

GOVERNANCE, REGULATION, INVESTOR RELATIONS AND RISKS

 Annual report 2008

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CORPORATE GOVERNANCE

General

Pursuant to the Enabling Act as currently in force, TNT is subject to the full Dutch large company regime. Under these rules, TNT is required to adopt a two-tier system of corporate governance, comprising a board of management entrusted with the executive management under the supervision of an independent supervisory board. Both the supervisory board and the board of management are accountable to the general meeting of shareholders for the performance of their duties.

Under the full large company regime, members of the board of management are appointed and can be suspended or dismissed by the supervisory board. The decision of the supervisory board to dismiss a member of the board of management can only be taken after the general meeting of shareholders has been consulted on the intended dismissal. Further, under these rules certain resolutions of the board of management require the prior approval of the supervisory board.

TNT has taken notice of the revised Dutch corporate governance code published by the Corporate Governance Code Monitoring Committee on 10 December 2008 (the "revised Code"). TNT is currently studying the revised Code. TNT will apply the principles and best practices of the revised Code in the financial year 2009 and will report on how it complied with these principles and best practices in the annual report over the financial year 2009. In this 2008 annual report the principles and best practices of the Dutch corporate governance code published in December 2003 are reported on, including the good practice recommendations published by the Corporate Governance Code Monitoring Committee in its subsequent reports until December 2008. Unless stated otherwise, reference in this annual report to the Dutch corporate governance code shall mean reference to the Dutch corporate governance code as published in December 2003.

Board of Management

The Board of Management oversees TNT in its entirety, is responsible for setting TNT's mission, vision and strategy and its implementation, and takes responsibility for TNT's overall results. At present, the Board of Management consists of four members: the CEO, the CFO and the two group managing directors of the Mail and Express divisions.

The group managing director of each of TNT's two divisions is primarily responsible for the development and execution of the business strategy and operations of the division within the framework set by TNT's corporate strategy. The Board of Management is collectively responsible for the management of TNT as a company and for all decisions taken in this respect.

TNT's reporting structure is in line with the management structure of the two divisions.

Duties of the Board of Management

In performing its duties, the Board of Management acts in accordance with the interests of TNT and the business connected with it and, to that end, is required to consider all appropriate interests associated with the company.

The Board of Management is firmly committed to managing the company in a structured and transparent fashion. TNT's aim is to provide stakeholders with a clear view on corporate decisions and decision-making processes. Value-based management provides TNT with an additional framework for forward-looking management of the company based on objective criteria. Day-to-day decisions in the divisions are decentralised within established standards, processes, requirements and guidelines.

TNT's Board of Management is responsible for complying with all relevant legislation and regulations, for managing the risks associated with TNT's activities, for its financing, and for its external communications. TNT's Board of Management is required to report developments on the abovementioned subjects to, and discusses the internal risk management and control systems with, TNT's Supervisory Board and its audit committee.

TNT's Board of Management has formed two committees to assist with compliance with applicable corporate governance requirements: the disclosure committee and the ethics committee.

The disclosure committee advises and assists TNT's Board of Management to ensure that TNT's disclosures in all reports are full, fair, accurate, timely and understandable and that they fairly present the condition of the company in all material respects. The disclosure committee provides oversight of the design, development, implementation and ongoing effectiveness of TNT's disclosure controls and procedures.

The ethics committee is appointed to advise and assist in developing and implementing group policies and procedures aimed at enhancing integrity and ethical behaviour and preventing fraud throughout TNT worldwide, and monitoring compliance with integrity and ethical behaviour standards. The ethics committee oversees and coordinates investigations resulting from complaints via the TNT Group Procedure on Whistleblowing and/or the TNT Group Policy on Fraud Prevention, and it advises and makes recommendations with regard to guidelines for disciplinary actions. The ethics committee also advises and makes recommendations to the Board of Management and line-management on the mitigation of fraud risk and on ethical and anti-corruption matters. The ethics committee reports regularly to the Board of Management and every six months to the Supervisory Board.

