

BOARD OF MANAGEMENT COMPLIANCE STATEMENT

The management of risks, internal control, integrity and compliance forms an integral part of the business management within TNT and continues to be strengthened and embedded into TNT's business objectives setting processes and its operations.

disclosures as required by the Board of Management under the most recent best practice provisions of the proposed revised Dutch corporate governance code and the EU Transparency Directive as incorporated in chapter 5.3 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*). The nature and, where possible, the extent of TNT's exposure to risks is described in chapter 13.

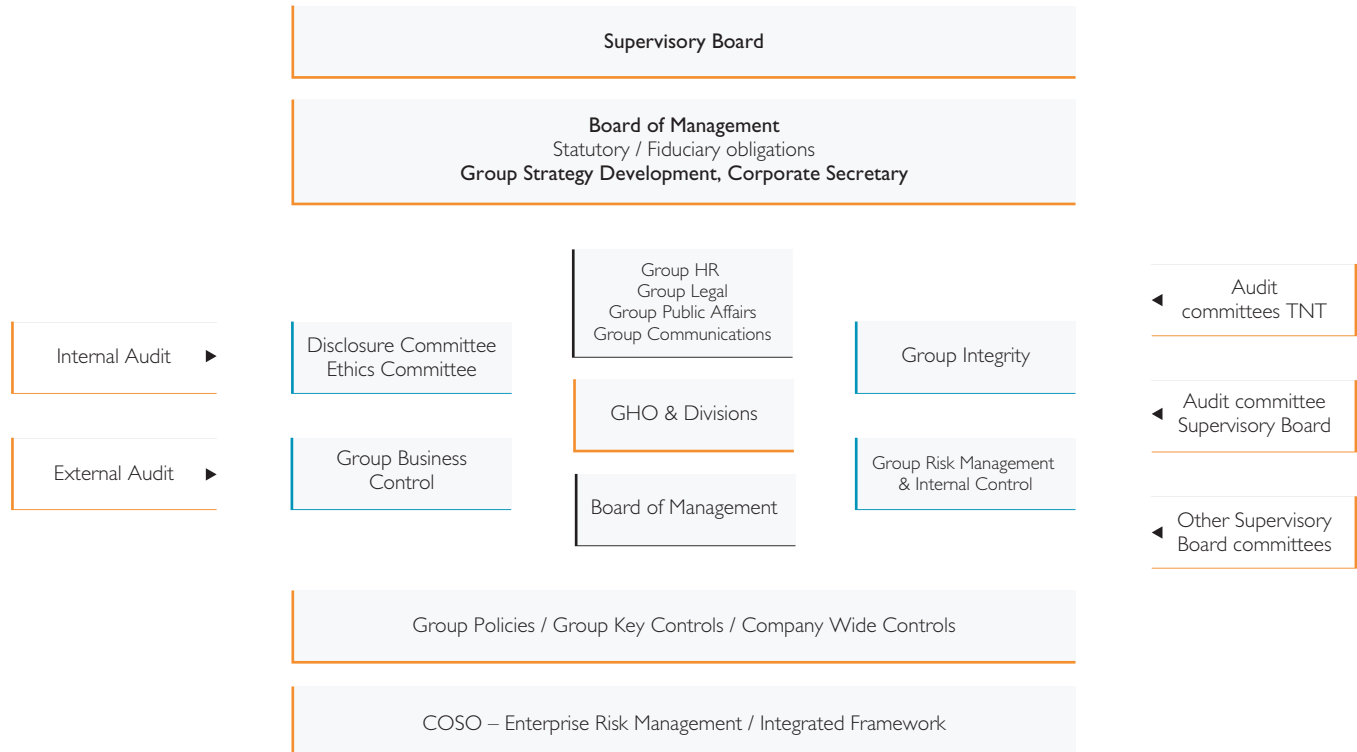
Risk management, internal control, integrity and compliance systems

The TNT approach to risk management, internal control, integrity and compliance

This section provides an overview of TNT's approach to risk management, internal control, integrity and compliance. It also documents the necessary

A pictorial and narrative description of TNT's risk management and control framework and its structure is provided below.

