board or committee meeting. In financial year 2008, the total remuneration of the Supervisory Board amounted to approximately €0.7 million (previous year: €0.9 million). The table below provides a breakdown of the remuneration:

Supervisory Board remuneration: individual breakdown

€	Fixed component	Attendance allowance	Total
Current members			
Prof. Dr Wulf von Schimmelmann (chairman since 1 January 2009)	20,000.00	5,000.00	25,000.00
Dr Jürgen Weber (chairman until 31 December 2008)	70,000.00	13,500.00	83,500.00
Andrea Kocsis (deputy chair)	60,000.00	12,500.00	72,500.00
Heinrich Josef Busch (since 6 May 2008)	13,333.33	2,500.00	15,833.33
Willem G. van Agtmael	20,000.00	4,000.00	24,000.00
Frank von Alten-Bockum (until 6 May 2008)	6,666.67	2,000.00	8,666.67
Hero Brahms	40,000.00	10,500.00	50,500.00
Marion Deutsch (until 6 May 2008)	6,666.67	2,000.00	8,666.67
Werner Gatzler	40,000.00	14,500.00	54,500.00
Annette Harms	20,000.00	5,000.00	25,000.00
Rolf Bauermeister (since 18 February 2008)	24,166.67	7,500.00	31,666.67
Prof. Dr Ralf Krüger	40,000.00	10,000.00	50,000.00
Dirk Marx (until 6 May 2008)	13,333.33	4,000.00	17,333.33
Ingrid Matthäus-Maier (until 31 August 2008)	13,333.33	3,000.00	16,333.33
Roland Oetker	30,000.00	9,000.00	39,000.00
Silke Oualla-Weiß (until 6 May 2008)	6,666.67	2,000.00	8,666.67
Harry Roels	20,000.00	4,500.00	24,500.00
Wolfgang Abel (since 18 February 2008)	24,166.67	8,500.00	32,666.67
Dr Ulrich Schröder (since 1 September 2008)	6,666.67	2,000.00	8,666.67
Elmar Toime	20,000.00	4,500.00	24,500.00
Stefanie Weckesser	26,666.67	7,500.00	34,166.67
Margrit Wendt (until 6 May 2008)	13,333.33	5,000.00	18,333.33
Andreas Schädler (since 6 May 2008)	13,333.33	3,000.00	16,333.33
Helga Thiel (since 6 May 2008)	20,000.00	6,500.00	26,500.00
Thomas Koczelnik (since 6 May 2008)	26,666.67	7,000.00	33,666.67
Anke Kufalt (since 6 May 2008)	13,333.33	3,000.00	16,333.33
Total	535,000.00	139,000.00	674,000.00

On the basis of a now terminated contract, Prof. Dr Wulf von Schimmelmann received compensation in the amount of €384,444 for consultancy activities outside of his work on the Supervisory Board.

Shareholdings of the Board of Management and Supervisory Board

As at 31 December 2008, the shares in Deutsche Post AG held by the Board of Management and Supervisory Board amounted to less than 1% of the company's share capital.