The by-laws of the Board of Management and the terms of reference of the disclosure committee can be viewed on TNT's corporate website, group.tnt.com.

The Board of Management provides the Supervisory Board in a timely manner with the information necessary for the proper performance of its duties. In addition, the Board of Management is required to provide the necessary means, allowing the Supervisory Board and its individual members to obtain all information necessary to be able to function as the supervisory body of TNT. In its communication with the Supervisory Board the Board of Management seeks full transparency.

Members of the Board of Management

M.P. (Peter) Bakker (1961, Dutch)

Chief Executive Officer

Peter Bakker has been CEO and chairman of the Board of Management since November 2001. He joined Royal TNT Post (then called PTT Post) in 1991 and was appointed financial director of its parcels business unit in 1993. He was appointed financial control director of TNT Post in 1996 and became a member of the board of management of TNT Post in 1997. Since the demerger of TNT N.V. (then called TNT Post Groep N.V.) from Royal PTT Nederland N.V. until his appointment as CEO, Mr Bakker was chief financial officer and a member of TNT's Board of Management. Before joining TNT Post, Mr Bakker worked for TS Seeds Holdings.

Mr Bakker's portfolio includes corporate strategy, corporate relations, general counsel, corporate responsibility, human resources and internal audit. Mr Bakker was reappointed as a member of the Board of Management and chairman of the Board of Management by the Supervisory Board for another four year term in April 2008.

Mr Bakker is a member of the advisory board of World Press Photo and a member of the board of Foundation Moving the World. He was the chairman of the Dutch Cabinet Committee on Labour Market Participation from February until May 2008 and a member of the AFM Capital Markets Committee until November 2008.

C.H. (Henk) van Dalen (1952, Dutch)

Chief Financial Officer

Henk van Dalen has been CFO and a member of the Board of Management since April 2006. He started his career at DSM N.V. in 1976, where he held various human resource and general management positions. From 2000 until March 2006 Mr Van Dalen was a member of the board of management and CFO of DSM N.V.

Mr Van Dalen's portfolio includes financial reporting and accounting, risk management and internal control, corporate responsibility reporting, mergers and acquisitions, business control, treasury, tax, investor relations, and legal and integrity.

Mr Van Dalen is a member of the supervisory board of Macintosh Retail Group N.V. and NIBC Bank N.V. Furthermore, he is a board member of the "Nationaal Fonds 4 en 5 mei" and a member of the board of advisors of AIESEC Nederland and NEVIR (*Nederlandse Vereniging voor Investor Relations*). He is also treasurer of the Netherlands Olympic Committee (NOC*NSF). Mr Van Dalen was a member of the board of advisors of Arthur D. Little Netherlands until April 2008.

H.M. (Harry) Koorstra (1951, Dutch)

Group Managing Director Mail

Harry Koorstra has been group managing director Mail and a member of the Board of Management since July 2000. He is due for reappointment as member of the Board of Management in 2009. Mr Koorstra joined Royal TNT Post (then

called PTT Post) in 1991 as managing director of its then Media Service business unit and became a member of its board of management in 1997. Before joining the company, Mr Koorstra worked at VNU N.V. for 15 years, lastly as general director of its Admedia/VNU Magazine Group.

Mr Koorstra is chairman of the supervisory board of Hermans Investments B.V. and a member of the supervisory board of Royal Swets and Zeitlinger Holding N.V. He is also member of the executive committee and general board of the Confederation of Netherlands Industry and Employers (VNO-NCW) and a member of the advisory board of Boer & Croon.

M.C. (Marie-Christine) Lombard (1958, French)

Group Managing Director Express

Marie-Christine Lombard has been group managing director Express and a member of the Board of Management since January 2004. She joined Jet Services in France in 1993. Upon TNT's acquisition of Jet Services in 1999, Ms Lombard joined TNT (then called TNT Post Groep N.V.) as the managing director of the domestic Express business and from March 2001 until January 2004 she was managing director of TNT's international Express business in France. Ms Lombard was reappointed as a member of the Board of Management by the Supervisory Board for another four year term in April 2008.

