

POSTNL N.V.
AUDIT COMMITTEE OF THE SUPERVISORY BOARD
TERMS OF REFERENCE

Introduction

These Terms of Reference are established by the Supervisory Board pursuant to clause 5 of the By-Laws of the Supervisory Board.

The Audit Committee is a standing Committee of the Supervisory Board.

Capitalized terms used but not defined herein shall have the meaning set forth in the List of Definitions attached to the By-Laws of the Supervisory Board as Annex 1.

1. Purpose

- 1.1 The Audit Committee is appointed by the Supervisory Board to assist the Supervisory Board in advising on and monitoring (i) the integrity of the financial and corporate responsibility reporting by the Company (including but not limited to the choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the Financial Statements and forecasts), (ii) the External Auditor's qualifications and independence, remuneration and non-audit services for the Company, (iii) the performance of the Company's internal audit function and External Auditor, (iv) the financial and corporate responsibility reporting process, (v) the system of internal business controls (including but not limited to the effectiveness of internal risk management and control systems), (vi) the compliance by the Company with all relevant primary and secondary legislation and all relevant codes of conduct, (vii) the compliance by the Company with the recommendations from the External Auditor and the Company's internal audit function, (viii) the financing of the Company and finance-related strategies, (ix) the Company's tax planning and (x) the application of information and communication technology.¹
- 1.2 The Audit Committee shall have delegated authority on behalf of the Supervisory Board only on issues specified in these Terms of Reference or on other issues as the Supervisory Board may specifically decide from time to time. Any use by the Audit Committee of the aforementioned delegated authority shall be timely communicated to the full Supervisory Board and shall, where specifically provided in these Terms of Reference, be subject to confirmation by the full Supervisory Board.
- 1.3 The Audit Committee shall present all material findings and recommendations to the Supervisory Board for consideration.

¹ Dutch Corporate Governance Code, clause III.5.4.

2. Composition

- 2.1 The Audit Committee shall consist of at least three members. All members of the Audit Committee shall be Supervisory Board members who are independent within the meaning of clauses 1.4² and 1.5 of the By-Laws of the Supervisory Board. Each member of the Audit Committee must be financially literate and at least one member of the Audit Committee shall be a financial expert as defined in clause 1.3(f) of the By-Laws of the Supervisory Board.³ Members of the Audit Committee shall not simultaneously serve on the audit committees of more than two other companies unless the Supervisory Board determines that such simultaneous service would not impair the ability of such member to serve effectively on the Audit Committee.
- 2.2 The members of the Audit Committee shall be appointed by the Supervisory Board on the recommendation of the Nominations Committee. Members of the Audit Committee may be replaced by the Supervisory Board at any time.
- 2.3 The chairman of the Audit Committee shall be designated by the Supervisory Board on the recommendation of the Nominations Committee. The Audit Committee shall not be chaired by the Chairman or by a former BoM member.⁴
- 2.4 The term of office of a member of the Audit Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and other Committees from time to time.
- 2.5 The Corporate Secretary shall act as the secretary to the Audit Committee.
- 2.6 No member of the Audit Committee may receive, directly or indirectly, any compensation from the Company other than fees paid to Supervisory Board members for service on the Supervisory Board or a Committee thereof.

3. Meetings

- 3.1 The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall meet periodically with the CEO and the CFO, the Company's Group Director Audit & Security, the Company's Group Director Reporting & Consolidation and the External Auditor. The Audit Committee shall furthermore meet with the External Auditor as often as it considers necessary, but at least once a year, outside the presence of BoM members.⁵ The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or External Auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Every Supervisory Board member may attend meetings of the Audit Committee. The Audit Committee shall decide whether, and if so, when the CEO, the CFO, the External Auditor or the Group Director Audit & Security shall attend meetings of the Audit Committee.⁶
- 3.2 When the need arises, the External Auditor may request the chairman of the Audit Committee for leave to be allowed to attend the meeting of the Audit Committee.⁷
- 3.3 Except in case of urgency, meetings shall be called at least seven calendar days before the meeting. Meetings of the Audit Committee may also be held by conference call, video

² Dutch Corporate Governance Code, clause III.5.1.

