

**POSTNL N.V.**

**BY-LAWS SUPERVISORY BOARD**  
*(Reglement Raad van Commissarissen)*

**Adopted by the Supervisory Board on 5 August 2011**

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## INTRODUCTION; DEFINITIONS

- 0.1 These By-Laws are established pursuant to article 28 paragraph 10 of the Articles of Association and best practice provision III.1.1 of the Dutch Corporate Governance Code to guide the Supervisory Board in performing its duties. For ease of reference, these By-Laws reflect certain provisions of the Articles of Association, applicable law and regulation and certain best practice provisions of the Dutch Corporate Governance Code.
- 0.2 These By-Laws are complementary to the provisions regarding the Supervisory Board and the Supervisory Board members as contained in applicable law, regulation, the Articles of Association and the rules pertaining to the relationship between Board of Management and Supervisory Board as contained in the By-Laws of the Board of Management (which By-Laws have been approved by the Supervisory Board).
- 0.3 These By-Laws will be posted on the Company's website.<sup>1</sup>
- 0.4 Capitalised terms used herein have the meaning set forth in the List of Definitions attached as **Annex 1**.

## CHAPTER I COMPOSITION OF THE SUPERVISORY BOARD; POSITIONS, COMMITTEES

### 1. Supervisory Board Profile, Size, Expertise and Independence

- 1.1 The Supervisory Board shall prepare a profile of its size and composition, taking account of the nature of the business and activities of the Company and its Subsidiaries and the desired expertise and background of the Supervisory Board members (the **Supervisory Board Profile**). The Supervisory Board Profile shall deal with the aspects of diversity in the composition of the supervisory board that are relevant to the Company and shall state what specific objective is pursued by the Supervisory Board in relation to diversity. Insofar as the existing situation differs from the intended situation, the Supervisory Board shall indicate how and within what period it expects to achieve this aim. The current Supervisory Board Profile is attached as **Annex 2**. The Supervisory Board Profile shall be made available for public inspection at the offices of the Company and be posted on the Company's website.<sup>2</sup> Changes to the Supervisory Board Profile shall be discussed in the General Meeting of Shareholders and with the Central Works Council.
- 1.2 The number of Supervisory Board members shall be determined by the Supervisory Board, after consultation with the CEO, and shall be at least three.
- 1.3 The Supervisory Board shall endeavour to ensure, within the limits of its powers, that the Supervisory Board is at all times composed such that:
  - (a) the Supervisory Board members are able to act critically and independently of one another and of the Board of Management and any particular interests;<sup>3</sup>

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<sup>1</sup> Dutch Corporate Governance Code, clause III.1.1

<sup>2</sup> Dutch Corporate Governance Code, clause III.3.1.

<sup>3</sup> Dutch Corporate Governance Code, Principle III.2.

- (b) each Supervisory Board member is capable of assessing the broad outline of the overall policy of the Company;<sup>4</sup>
- (c) each Supervisory Board member has the specific expertise required for the fulfilment of the duties assigned to the role designated to him or her within the framework of the Supervisory Board Profile;<sup>5</sup>
- (d) the Supervisory Board as a whole matches the Supervisory Board Profile and that the composition of the Supervisory Board is such that it is able to carry out its duties properly;<sup>6</sup>
- (e) the Supervisory Board shall aim for a diverse composition in terms of such factors as gender and age;<sup>7</sup>
- (f) at least one Supervisory Board member shall be a financial expert, with relevant knowledge and expertise of financial administration and accounting for listed companies or other large companies;<sup>8</sup>
- (g) all Supervisory Board members, with the exception of not more than one, shall be independent within the meaning of clause 1.4 of these By-Laws;<sup>9</sup> and
- (h) all Supervisory Board members are in compliance with their obligation to limit outside positions as set forth in clause 24.1 of these By-Laws.

1.4 A Supervisory Board member shall be deemed independent if the following criteria of dependence do not apply to him. The said criteria are that the Supervisory Board member concerned, his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law:

- (a) has been an employee or member of the management board of the Company or an Associated Company in the five years prior to the appointment of the person concerned as Supervisory Board member;
- (b) receives personal financial compensation from the Company, or an Associated Company, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not within the ordinary course of business;
- (c) has had an important business relationship with the Company, or an Associated Company, in the year prior to the appointment;
- (d) is a member of the management board of a company in which a BoM member is a supervisory board member;
- (e) holds at least ten percent of the shares in the Company's capital (including shares held by individuals or legal entities which cooperate with the person concerned under an express or tacit, oral or written agreement);

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<sup>4</sup> Dutch Corporate Governance Code, Principle III.3.

<sup>5</sup> Dutch Corporate Governance Code, Principle III.3.

<sup>6</sup> Dutch Corporate Governance Code, Principle III.3.

<sup>7</sup> Dutch Corporate Governance Code, Principle III.3

<sup>8</sup> Dutch Corporate Governance Code, clause III.3.2.

<sup>9</sup> Dutch Corporate Governance Code, clause III.2.1.

- (f) is a member of the management board or supervisory board - or a representative in some other way - of a legal entity which holds at least ten percent of the shares in the Company's capital, unless such entity is a member of the same group as the Company;
- (g) has temporarily managed the Company during the previous twelve months where seats in the Board of Management were vacant or BoM members were unable to perform their duties;<sup>10</sup> or
- (h) is an officer or employee employed by an employees' organisation customarily involved in the establishment of the terms of employment of employees of the Company or a dependent company of the Company within the meaning of Section 2:152 of the Dutch Civil Code.

## **2. (Re)Appointment; Term of Office; Resignation**

- 2.1 The Supervisory Board members are appointed by the General Meeting on nomination of the Supervisory Board.<sup>11</sup> The General Meeting and the Central Works Council may recommend candidates to be nominated as member of the Supervisory Board. With regard to one third of the total number of Supervisory Board members, the Central Works Council has an enhanced right of recommendation (*versterkt recht van aanbeveling*). The Supervisory Board shall nominate a person recommended by the Central Works Council pursuant to the enhanced right of recommendation unless the Supervisory Board objects to the recommendation because it considers the recommended person unsuitable for the exercise of the duties of a Supervisory Board member or because the Supervisory Board shall not be composed properly if the recommended person would be appointed. If, after consultation with the Central Works Council, the Supervisory Board concludes that no agreement can be reached on the nomination, a representative of the Supervisory Board designated for that purpose shall request the Commercial Division of the Amsterdam Court of Appeal to declare the objection well-founded. The Supervisory Board shall nominate the person recommended by the Central Works Council if the Commercial Division declares the objection by the Supervisory Board unfounded. If the Commercial Division declares the objection well-founded, the Central Works Council can make a new recommendation. The nomination to the General Meeting to appoint or reappoint a Supervisory Board member shall state the candidate's age, his profession, the amount of shares he holds in the Company's capital and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a Supervisory Board member. Furthermore, the names of the legal entities of which he is also a member of their supervisory boards shall be indicated; if those include legal entities which belong to the same group, a reference to that group will be sufficient. The notification shall state the reasons on which the intention to appoint or reappoint the person concerned is based.
- 2.2 Any nomination by the Supervisory Board of a person to be appointed or reappointed as a Supervisory Board member shall be based on consistency with the requirements of clause 1 of these By-Laws, including the Supervisory Board Profile. On reappointment, account must be taken of the candidate's performance as a Supervisory Board member in the past period. A Supervisory Board member shall be reappointed only after careful consideration.<sup>12</sup> A Supervisory Board member who is available for reappointment to the Supervisory Board must be interviewed by the chairman of the Nominations Committee, who must report on such interview to the Supervisory Board.

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<sup>10</sup> Dutch Corporate Governance Code, clause III.2.2.

<sup>11</sup> Articles of Association, article.24.

<sup>12</sup> Dutch Corporate Governance Code, Principle III.3.