Risk Management, Internal Control, Integrity and Compliance Framework



The framework shows that the Board of Management is supported in developing and achieving its strategic, operational and financial objectives by group and division functions in the areas of risk management, control, integrity, reporting, tax, treasury, legal and corporate secretary, HR, public affairs and communications. These supporting functions are responsible for ensuring that the legal and regulatory compliance objectives are achieved. The Board of Management and the related group and divisional functions have ensured that

the framework is established primarily around eight business cycles of group policies, procedures and internal controls covering revenue, procurement, HR, financial reporting, treasury, tax, legal and compliance, and information systems. Independent and internal monitoring and oversight functions provide a second and third line of control and assurance in addition to that provided by the line functions.

TNT has embedded the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management – Integrated Framework as the foundation of its risk management and control system. Built upon this framework is a comprehensive portfolio of group policies and key controls which direct and instil discipline in the company's business operations. The Board of Management has created a structure to support the development and implementation of these policies and controls, thus facilitating the discharge of statutory and fiduciary obligations. The Supervisory Board, its Audit Committee and other committees perform an oversight role, whilst the TNT internal audit function and the company's external auditors support the Board of Management and the Supervisory Board in monitoring the risk management, internal control, integrity and compliance framework.

General Compliance

The group policies and procedures reflect and define “the tone at the top” and the group's way of doing business. Group policies have been reviewed and where necessary revised to strengthen existing internal controls. The Board of Management will continue to focus on this area in the coming year to ensure that there are effective and efficient group policies as the foundation of TNT's risk management, internal control, integrity and compliance systems.

Strategies have been established for the group and translated into clear objectives, among other things with regard to business, markets, financial results, human resources and sustainability. The objectives are reviewed in the annual strategic review and the budget process for the group and at the level of TNT's operational units. Performance and compliance are monitored regularly in discussions between the appropriate management and the Board of Management, through the Letter of Representation (signed by all managing and finance directors of TNT's group entities, and divisional and group level employees that report directly to the Board of Management), by internal audits carried out by the corporate audit services function, and by the monitoring duties of TNT's divisional audit committees.

Risk management

In 2008, the impact of the global macroeconomic downturn accompanied by significant uncertainty within the financial markets has created an environment in which risk management processes have also had to adapt to the changing dynamics. TNT recognises that risk remains as an intrinsic component of doing business, however a structured and transparent risk management process facilitates management to identify, manage and prepare for risks in an informed, controlled and transparent manner. TNT's enterprise-wide risk management systems are therefore designed to identify principal key strategic, operational, legal and regulatory, and financial risks facing the group in the pursuit of its Focus on Networks strategy outlined in chapter 2.

Whilst continuous emphasis has been placed on the identification of risks at all levels of the organisation and to develop mitigating actions, the constant changes in the environment in 2008 has made it challenging to keep abreast of the rapidly evolving situation. During 2008 the risk profile within TNT changed significantly with many previously reported inherent risks becoming specific within a very short period of time. TNT management has reviewed the risk profile regularly throughout the year and will continue to do so regularly during 2009. For those risks deemed to be material, comprehensive mitigating action plans are developed and reviewed regularly by the Board of Management. All

operational units worldwide continued to participate in the comprehensive risk identification process, the outcome of which is reported to the relevant divisional group and functional management. In addition, regular status reports of risk mitigating actions are provided to the Board of Management to further strengthen the company's risk management processes. The outcome of the risk management process is shared and discussed with the audit committee of the Supervisory Board and the Supervisory Board.

