

## REPORT OF THE SUPERVISORY BOARD



Wulf von Schimmelmann, Chairman

### DEAR SHAREHOLDERS,

As part of the Group's new Strategy 2015, Deutsche Post DHL has set clear goals for itself: to remain *Die Post für Deutschland* (The Postal Service for Germany) and become The Logistics Company for the World. To achieve these goals, we intend to intensify our focus on customers, employees and investors, and we have set ambitious growth and profitability targets for 2015.

Despite this period of economic crisis, the Group succeeded in shoring up liquidity and stabilising earnings in 2009 thanks to strict cost management.

In addition, we implemented the strategic initiatives decided on in autumn 2008 and exited both the field of financial services and the domestic express business in the US.

#### **Advising and overseeing the Board of Management**

In 2009, the Supervisory Board devoted close attention to Strategy 2015. We also held detailed discussions on and monitored the Group's business performance, particularly with respect to the impact of the economic crisis. Other important topics included the restructuring of the US express business and the insolvency of Arcandor, a major customer in Germany.

All significant decisions were discussed in detail with the Board of Management, which reported to us regularly on the company's direction and focus, strategic initiatives and all key issues related to planning and implementation. It also informed us in a timely and comprehen-

sive manner about business performance, key business transactions and projects in the divisions as well as the company's risk exposure and risk management. The Board of Management also provided the chairman of the Supervisory Board with continuous updates between Supervisory Board meetings.

Measures requiring the consent of the Supervisory Board were discussed in even greater depth. Such measures were deliberated in advance in the relevant committees, and the results of the deliberations were presented by the respective committee chairs at the Supervisory Board meetings.

#### **Seven meetings during the reporting period**

Five meetings were held in the first half of the year and two in the second half. All members participated in at least half of the meetings.

In a special meeting held on 14 January 2009, the Supervisory Board resolved on the changed transaction conditions for selling the company's stake in Deutsche Postbank AG to Deutsche Bank.

At the financial statements meeting on 25 February 2009, we discussed and approved the annual and consolidated financial statements for 2008 and approved the updated planning for financial year 2009. We also reviewed the efficiency of the Supervisory Board's work based on an updated questionnaire. The resignation from the Board of Management of John Mullen was accepted at this meeting, and the appointment of Ken Allen as a member of the Board of Management with responsibility for the EXPRESS division was resolved.

Following John Allan's decision at the start of the year to make use of his contractual right to resign his seat on the Board of Management as at 30 June 2009, we resolved in a special meeting held on 10 March 2009 to appoint Lawrence Rosen to the Board of Management with responsibility for Finance, Global Business Services. He took up this position on 1 September 2009. The Supervisory Board also took advantage of this special meeting to discuss the Group's new strategy in detail with the Board of Management and to approve it.

The committee appointments were resolved at the Supervisory Board meeting directly following the Annual General Meeting (AGM) of Deutsche Post AG on 21 April 2009. Please refer to page 105 for the current composition of the committees.

At the meeting held on 18 June 2009, the Supervisory Board resolved to renew Walter Scheurl's seat on the Board of Management and his Board of Management contract. It also resolved to have Dr Frank Appel assume interim responsibility for Finance from 1 July 2009 until Lawrence Rosen took up his position.

At the Supervisory Board meeting held on 11 September 2009, we discussed the implementation status of the strategy presented in March and resolved to renew Jürgen Gerdes' seat on the Board of Management for three years until 1 July 2010.

At the Supervisory Board's last meeting of the year on 7 December 2009, we approved the business plan for 2010 and decided on the future structure of the remuneration system for the Board of Management, amongst other things. More information on this can be found in the Remuneration Report starting on page 113. We also extended Jürgen Gerdes' seat on the Board of Management to five years and submitted our Declaration of Conformity with the 2009 German Corporate Governance Code.

### Hard work by the committees

The Executive Committee met nine times during the year under review. The agenda focused primarily on Board of Management and Supervisory Board business, the development of a new remuneration system for the Board of Management and the appointment/reappointment of Board of Management members.

