





“We appreciate TNT’s entrepreneurial spirit in entering a new market and the resulting market competition.”

MR DIRK HASSENSTEIN

Catalogue Dispatch Division Manager
Otto GmbH & Co KG

OTTO

With a history of cooperation between OTTO, a wholly-owned subsidiary of the Otto Group, and TNT Express dating back decades, the company has been using TNT in Germany for its sub-1000 grams catalogue delivery for some 4 years. Leveraging the synergies of the joint venture between its own delivery operation Hermes Logistik Gruppe and TNT Post's Germany-wide coverage, OTTO and TNT Post are together setting up new profiles and services in other domains.

Dirk Hassenstein: "In selecting TNT Post, it was important for us that we were able to create options comparable to the freight market for catalogue carriage under 1000 grams and the delivery of letters. TNT was one of the first organisations to cover the whole of Germany with high delivery quality and the capacity to satisfy our specific needs for high frequency, short timeframes and high circulation. At OTTO, we also appreciate the fact that TNT Post was prepared to enter a new market after years of monopoly by Deutsche Post. A reflection of our own organisation, we admire this entrepreneurial spirit as well as the resulting market competition. Of course, being a global operator ourselves, an added bonus is the fact that we can make use of an existing relationship and global services to meet the needs of our clients worldwide."

"One of the highpoints of our relationship is that with the TNT Post staff themselves. We have found them very open-minded to our demands and needs. We are working together with great dedication and know-how to build up the structures required for delivering our letters and catalogues. This is a huge challenge. With the current 70% coverage, we have not yet met all our objectives, specifically those of geographic stability and stability over time. Yet we are continuously evaluating and aligning our targets and are convinced we will meet them in the near future. TNT Post has already shown that they are willing to put in the effort and that they are now a real alternative to Deutsche Post."

"One more thing. We believe that since TNT has sold its Logistics division, it has the opportunity to become a leading market player and accordingly we applaud the sale. It has convinced us that TNT is serious about the German market. We are confident that TNT Post will live up to its promise of developing a first class nationwide distribution network and look forward to a long-term relationship."

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CORPORATE GOVERNANCE

GENERAL

Pursuant to the Enabling Act as currently in force, we are subject to the full Dutch large company regime. Under these rules, we are required to adopt a two-tier system of corporate governance, comprising a board of management and a supervisory board.

In the two-tier corporate structure, the executive management is entrusted to the Board of Management under the supervision of the 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.

BOARD OF MANAGEMENT

Our company is managed by a Board of Management, which is responsible for the management of our company, our overall results, as well as our company's mission, vision and strategy. At present, our Board of Management consists of four members: a chief executive officer, a chief financial officer and two group managing directors. The management from each of our divisions is responsible for the day-to-day business decisions, jointly with the divisional management boards, and for the development and execution of the business strategy of the division within the framework set by our corporate strategy.

Our Board of Management is firmly committed to managing our company in a structured and transparent fashion. Our aim is to provide stakeholders with a clear view on corporate decisions and decision-making processes. We have a divisional structure across countries and regions. Value-based management provides us with an additional framework for forward-looking management of the company based on objective criteria.

Our reporting structure is in line with the management structure of the two divisions, and our corporate legal structure has largely been brought in line with our reporting structure. Responsibility for the design, implementation and the effectiveness of business controls lies with management. The effectiveness of our business controls is measured by management review, management self-assessment and internal audits conducted by our corporate audit services department. Management of designated business activities as well as the corporate audit services department report on the effectiveness of internal control over financial reporting and other operational controls to the Board of Management and the audit committee of the Supervisory Board.

In performing its duties, the Board of Management acts in accordance with the interests of our company and the business connected with it and, to that end, is required to consider all appropriate interests associated with our company. The Board of Management must in due time provide the Supervisory Board with all 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 which is necessary for them to be able to function as a supervisory body of our company. In its communication with the Supervisory Board the Board of Management supports full transparency.

Our Board of Management is responsible for complying with all relevant legislation and regulations, for managing the risks associated with our company's activities, for our financing and external communication. Our Board of Management is required to report related developments to, and discusses the internal risk management and control systems with our Supervisory Board and its audit committee.

Representative authority, including with respect to the signing of documents, is vested in at least two members of the Board of Management acting jointly, as well as any other officers of our company as our Board of Management may appoint, subject to any restrictions imposed. The chief executive officer may exercise representative authority and sign documents in his individual capacity.

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. Under these rules the Supervisory Board must, furthermore, approve certain resolutions by the Board of Management.