Ms Lombard is a member of the supervisory board of Royal Wessanen N.V. and of METRO AG.

The members of the Board of Management have no important outside board positions as defined in the Dutch corporate governance code other than those listed above.

Supervisory Board

The Supervisory Board is charged with supervising the policies of the Board of Management and the general course of affairs of the company and the business connected with it, as well as assisting the Board of Management by providing advice. The Supervisory Board evaluates the main organisational structure and the control mechanisms established by the Board of Management. The responsibility for proper performance of its duties is vested in the Supervisory Board as a whole. Members of the Supervisory Board may take positions different from those of the Board of Management.

In performing its duties the Supervisory Board is charged with acting in accordance with the interests of TNT and its affiliated businesses. It shall take into account the relevant interest of the company's stakeholders, and, to that end, consider all appropriate interests associated with the company. Members of the Supervisory Board perform their duties without mandate and independent of any particular interest in the business of the company. TNT's Supervisory Board is responsible for the quality of its own performance and for this purpose annually reviews its performance.

Share ownership is not required to qualify as a member of the Supervisory Board. Under the large company regime members of the Supervisory Board are appointed by the general meeting of shareholders following nomination by the Supervisory Board. The general meeting of shareholders can, furthermore,

dismiss the Supervisory Board as a whole by an absolute majority of the votes cast representing at least one third of the issued capital. For further details on the appointment and dismissal of (members of) the Supervisory Board see articles 28 and 29 of TNT's articles of association.

TNT's articles of association and the by-laws of the Supervisory Board can be viewed on TNT's corporate website.

Conflict of interest of Board members

The Supervisory Board is responsible for deciding how to resolve a conflict of interest between members of the Board of Management, members of the Supervisory Board and/or the external auditor on the one hand and the company on the other hand.

A member of the Board of Management or of the Supervisory Board is required to report immediately and provide all relevant information to the chairman of the Supervisory Board and to the other members of the Board of Management (if it concerns a member of that board) on any conflict of interest or potential conflict of interest that may be of (material) significance to the company and/or to the relevant member. If the chairman of the Supervisory Board has a conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, he is required to report this immediately to the vice-chairman of the Supervisory Board and provide all relevant information. In both situations, this includes information concerning a spouse, registered partner or other life companion, foster child or relatives by blood or marriage up to the second degree.

In the event of a conflict between TNT and a member of its Board of Management, the company will be represented by another member of the Board of Management or a member of the Supervisory Board appointed by the Supervisory Board for this purpose.

A decision to enter into a transaction involving a conflict of interest with a member of the Board of Management or a member of the Supervisory Board that is of (material) significance to the company or to the relevant member requires the approval of the Supervisory Board. No such transactions were entered into in 2008, therefore compliance with best practice provisions II.3.2 to II.3.4 and III.6.1 to III.6.4 inclusive of the Dutch corporate governance code did not come up for discussion.

The by-laws of the Board of Management and the Supervisory Board also include a provision that a member of the Board of Management or of the Supervisory Board shall not take part in any discussion or decision making that involves a subject or transaction in relation to which such member has a conflict of interest with the company.

Securities owned by Board members

The members of the Supervisory Board and Board of Management and TNT's other senior management are subject to the TNT Group Policy on Inside Information, which contains rules of conduct to prevent trading in TNT's financial instruments when in possession of inside information.

TNT's Supervisory Board has adopted a policy concerning the ownership of and transactions in securities other than TNT's financial instruments by members of the Board of Management and the Supervisory Board. This policy is incorporated in the by-laws of the Board of Management and the by-laws of the Supervisory Board and requires that each member of the Board of Management and Supervisory Board gives periodic notice, at least quarterly, to TNT's corporate secretary, acting as compliance officer, of any changes in his or her holding of securities in Dutch listed companies. A member of the Board of Management or the Supervisory Board who invests exclusively in listed investment funds or who has transferred the discretionary management of his or her securities portfolio to an independent third party by means of a written mandate is exempted from compliance with these internal notification requirements.