- 2.3 A person may be appointed to the Supervisory Board for a maximum of three 4-year terms.<sup>13</sup>
- 2.4 Supervisory Board members shall retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board in order to avoid a situation in which many Supervisory Board members retire at the same time. The current rotation plan is attached as **Annex 3**. The Supervisory Board may at any time amend the rotation plan, provided such amendment may not compel the early resignation of a Supervisory Board member against his will. The rotation plan shall be made available for public inspection at the offices of the Company and be posted on the Company's website.<sup>14</sup>
- 2.5 A Supervisory Board member shall retire early in the event of inadequate performance, structural incompatibility of interests and in other instances in which this is deemed necessary by the Supervisory Board.<sup>15</sup>
- 2.6 A Supervisory Board member who temporarily takes on the management of the Company where seats on the Board of Management are vacant or BoM members are unable to fulfil their duties shall resign from the Supervisory Board.<sup>16</sup>

### **3. Chairman and Vice-Chairman**

- 3.1 The Supervisory Board shall elect a Chairman and a Vice-Chairman from among its members. The Vice-Chairman shall replace, and assume the powers and duties of, the Chairman in the latter's absence.<sup>17</sup> The Chairman may not be a former BoM member.<sup>18</sup>
- 3.2 The Chairman shall be primarily responsible for monitoring the proper functioning of the Supervisory Board and its Committees. He shall act as the spokesperson of the Supervisory Board and shall be the main contact for the CEO and the Board of Management. Regular meetings shall take place between the CEO and the Chairman. As a general rule, the Chairman shall preside over General Meetings of Shareholders.<sup>19</sup>
- 3.3 Without prejudice to the generality of clause 3.2, the Chairman shall ensure that:<sup>20</sup>
- (a) Supervisory Board members follow their induction and education or training programme;
  - (b) the Supervisory Board members receive in good time all information which is necessary for the proper performance of their duties;
  - (c) there is sufficient time for consultation and decision-making by the Supervisory Board;
  - (d) the Committees function properly;
  - (e) the performance of the BoM members and the Supervisory Board members is assessed at least once a year;
  - (f) the Supervisory Board elects a Vice-Chairman; and

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<sup>13</sup> Dutch Corporate Governance Code, clause III.3.5.

<sup>14</sup> Dutch Corporate Governance Code, clause III.3.6.

<sup>15</sup> Dutch Corporate Governance Code, clause III.1.4.

<sup>16</sup> Dutch Corporate Governance Code, clause III.6.7.

<sup>17</sup> Articles of Association, article 28.1 and Dutch Corporate Governance Code, clause III.4.4.

<sup>18</sup> Dutch Corporate Governance Code, clause III.4.2.

<sup>19</sup> See Dutch Corporate Governance Code, Principle III.4.

<sup>20</sup> Dutch Corporate Governance Code, clause III.4.1.

- (g) the Supervisory Board has proper contact with the Board of Management and the Central Works Council.

3.4 In addition, the Chairman shall be primarily responsible for:

- (a) ensuring the proper performance of Supervisory Board duties;
- (b) determining the agenda of Supervisory Board meetings and chairing such meetings;
- (c) consulting with any external advisor appointed by the Supervisory Board;
- (d) addressing problems related to the performance of individual Supervisory Board members; and
- (e) addressing internal disputes and conflicts of interest concerning individual Supervisory Board members and the resignation as a result, if appropriate.

3.5 The Vice-Chairman shall act as contact for individual Supervisory Board members and BoM members relating to the functioning of the Chairman.<sup>21</sup>

#### **4. Corporate Secretary<sup>22</sup>**

4.1 The Supervisory Board shall be assisted by the Corporate Secretary, who shall be appointed by the Board of Management, with the approval of the Supervisory Board. The Corporate Secretary can be dismissed by the Board of Management, after the approval of the Supervisory Board has been obtained.

4.2 All Supervisory Board members shall have access to the advice and services of the Corporate Secretary.

4.3 The Corporate Secretary shall ensure that correct Supervisory Board procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations and its obligations under the Articles of Association. The Corporate Secretary shall assist the Chairman in the organisation of the affairs of the Supervisory Board (information, agenda, evaluation, training programme, etc.). The Corporate Secretary shall as such be the secretary of the Supervisory Board.

4.4 The Corporate Secretary may be assisted by and delegate his tasks under these By-Laws, or parts thereof, to a deputy appointed by him in consultation with the Chairman.

#### **5. Committees**

5.1 The Supervisory Board may appoint standing and/or ad hoc Committees from among its members, which shall have the responsibilities specified by the Supervisory Board. The composition of any Committee shall be determined by the Supervisory Board. The Supervisory Board shall, in any event, appoint an audit committee, a remuneration committee and a nominations committee.<sup>23</sup>

5.2 The Supervisory Board shall remain collectively responsible for decisions prepared by

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<sup>21</sup> Dutch Corporate Governance Code, clause III.4.4.

<sup>22</sup> Dutch Corporate Governance Code, clause III.4.3.

<sup>23</sup> Dutch Corporate Governance Code, Principle III.5. At PostNL N.V. the "selection and appointment committee" referred to in the Dutch Corporate Governance Code is called "Nominations Committee".

Committees. A Committee may only exercise such powers as are explicitly attributed or delegated to it and may never exercise powers beyond those exercisable by the Supervisory Board as a whole. Any use by a Committee of the delegated authority shall timely be communicated to the full Supervisory Board and shall, where specifically provided in the terms of reference of such Committee, be subject to confirmation by the full Supervisory Board. All Supervisory Board members shall have unrestricted access to all Committee meetings and records. The Supervisory Board shall receive from each of the Committees a report of its deliberations and findings.<sup>24</sup>

- 5.3 The Supervisory Board shall establish terms of reference for each Committee and such terms of reference may be amended by the Supervisory Board at any time. The terms of reference shall indicate the role and responsibility of the Committee concerned, its composition and the manner in which it performs its duties. The terms of reference shall contain a provision that a maximum of one member of each Committee need not be independent within the meaning of clause 1.4 of these By-Laws. The terms of reference and the composition of the Committees shall be posted on the Company's website.<sup>25</sup>
- 5.4 The Supervisory Board has established the following standing Committees:
- (a) Audit Committee, whose terms of reference are attached as **Annex 4**.
  - (b) Nominations Committee, whose terms of reference are attached as **Annex 5**.
  - (c) Remuneration Committee, whose terms of reference are attached as **Annex 6**.
  - (d) Public Affairs Committee, whose terms of reference are attached as **Annex 7**.
- 5.5 Each Committee shall consist of at least three members. All members of the Audit Committee shall be independent within the meaning of clauses 1.4 and 1.5 of these By-Laws. With respect to the other Committees a maximum of one member may not be independent within the meaning of clause 1.4 of these By-Laws. However, such a member may not chair a Committee. The terms of reference of a particular Committee may contain further requirements as to the composition of the Committee concerned.
- 5.6 The Supervisory Board as a rule has no "delegated Supervisory Board member" (*gedelegeerd commissaris*). Under special circumstances, however, the Supervisory Board may resolve to appoint a "delegated Supervisory Board member", in which case best practice provision III.6.6 of the Dutch Corporate Governance Code shall apply in full.
- 5.7 The Supervisory Board shall annually review the Committees' performance.

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<sup>24</sup> Dutch Corporate Governance Code, clause III.5.3.

<sup>25</sup> Dutch Corporate Governance Code, clause III.5.1.

## CHAPTER II DUTIES AND RESPONSIBILITIES

### 6. General Duties and Powers; Relation with the Board of Management

- 6.1 The Supervisory Board is charged with the supervision of the Board of Management and the general course of affairs of the Company and affiliated enterprises (including its financial policies and corporate structure<sup>26</sup>). The Supervisory Board shall evaluate the main organisational structure and the control mechanisms established under the management of the Board of Management. The Supervisory Board shall assist the Board of Management with advice.<sup>27</sup> The responsibility for proper performance of its duties is vested in the Supervisory Board collectively. The Supervisory Board members may adopt an independent stance vis-à-vis the Board of Management and take measures to manage the Company if the Board of Management is unable to perform its duties.
- 6.2 In performing its duties the Supervisory Board shall act in accordance with the interests of the Company and affiliated enterprises taking into consideration the interests of the Company's stakeholders. The Supervisory Board shall also have due regard for corporate social responsibility issues that are relevant to the Company.<sup>28</sup> Supervisory Board members shall perform their duties without mandate and independent of any interest in the business of the Company. They should not support one interest without regard to the other interests involved.
- 6.3 The Supervisory Board shall be responsible for the quality of its own performance.<sup>1</sup>
- 6.4 The Supervisory Board members shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, without jeopardising the responsibilities of individual Supervisory Board members.
- 6.5 The Supervisory Board and its members each have their own responsibility for obtaining all information from the Board of Management and the External Auditor that the Supervisory Board needs in order to be able to carry on its duties properly as a supervisory body. If the Supervisory Board considers it necessary, it may obtain information from officers and external advisers of the Company. The Company shall provide the necessary means for this purpose. The Supervisory Board may require that certain officers and external advisers attend its meetings.<sup>2</sup>
- 6.6 The Board of Management shall always on its own accord provide information to the Supervisory Board which it may need to function properly and to carry out its duties properly. Where possible, this information must be provided in writing.
- 6.7 The Board of Management shall provide the Supervisory Board with monthly updates on the business performance. The Board of Management shall in principle quarterly provide the Supervisory Board with a report prepared in a format as agreed from time to time and setting out detailed information on, *inter alia*, mergers and acquisitions, material investments, organisational issues, regulatory developments and other relevant issues. The Board of Management shall furthermore quarterly provide the Supervisory Board with a report prepared in a format as agreed from time to time and setting out detailed information on the financial

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<sup>26</sup> Dutch Corporate Governance Code III.1

<sup>27</sup> Section 2:140 Dutch Civil Code; Dutch Corporate Governance Code, Principle III.1.