Share ownership is not required to qualify as a member of the Board of Management.

Our Board of Management has formed two committees to aid compliance with applicable corporate governance requirements: the disclosure committee and the ethics committee.

The disclosure committee advises and assists our Board of Management to ensure that our disclosures in all filed reports are accurate, complete, timely and understandable and that they fairly present the condition of the company in all material respects.

The ethics committee is appointed by the Board of Management to advise and assist in developing and implementing policies and procedures aimed at enhancing integrity and ethical behaviour and preventing fraud throughout TNT worldwide and monitoring compliance thereof. The ethics committee oversees and coordinates investigations following the Whistleblower Procedure and/or the Fraud Prevention Procedure. The ethics committee reports regularly to our Board of Management and on a half-yearly basis to the Supervisory Board.

The by-laws of the Board of Management, together with other information on each member of our Board of Management, and the terms of reference of both the disclosure committee and the ethics committee can be viewed on our website.

MEMBERS BOARD OF MANAGEMENT

M.P. (Peter) Bakker (1961)

Chief Executive Officer

Peter Bakker has been chief executive officer (CEO) since 1 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 TPG) from Koninklijke PTT Nederland N.V. until his appointment as CEO, he was chief financial officer and a member of the TNT Board of Management. Before joining TNT Post, Mr. Bakker worked for TS Seeds Holdings.

Shares owned: 30,079.

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

Chief Financial Officer

Henk van Dalen has been chief financial officer (CFO) since 1 April 2006 and a member of the Board of Management since 20 April 2006. He started his career at DSM N.V. in 1976 where he held various human resources and general management positions at DSM HR, DSM Agro, DSM Research and DSM Polyethylenes. From 2000 until March 2006 Mr. Van Dalen was a member of the board of management and CFO of DSM N.V. Shares owned: 0.

H.M. (Harry) Koorstra (1951)

Group Managing Director Mail

Harry Koorstra has been Group Managing Director Mail and a member of the Board of Management since 1 July 2000. He joined 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 for 15 years at VNU N.V., most recently as general director of its Admedia/VNU Magazine Group.

Shares owned: 18,133.

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

Group Managing Director Express

Marie-Christine Lombard has been Group Managing Director Express and a member of the Board of Management since 1 January 2004. She joined Jet Services in France in 1993. Upon our acquisition of Jet Services in 1999, Mrs. Lombard joined TNT (then called TPG) as the managing director of the domestic express business and from March 2001 until 1 January 2004 was managing director of our international express business in France.

Shares owned: 7,741.

The business address of all members of the Board of Management is TNT N.V., Neptunusstraat 41-63, Hoofddorp, 2132 JA, the Netherlands.

Mr. Bakker is a member of the advisory board of ABN AMRO Bank N.V. and a member of the board of Foundation Moving the World. Mr. Van Dalen is a member of the supervisory board of Macintosh Retail Group N.V. and NIBC Holding N.V. Furthermore, he is a board member of the Foundation for Responsible Entrepreneurship and the "Nationaal Fonds 4 en 5 mei" and a member of the board of advisors of AIESEC Nederland and Arthur D. Little Netherlands. Mr. Koorstra is

chairman of the supervisory board of Hermans Holding B.V. He is also member of the executive committee and general board of the Confederation of Netherlands Industry and Employers (VNO NCW). Mrs. Lombard is a member of the supervisory board of Royal Wessanen N.V.

The members of our Board of Management have no board positions other than those reflected above.

Mr. J. G. Haars resigned as member of the Board of Management and CFO as per 31 March 2006. Mr. D.G. Kulik resigned as member of the Board of Management upon the completion of the sale of logistics as per 4 November 2006.

The total number of ordinary shares held by members of the Board of Management as of 26 February 2007 is 55,953, amounting to approximately 0.013% of the outstanding share capital.

REMUNERATION

For detailed information concerning the remuneration of our Board of Management, see the remuneration report in chapter 8 and note 19 of the consolidated financial statements. The remuneration report, which includes the remuneration policy for our Board of Management, can also be viewed on our website. The remuneration policy was initially adopted at the annual general meeting of shareholders held on 7 April 2004. Amendments to the remuneration policy were subsequently adopted at the annual general meetings of shareholders held in 2005 and 2006.

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 under the management of 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 our company 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. They should not support one interest without regard to the other interests involved. Our Supervisory Board is responsible for the quality of its own 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 our articles of association.