The total number of shares held by each member of the Board of Management and the Supervisory Board, other than shares allocated under TNT's performance share plan, bonus/matching plan and/or share option plan, is tabled below.

TNT shares held by the members of the Board of Management and Supervisory Board¹

As at 31 December

	2008
Peter Bakker	60,324
Henk van Dalen	7,035
Harry Koorstra	33,388
Marie-Christine Lombard	25,368
Piet Klaver	3,500

¹ – This table does not include any granted rights on shares and any share options allocated to the members of the Board of Management under TNT's performance share plan, bonus/matching plan and/or share option plan. See chapter 8, under Remuneration in 2008 for further information on these securities. The information in this table is publicly available at www.afm.nl.

Shareholders and their rights

General meetings of shareholders

Frequency and venue

TNT is required to hold an annual general meeting of shareholders within six months after the end of the financial year in order to, amongst other things, adopt the financial statements and to decide on any proposal concerning dividends. Further to Dutch law, the release from liability of the members of the Board of Management and the Supervisory Board for the performance of their respective duties during the financial year is also an agenda item of this meeting. However, this release only covers liability for matters reflected in the financial statements or otherwise disclosed to the general meeting of shareholders prior to the adoption of the financial statements.

Other general meetings of shareholders are held as often as the Board of Management or the Supervisory Board deem necessary and shall in principle be convened if the Board of Management proposes to take a decision that will result in a significant change in the identity or character of TNT or its business.

Furthermore, in the event shareholders jointly representing at least 10% of the outstanding share capital make a written request to convene a general meeting of shareholders to the Supervisory Board and the Board of Management, stating their proposed agenda in detail, a general meeting of shareholders shall in principle be convened.

General meetings of shareholders may only be held in Amsterdam, The Hague, Hoofddorp or in the municipality of Haarlemmermeer (Schiphol).

Agenda

One or more shareholders holding shares representing at least 1% of TNT's issued share capital or representing a value of €50 million according to the Official Price List of Euronext Amsterdam (Official Price List) has/have the right to request the Board of Management or the Supervisory Board to place items on the agenda of the general meeting of shareholders. Such a request has to be honoured by the Board of Management or the Supervisory Board provided that important company interests do not dictate otherwise and that the request is received by the Board of Management or the Supervisory Board in writing, at least sixty days before the date of the general meeting of shareholders.

Notice to convene

General meetings of shareholders are convened by at least 15 days' prior notice published in a nationally distributed daily newspaper and in the Official Price List.

Admission to and voting rights at the meeting

Each shareholder has the right to attend general meetings of shareholders, either in person or by written or electronic proxy, to address the meeting and to exercise voting rights, subject to the provisions of TNT's articles of association. An eligible shareholder has the aforementioned rights if registered as shareholder on the applicable record date as set by the Board of Management.

Each of the shares in TNT's share capital carries the right to cast one vote. Unless otherwise required by Dutch law or TNT's articles of association, resolutions are passed by a simple majority of votes cast by the shareholders present or represented at the meeting.

Under TNT's articles of association there are no limitations to the rights of Dutch, non-resident or foreign shareholders to hold or exercise voting rights in respect of TNT's securities, and TNT is not aware of any such restrictions under Dutch corporate law.

Dividend

TNT pays dividends out of profits or by exception out of the distributable part of its shareholders' equity as shown in TNT's financial statements. TNT may not pay dividends if the payment would reduce shareholders' equity below the sum of the paid-up capital and any reserves required by Dutch law or its articles of association. Subject to certain exceptions, if a loss is sustained in any year, TNT may not pay dividends for that year and TNT may not pay dividends in subsequent years until the loss has been compensated for out of subsequent years' profits.

Liquidation rights

In the event of TNT's dissolution and liquidation, the assets remaining after payment of all debts and liquidation expenses are to be distributed in the following order of preference: first, to the holders of all outstanding preference shares B (if any) the nominal amount paid up on these shares plus accumulated dividends for preceding years which have not yet been paid; and second, to holders of the ordinary shares in proportion to their shareholdings.