³ Dutch Corporate Governance Code, clause III.5.7.

⁴ Dutch Corporate Governance Code, clause III.5.6.

⁵ Dutch Corporate Governance Code, clause III.5.9.

⁶ Dutch Corporate Governance Code, clause III.5.8.

⁷ Dutch Corporate Governance Code, clause V.4.2.

conference or by any other means of communication, provided the participants can communicate with each other simultaneously. The Corporate Secretary shall draw up minutes of the meeting, to be circulated as soon as possible to all the Supervisory Board members.

- 3.4 If and when required, the chairman of the Audit Committee shall provide further information to the Supervisory Board during its meetings on the results of the Audit Committee's discussions.

4. Specific Committee Authority and Responsibilities

- 4.1 The External Auditor shall in any event attend the meeting of the Supervisory Board, at which the report of the External Auditor with respect to the audit of the Financial Statements is discussed, and at which Financial Statements are to be approved or adopted. The External Auditor shall receive the financial information underlying the adoption of the quarterly and/ or half yearly figures and other interim financial reports and shall be given the opportunity to respond to all information.⁸
- 4.2 The Audit Committee shall have the sole authority, which is subject to confirmation by the Supervisory Board, to recommend to the General Meeting of Shareholders the appointment or replacement of the External Auditor. The Audit Committee shall be directly responsible for the compensation and oversight of the work of the External Auditor (including resolution of disagreements between management and the External Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- 4.3 The Audit Committee shall determine how the External Auditor should be involved in the content and publication of financial reports of the Company other than the Financial Statements.⁹
- 4.4 The Audit Committee shall request the External Auditor to include in its report the matters which the External Auditor wishes to bring to the attention of the Board of Management and the Supervisory Board in relation to his audit of the Financial Statements and the related audits, which may include e.g. such matters as listed in **Annex A**.¹⁰
- 4.5 The Audit Committee shall ensure that the External Auditor may be questioned by the General Meeting of Shareholders in relation to its audit opinion and that the External Auditor shall for this purpose attend the General Meeting of Shareholders and be entitled to address this meeting.¹¹
- 4.6 The Audit Committee shall report its dealings with the External Auditor to the Supervisory Board in a manner consistent with clause 11.3 of the By-Laws of the Supervisory Board.¹²
- 4.7 The Audit Committee shall thoroughly assess the functioning of the External Auditor once every three years in a manner consistent with clause 11.4 of the By-Laws of the Supervisory Board.¹³
- 4.8 The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its External Auditor. The Audit Committee may delegate such authority to its chairman, but for special occasions only, provided that any decision of the chairman of the Audit Committee to grant such a pre-

⁸ Dutch Corporate Governance Code, clause V.4.1.

⁹ Dutch Corporate Governance Code, clause V.1.2.

¹⁰ Dutch Corporate Governance Code, clause V.4.3.

¹¹ Dutch Corporate Governance Code, clause V.2.1.

¹² Dutch Corporate Governance Code, clause V.2.2.

¹³ Dutch Corporate Governance Code, clause V.2.3.

approval shall be presented to the full Audit Committee at its next scheduled meeting.

- 4.9 The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the External Auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.
- 4.10 The Audit Committee is authorised by the Supervisory Board on its behalf to exercise all powers of the Supervisory Board needed to discharge itself of its assignments and may consequently inspect all relevant corporate books and records, interview all officers and employees of the Company in so far as necessary to fulfil its assignment.
- 4.11 The Audit Committee will ensure that the Group Director Audit & Security shall have access to the External Auditor and to the chairman of the Audit Committee.¹⁴
- 4.12 The Audit Committee, to the extent it deems necessary or appropriate, shall take the actions described in the following Annexes to these Terms of Reference:

Annex B - Oversight of the External Auditor and Internal Audit Function

Annex C – Financial Statements and Disclosure Matters

Annex D - Compliance Oversight Responsibilities

Annex E - Financing and Finance Related Strategies,

and the Audit Committee shall furthermore act in accordance with and take the actions described in the following Annexes to these Terms of Reference:

Annex F - PostNL Group Policy on Auditor Independence & Pre-Approval

5. Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in these Terms of Reference, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's Financial Statements and disclosures are complete and accurate and are in accordance with applicable primary and secondary legislation.