Our articles of association and the by-laws of the Supervisory Board, together with other information on each member of our Supervisory Board, can be viewed on our website.

MEMBERS SUPERVISORY BOARD

J.H.M. (Jan) Hommen (1943)

Mr. Hommen is chairman of the Supervisory Board since April 2005. He was appointed as a member of the Supervisory Board on 28 June 1998; his current term as member of the Supervisory Board expires in 2009. Mr. Hommen was formerly vice-chairman of the board of management and chief financial officer of Royal Philips Electronics N.V. and executive vice-president and chief financial officer of the Aluminium Company of America (Alcoa). He is a member of the supervisory boards of Royal Ahold N.V., ING Group N.V. and Campina B.V., chairman of the supervisory boards of Reed Elsevier N.V. and the Academic Hospital of Maastricht and chairman of the board of directors of TiasNimbas Business School of Tilburg University.

Shares owned: 0.

R.J.N. (Robert) Abrahamsen (1938)

Mr. Abrahamsen was appointed as a member of the Supervisory Board on 9 May 2000. His term expires in 2008. Mr. Abrahamsen is chairman of the supervisory boards of Optimix Vermogensbeheer N.V. and Trans Link Systems. Mr. Abrahamsen is member of the supervisory boards of Fluor Daniel B.V., PON Holdings B.V., Havenbedrijf Rotterdam B.V., ANP, Madurodam B.V., Royal BAM Group, Vitens N.V. and Bank Nederlandse Gemeenten. He is a former member of the management board and chief financial officer of KLM Royal Dutch Airlines N.V. and senior executive vice-president of ABN AMRO Bank N.V.

Shares owned: 0.

J.M.T. (James) Cochrane (1944)

Mr. Cochrane is vice-chairman of the Supervisory Board since 2 November 2001. He was appointed as a member of the Supervisory Board on 28 June 1998. He was reappointed after the annual general meeting of shareholders held in 2006 for a term of four years to expire in 2010. Mr. Cochrane is chairman of NHS Innovations London and the British Red Cross. He is a former director of Wellcome plc, responsible for international operations, a former executive director of Glaxo Wellcome plc and a former chairman of the board of Avidex Ltd. and SW London Strategic Health Authority.

Shares owned: 0.

R. (René) Dahan (1941)

Mr. Dahan was appointed as a member of the Supervisory Board on 1 April 2003. His term expires in 2007. Mr. Dahan will be nominated for reappointment at the annual general meeting of shareholders to be held on 20 April 2007. Mr. Dahan is chairman of the supervisory board of Royal Ahold N.V., a member of the supervisory boards of AEGON N.V., a member of the international advisory board of the Instituto de Empresa Business School in Madrid and a member of the

advisory board of the Guggenheim Group in New York. He was formerly executive vice-president and director of Exxon Mobil Corporation and held various positions with its subsidiaries.

Shares owned: 0.

V. (Victor) Halberstadt (1939)

Mr. Halberstadt was appointed as a member of the Supervisory Board on 28 June 1998. His current term expires in 2007.

Mr. Halberstadt will be nominated for reappointment at the annual general meeting of shareholders to be held on 20 April 2007. Mr. Halberstadt is professor of public finance at Leiden University, international advisor of Goldman Sachs Group Inc., non-executive director of PA Holdings Ltd and a non-executive director of RHJ International. Furthermore, he is a member of the supervisory boards of Royal KPN N.V. and Concertgebouw N.V. Mr. Halberstadt previously served amongst others as president of the International Institute of Public Finance, Crown-member of the Social and Economic Council and chairman of the Daimler Chrysler international advisory board.

Shares owned: 0.

G. (Giovanna) Kampouri Monnas (1955)

Mrs. Kampouri Monnas was appointed as a member of the Supervisory Board on 7 April 2005. Her term expires in 2009. Mrs. Kampouri Monnas is a member of the supervisory board of Randstad Holding N.V. and member of the board of directors of Puig SL. Formerly, she was president of the international division and member of the executive committee of Johann Benckiser GmbH and held various positions at Procter & Gamble in Greece and the United States. Prior to this, Mrs. Kampouri Monnas was urban development consultant for the Greek Ministry of Economic Affairs.

Shares owned: 0.