<sup>28</sup> Section 2:140 Dutch Civil Code; Dutch Corporate Governance Code, Principle III.1.

<sup>1</sup> Dutch Corporate Governance Code, Principle III.1.

<sup>2</sup> Dutch Corporate Governance Code, clause III.1.9.

situation and developments of the Company and its Subsidiaries. In addition, the Board of Management shall at least once a year inform the Supervisory Board in writing about the main features of the Strategic Plan, the general and financial risks and the internal risk management and control systems of the Company.<sup>3</sup>

- 6.8 The Supervisory Board is empowered to engage independent advisors to aid it and its Committees<sup>4</sup> (and to ask the support of one or more supporting staff members in the performance of its duties) at the Company's expense. In the event the Remuneration Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the Company's BoM members.<sup>5</sup>
- 6.9 The Supervisory Board shall have unrestricted access to the Company's books, records and premises.
- 6.10 The Supervisory Board shall discuss, at least once a year, outside the presence of the Board of Management, both its own functioning, the functioning of its committees and that of its individual members, and the conclusions that must be drawn on the basis thereof. The desired Supervisory Board Profile and the composition and competence of the Supervisory Board shall also be discussed. Moreover, the Supervisory Board shall discuss at least once a year outside the presence of the Board of Management, both the functioning of the Board of Management as a body of the Company and the performance of the individual BoM members, and the conclusions that must be drawn on the basis thereof. The Annual Supervisory Board Report shall state how the evaluation of the Supervisory Board, the separate committees and that of its individual members has been carried out.<sup>6</sup>

## **7. Certain Specific Duties and Responsibilities**

The duties and responsibilities of the Supervisory Board specifically include:

### **(A) with respect to actions of the Board of Management:**

- (1) supervising the Board of Management, including (i) the achievement of the Company's objectives; (ii) corporate strategy and the risks inherent in the business activities; (iii) the design and effectiveness of the internal risk management and control systems; (iv) the financial reporting process; (v) compliance with the primary and secondary regulations applicable to the Company, (vi) the company-shareholder relationship; and (vii) corporate responsibility issues that are relevant to the enterprise;<sup>7</sup>

with respect to the Supervisory Board's duties regarding supervision of financial statements and approving the Financial Statements, also refer to clause 8 of these By-Laws;

with respect to the Supervisory Board's duties regarding assessment of strategy and risks, also refer to clause 9 of these By-Laws;

- (2) considering proposed resolutions of the Board of Management that are subject to Supervisory Board approval as referred to in clause 10 of these By-Laws;

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<sup>3</sup> Articles of Association, article 27.3.

<sup>4</sup> Articles of Association, article 27.4.

<sup>5</sup> Dutch Corporate Governance Code, clause III.5.13.

<sup>6</sup> Dutch Corporate Governance Code, clause III.1.7.

<sup>7</sup> Dutch Corporate Governance Code, clause III.1.6.

**(B) with respect to BoM members:**

- (3) selecting and appointing BoM members, proposing the remuneration policy for BoM members to the General Meeting, fixing the remuneration (in accordance with the terms of said remuneration policy) and contractual terms and conditions of employment of BoM members;<sup>8</sup>
- (4) determining the number of BoM members after consultation with the CEO, appointing the BoM member to hold the office of CEO, approving (or proposing, if appropriate) any changes to the division of tasks within the Board of Management or to the By-Laws of the Board of Management and evaluating and assessing the functioning of the Board of Management and the individual BoM members; approving outside positions of BoM members;<sup>9</sup>
- (5) handling conflicts of interests between the Company and BoM members;<sup>10</sup>

**(C) with respect to Supervisory Board members:**

- (6) selecting and nominating Supervisory Board members and proposing the remuneration of Supervisory Board members to the General Meeting;
- (7) determining the number of Supervisory Board members, appointing the Chairman and the Vice-Chairman, appointing Committees as appropriate and determining their roles and evaluating and assessing the functioning of the Supervisory Board, its Committees and the Supervisory Board members (including the evaluation of the Supervisory Board Profile and the induction, education and training programme); approving outside positions of Supervisory Board members where required pursuant to clause 24.2 of these By-Laws;<sup>11</sup>
- (8) handling conflicts of interest between the Company and Supervisory Board members;<sup>12</sup>

**(D) Other:**

- (9) through the Audit Committee, administering the Company's relationship with the External Auditor;<sup>13</sup>
- (10) establishing procedures for the receipt, recording and handling of complaints in respect of financial reporting, internal risk management, control systems and, where appropriate through the Audit Committee;<sup>14</sup>
- (11) consistent with clause 16 of these By-Laws, preparing the Annual Supervisory Board Report;
- (12) determining, together with the Board of Management, the corporate governance structure of the Company and ensuring compliance with the Dutch Corporate Governance Code and other (foreign) applicable rules and regulations;<sup>15</sup>

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<sup>8</sup> see clause 16 of the By-Laws of the Board of Management.

<sup>9</sup> see clause 17 of the By-Laws of the Board of Management.

<sup>10</sup> see clause 15 of the By-Laws of the Board of Management; Dutch Corporate Governance Code, clause III.6.5.

<sup>11</sup> see clause 24 of these By-Laws.

<sup>12</sup> see clause 21 of these By-Laws.

<sup>13</sup> see clause 11 of these By-Laws.

<sup>14</sup> see clause 15 of these By-Laws.

<sup>15</sup> Dutch Corporate Governance Code, Principle I.

- (13) taking measures to manage the Company if the Board of Management is unable to perform its duties;<sup>16</sup>
- (14) any other duty or responsibility conferred upon the Supervisory Board by law, the Articles of Association, these By-Laws, the terms of reference of any Committee or the By-Laws of the Board of Management.

## **8. Supervision of Financial Reporting; Approving Financial Statements**

- 8.1 The Supervisory Board shall, primarily through the Audit Committee, supervise compliance with the internal procedures set up by the Board of Management for the preparation and publication of the Annual Report, the Financial Statements, the quarterly and half-yearly figures and ad hoc financial information.<sup>17</sup> The Supervisory Board shall further see to it that the internal controls over financial reporting referred to in clause 7.1 of the By-Laws of the Board of Management are established and maintained.<sup>18</sup>
- 8.2 The Audit Committee shall as soon as possible and expediently furnish the Supervisory Board with regular reports relating to the Financial Statements and the half-yearly and quarterly accounts and any related matters, after which the same will be tabled in a meeting of the Supervisory Board. The Financial Statements and the Annual Report for the year just ended shall also be discussed in a meeting of the Supervisory Board with the Board of Management within four months of this year end. The half-yearly and quarterly accounts of the Company for the respective period just ended shall be discussed in a meeting of the Supervisory Board with the Board of Management within two months of the end of this period. Such meetings shall be prepared by the Audit Committee and shall be attended by the External Auditor.
- 8.3 The External Auditor shall in any event attend all meetings of the Audit Committee and the Supervisory Board at which the report of the External Auditor with respect to the Financial Statements is discussed and at which the Financial Statements are to be approved. The External Auditor shall receive the financial information underlying the adoption of the quarterly and half-year figures and other interim financial reports and shall be given the opportunity to respond to all information.<sup>19</sup> The External Auditor shall report his findings in relation to the audit of the Financial Statements to the Board of Management and the Supervisory Board equally.<sup>20</sup>
- 8.4 Contact between the Supervisory Board and the External Auditor shall in principle be through the chairman of the Audit Committee. The Audit Committee shall act as the principal contact for the External Auditor if he discovers irregularities in the content of the financial reports.<sup>21</sup>
- 8.5 The Supervisory Board shall arrange that any recommendations made by the External Auditor, to the extent these are accepted, are actually implemented by the Board of Management, which duty may be delegated to the Audit Committee.

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<sup>16</sup> Articles of Association, article-22.

<sup>17</sup> Dutch Corporate Governance Code, clause V.1.1.

<sup>18</sup> Dutch Corporate Governance Code, clause V.1.3.