Changes to the rights of shareholders

Rights of shareholders may change pursuant to an amendment of the articles of association, a statutory merger or demerger within the meaning of book 2 of the Dutch Civil Code or dissolution of the company. A resolution of the general meeting of shareholders is required to effect these changes. Under TNT's articles of association, such resolution may only be adopted upon a proposal of the Board of Management that has been approved by the Supervisory Board.

Major shareholders

To TNT's knowledge TNT is not directly or indirectly owned or controlled by another corporation or by any government. TNT does not know of any arrangements the operation of which might, at a subsequent date, result in a change of control, except as described under "Foundation Protection TNT and preference shares B" below.

The Financial Markets Supervision Act (*Wet op het financieel toezicht*) imposes a duty to disclose percentage holdings in the capital and/or voting rights in the company when such holding reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. Such disclosure must be made to the Netherlands Authority for the Financial Markets (AFM) without delay. The AFM then notifies the company.

Articles of association, share acquisition, reduction and increase of issued share capital

Amendments to the articles of association

Amendments to TNT's articles of association can take place upon a proposal of the Board of Management approved by the Supervisory Board and adopted by the general meeting of shareholders. A proposal to amend the articles of association must be stated in a notice convening a general meeting of shareholders and announced by publication in a nationally distributed daily newspaper and in the Official Price List, or in such manner as shall be permitted by law at any time. The proposal shall be passed upon an absolute majority of the votes cast in the general meeting of shareholders.

Ability of the company to acquire its own shares

In order to execute share buy-back programmes, TNT must be allowed to acquire its own shares. Under its articles of association, TNT may acquire its own shares, provided that they are fully paid-up. If such shares are acquired for consideration, the following conditions apply:

- TNT's shareholders' equity less the purchase price may not fall below the sum of the paid-up capital and any reserves required to be maintained by Dutch law or pursuant to the articles of association, and
- following the share acquisition, TNT may not hold shares with an aggregate nominal value exceeding one-tenth of its issued share capital.

The acquisition of shares in its capital may be effected by a resolution of the Board of Management, subject to the approval of the Supervisory Board.

In addition to the above, the Board of Management requires prior authorisation by the general meeting of shareholders to acquire shares in the company for consideration. This authorisation may be valid for a period not exceeding 18 months from the date of the meeting and must specify:

- the number of shares that may be acquired,
- the manner in which shares may be acquired, and
- the price limits within which shares may be acquired.

Authorisation by the general meeting of shareholders is not required if TNT's own shares are acquired for the purpose of transferring those shares to TNT employees pursuant to any arrangements applicable to such employees.

Reduction of issued share capital in general

Cancellation of shares following a repurchase is one of the ways to reduce the issued share capital. TNT's issued share capital may also be reduced by way of a reduction of the nominal value of its shares by amendment of TNT's articles of association. The general meeting of shareholders is the body competent to resolve to reduce TNT's issued share capital. Pursuant to TNT's articles of association, such resolution may be taken upon a proposal of the Board of Management that has been approved by the Supervisory Board. The latter requirement is more stringent than is required by Dutch law.

Increase of issued share capital by issuance of shares/pre-emptive rights

TNT's Board of Management has been designated as the body competent to resolve to issue shares in TNT and to grant rights to subscribe for ordinary shares, including options and warrants. Pursuant to TNT's current articles

of association, such resolution is subject to the approval of the Supervisory Board. The scope and duration of this authority of the Board of Management is determined by the general meeting of shareholders. Under TNT's articles of association the scope relates at most to all shares in its authorised share capital that have not been issued. The duration of the authority shall be for a period of five years at most.

Extension of the term of designation of the Board of Management as the body competent to issue shares may also be effected by amending TNT's articles of association to that effect. If no extension is given, the issue of shares or granting of rights to subscribe for ordinary shares requires a resolution of the general meeting of shareholders. Such resolution may only be taken upon a proposal of the Board of Management, which proposal requires approval of the Supervisory Board.