R. (Roger) King (1940)

Mr. King was appointed as a member of the Supervisory Board on 20 April 2006. Mr. King is non executive director of Arrow Electronics, Inc. (USA) and Orient Overseas International Limited (Hong Kong). He is a standing committee member of the Chinese People's Consultative Conference of Zhijiang Provincial Committee and serves on various business and community committees. Mr. King is Adjunct Professor at Hong Kong University of Science and Technology. He is former president and chief executive officer of Sa Sa International Holdings Limited, former chairman and chief executive officer of ODS System-Pro Holdings Limited (Hong Kong), part of the CY Tung Group of Companies, and was managing director and chief operating officer of Orient Overseas International Limited.

Shares owned: 0.

W. (Wim) Kok (1938)

Mr. Kok was appointed as a member of the Supervisory Board on 1 April 2003. His term expires in 2007. Mr. Kok will be nominated for reappointment at the annual general meeting of shareholders to be held on 20 April 2007. Mr. Kok is a non-executive director of Royal Dutch Shell plc and member of the supervisory boards of ING Group N.V., KLM Royal Dutch Airlines N.V. and Stork N.V. Mr. Kok was formerly Prime Minister of the Netherlands, Minister of Finance, member of parliament, and chairman of the Confederation of Dutch Trade Unions and the European Trade Union Confederation.

Shares owned: 0.

S. (Shemaya) Levy (1947)

Mr. Levy was appointed as a member of the Supervisory Board on 7 April 2005. His term expires in 2009. Mr. Levy is a member of the supervisory boards of Nissan, Renault Spain, Safran, Segula Technologies and Aegon N.V. Formerly, Mr. Levy was chief executive officer of Renault Trucks and, subsequently, executive vice-president and chief financial officer of Renault Group.

Shares owned: 0.

R.W.H. (Rolf) Stomberg (1940)

Mr. Stomberg was appointed as a member of the Supervisory Board on 28 June 1998. His current term expires in 2010. Mr. Stomberg is chairman of Management Consulting Group plc and a non executive director of Smith & Nephew plc, Reed

Elsevier N.V., Reed Elsevier plc and Severstal. Mr. Stomberg is also chairman of the supervisory boards of Lanxess AG and Francotyp-Postalia AG, a member of the supervisory boards of Deutsche BP AG and Biesterfeld AG and chairman of the advisory board of Hoyer GmbH. Mr. Stomberg was formerly a managing director of British Petroleum Company plc, chairman of John Mowlem & Co. plc and chairman of Unipoly S.A, non executive director of Cordiant Communications Group plc and member of the supervisory board of Scania AG.

Shares owned: 0.

The business address of all members of the Supervisory Board is TNT N.V., Neptunusstraat 41-63, Hoofddorp, 2132 JA, the Netherlands.

ADDITIONAL SUPERVISORY BOARD INFORMATION

Name	Nationality	Appointed	Term expires	Committee membership
J.H.M. Hommen	Dutch	June 1998	2009	Nominations, Public Affairs
R.J.N. Abrahamsen	Dutch	May 2000	2008	Audit, Nominations
J.M.T. Cochrane	British	June 1998	2010	Remuneration
R. Dahan	Dutch	April 2003	2007	Audit
V. Halberstadt	Dutch	June 1998	2007	Audit, Public Affairs, Nominations
G. Kampouri Monnas	Greek	April 2005	2009	Remuneration, Public Affairs
R. King	American	April 2006	2010	-
W. Kok	Dutch	April 2003	2007	Remuneration, Public Affairs
S. Levy	French	April 2005	2009	Audit
R.W.H. Stomberg	German	June 1998	2010	Remuneration, Nominations

REMUNERATION

The remuneration of the members of the Supervisory Board is comprised of base compensation and variable compensation linked to attendance of the meetings of the committees of the Supervisory Board. The members of the Supervisory Board do not receive any compensation related to performance and/or equity and do not accrue any pension rights with our company. The members of the Supervisory Board do not receive any severance payment in the event of termination. We do not grant loans to any member of our Supervisory Board.

Supervisory Board		Base fee
	Chairman	60,000
	Member	45,000
Committees		Meeting fee
Audit & Remuneration	Chairman	2,500
	Member	1,500
Nomination & Public Affairs	Chairman	1,500
	Member	1,000

(in €)

EXPERTISE AND COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board consists of a minimum of seven and a maximum of twelve members. The Supervisory Board determines the number of members. At present, our Supervisory Board has ten members.

The Supervisory Board has prepared a profile of its size and composition, taking account of the nature of our business and activities and the desired expertise and background of the members of the Supervisory Board. The Supervisory Board evaluates the profile annually and discusses the profile with the general meeting of shareholders and our central works council and when any amendments to the profile are made.