<sup>19</sup> Dutch Corporate Governance Code, clause V.4.1.

<sup>20</sup> Dutch Corporate Governance Code, Principle V.4.

<sup>21</sup> Dutch Corporate Governance Code, clause III.5.5.

## 9. Assessment of Strategy and Risks

At least once a year the Supervisory Board shall discuss the strategy, policies, long-range plans and risks attached to the business of the Company and its Subsidiaries, including the Strategic Plan, and the results of the assessment of the Board of Management of the design and effectiveness of the internal risk management and other control systems and any significant change to these. Reference to these discussions shall be made in the Annual Supervisory Board Report.<sup>22</sup>

## 10. Approval of Board of Management Resolutions

The approval of the Supervisory Board shall be required with respect to the following actions of the Board of Management:

- (a) determining the operational and financial objectives of the Company;<sup>23</sup>
- (b) determining the strategy designed to achieve the objectives;<sup>24</sup>
- (c) determining the parameters to be applied in relation to the strategy, for example in respect of the financial ratios;<sup>25</sup>
- (d) those actions listed in **Annex 8**.<sup>26</sup>

## 11. Duties Regarding Nomination and Assessment of External Auditor

- 11.1 The External Auditor shall be appointed by the General Meeting. The Supervisory Board acting through the Audit Committee shall nominate a candidate for this appointment to the General Meeting and may recommend replacement of the External Auditor. The Board of Management shall, upon the Audit Committee's request, advise the Audit Committee and the Supervisory Board in this regard.<sup>27</sup>
- 11.2 The remuneration of the External Auditor, and instructions to the External Auditor to provide non-audit services, shall be approved by the Supervisory Board on the recommendation of the Audit Committee and, upon the Audit Committee's request, after consultation with the Board of Management.
- 11.3 The Board of Management and the Audit Committee shall report their dealings with the External Auditor to the Supervisory Board on an annual basis, including their assessment of the External Auditor's independence (for example, the desirability of rotating the responsible partners of the External Auditor and the desirability of the External Auditor providing both auditing and non-audit services to the Company). The Supervisory Board acting through the Audit Committee shall take this into account when deciding its nomination for the appointment of an External Auditor in accordance with clause 11.1 of these By-Laws and the assessment of renewal of the engagement of the External Auditor in accordance with clause 11.4.<sup>28</sup>
- 11.4 Once every three years, the Supervisory Board through the Audit Committee shall conduct a thorough assessment of the functioning of the External Auditor within the Company and its Subsidiaries in the different capacities in which the External Auditor acts. The main

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<sup>22</sup> Dutch Corporate Governance Code, clause III.1.8.

<sup>23</sup> Dutch Corporate Governance Code, clause II.1.2.

<sup>24</sup> Dutch Corporate Governance Code, clause II.1.2.

<sup>25</sup> Dutch Corporate Governance Code, clause II.1.2.

<sup>26</sup> Articles of Association, article 21; Dutch Corporate Governance Code, clause III.6.5.

<sup>27</sup> Dutch Corporate Governance Code, Principle V.2.

<sup>28</sup> Dutch Corporate Governance Code, clause V.2.2.

conclusions of this assessment shall be communicated to the General Meeting for the purposes of assessing the renewal of the engagement with the External Auditor or the termination of such engagement.<sup>29</sup>

- 11.5 Conflicts of interest and potential conflicts of interest between the External Auditor and the Company shall be resolved in accordance with the relevant provisions in the terms of reference of the Audit Committee and more specifically in accordance with the PostNL Goup Policy on Auditor Independence & Pre-Approval.<sup>30</sup>

## **12. Remuneration of BoM members**

- 12.1 The Supervisory Board shall be responsible for the remuneration structure of the Board of Management. This remuneration structure, including severance payment, shall be simple and transparent. It shall promote the interests of the Company in the mid to long term.<sup>59</sup>

- 12.2 Before drawing up the remuneration policy and prior to determining the remuneration of individual BoM members, the Supervisory Board shall analyse the possible results of the variable remuneration components and how they may affect the remuneration of the BoM members. The Supervisory Board shall determine the level and structure of the remuneration of the BoM members by reference to the scenario analyses carried out and with due regard for the pay differentials within the organisation. In determining the level and structure of the remuneration of the BoM members, the Supervisory Board shall take into account, among other things, the results, the share price performance and non-financial indicators that are relevant for the long term objectives of the Company, with due regard for the risks to which variable remuneration may expose the enterprise.<sup>31</sup>

- 12.3 The Remuneration Committee, on behalf of the Supervisory Board, shall prepare a Remuneration Report, which shall contain an account of the manner in which the remuneration policy has been implemented in the past financial year, as well as an overview of the remuneration policy for BoM members planned by the Supervisory Board for the next financial year and subsequent years.<sup>32</sup> This overview shall, in any event, contain the information set out in **Annex 9**.<sup>33</sup>

- 12.4 The remuneration policy proposed for the next financial year and subsequent years as specified in the Remuneration Report shall be submitted to the General Meeting of Shareholders for adoption. Every material change in the remuneration policy shall also be submitted to the General Meeting of Shareholders for approval. Proposals in respect of schemes whereby BoM members are remunerated in the form of shares or rights to subscribe for shares, and in respect of major changes to such schemes, shall be submitted to the General Meeting of Shareholders for approval.<sup>34</sup>

- 12.5 The Supervisory Board shall determine the remuneration of the individual BoM members, on a proposal by the Remuneration Committee, within the scope of the remuneration policy adopted by the General Meeting.<sup>35</sup>

- 12.6 The Supervisory Board shall have the power to adjust upwards or downwards the value of a

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<sup>29</sup> Dutch Corporate Governance Code, clause V.2.3.

<sup>30</sup> Dutch Corporate Governance Code, clause III.6.5.

<sup>59</sup> Dutch Corporate Governance Code, Principle II.2.

<sup>31</sup> Dutch Corporate Governance Code, best practice provisions II.2.1 to II.2.3.

<sup>32</sup> Dutch Corporate Governance Code, clause II.2.9.

<sup>33</sup> Dutch Corporate Governance Code, clause II.2.10.

<sup>34</sup> Dutch Corporate Governance Code, II.2 (2nd Principle); Section 2:135 subsection 4 of the Dutch Civil Code.

<sup>35</sup> Dutch Corporate Governance Code, II.2 (2nd Principle).

variable remuneration component conditionally awarded in a particular financial year if in its opinion such value produces an unfair result due to extraordinary circumstances in the period in which the performance criteria determined beforehand are or should be realised.<sup>65</sup>

- 12.7 The Supervisory Board shall have the power to claim back from the BoM member the variable remuneration component granted on the basis of incorrect (financial) information (claw back clause).<sup>66</sup>
- 12.8 The main elements of the employment contract of a BoM member shall be made public immediately after it is concluded, at the latest at the date of the notice convening the annual General Meeting of Shareholders at which the appointment of the BoM member concerned shall be proposed. These elements shall in any event include the amount of the fixed salary, the structure and amount of the variable remuneration component, any redundancy scheme and/or severance pay agreed, any conditions of a change of control clause in the contract with the BoM member concerned and any other remuneration components promised to the BoM member, pension arrangements and performance criteria.<sup>67</sup>
- 12.9 If a BoM member or former BoM member is paid severance pay or other special compensation during a given financial year, an account and an explanation of this remuneration or compensation must be included in the Remuneration Report.<sup>68</sup>
- 12.10 The Remuneration Report shall be posted on the Company's website.<sup>36</sup>

### **13. Relation with the Shareholders**

- 13.1 The Supervisory Board shall endeavour to ensure compliance with all statutory and other provisions relating to the rights of the General Meeting and of individual shareholders with respect thereto, including but not limited to ensuring that notice of the meeting is given properly.
- 13.2 The Supervisory Board members shall participate in General Meetings of Shareholders, unless they are unable to attend for important reasons.
- 13.3 The General Meetings of Shareholders shall be presided over by the Chairman or, in his absence, the Vice-Chairman. However, the Supervisory Board may also appoint another person to preside over the meeting.
- 13.4 Where appropriate, the Supervisory Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.<sup>37</sup>
- 13.5 The Supervisory Board, together with the Board of Management, shall ensure that the General Meeting is provided in good time with all information that it requires for the exercise of its powers.<sup>38</sup>
- 13.6 The Supervisory Board shall endeavour to procure that the General Meeting is provided with all

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<sup>65</sup> Dutch Corporate Governance Code, best practice provision II.2.10.

<sup>66</sup> Dutch Corporate Governance Code, best practice provision II.2.11.