The risks currently facing TNT's strategic, operational, legal and regulatory, and financial objectives are outlined in chapter 13. Chapter 13 also sets out the impact the current economic situation is having on TNT and its operations and financial performance, and outlines and where possible describes the extent of the corrective actions which are either in progress, have been realised or are in preparation. In addition key risks have been classified by risk category and further classified into specific risks and inherent risks facing the group. Specific risks are risks that the Board of Management believes could negatively impact TNT's short to medium term objectives, whilst inherent risks are those risks that are constantly present in the business environment but which are considered sufficiently material to require disclosure and management. The main specific risks which the Board of Management believes key risks in 2009 in summary are:

- sharp volume declines and shifts in customer preferences from premium international express products to international economy products in TNT Express (directly related to the declining macroeconomic situation) could result in further rationalising TNT's Express operations and the air and road networks,
- the loss of key customers/suppliers due to insolvency/bankruptcy in a worsening macroeconomic environment and the impact this could have on cash flow,
- the further liberalisation of the Dutch and EU postal markets,
- a downturn in the capital markets and/or a decline in interest rates may increase the discounted present value of TNT's defined benefit pension fund liabilities, which in turn could require significant additional funding by TNT,
- measures taken to reduce costs, including employee redundancies, may not achieve the results intended and could adversely affect TNT's employee relations, reputation, revenues and profitability, and
- a downgrade in TNT's credit rating may increase TNT's financing costs and could harm TNT's ability to finance its operations and acquisitions.

For the mentioned key risks mitigation actions were defined.

The Board of Management believes that this approach to risk management and the disclosure of both specific and inherent risks is comprehensive and prudent given the shift seen over 2008 with many inherent risks, particularly finance risks which have a direct correlation with macroeconomic factors, becoming specific.

Internal control over financial reporting

TNT's Board of Management is and remains committed to continuing to provide a high standard of corporate governance, information and disclosure, in line with the current Dutch corporate governance code and regulatory requirements. The Board of Management is focused on continuously strengthening TNT's

internal control over financial reporting, whereby the positive elements of TNT's former obligations under the Sarbanes-Oxley Act continue to form a key part of TNT's approach to governance, internal control and reporting because the Board of Management fully believes that this approach and investment will continue to support a solid platform for sustainable value creation for the group. TNT's Board of Management has chosen to expand the scope of the internal controls over financial reporting framework beyond the minimum requirements that would have been mandatory according to the Sarbanes-Oxley Act, to include some smaller entities as well as the newly acquired entities in China and Brazil. In 2009 the design scope will also be expanded to include the newly acquired entity in India and some additional smaller entities.

TNT's specific approach to internal control over financial reporting continues to be generally based on section 404 of the Sarbanes-Oxley Act 2002 and the associated guidance to management issued by the United States Securities and Exchange Commission in May 2007 as well as the principles outlined in Auditing Standards 2 and 5 as promulgated by the Public Companies Accounting Oversight Board (PCAOB). However, this does not imply an assessment of the adequacy and effectiveness of TNT's internal control and risk management processes over financial reporting under section 404 of the Sarbanes-Oxley Act, nor is there an assessment by TNT's external auditor to that extent.

Throughout 2008, TNT continued to invest considerable time and resources documenting and evaluating the design of internal controls over financial reporting as well as continuing the comprehensive programme of testing the operational effectiveness of the company's internal control over financial reporting. TNT has also refined its system of entity level controls which are applicable to all entities worldwide. This latter system includes an integrity awareness and training programme (see below) and a robust portfolio of group policies and procedures.

Integrity

TNT's Integrity Programme consists of four parts: guidance, awareness and compliance, embedding, and monitoring.

Guidance is set out in the TNT Business Principles which have been formally adopted and approved by the Board of Management and Supervisory Board. The TNT Business Principles, together with other integrity-related group policies and procedures, are published on TNT's corporate website. These group policies deal with topics such as compliance with laws and regulations, accurate and timely disclosure of information, transparency, equal opportunities, fair treatment, conflict of interest, corruption, fair competition and corporate responsibility. The TNT Business Principles are aligned with the UN Global Compact (since 2002) and the Partnering Against Corruption Initiative principles (since 2008). TNT's integrity-related group policies and procedures include the TNT Group Procedure on Whistleblowing, the TNT Group Policy on Fraud Prevention, the TNT Group Policy on Gifts and Entertainment and the TNT Group Policy on Disciplinary Actions. The latter policy makes clear that non-compliance with TNT's group policies will not be tolerated.