According to the by-laws and the profile of the Supervisory Board, a person may be appointed to the Supervisory Board for a maximum of three terms of four years. Our articles of association also provide that members of the Supervisory Board shall retire periodically in accordance with a rotation plan drawn up by the Supervisory Board in order to avoid, as far as possible, a situation in which many reappointments occur simultaneously. Both profile and rotation plan can be viewed on our website.

In accordance with the Dutch corporate governance code, it is the intention of the Supervisory Board that its members will not hold more than five memberships in supervisory boards of Dutch listed companies (including our company). In this respect, a chairmanship counts twice.

Since Mr. Hommen's election as chairman of our Supervisory Board, caused by unforeseen circumstances in 2005, the number of his board memberships is not in line with the Dutch corporate governance code. At the time Mr. Hommen committed himself to, in due course, reducing the total number of board memberships from six to the maximum of five allowed under the code. By not standing for re-election in 2007 as member of the supervisory board of Royal Ahold N.V. this matter will be resolved.

There is an agreed procedure for members of the Supervisory Board to obtain independent professional advice at the company's expense, if so required.

For a description of our Supervisory Board's activities in 2006, see the report of the Supervisory Board under chapter 6.

CHAIRMAN AND CORPORATE SECRETARY

The chairman of our Supervisory Board determines the agenda and presides over meetings of our Supervisory Board. The chairman is responsible for the proper functioning of our Supervisory Board and its committees. Furthermore, the chairman arranges for the induction and training programme for the members of our Supervisory Board and initiates the evaluation of the performance of the members of our Supervisory Board and our Board of Management.

The chairman of our Supervisory Board may not be a former member of our Board of Management.

Our Supervisory Board is assisted by our corporate secretary. All members of the Supervisory Board have access to the advice and services of the corporate secretary, who is responsible for ensuring that Supervisory Board procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations under the articles of association. The corporate secretary is appointed and dismissed by the Board of Management, after the approval of the Supervisory Board has been obtained. The corporate secretary is assisted by a deputy corporate secretary.

At TNT, the corporate secretary has been appointed as secretary to the Board of Management and the Supervisory Board and as central officer for the purpose of the TNT Rules concerning Inside Information.

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has formed an audit committee, a remuneration committee, a nominations committee and a public affairs committee from among its members. The committees operate pursuant to terms of reference established by the Supervisory Board according to the rules and regulations of the Dutch corporate governance code. The terms of reference of these committees can be viewed on our website.

Audit committee

The audit committee is charged with assisting the Supervisory Board in advising on and monitoring, inter alia, the integrity of our financial statements, our system of internal business control and risk management, our financing and finance related strategies and tax planning. The audit committee has the authority to retain independent advisors as it deems appropriate, and the company provides funding for advisors employed by the audit committee.

The audit committee consists of at least three members. All members of the audit committee must be members of the Supervisory Board who are determined by the Supervisory Board to be independent within the meaning of its by-laws and the applicable corporate governance rules as discussed below. A member of the audit committee may not simultaneously serve on the audit committees of more than two other companies unless the Supervisory Board determines that this simultaneous service would not impair the ability of such member to serve effectively on the audit committee. The audit committee and the remuneration committee may not consist of the same members.

Each member of the audit committee must be financially literate and at least one member of the audit committee must have accounting or related financial management expertise. At least one member of the audit committee must be a financial expert as defined by the SEC. The Supervisory Board has determined that Mr. Abrahamsen qualifies as "audit committee financial expert" as defined in Item 16A of Form 20-F.

Remuneration committee

The remuneration committee is appointed by the Supervisory Board to propose the remuneration of the individual members of the Board of Management for adoption by the Supervisory Board, and to propose a remuneration policy, including schemes under which rights on shares are granted, for members of the Board of Management and to prepare a proposal for the remuneration of the individual members of the Supervisory Board, both for adoption by the general meeting of shareholders. Furthermore, the remuneration committee discusses the allocation of rights to shares in the company's capital to other senior management of the company.

Nominations committee

The nominations committee is appointed by the Supervisory Board to draw up selection criteria and appointment procedures for members of the Supervisory Board and members of the Board of Management, to set up procedures to secure adequate succession of members of the Board of Management and the assessment of such candidates and to make proposals for nominations, appointments and reappointments. At least annually the size and composition of the Supervisory Board and the Board of Management and the functioning of the individual members is assessed by the Nomination Committee.

Public affairs committee

The public affairs committee is appointed by the Supervisory Board to act as a sounding board and advisory committee for the Board of Management with respect to formulating, developing, monitoring and reporting on (i) our public affairs policy, governing the relationships between us and national and international (semi) public bodies, and (ii) our social and environmental policies.