<sup>67</sup> Dutch Corporate Governance Code, clause II.2.11.

<sup>68</sup> Dutch Corporate Governance Code, clause II.2.15.

<sup>36</sup> Dutch Corporate Governance Code, clause II.2.13.

<sup>37</sup> Dutch Corporate Governance Code, Principle IV.3.

<sup>38</sup> Dutch Corporate Governance Code, Principle IV.3.

requested information, unless this would be contrary to an overriding interest of the Company. If the Supervisory Board invokes an overriding interest, it shall give reasons.<sup>39</sup>

- 13.7 The Supervisory Board shall endeavour to procure within the limits of its powers that the minutes of the General Meeting of Shareholders are made available to shareholders of the Company no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the minutes in the following three months. The minutes shall then be adopted in the manner provided for in the Articles of Association.<sup>40</sup> The Supervisory Board shall furthermore endeavour to procure that the outcome of the voting in the General Meeting of Shareholders shall be published on the Company's website as soon as practicable after the end of such meeting.
- 13.8 The Supervisory Board, together with the Board of Management, shall procure that each substantial change in the corporate governance structure of the Company and in the compliance of the Company with the Dutch Corporate Governance Code is submitted to the General Meeting for discussion under a separate agenda item.<sup>41</sup>

#### **14. Relation with the Central Works Council**

The Supervisory Board shall interact with the Central Works Council in accordance with the covenant dated 2 June 1998 and any other arrangement to be agreed with the Central Works Council to replace or amend such covenant or as otherwise agreed with the Central Works Council.

#### **15. Complaints Handling; Whistleblowers**

In addition to the obligations of the Board of Management in respect of this subject as set out in clause 5.9 of the By-Laws of the Board of Management, the Supervisory Board, where appropriate acting through the Audit Committee and assisted by the Director Audit & Security and the Integrity Committee, shall establish procedures for the receipt, recording and handling of complaints received by the Company in respect of the financial reporting, the internal risk management and control systems and the audit and/or the Audit Committee.<sup>42</sup> The Company's whistleblower policy shall be set out in the PostNL Business Principles and procedural aspects shall be set out in the PostNL Whistleblower Procedure, which shall both be posted on the Company's website.

#### **16. Annual Supervisory Board Report**

- 16.1 The Supervisory Board shall describe in the Annual Supervisory Board Report its activities in the financial year concerned and include therein the specific statements and information required by the following provisions of this clause 16.<sup>43</sup>
- 16.2 The Annual Supervisory Board Report shall, *inter alia*, include the following information relating to the Supervisory Board:
- (a) a reference to the discussions regarding the Strategic Plan held by the Supervisory Board during the past year;<sup>44</sup>

<sup>39</sup> Dutch Corporate Governance Code, clause IV.3.5.

<sup>40</sup> Dutch Corporate Governance Code, clause IV.3.10; Articles of Association, article 39.

<sup>41</sup> Dutch Corporate Governance Code, clause I.2.

<sup>42</sup> Compare Dutch Corporate Governance Code, clause II.1.7.

<sup>43</sup> Dutch Corporate Governance Code, clause III.1.2.

<sup>44</sup> Dutch Corporate Governance Code, clause III.1.8; see also clause 9 of these By-Laws.

- (b) a reference to the discussion regarding developments in the field of corporate governance and consideration of any changes required with respect to the governance of the Company held by the Supervisory Board during the past year;
  - (c) a statement on which Supervisory Board members have frequently been absent from meetings of the Supervisory Board;<sup>45</sup>
  - (d) a declaration that clause 1.3(f) of these By-Laws has, in the Supervisory Board's view, been fulfilled and which Supervisory Board member is not considered to be independent if any;<sup>46</sup>
  - (e) a reference to the discussions described in clause 6.10 of these By-Laws;<sup>47</sup> and
  - (f) a reference to decisions, of the Supervisory Board under clauses 27.2 and 27.3 of these By-Laws.
- 16.3 The Annual Supervisory Board Report must detail in respect of each Committee its existence, composition, number of meetings and main items discussed.<sup>48</sup>
- 16.4 The Annual Supervisory Board Report must at least include the following data with respect to each Supervisory Board member:<sup>49</sup> (i) age; (ii) nationality; (iii) date of appointment and current term of office; (iv) present and former positions in the Company; (v) service on Committees; (vi) principal position and other outside positions held to the extent relevant to the performance of duties as a Supervisory Board member; (vii) Company securities held; (viii) details of any contracts providing for benefits in the event of termination from the Supervisory Board or any other position with the Company; (ix) gender; (x) profession.
- 16.5 The Annual Supervisory Board Report shall also include the principal points of the Remuneration Report of the Supervisory Board concerning the remuneration policy of the Company as drawn up by the Remuneration Committee.<sup>50</sup>

### **CHAPTER III MEETINGS OF THE SUPERVISORY BOARD, DECISION-MAKING**

#### **17. Frequency, Notice, Agenda and Venue of Meetings**

- 17.1 The Supervisory Board shall meet whenever the Chairman, two other Supervisory Board members or the Board of Management deems necessary or desirable for the proper functioning of the Supervisory Board<sup>51</sup>, but at least six times a year. Meetings shall be scheduled annually as much as possible in advance.
- 17.2 Meetings of the Supervisory Board shall in principle be called by the Corporate Secretary, in consultation with the Chairman. Save in urgent cases, to be determined by the Chairman, the agenda for a meeting shall be sent to all Supervisory Board members at least seven calendar

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<sup>45</sup> Dutch Corporate Governance Code, clause III.1.5.

<sup>46</sup> Dutch Corporate Governance Code, clause III.2.3.

<sup>47</sup> Dutch Corporate Governance Code, clause III.1.7.

<sup>48</sup> Dutch Corporate Governance Code, clause III.5.2.

<sup>49</sup> Dutch Corporate Governance Code, clause III.1.3 .

<sup>50</sup> Dutch Corporate Governance Code, II.2 (2nd Principle).

<sup>51</sup> Articles of Association, article 28.3.

days before the meeting. For each item on the agenda an explanation in writing shall be provided, where possible, and/or other related documentation will be attached. The Chairman should in principle consult on the content of the agenda with the CEO prior to convening the meeting.

17.3 Each Supervisory Board member and the CEO individually and the Board of Management collectively is entitled to require that a subject is placed on the agenda for a Supervisory Board meeting.

17.4 Supervisory Board meetings shall be generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings of the Supervisory Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

## **18. Attendance and Admittance to Meetings**

18.1 The CEO shall be requested to attend as many of the Supervisory Board meetings as possible to the extent that the Supervisory Board does not indicate that it wishes to meet in the absence of the CEO. If so requested, other BoM members shall also attend meetings of the Supervisory Board.

18.2 A Supervisory Board member may be represented at meetings by another Supervisory Board member holding a proxy in writing. The existence of such proxy must be proved satisfactorily to the chairman of the meeting. A Supervisory Board member may not act as a proxy holder on behalf of more than one other Supervisory Board member.<sup>52</sup>

18.3 In the event a Supervisory Board member is frequently absent from Supervisory Board meetings he shall be called to account for this by the Chairman.<sup>53</sup>

18.4 The admittance at the meeting of persons other than Supervisory Board members, the Corporate Secretary and - if invited - BoM members shall be decided by majority vote of the Supervisory Board members present at the meeting.

## **19. Chairman of the Meeting; Reports**

19.1 Supervisory Board meetings shall be presided over by the Chairman or, in his absence, the Vice-Chairman. If both are absent, one of the other Supervisory Board members, designated by a majority of votes cast by the Supervisory Board members present at the meeting, shall preside.

19.2 The Corporate Secretary or any other person designated for such purpose by the chairman of the meeting shall draw up a report on the proceedings at the meeting. The report should provide insight into the decision-making process at the meeting. The report shall be adopted by the Supervisory Board at the same meeting or the next meeting.

## **20. Decision-Making within the Supervisory Board**

20.1 The Supervisory Board members shall endeavour to adopt resolutions unanimously.

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<sup>52</sup> Articles of Association, article-28.7.

<sup>53</sup> Dutch Corporate Governance Code, clause III.1.5.