6. Annual Assessment of Committee Functioning

The Audit Committee shall review and re-assess the adequacy of these Terms of Reference annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board for approval and adoption.

7. Amendment of these Terms of Reference; Revocation of Powers

Subject to applicable primary and secondary legislation, the Supervisory Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Audit Committee.

¹⁴ Dutch Corporate Governance Code, clause V.3.2.

8. Disclosures regarding Audit Committee

- 8.1 The composition of the Audit Committee shall be mentioned in the Annual Supervisory Board Report forming part of the Annual Report and on the Company's website.
- 8.2 These Terms of Reference shall be posted on the Company's website.
- 8.3 The number of meetings of the Audit Committee and the main items discussed shall be mentioned in the Annual Supervisory Board Report forming part of the Annual Report.

9. Miscellaneous

- 9.1 Every Supervisory Board member shall have unrestricted access to all records of the Audit Committee.
- 9.2 The chairman of the Audit Committee (or one of the other Audit Committee members) shall be available to answer questions about the Audit Committee's activities at the annual General Meeting of Shareholders.
- 9.3 Clauses 27.2 through 27.6 of the By-Laws of the Supervisory Board apply to the terms of reference of the Audit Committee by analogy.

Adopted by the Supervisory Board on 28 April 2011

List of Certain Matters to be included in the External Auditor's Report¹⁵

The report of the External Auditor pursuant to section 2:393, subsection 4 of the Dutch Civil Code shall contain the matters which the External Auditor wishes to bring to the attention of the Board of Management and the Supervisory Board in relation to its audit of the Financial Statements and the related audits.

The following examples can be given:

A. With regard to the audit:

- information about matters of importance to the assessment of the independence of the External Auditor;
- information about the course of events during the audit and cooperation with internal auditors and/or any other external auditors, matters for discussion with the Board of Management, a list of corrections that have not been made, etc.

B. With regard to the financial figures:

- analyses of changes in shareholders' equity and results, which do not appear in the information to be published, and which, in the view of the External Auditor, contribute to an understanding of the financial position and results of the Company;
- comments regarding the processing of one-off items, the effects of estimates and the manner in which they have been arrived at, the choice of accounting policies, when other choices were possible, and special effects of such policies;
- comments on the quality of forecasts and budgets.

C. With regard to the operation of the internal risk management and control systems (including the reliability and continuity of automated data processing) and the quality of the internal provision of information:

- points for improvement, gaps and quality assessments;
- comments about threats and risks to the company and the manner in which they should be reported in the particulars to be published;
- compliance with the Articles of Association, instructions, regulations, loan covenants, requirements of external supervisors, etc.

¹⁵ Dutch Corporate Governance Code, clause V.4.3.

Oversight of the External Auditor and Internal Audit Function

1. Review and evaluate the External Auditor and the lead partner of the External Auditor team.
2. Obtain and review a report from the External Auditor at least annually regarding (a) the External Auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years in respect of one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues and (d) all relationships between the External Auditor and the Company. Evaluate the qualifications, performance and independence of the External Auditor, including considering whether the External Auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the External Auditor's independence, and taking into account the opinions of the Board of Management and internal auditors. The Audit Committee shall present its conclusions with respect to the External Auditor to the Supervisory Board.
3. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law, regulation or the Company's Auditor Independence Policy.
4. Review and discuss annually with the External Auditor, the Group Director Audit & Security and the Board of Management PostNL's internal audit charter and the independence of the audit process.
5. Meet with the External Auditor prior to the audit to discuss the planning, scope and staffing of the audit.
6. Review the appointment and replacement of the Group Director Audit & Security.
7. Review the significant reports to the Board of Management prepared by Corporate Audit Services and the Board of Management's responses.
8. Discuss with the External Auditor and the Board of Management the internal audit department's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