CONFLICTS OF INTEREST OF BOARD MEMBERS

The Supervisory Board is responsible for deciding how to resolve conflicts 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, including information concerning the relevant member's spouse, registered partner or other life companion, foster child or relatives by blood or marriage up to the second degree. 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, including information concerning his 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 our company and a member of our Board of Management, the company will be represented by another member of our Board of Management or a member of our Supervisory Board appointed by our 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.

The by-laws of the Board of Management and the Supervisory Board in addition 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 our other senior management are subject to the TNT Rules concerning Inside Information, which contain rules of conduct to prevent trading in our securities when holding inside information.

Our Supervisory Board has adopted a policy concerning the ownership of and transactions in securities other than our securities 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 our central 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.

SHAREHOLDERS AND THEIR RIGHTS

GENERAL MEETINGS OF SHAREHOLDERS

Frequency and venue

We are required to hold a general meeting of shareholders within six months after the end of the financial year, among other things, to adopt the financial statements and to decide on any proposal concerning dividends. In application of 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 item for the agenda 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 in the following circumstances:

- if shareholders jointly representing at least 10% of the outstanding share capital make a written request to that effect to the Supervisory Board and the Board of Management, stating their proposed agenda in detail, or
- 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.

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 our issued share capital or representing a value of €50 million according to the official price list of Euronext Amsterdam N.V. 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 of Euronext Amsterdam N.V.

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 our articles of association. An eligible shareholder has the aforementioned rights on the applicable record date set by the Board of Management, which date may in no event be earlier than seven days prior to the date of the meeting or so much earlier as will be allowed by law.

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

Under our 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 our securities, and we are not aware of any such restrictions under Dutch corporate law.

DIVIDEND RIGHTS

We pay dividends on profits or by exception out of the distributable part of our shareholders' equity as shown in our financial statements. We 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 our articles of association. Subject to certain exceptions, if a loss is sustained in any year, we may not pay dividends for that year and we may not pay dividends in subsequent years until the loss has been compensated for out of subsequent years' profits.

Under Dutch law, the right of a shareholder to receive a declared dividend lapses, in favour of the company paying the dividend, after five years from the date on which the dividend is made payable.

Under our current articles of association, we first have to pay dividends on the special share equal to 7% of its nominal value each year provided that the special share is not owned by the company. If preference shares B have been issued and there are remaining profits available for payment of dividends, we then have 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, with 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 pass a resolution that has been approved by the Supervisory Board and, under our current articles of association, the holder of the special share that any dividend on ordinary shares be paid, at the shareholder's option, wholly or partly in our ordinary shares rather than in cash.

The Board of Management may, with the prior 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 us in our 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.

Any change to our guidelines on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend) shall be dealt with and explained as a separate agenda item at the annual general meeting of shareholders. The same rule applies to any resolution to determine and pay dividends. The TNT Reserves and Dividend Guidelines can be viewed on our website.

LIQUIDATION RIGHTS

In the event of our 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 the special share and all outstanding preference shares B, 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 our 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 our knowledge we are not directly or indirectly owned or controlled by another corporation or by any government. Except as described under "The Foundation Protection TNT and Preference Shares B" below we do not know of any arrangements the operation of which might, at a subsequent date, result in a change in our control.

As of 20 November 2006, the State of the Netherlands no longer qualifies as a major shareholder of our company. On that date, the State of Netherlands sold all of its remaining ordinary shares in TNT.

More extensive information on our previous relationship with the State of the Netherlands and its termination is included in note 32 on page 156.

As of 23 February 2007, we had not received any notification by the Netherlands Authority for the Financial Markets (AFM) that it had received a disclosure of a substantial holding in our company under the Dutch Act on the Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions (Wet melding zeggenschap en kapitaalbelang in

effectnuttigevende instellingen, Wmz 2006) nor do we know of any shareholder that would otherwise qualify as a major shareholder given his beneficial ownership of 5% or more of any class of the company's voting securities.

The Wmz 2006 imposes a duty to disclose percentage holdings in the capital and/or voting rights in our 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 AFM who would thereupon notify us.

AUDITOR

Our external auditor, PricewaterhouseCoopers Accountants N.V., is appointed by our general meeting of shareholders. Our audit committee has the sole authority, subject to confirmation by our Supervisory Board, to recommend to our general meeting of shareholders the appointment or replacement of the external auditor. The audit committee is directly responsible for the compensation and 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. The audit committee did pre-approve all services performed in 2006, except for some services which in the aggregate amount to around 1% of the total amount paid to the external auditor.