- 20.2 Each Supervisory Board member has the right to cast one vote.
- 20.3 Where unanimity cannot be reached and the law, the Articles of Association or these By-Laws do not prescribe a larger majority, all resolutions of the Supervisory Board shall be adopted by an absolute majority of the votes cast. In the event of a tie, the Chairman shall have the deciding vote. At a meeting, the Supervisory Board may only pass resolutions if the majority of the Supervisory Board members then in office are present or represented.
- 20.4 In general, resolutions of the Supervisory Board shall be adopted at a Supervisory Board meeting.
- 20.5 The Supervisory Board may also adopt resolutions without holding a meeting, provided the proposal concerned has been submitted to all Supervisory Board members then in office and none of them has objected to this form of decision-making. The Corporate Secretary shall prepare and sign a report on any resolution so adopted. In the minutes of the subsequent meeting of the Supervisory Board, this form of decision-making shall be stated.
- 20.6 The Supervisory Board may deviate from the provisions of clauses 20.3 (last sentence), 20.4 and 20.5 if the Chairman deems necessary, considering the urgent nature and other circumstances of the case, provided that all Supervisory Board members are given the opportunity to participate in the decision-making process. The Corporate Secretary shall prepare and sign a report on any resolution so adopted. In the minutes of the subsequent meeting of the Supervisory Board, this form of decision-making shall be stated.
- 20.7 A resolution adopted by the Supervisory Board may be disclosed outside the Company through a written statement from the Chairman and/or the Corporate Secretary.

## **CHAPTER IV OTHER PROVISIONS**

### **21. Conflicts of Interests of Supervisory Board members**

- 21.1 A Supervisory Board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the Company and/or to him, to the Chairman (or, if the conflict of interest or potential conflict of interest concerns the Chairman, to the Vice-Chairman) and shall provide all relevant information, including information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. The Supervisory Board member concerned may not take part in the assessment by the Supervisory Board of whether a conflict of interest exists.<sup>54</sup>

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<sup>54</sup> Dutch Corporate Governance Code, clause III.6.2.

- 21.2 A conflict of interest exists, in any event, if the Company intends to enter into a transaction with a legal entity (i) in which a Supervisory Board member personally has a material financial interest; (ii) which has a management board member who is related under family law to a Supervisory Board member<sup>55</sup>; or (iii) in which a Supervisory Board member has a management or supervisory position.<sup>56</sup>
- 21.3 A Supervisory Board member may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company.<sup>57</sup>
- 21.4 All transactions in which there are conflicts of interest with Supervisory Board members shall be agreed on terms that are customary for arm's-length transactions in the branch of business in which the Company and its Subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or to the relevant Supervisory Board members require the approval of the Supervisory Board. Such transactions shall be published in the Annual Report, together with a statement of the conflict of interest and a declaration that the provisions of clauses 21.1 through 21.4 of these By-Laws have been complied with.<sup>58</sup>

## **22. Remuneration of Supervisory Board members**

- 22.1 The remuneration of the Supervisory Board members shall be determined by the General Meeting. The Supervisory Board shall from time to time submit proposals with respect thereto to the General Meeting. The remuneration of a Supervisory Board member may not depend on the results of the Company. If a Supervisory Board member is required to charge VAT on his fees, the Company shall pay the amount of VAT.
- 22.2 Apart from their remuneration, Supervisory Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings. Any other expenses shall only be reimbursed, either in whole or in part, if incurred with the consent of the Chairman or the Corporate Secretary on his behalf (or if it concerns the Chairman, the Vice-Chairman, or the Corporate Secretary on his behalf).
- 22.3 A Supervisory Board member may not be granted any shares and/or rights to shares in the Company's capital by way of remuneration.<sup>59</sup>
- 22.4 Any shareholding in the Company by Supervisory Board members is for the purpose of long-term investment.<sup>60</sup>
- 22.5 The Company may not grant, maintain, arrange for or renew, directly or indirectly, including through a Subsidiary, to Supervisory Board members any personal loans, guarantees or the like.<sup>61</sup>

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<sup>55</sup> A relationship under family law exists between a child, its parents and their blood relatives (Section 1:197 Dutch Civil Code).

<sup>56</sup> Dutch Corporate Governance Code, clause III.6.1 (continued).

<sup>57</sup> Dutch Corporate Governance Code, clause III.6.2.

<sup>58</sup> Dutch Corporate Governance Code, clause III.6.3.

<sup>59</sup> Dutch Corporate Governance Code, clause III.7.1.

<sup>60</sup> Dutch Corporate Governance Code, clause III.7.2.

<sup>61</sup> Dutch Corporate Governance Code, clause III.7.3.

## **23. Induction Programme; Ongoing Training and Education<sup>62</sup>**

- 23.1 Upon appointment, a Supervisory Board member shall follow an induction programme that covers general financial and legal affairs, financial reporting by the Company, any specific aspects that are unique to the Company and its business activities, and the responsibilities of a Supervisory Board member.
- 23.2 The Supervisory Board will conduct an annual review to identify any aspects with regard to which the Supervisory Board members require further training or education during their term of office. Such further training or education will be arranged by the Corporate Secretary.
- 23.3 The induction course as well as training and education so required shall be sponsored by the Company.

## **24. Outside Positions**

- 24.1 A Supervisory Board member shall limit his positions as employee, executive director or supervisory board member with other companies and large legal entities to the extent necessary to ensure due performance of his duties as a Supervisory Board member. It is the intention of the Supervisory Board that its members will not hold more than five memberships of supervisory boards in Dutch listed companies (including the Company).<sup>63</sup> In this connection, a chairmanship counts twice.<sup>64</sup> Each Supervisory Board member holding more than five such board memberships shall commit to reducing these board memberships to a maximum of five. No new Supervisory Board member shall be appointed holding more than five board memberships as referred to above.
- 24.2 Supervisory Board members must inform the Chairman and the Corporate Secretary of their outside positions which may be of importance to the Company or the performance of their duties before accepting such outside positions. If the Chairman determines that there is a risk of a conflict of interest, the matter shall be discussed by the Supervisory Board and, if so desired by the Chairman or the Supervisory Board, by the Nominations Committee, all in a manner consistent with clause 21 of these By-Laws. The Corporate Secretary will maintain a list of the outside positions concerned of each Supervisory Board member.

## **25. Holding and Trading Securities**

- 25.1 Any shareholding by Supervisory Board members in the Company is for the purpose of long-term investment.<sup>65</sup>
- 25.2 Supervisory Board members are bound to the PostNL Group Policy on Prevention of Insider Trading, which is posted on the Company's website.
- 25.3 With respect to the ownership of and transactions in securities Supervisory Board members must at all times comply with all Dutch and foreign primary and secondary legislation and (internal) regulations applicable thereto.<sup>66</sup>

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<sup>62</sup> Dutch Corporate Governance Code, clause III.3.3.

<sup>63</sup> Dutch Corporate Governance Code, clause III.3.4.

<sup>64</sup> Dutch Corporate Governance Code, clause III.3.4.

<sup>65</sup> Dutch Corporate Governance Code, best practice provision III.7.2. See also relevant provisions of the Post Insider Trading Rules..

<sup>66</sup> Clauses 25.3 and 25.4 of these By-Laws jointly refer to the regulations referred to in best practice provision III.6.5 of the Dutch Corporate Governance Code.

25.4 A Supervisory Board member shall once a quarter report to the Central Officer (as referred to in the PostNL Group Policy on Prevention of Insider Trading) all changes in his holding of securities related to Dutch listed companies other than the Company which have occurred during the quarter preceding the relevant report. However, such report need not be made if during the quarter concerned he has invested exclusively in listed investment funds or has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement. In that case, the report must state that this exemption applied without interruptions during the entire quarter concerned. If the exemption is applied on the basis of the transfer of the discretionary management of the securities portfolio to an independent third party, the name and office address of the third party concerned must be reported and a copy of the agreement with such third party and amendments thereto must be submitted. The information provided to the Central Officer under this clause 25.4 shall be part of the register referred to in clause 35 of the PostNL Group Policy on Prevention of Insider Trading. The Central Officer shall report annually to the CEO and to the Chairman of the Audit Committee of the Supervisory Board.

## 26. Confidentiality

No Supervisory Board member shall during his membership of the Supervisory Board or afterwards disclose in any way whatsoever to anyone whomsoever any information of a confidential nature regarding the business of the Company and/or its Subsidiaries and/or any companies in which it holds a stake, that came to the knowledge of the Supervisory Board member in the capacity of his work for the Company and which he knows or should know to be of a confidential nature, unless required by law. A Supervisory Board member is allowed to disclose the above information to BoM members and Supervisory Board members as well as staff members of the Company and/or its Subsidiaries and/or companies in which the Company holds a stake who, in view of their activities for the Company and/or its Subsidiaries and/or companies in which the Company holds a stake, should be informed of the information concerned. A Supervisory Board member may not utilise in any way whatsoever the information referred to above for his personal benefit.