The Personnel Committee met twice, dealing mainly with human resources matters related to Strategy 2015 and the status of training and professional development within the Group.

The Finance and Audit Committee met eight times, with meetings chaired by Prof. Dr Ralf Krüger until 21 April and by Hero Brahms from 22 April. Hero Brahms is a financial expert on the *Bilanzrechtsmodernisierungsgesetz* (German act to modernise accounting law). At its February meeting, the committee examined the annual and consolidated financial statements for 2008 and reviewed the updated planning for financial year 2009. It discussed the interim reports and addressed the review of the interim financial report for the first half of the year. The auditors attended the committee's financial statements meeting and the meeting to discuss the interim financial report for the first half of the year.

The committee held regular discussions on the Group's business performance, particularly in view of the overall economic situation, the insolvency of Arcandor, the restructuring of the us express business and the downward trend on the mail market. It also occupied itself with the internal control system, especially internal auditing and compliance management in the Group. The committee approved the Audit Plan 2010 and also agreed that pension risk was being properly managed. Accounting and risk monitoring as well as co-operation with the auditors were also discussed in detail. Following the AGM, the Finance and Audit Committee hired the auditors to perform an audit of the annual and consolidated financial statements and to review the interim financial report for the first half of the year. The focal points of the audit were also determined.

The Nomination Committee met once in 2009 to recommend a successor to Prof. Dr Ralf Krüger to the Supervisory Board.

The Mediation Committee, which must be formed pursuant to Section 27 (3) of the *Mitbestimmungsgesetz* (German co-determination act), met twice in 2009 to discuss Board of Management matters.

The chairs of the committees reported on the committees' deliberations in the subsequent plenary meetings.

### Changed Supervisory Board and Board of Management composition

The Annual General Meeting of 21 April 2009 elected the following shareholder representatives to a five-year term: Prof. Dr Henning Kagermann, who had been appointed a member of the Supervisory Board by the court on 18 February 2009, Dr Ulrich Schröder, who had previously been appointed a member of the Supervisory Board by the court as at 1 September 2008, and Dr Stefan Schulte. Prof. Dr Ralf Krüger left the Supervisory Board with effect from the end of the AGM on 21 April 2009. The employee representatives remained the same in 2009.

The following changes occurred on the company's Board of Management: John Mullen resigned his seat on the Board of Management effective 25 February 2009. As his successor, Ken Allen was appointed to the Board of Management with effect from 26 February 2009 to head up the EXPRESS division. John Allan resigned his seat on the Board of Management on 30 June 2009. Lawrence Rosen was appointed to the Board of Management on 10 March 2009 and took up his position as CFO of the company on 1 September 2009.

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

In December 2009, the Board of Management and the Supervisory Board submitted an unqualified Declaration of Conformity pursuant to Section 161 of the *Aktiengesetz* (German stock corporation act) and published it on the company's website. The previous declarations can also be viewed on this website. In financial year 2009, Deutsche Post AG complied with all recommendations of the German Corporate Governance Code as amended on 6 June 2008. The company plans to continue complying with the recommendations of the Code as amended on 18 June 2009. The Corporate Governance Report on page 110 contains further information on corporate governance within the company as well as the Remuneration Report.

### 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 2009, including the respective management reports, and issued unqualified audit opinions. PwC also conducted the review of the interim financial report for the first half of the year.

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 2009 at the financial statements meeting held on 8 March 2010. The review included the Board of Management's proposal for the appropriation of the unappropriated surplus. The auditors' reports were made available to all Supervisory Board members and were discussed in detail with the Board of Management and the auditors in attendance. The Supervisory Board concurred with the results of the audit and approved the annual and consolidated financial statements for financial year 2009. 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 this difficult year. It is thanks to them that the Group was able to stand its ground so well during the economic crisis.

Bonn, 8 March 2010  
The Supervisory Board



Wulf von Schimmelmann  
Chairman