In principle, each holder of ordinary shares has a pre-emptive right to any issue of ordinary shares or the granting of rights to subscribe for these shares. Holders of American Depositary Receipts do not qualify as holders of ordinary shares in this respect.

Pursuant to TNT's articles of association shareholders' pre-emptive rights may be restricted or excluded by a resolution of the Board of Management, provided and as long as the Board of Management has been designated as the body competent to resolve to issue shares. Such resolution is subject to the approval of the Supervisory Board. Pursuant to TNT's articles of association the provisions with respect to the scope and duration of the authority to issue shares and grant rights to subscribe for ordinary shares are also applicable to the scope and duration of the authority to exclude or restrict pre-emptive rights.

Foundation Protection TNT and preference shares B

Stichting Bescherming TNT (Foundation Protection TNT or the Foundation) was formed to care for TNT's interests, the enterprises connected with TNT and all interested parties, such as shareholders and employees, by, among other things, preventing as much as possible influences which would threaten TNT's continuity, independence and identity contrary to such interests. The Foundation is an independent legal entity and is not owned or controlled by any other legal person.

TNT's articles of association provide for protective preference shares B that can be issued to the Foundation to serve these interests. The preference shares B have a nominal value of €0.48 and have the same voting rights as TNT's ordinary shares. There are currently no preference shares B issued, although the Foundation has a call option to acquire a number of preference shares B not exceeding the total issued amount of shares minus one and minus any shares already issued to the Foundation.

The exercise price with respect to the call option is the nominal value of €0.48 per preference share B, although upon exercise only €0.12 per preference share B is required to be paid. The additional €0.36 per preference share B is due at such time as TNT makes a call for payment by resolution of its Board of Management, which resolution is subject to the approval of the Supervisory Board. The Foundation has credit facilities in place to enable it to pay the exercise price.

TNT and the Foundation have entered into the call option agreement to prevent, delay or complicate unsolicited influence of shareholders, including an unsolicited take-over or concentration of power. The issue of preference shares B enables TNT to consider its position in the then-existing circumstances. The preference shares B will be outstanding no longer than strictly necessary. Once the reason for the placing of the preference shares B no longer exists, TNT shall propose to the general meeting of shareholders to cancel the preference shares B entirely as a class.

After six months have expired since the acquisition of preference shares B, the Foundation may require TNT to convene a general meeting of shareholders to discuss cancellation of the preference shares B. However, should the Foundation within this period of six months receive a demand for repayment under the credit facilities referred to above, it may also require TNT to convene said meeting. In accordance with TNT's current articles of association a general meeting of shareholders shall be convened by TNT ultimately twelve months after the first date of issuance of any preference shares B to the Foundation for the first time. The agenda for that meeting shall include a resolution relating to the repurchase or cancellation of the preference shares B.

TNT has granted to the Foundation the right to file an application for an inquiry into the policy and conduct of business of TNT with the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer*). TNT believes that this may be a useful option in the period before the issuance of preference shares B, without causing a dilution of the rights of other shareholders at that stage.

The members of the board of the Foundation are R. Pieterse (chairman), J.H.M. Lindenberg, W. van Vonno and M.P. Nieuwe Weme. All members of the board of the Foundation are independent from TNT. This means that the Foundation is an independent legal entity in the sense referred to in section 5:71 paragraph 1 sub c of the Netherlands Financial Markets Supervision Act.

Dividend in TNT

Under TNT's current articles of association, if preference shares B have been issued, TNT has to pay dividends on the paid-up portion of the nominal value of the preference shares B. Payment is made at a rate of the average 12-monthly EURIBOR (EURO Interbank Offered Rate), weighted to reflect the number of days for which the payment is made, plus a premium to be determined by the Board of Management, subject to the approval of the Supervisory Board, of at least one percentage point and at most three percentage points.

The Board of Management then determines, subject to the approval of the Supervisory Board, which part of the remaining profits shall be appropriated to reserves. The profit that remains after appropriation is at the disposal of the general meeting of shareholders.

The Board of Management may determine, subject to the approval of the Supervisory Board, that any dividend on ordinary shares be paid wholly or partly in TNT's ordinary shares rather than in cash.