## 27. Miscellaneous

27.1 **Acceptance by Supervisory Board members.** By assuming office, a person that is appointed as a Supervisory Board member is regarded as having read and accepted the contents of these By-Laws and to pledge to the Company to comply with the provisions of these By-Laws.

27.2 **Occasional non-compliance.** Subject to applicable law and regulation, the Supervisory Board may occasionally decide at its sole discretion not to comply with these By-Laws. Any material non-compliance with these By-Laws shall be mentioned in the Annual Supervisory Board Report.

27.3 **Amendment.** These By-Laws may be amended by the Supervisory Board at its sole discretion at any time. Prior to amending these By-Laws the Supervisory Board shall consult with the Board of Management. Resolutions of the Supervisory Board to amend these By-Laws shall be mentioned in the Annual Supervisory Board Report.

27.4 **Governing law and jurisdiction.** These By-Laws shall be governed by the laws of the Netherlands. The courts of the Netherlands shall have exclusive jurisdiction to settle any dispute arising from or in connection with these By-Laws (including any dispute regarding the existence, validity or termination of these By-laws).

27.5 **Complementarity to Dutch law and Articles of Association.** These By-Laws purport to be complementary to the provisions governing the Supervisory Board as contained in Dutch law, other applicable Dutch, EU or foreign (to the extent not conflicting with the applicable Dutch rules and regulations) rules and regulations and the Articles of Association. Where these By-Laws are inconsistent with Dutch law, other applicable Dutch, EU or foreign rules and regulations or the Articles of Association, the latter shall prevail. Where these By-Laws are consistent with the Articles of Association but inconsistent with Dutch law or other applicable Dutch, EU or foreign (to the extent not conflicting with the applicable Dutch rules and regulations) rules and regulations, the latter shall prevail.

27.6 **Partial invalidity.** If one or more provisions of these By-Laws are or become invalid, this may not affect the validity of the remaining provisions. The Supervisory Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these By-Laws is, to the greatest extent possible, similar to that of the invalid provisions.

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## ANNEX 1

### LIST OF DEFINITIONS

1. In the By-Laws of the Board of Management and the Supervisory Board, the following terms have the following meanings:

**Annual Report** means the annual report of the Company, drawn up by the Board of Management, as referred to in Section 2:391 of the Dutch Civil Code.

**Annual Supervisory Board Report** means the annual report of the Supervisory Board which is added to the Annual Report.

**Articles of Association** means the articles of association of the Company.

**Associated Company** means a company with which the Company is connected in a group or in which the Company has a participation as meant in Section 2:24c of the Dutch Civil Code, provided the most recent determined turnover of such company equals at least 10% of the Company's consolidated turnover or a company in which the Company directly or indirectly holds more than 25% of the capital.

**Audit Committee** means the committee of the Supervisory Board referred to as such in clause 5.4 of the By-Laws of the Supervisory Board.

**Board of Management** means the board of management of the Company.

**BoM member** means a member of the Board of Management.

**By-Laws** means either the by-laws of the Board of Management or the by-laws of the Supervisory Board, as shall follow from the context.

**Central Works Council** means the central works council of the Company.

**CEO** means the Chief Executive Officer of the Company.

**CFO** means the Chief Financial Officer of the Company.

**Chairman** means the chairman of the Supervisory Board.

**Committee**, with respect to the Supervisory Board, means any committee of the Supervisory Board as referred to in clause 5 of the By-Laws of the Supervisory Board.

**Company** means PostNL N.V.

**Corporate Secretary** means the corporate secretary of the Company as referred to in clause 4 of the By-Laws of the Supervisory Board or his deputy, as applicable.

**Disclosure Committee** means the committee, which shall assist the Board of Management with certain tasks set out in clause 6.4 of the By-Laws of the Board of Management as further described in the Terms of Reference of the Disclosure Committee.

**External Auditor** means the auditor of the Company as referred to in Section 2:393 of the Dutch Civil Code.

**Financial Statements** means the financial statements of the Company as referred to in Section 2:361 of the Dutch Civil Code.

**FSA means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).**

**General Meeting** means the body formed by shareholders with voting rights and others holding voting rights.

**General Meeting of Shareholders** means the general meeting of shareholders and other persons entitled to hold meetings.

**Integrity Committee** means the integrity committee of the Company.

**Nominations Committee** means the committee of the Supervisory Board referred to as such in clause 5.4 of the By-Laws of the Supervisory Board.

**Public Affairs Committee** means the public affairs committee of the Supervisory Board, referred to as such in clause 5.4 of the By-Laws of the Supervisory Board.

**Remuneration Committee** means the remuneration committee of the Supervisory Board, referred to as such in clause 5.4 of the By-Laws of the Supervisory Board.

**Remuneration Report** means the remuneration report of the Supervisory Board concerning the remuneration policy of the Company as drawn up by the Remuneration Committee.

**Strategic Plan** means the strategic policy and business plan of the Company.

**Subsidiary** means a subsidiary of the Company within the meaning of Section 2:24a of the Dutch Civil Code.

**Supervisory Board** means the supervisory board of the Company.

**Supervisory Board member** means a member of the Supervisory Board.

**Supervisory Board Profile** means, with respect to the Supervisory Board, the profile of the size and composition of the Supervisory Board as referred to in clause 1.1 of the By-Laws of the Supervisory Board.

**PostNL Business Principles** means the Post Code of Business Principles as adopted by the Board of Management and approved by the Supervisory Board from time to time and published on the Company's website.

**PostNL Group Policy on Prevention of Insider Trading** means the Post Policy on prevention of insider trading.

**Vice-Chairman** means the vice-chairman of the Supervisory Board.

**written or in writing** means, unless the law or the Articles of Association provide otherwise, a message that is conveyed by letter, by telefax, by e-mail, or by any other electronic means of communication, provided the message is legible and reproducible.

2. Save where the context dictates otherwise, in the By-Laws of the Board of Management and the Supervisory Board:
  - (a) words and expressions expressed in the singular form also include the plural form, and vice versa;
  - (b) words and expressions expressed in the masculine form also include the feminine form; and
  - (c) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.
3. Headings of articles and other headings in the By-Laws of the Board of Management and the Supervisory Board are inserted for ease of reference and do not form part of the By-Laws concerned for the purpose of interpretation.

## ANNEX 2

### SUPERVISORY BOARD PROFILE

#### 1. General information

- 1.1 The Supervisory Board is charged with the supervision the Board of Management and the general course of affairs of the Company affiliated enterprises (including its financial policies and corporate structure) as well as with the assistance to the Board of Management by providing advice. The Supervisory Board evaluates the main organisational structure and the control mechanisms established under the management of the Board of Management.
- 1.2 The Supervisory Board has established the following standing Committees: an Audit Committee, a Remuneration Committee, a Nominations Committee and a Public Affairs Committee. The function of these standing Committees is to prepare the decision-making of the Supervisory Board. The members of the standing Committees shall be appointed from the members of the Supervisory Board, who shall all be available to serve on such Committees.
- 1.3 The composition of the Supervisory Board shall be such that the members are able to act critically and independently of one another and of the Board of Management and any particular interest. The Supervisory Board members must have the capability to take measures to manage the Company in the absence of the Board of Management.
- 1.4 The powers of the Supervisory Board pursuant to the law and the Articles of Association are vested in the Supervisory Board as a body and are exercised under collective responsibility.
- 1.5 In view of the aforementioned the Supervisory Board shall operate as a body and the knowledge, experience and background of its individual members should be considered in the context of the Supervisory Board as a whole.
- 1.6 As the Company's situation, markets and environment change, the Supervisory Board's need for specific competencies will change. Therefore the profile of the Supervisory Board shall be reviewed each year in the light of changing circumstances and against the background of the company's prevailing situation.
- 1.7 The remuneration of the Supervisory Board members shall be determined by the General Meeting of Shareholders.
- 1.8 Business in the Supervisory Board and its standing Committees will be conducted in the English language (Dutch if necessary).

#### 2. Profile of the Supervisory Board

##### 2.1. Composition in general

- a. Each Supervisory Board member shall be capable of assessing the broad outline of the overall policy. Each Supervisory Board member shall have the specific expertise required for the fulfilment of the duties assigned to the role designated to him or her within the frame work of the Supervisory Board profile. Each Supervisory Board member shall have sufficient time available for the proper performance of his or her duties. The composition of the Supervisory Board shall be such that is able to carry out its duties properly.
- b. The Supervisory Board shall have at least three members. They are in principle appointed for a term of four years and can be reappointed for not more than two terms of four years. Reappointment is not automatic, but depends on the performance of the Supervisory Board member in question. The Supervisory Board will review the performance of its members on an annual basis.
- c. The Supervisory Board shall consist of a mix of persons with executive experience, preferably gained in the private sector, experience in corporate governance of large stock-listed companies, experience in communication and experience in the political and

social environment, preferably with a Dutch political network, in which such companies operate. The Supervisory Board shall preferably have at least two members with a solid business background (of which one preferably with CEO experience) and one member with a financial background. The Supervisory Board should preferably have one member who is currently active as an executive outside the Company.