Awareness and compliance are enhanced by communication, and web-based and face-to-face training. Interactive integrity workshops have been and continue to be held for senior and higher management in all parts of the world. Senior managers, on the basis of the "train the trainer" principle, thereafter cascade this training and communication down into their organisations, thus fulfilling their responsibility for the roll-out of the Integrity Programme.

TNT facilitates and monitors this process. Furthermore, TNT developed a web-based training on the TNT Business Principles, fraud prevention and fraud detection, which is used to train critical management as well as a large group of other managers and employees.

The TNT Business Principles and related group policies are being embedded in TNT's strategic and operational decision processes. Integrity has become part of TNT's Group Policy on Mergers and Acquisitions and an integrity due diligence procedure as well as an integrity post-acquisition review have become part of TNT's mergers and acquisitions process. Furthermore, new employees of TNT are required to certify their acknowledgement and understanding of the TNT Business Principles when entering employment.

The TNT Integrity Programme is monitored in several ways: (i) senior management sign-off in a Letter of Representation every half year; (ii) internal audits, and (iii) yearly engagement surveys. The TNT Integrity Programme is part of the entity level controls, and compliance is self-assessed annually by management.

Another important monitoring tool is the TNT Group Procedure on Whistleblowing. Under this procedure employees are encouraged to promptly report any breach or suspected breach of any law, regulation, the TNT Business Principles or other company policies and procedures, and any other alleged irregularities. Employees can report the (suspected) breach directly to their line manager or to the Group Integrity department. In 2008, 140 reports were received (in 2007: 82). Approximately 19% of these complaints involved employment related matters (in 2007: 32%). The total financial impact of the substantiated cases is not material and appropriate remedial actions have been taken.

Directors' responsibility statement

The Dutch corporate governance code under section II.1.4 requires the Board of Management to examine strategic, operational, legal and regulatory, financial and financial reporting risks.

The Board of Management confirms that it is responsible for TNT's risk management, internal control, integrity and compliance systems and has reviewed the operational effectiveness of these systems for the year ended 31 December 2008. The outcome of this review and analysis has been shared with the audit committee and the Supervisory Board and has been discussed with TNT's external auditors.

The Board of Management believes to the best of its knowledge based on the outcome of the TNT-specific approach to risk management, internal control, integrity and compliance as outlined above, that TNT's risk management and internal control over financial reporting have worked effectively over the year ended 31 December 2008 and provide a reasonable assurance that the financial reporting is free from material inaccuracies or misstatement.

The above however does not imply that TNT can provide certainty as to the realisation of business and financial strategic objectives, nor can TNT's approach to internal control over financial reporting be expected to prevent or detect all misstatements, errors, fraud or violation of law or regulations.

In view of the above, the Board of Management believes that it is in compliance with the requirements of II.1.4 of the Dutch corporate governance code taking into account the most recent best practice provisions of the proposed revised code.

In conjunction with the EU Transparency Directive as incorporated in chapter 5.3 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) the Board of Management therefore confirms to the best of its knowledge that:

- the annual financial statements for the year ended 31 December 2008 give a true and fair view of the assets, liabilities, financial position and profit and loss of TNT and its consolidated companies,
- the additional management information disclosed in the annual report gives a true and fair view of TNT and its related companies as at 31 December 2008 and the state of affairs during the financial year to which the report relates, and
- the annual report describes the principal risks facing TNT. These are described in detail in chapter 13.

Hoofddorp, 16 February 2009

Peter Bakker – Chief Executive Officer

Henk van Dalen – Chief Financial Officer

Harry Koorstra – General Managing Director Mail

Marie-Christine Lombard – General Managing Director Express

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Annual report 2008