The Board of Management may, subject to the approval of the Supervisory Board and subject to provisions of Dutch law, distribute one or more interim dividends.

No dividend shall be paid on shares held by TNT in its own capital. Such shares shall not be included for the computation of the profit distribution, unless the Board of Management resolves otherwise, which resolution is subject to the approval of the Supervisory Board.

The TNT Reserves and Dividend Guidelines 2008 can be viewed on TNT's corporate website. Any changes to these guidelines shall be explained as a separate agenda item at the annual general meeting of shareholders.

Corporate events in 2008

Annual general meeting of shareholders held on 11 April 2008

On 11 April 2008, TNT held its annual general meeting of shareholders at Schiphol-Rijk, the Netherlands. The attendance rate was 48% of the total outstanding share capital, up from 32% in 2007.

During the annual general meeting of shareholders all proposed resolutions were adopted, including the extension of authority to issue shares. The annual general meeting of shareholders extended the then-current authority of the Board of Management to issue ordinary shares for another period of eighteen months to end on 11 October 2009. Ordinary shares up to a maximum of 10% of the issued share capital may be issued by resolution of the Board of Management. An additional 10% of the issued share capital may be issued that way when a share issue takes place in relation to a merger or acquisition.

The resolutions of the meeting, the agenda and the voting results for each resolution as well as the presentations given during the meeting can be found on TNT's corporate website. Minutes of the meeting can be found both in Dutch and in English on TNT's corporate website.

AFM notifications

On 4 March 2008, TNT received notification from the AFM that it had received disclosures under the Netherlands Financial Markets Supervision Act of a substantial holding in the company of 5% by Lansdowne Partners Limited. On 25 July 2008, TNT received notification from the AFM that it had received disclosures of a substantial holding in the company of 6% by Allianz SE, which was subsequently reduced to close to 0% as of 30 July 2008. On 4 August 2008, TNT received notification from the AFM that it had received disclosures of a substantial holding in the company of 5% by UBS AG, which was subsequently reduced to below 5% as of 8 August 2008.

More information can be found on the website of AFM (www.afm.nl) under notification substantial holdings.

Auditor

TNT's external auditor, PricewaterhouseCoopers Accountants N.V., is appointed by TNT's general meeting of shareholders. TNT's audit committee has the sole authority, 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 is directly responsible for the oversight of the work of the external auditor on behalf of the Supervisory Board (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. The audit committee is required to pre-approve all auditing and audit related services, and permitted non-audit services (including the fees and terms thereof) to be provided by the external auditor. A general annual pre-approval for certain routine services is granted by the audit committee. Significant non-audit services require a tender process, and certain services are prohibited outright. In its approval-granting process, the audit committee considers the applicable regulations and stock exchange rules and whether the external auditor is best suited to perform the services effectively and efficiently. The audit committee also considers the ratio between the total amount of fees for audit and audit related services and the total amount of fees for non-audit services. The audit committee requires a formal written statement from the external auditor confirming its independence.

Except for some services in the aggregate amount of 1% of the total amounts paid to the external auditor, all services performed by the external auditor in 2008 followed the pre-approval process. While this is a small deviation, TNT is committed to ensure that the pre-approval process is followed in all cases.

Conflicts of interest and potential conflicts of interest between the external auditor and TNT are resolved in accordance with the terms of reference of the audit committee and in particular the annex thereto: the "TNT Group Policy on Auditor Independence & Pre-Approval", which can be viewed on TNT's corporate website.

At times TNT uses its external auditor to provide services in cases where these services do not conflict with the external auditor's independence. The TNT Group Policy on Auditor Independence & Pre-Approval governs how and when TNT may engage its external auditor.

The audit committee and the Board of Management are required once every three years to conduct a thorough assessment of the functioning of the external auditor within the various entities and in the different capacities in which the external auditor acts. The last assessment was held in 2007. The main conclusions of this assessment were communicated to the 2007 annual general meeting of shareholders. The lead (signing) partner and the concurring (review) partner of the external auditor are rotated after a maximum period of seven years.