- d. With respect to diversity in the composition of the Supervisory Board the objective pursued by the Supervisory Board is to have a variation of age, gender, expertise, social background and nationality. In as much as possible a balance shall be strived for to achieve the abovementioned variation.

## 2.2. Primary areas of competence that must be covered

- a. International developments in markets, products and technologies. These developments must be fully understood for an independent assessment by the Supervisory Board of the services that the Company provides or anticipates to provide in existing and new markets, particularly in the areas of:
  - marketing and sales;
  - information -and communication technology (ICT), its applications and systems;
  - knowledge of business processes;
  - logistics.
- b. International/national developments in government policy and legislation, public affairs and tax.
- c. Financial administration, accounting policies and internal controls of multinationals with stock exchange listings.
- d. International/national acquisitions and joint ventures.
- e. Social and political conditions in all primary countries where the Company operates, with specific knowledge of, and attention to the interests of employees.
- f. Investor relations.
- g. Experience in management and organisational issues.
- h. Knowledge of Corporate Governance developments.
- i. Knowledge of (inter)national capital markets.

**ANNEX 3**

**ROTATION PLAN OF THE SUPERVISORY BOARD**

See separate tab.

**ANNEX 4**

**TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

See separate tab.

**ANNEX 5**

**TERMS OF REFERENCE OF THE NOMINATIONS COMMITTEE**

See separate tab.

**ANNEX 6**

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

See separate tab.

**ANNEX 7**

**TERMS OF REFERENCE OF THE PUBLIC AFFAIRS COMMITTEE**

See separate tab.

## ANNEX 8

### SUPERVISORY BOARD APPROVAL LIST

#### PART 1

#### **LIST OF RESOLUTIONS OF THE BOARD OF MANAGEMENT TO BE APPROVED BY THE SUPERVISORY BOARD PURSUANT TO ARTICLE 21 OF THE ARTICLES OF ASSOCIATION**

- a. the issue and acquisition of shares of the Company and debt instruments issued by the Company or of debt instruments issued by a limited partnership (*commanditaire vennootschap*) or a general partnership (*vennootschap onder firma*) in respect of which the Company is a general partner with full liability;
- b. cooperation in the issue of depositary receipts for shares in the Company;
- c. application for admission of the instruments referred to under a. and b. for trade or a regulated market or multilateral trading facility as referred to in article 1:1 of the FSA or a system comparable to a regulated market or multilateral trading facility from a State which is not a Member State, or an application for the withdrawal of such admission;
- d. the entering into or termination of long-term cooperation of the Company or a dependent company with any other company or legal entity or as fully liable partner in a limited partnership or general partnership if such cooperation or termination is of fundamental importance to the Company;
- e. the acquisition of a participation worth at least a quarter of the value of the issued capital plus reserves according to the Company's balance sheet plus explanatory notes, by the Company or a dependent company in the capital of another company, and any substantial increase or decrease of such a participation;
- f. investments requiring an amount equal to at least a quarter of the Company's issued capital plus reserves according to its balance sheet plus explanatory notes;
- g. a proposal to amend the Articles of Association;
- h. a proposal to dissolve the Company;
- i. a petition for bankruptcy (*faillissement*) or a request for suspension of payments (*surséance van betaling*);
- j. the termination of the employment of a considerable number of the Company's employees or of a dependent company's employees simultaneously or within a short period of time;
- k. a significant change in the employment conditions of a considerable number of the Company's employees or of a dependent company's employees;
- l. a proposal to reduce the issued capital of the Company.

## PART 2

### OTHER

- (i) appointment of one of the BoM members as CFO;<sup>67</sup>
- (ii) the assignment of tasks of the Board of Management to individual BoM members;<sup>68</sup>
- (iii) all transactions between the Company and legal entities or individuals who hold at least 10% of the shares in the Company that are of material significance to the Company and/or such persons;<sup>69</sup>
- (iv) a resolution to adopt the Strategic Plan;<sup>70</sup>
- (v) all transactions in which there are conflicts of interest with one or more BoM members that are of material significance to the Company and/or the relevant BoM members;<sup>71</sup>
- (vi) any resolution to participate in, provide capital to or to invest in fixed assets of a company, whether or not an affiliated company, which, on an individual basis, may involve financial exposure to the Company, based upon an analysis of the facts existing at the time of such investment, of more than fifteen million euro (€15,000,000);
- (vii) any resolution regarding capital expenditures equal to or in excess of an amount of fifteen million euro (€15,000,000);
- (viii) any resolution regarding a purchase contract for the duration of three years or longer, equal to or in excess of an amount of fifteen million euro (€15,000,000),
- (ix) all transactions in which there are conflicts of interest with one or more Supervisory Board members that are of material significance to the Company and/or the relevant Supervisory Board members;<sup>72</sup>
- (x) any other actions for which statutory approval is required or for which approval is required pursuant to the Articles of Association, the By-Laws of the Board of Management, the By-Laws of the Supervisory Board, the Dutch Corporate Governance Code or any other applicable regulations.

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<sup>67</sup> By-Laws BoM, clause 3.1.

<sup>68</sup> By-Laws BoM, clause 1.5.

<sup>69</sup> By-Laws BoM, clause 5.10.

<sup>70</sup> By-Laws BoM, clause 6.1.

<sup>71</sup> By-Laws BoM, clause 15.5.

<sup>72</sup> By-Laws SB, clause 21.4.

## ANNEX 9

### INFORMATION TO BE INCLUDED IN THE REMUNERATION REPORT

The Remuneration Report shall contain an overview of the remuneration policy planned by the Supervisory Board for the next financial year and subsequent years. The report shall explain how the chosen policy contributes to the achievement of the long-term objectives of the Company and its affiliated enterprise in keeping with the risk profile. The report shall be posted on the Company's website and shall, in any event, contain the following information:<sup>73</sup>

- (a) an overview of the costs incurred by the Company in the financial year in relation to management board remuneration including a breakdown showing fixed salary, annual cash bonus, shares, options and pension rights that have been awarded and other emoluments; shares, options and pension rights must be recognized in accordance with the accounting standards;
- (b) the full remuneration of the individual BoM members, broken down into various components;<sup>74</sup>
- (c) a statement that the scenario analyses referred to in best practice provision II.2.1 of the Dutch Corporate Governance Code have been carried out;
- (d) for each BoM member the maximum and minimum numbers of shares conditionally granted in the financial year or other share-based remuneration components that the BoM member may acquire if the specified performance criteria are achieved;
- (e) a table showing the following information for incumbent BoM members at year-end for each year in which shares and/or other share-based remuneration components have been awarded over which the BoM member did not yet have unrestricted control at the start of the financial year: (i) the value and number of shares and/or other share-based remuneration components on the date of granting, (ii) the present status of shares and/or other share-based remuneration components awarded: whether they are conditional or unconditional and the year in which vesting period and/or lock-up period ends, (iii) the value and number of shares and/or other share-based remuneration components conditionally awarded under (i) at the time when the BoM member obtains ownership of them (end of vesting period), and (iv) the value and number of shares and/or other share-based remuneration components awarded under (i) at the time when the BoM member obtains unrestricted control over them (end of lock up period);
- (f) the composition of the peer group of companies whose remuneration policy determines in part the level and composition of the remuneration of the BoM members;
- (g) a description of the performance criteria on which the performance-related component of the variable remuneration is dependent insofar as disclosure would not be undesirable because the information is competition sensitive, and of the discretionary component of the variable remuneration that can be fixed by the Supervisory Board as it sees fit;
- (h) a summary and account of the methods that will be applied in order to determine whether the performance criteria have been fulfilled;

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<sup>73</sup> Dutch Corporate Governance Code, clause II.2.13.

<sup>74</sup> Dutch Corporate Governance Code, clause II.2.9 (2<sup>nd</sup> Principle).

- (i) an ex-ante and ex-post account of the relationship between the chosen performance criteria and the strategic objectives applied, and of the relationship between remuneration and performance;
- (j) current pension schemes for BoM members and the related financing costs;
- (k) agreed arrangements for the early retirement of BoM members.