Conflicts of interest and potential conflicts of interest between the external auditor and us are resolved in accordance with the terms of reference of the audit committee and in particular the following annexes thereto: the "TNT Auditor Independence Policy" and the "TNT audit committee audit, audit-related, and non-audit services pre-approval policy", which can both be viewed on our website.

At times we use our external auditor to provide services in cases where these services do not conflict with the external auditor's independence. The TNT policy on auditor independence governs how and when we may engage our external auditor.

The audit committee grants year-long general pre-approval for certain routine services and specific pre-approval for additional services or budget allocations. 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 describing all relationships between the external auditor and us. In principle, the lead (signing) partner and the concurring (review) partner of the external auditor are rotated after a maximum period of four years.

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 next assessment will be held in 2007, and the main conclusions of this assessment will be communicated to the 2007 annual general meeting of shareholders as required.

Our internal auditor function, Corporate Audit Services, operates under the responsibility of our 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 will be involved in drawing up the tasks of the internal audit function.

The independent external auditor is required to attend the meetings of the Supervisory Board at which the financial statements and the audit report of the external auditor with respect thereto are discussed.

See note 21 to the consolidated financial statements for the fees paid to PricewaterhouseCoopers and the distribution of the fees between audit related services and non-audit services.

COMPLIANCE WITH GOVERNANCE CODES

DUTCH CORPORATE GOVERNANCE CODE

We apply the principles and best practice provisions of the Dutch corporate governance code that are applicable to the Board of Management and the Supervisory Board, except for the two best practise provisions below that are not fully applied:

- provision II.2.7: maximum remuneration in the event of dismissal of members of the Board of Management. See chapter 8, page 72, and
- provision III.3.4: maximum number of Supervisory Board positions held by members of the Supervisory Board with Dutch listed companies. See chapter 7, page 60.

On the pages referred to above we explain why we deviate from these best practise provisions. Material future (corporate) developments might justify further deviances from the Dutch corporate governance code at the moment of occurrence.

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 our website, www.tnt.com. In addition to the Dutch corporate governance code we are subject to the New York Stock Exchange corporate governance rules and to the Sarbanes-Oxley Act. We are not subject to any other corporate governance code.

NEW YORK STOCK EXCHANGE CORPORATE GOVERNANCE RULES

We comply with the corporate governance rules applicable to foreign private issuers listed on the New York Stock Exchange (NYSE), which include, inter alia, the provisions of the Sarbanes-Oxley Act. As a foreign issuer with American Depositary Shares listed on the NYSE, we are allowed to follow our home-country practices with respect to most corporate governance matters instead of those that apply to US domestic issuers, provided that we disclose any significant ways in which our corporate governance practices differ from listed domestic US companies under the NYSE listing standards.

Like many Dutch public limited liability companies, we have a two-tier governance standard. As set out in more detail above, our Board of Management is comprised of executive directors under the supervision of our Supervisory Board, which is comprised of non-executive directors. Members of the Board of Management and other officers and employees cannot simultaneously act as members of the Supervisory Board. The Supervisory Board must approve certain specified decisions of the Board of Management.

Both the Dutch corporate governance code requirements and the NYSE rules require that a majority of the members of a board of directors be independent, but the relevant definitions of independence differ in their details. In some cases, the Dutch requirement is stricter, such as by requiring a longer “look back” period for former executive directors, in others the NYSE is the stricter of the two, such as requiring a “look back” period for personal compensation generally and using a broader conception of what constitutes an affiliate. The NYSE listing standards also require that the external auditor is to be appointed by a company’s audit committee. As discussed above on page 63, in accordance with Dutch law, our external auditor is appointed by the general meeting of shareholders and not by our audit committee. However, our audit committee has the sole authority to recommend such appointment subject to confirmation by our Supervisory Board.

Our audit committee complies with the provisions of the NYSE listing standards applicable to foreign private issuers, and we believe that our variation from the standards applicable to US companies does not adversely affect the independence of our audit committee. In general, we believe that our current corporate governance practices are consistent in principle with the standards required of US companies listed on the NYSE.