TNT's internal audit function, Corporate Audit Services (CAS), operates under the responsibility of the Board of Management and is subject to monitoring by the Supervisory Board, assisted by the audit committee. The Board of Management is required to ensure that the external auditor and the audit committee are involved in drawing up the tasks of the internal audit function.

See note 20 to the consolidated financial statements of TNT N.V. for the fees paid to PricewaterhouseCoopers Accountants N.V. and the distribution of the fees between audit related services and non-audit services.

Dutch corporate governance code

TNT applies the principles and best practices of the Dutch corporate governance code published in December 2003 including the good practice recommendations published by the Corporate Governance Code Monitoring Committee in its subsequent reports until December 2008, except for the following best practice provisions and recommendations below that are not fully applied:

- provision II.2.7 Dutch corporate governance code states that the remuneration in the event of dismissal of members of the Board of Management may not exceed one year's salary (the "fixed" remuneration component). In case one year is manifestly unreasonable, the maximum of severance pay may not exceed twice the annual salary.
 - severance payments other than related to a change of control for members of the Board of Management are one year base salary or a maximum of two years' base salary in the first four-year term if one year is considered to be unreasonable. The employment contract of TNT's CFO effective 1 April 2006 states that the severance payment other than related to a change of control will amount to twenty-four months base salary during the first four year term as a member of the Board of Management. During further terms as a member of the Board of Management, his severance payment amounts to twelve months base salary. As stated in chapter 8, contracts entered into prior to 2004 remain unaltered.
 - For members of the Board of Management who are not residents of the Netherlands, TNT follows local market practice for that part of the base salary earned in the country of residence. This is done to ensure that TNT can offer a competitive package to foreign members of the Board of Management commensurate with local practice.
 - severance payments in case of a change of control equal the sum of the last annual base salary and pension contribution plus the average bonus received over the last three years, multiplied by two. No distinction is made between resident or non-resident members of the Board of Management. TNT is of the opinion that such payment is realistic taking into account the special position of members of the Board of Management in a change of control situation. Also, the Supervisory Board may decide that the performance shares vest in whole or in part.
- provision III.3.4 Dutch corporate governance code states that the maximum number of supervisory board positions held by the members of the Supervisory Board with Dutch listed companies cannot exceed five (whereby a chairmanship counts twice). From 1 January 2008 until 1 January 2009 TNT's chairman of the Supervisory Board, Mr Hommen, held more than five board memberships. This situation was remedied when Mr Hommen stepped down as chairman on 31 December 2008. See chapter 9 under Members of the Supervisory Board.
- provision II.2.10(e) Dutch corporate governance code states that the remuneration overview shall in any event contain a description of the performance criteria on which the performance related component of the variable compensation is dependent. TNT discloses the nature of the performance targets but not the actual targets in the sense that TNT has opted to use performance targets aligning the remuneration of the Board of Management with the business performance. As a result the targets are so specific that they contain competition-sensitive information, and are therefore not disclosed. See chapter 8 under Current remuneration policy.

In the chapter sections referred to above, TNT explains why it deviates from these best practice provisions and recommendations. Material future (corporate) developments might justify further deviations from the Dutch corporate governance code at the moment of occurrence.

On 10 December 2008 the Corporate Governance Code Monitoring Committee published new principles and best practice provisions in a revised Code. TNT is studying the revised Code and will apply the principles and best practices in the financial year 2009. TNT will report on how it complied with the principles and best practices of the revised Code in its annual report over the financial year 2009.

Each substantial change in the corporate governance structure of the company and in the compliance of the company with the Dutch corporate governance code shall be submitted to the general meeting of shareholders for discussion.

The full text of the Dutch corporate governance code can be viewed on TNT's corporate website. Since its delisting from the New York Stock Exchange on 18 June 2007 and the termination of its reporting obligations with the United States Securities and Exchange Commission on 16 September 2007, TNT is no longer subject to the corporate governance rules of this exchange nor to the provisions of the Sarbanes-Oxley Act.