Financial Statements and Disclosure Matters

1. Review and discuss with the Board of Management and the External Auditor the annual audited Financial Statements, including disclosures made in management's discussion and analysis or similar sections.
2. Review and discuss with the Board of Management and the External Auditor the Company's interim Financial Statements prior to their release, including the results of any review by the External Auditors of the interim Financial Statements.
3. Discuss with the Board of Management and the External Auditor significant financial reporting issues and judgements made in connection with the preparation of the Company's Financial Statements, including the quality of earnings, significant deviations between planned and actual performance, any significant changes in the Company's selection or application of accounting principles, any issues as to the adequacy of the Company's internal controls and any special steps adopted in light of control deficiencies.
4. Review and discuss any reports from the External Auditors on:
 - (a) all critical accounting policies and practices to be used;
 - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Board of Management or any member thereof, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the External Auditor; and
 - (c) other material written communications between the External Auditor and the Board of Management or any member thereof, such as any management letter or schedule of unadjusted differences.
5. Discuss with the Board of Management the Company's (a) earnings press releases, including the use of non-GAAP information and (b) plans and policies with respect to financial information and earnings guidance provided to analysts and rating agencies.
6. Discuss with the Board of Management and the External Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's Financial Statements.
7. Discuss with the Board of Management the Company's major financial risk exposures and the steps the Board of Management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
8. Discuss with the External Auditor the matters required to be discussed by the International Standard on Auditing No. 260 and No. 265. ISA 260 includes the responsibilities of the External Auditor to communicate the responsibility in relation to the Financial Statements audit, the overview of the planned scope and timing of the audit, the External Auditor's views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and Financial Statements disclosures, significant difficulties, if any, encountered during the audit, matters (if any) arising from the audit that are the External Auditor's professional judgment significant to the oversight of the financial reporting process and about safeguarding the External Auditor's independence. ISA 265 includes the External Auditor's responsibility to communicate appropriately deficiencies in internal control that the External Auditor has identified in an audit of Financial Statements.

9. To the extent applicable, review disclosures made to the Audit Committee by the Company's CEO and CFO about any deficiencies in the design or operation of disclosure or internal controls or material weaknesses therein and any fraud involving any BoM member or other employees who have a significant role in the Company's internal controls.

Compliance Oversight Responsibilities

1. Obtain reports from Board of Management, the Company's Group Director Audit & Security, the Group Director & Consolidation, the Chairman of the Disclosure Committee, the Group Director Integrity and the External Auditor that the Company and its Subsidiaries/foreign affiliated enterprises are in conformity with applicable legal requirements and the PostNL Business Principles. Review reports and disclosures of insider and affiliated party transactions. Advise the Supervisory Board with respect to the Company's policies and procedures regarding compliance with applicable primary and secondary legislation and with the PostNL Business Principles.
2. Establish procedures for the receipt, recording and handling of complaints received by the Company in respect of accounting, internal accounting controls or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
3. Discuss with the Board of Management and the External Auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's Financial Statements or accounting policies.
4. Discuss with the Company's General Counsel legal matters that may have a material impact on the Financial Statements or the Company's compliance policies.
5. Review and discuss with the Board of Management and the responsible Group Director the annual Corporate Responsibility Report prior to its release, either as a part of the Financial Statements, the Annual Report or otherwise.

Financing and Finance Related Strategies

1. Review and discuss with the Board of Management at least once per year the general financing strategy.
2. Review and discuss with the Board of Management treasury policies and procedures, including foreign exchange policies and procedures.
3. Review and discuss with the Board of Management (1) material mergers and acquisitions (and in any event those requiring a commitment in excess of €15 million) and their financing prior to their discussion in the Supervisory Board, and (2) mergers and acquisitions policies and procedures in general as well as post investment reviews one and, as the case may be, two years after completion of an acquisition.

The discussion between the Audit Committee and the Board of Management on the aforementioned matters shall take place before these are discussed between the Supervisory Board and the Board of Management.

PostNL Group Policy Auditor Independence & Pre-Approval

See separate tab