RELATED PARTY TRANSACTIONS

Until 20 November 2006 the State of the Netherlands was our largest shareholder, holding approximately 10.9% of our ordinary shares. In view of the transactions that we might have entered into with the State of the Netherlands and any of its instrumentalities, the by-laws of the Board of Management provided that any such transaction would not be deemed to be of material significance below a threshold of €22.5 million. Until 20 November 2006 transactions with these parties above this threshold required the approval of our Supervisory Board. Furthermore, all transactions between us and the State of the Netherlands and any of its instrumentalities were required to be agreed on terms that are customary in the sector concerned.

THE FOUNDATION PROTECTION TNT AND PREFERENCE SHARES B

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

Pursuant to our articles of association, protective preference shares B may be issued to serve these interests. The preference shares B have a nominal value of €0.48 and have the same voting rights as our ordinary shares. There are currently no preference shares B issued, although we have entered into agreements with the Foundation for the placement to or acquisition by the Foundation of preference shares B under certain circumstances.

Under these agreements, we have a put option to place a number of our preference shares B, not exceeding our total issued share capital before such issue (or, subject to prior approval by the general meeting of shareholders, such larger number as we may agree with the Foundation) with the Foundation, subject to its ability to pay the purchase price. The Foundation has a credit facility in place to permit it to pay the purchase price. The Foundation TNT 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 each of the options 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 we make a call for payment by resolution of our Board of Management, which resolution is subject to the approval of the Supervisory Board.

In accordance with our current articles of association a general meeting of shareholders shall be convened ultimately two years 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. Should the Foundation receive a demand for repayment under the credit facility referred to above, it may demand that a general meeting of shareholders be convened for the purposes stated above following receipt of such demand.

The independent members of the board of the Foundation are J. den Hoed (chairman), S.C.J.J. Kortmann, J.H.M. Lindenberg and R. Pieterse. With the members of the board of the Foundation, we share the view that the Foundation is independent in the sense referred to in Annex X to the General Rules of the Euronext Amsterdam Stock Market. The preference shares B are the only measure as described in that Annex.

BUSINESS PRINCIPLES AND WHISTLEBLOWER POLICY

For our code of ethics, which includes our Whistleblower Policy, see chapter 9 on TNT's Business Principles.

CONTROLS AND PROCEDURES

INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

Our Board of Management is responsible for our system of internal risk management and controls and for reviewing their operational effectiveness. Our internal risk management and control systems are designed to identify significant strategic, operational, compliance and financial reporting risks. Nevertheless, because of their inherent limitations, the control systems described below, as well as those in the following sections, may not prevent or detect all misstatements, errors, fraud or violation of law or regulations. Neither can they provide certainty as to the achievement of our objectives.

In 2003, we adopted the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control - Integrated Framework as the foundation of our internal risk management and control systems. As a business with multiple locations, the redesign and execution of our internal risk management and control systems has been a major undertaking that has required considerable resources and organisational changes to achieve an appropriate and effective foundation on which to sustain and grow our business. The requirements of the U.S. Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley) and the requirements of the Dutch corporate governance code, taking into account the recommendations of the Dutch corporate governance code Monitoring Commission (the Frijns Committee), have also been part of the redesign and execution. In addition in 2005, we self assessed and commissioned a review into our integrity and ethical controls and procedures. This review was carried out by external counsel and completed in early 2006. A number of recommendations following this process have been implemented by our Board of Management under the supervision of our Supervisory Board.

Our process of design and execution of our current internal risk management and control systems has taken three years and included development of internal procedures and processes as well as the restructuring of functions to facilitate best practices. By establishing an appropriate structure and specifying a risk management, internal control, integrity and compliance framework for our operational units, the Board of Management has established the internal environment for appropriate risk management and internal control. The TNT business principles and group policies define "the tone at the top" with regard to ethical behaviour and doing business. Strategies have been established for every division and operational unit and translated into clear objectives, amongst others, with regard to business, markets, financial results, human resources and sustainability. The objectives are reviewed in the Annual Strategic Review for the group and at our operational units. Performance and compliance are monitored regularly in discussions between the appropriate

management and the Board of Management and supported and monitored by regular internal audits.

The Board of Management is satisfied with the progress that has been made, but recognises that development, implementation and execution of our internal risk management and control systems require continuous improvement and focused attention and remains committed to reviewing and monitoring their appropriateness and operational effectiveness going forward. We have established measures relating to the general control environment as well as tools for monitoring the control environment (e.g. letters of representation signed by all managing and finance directors of our group entities, divisional and group level employees that report directly to the Board of Management, our internal audit function, and monitoring duties of our divisional audit committees). In addition, there is a system of controls over financial reporting, including amongst others our internal auditors' review and the review and report of our disclosure committee.

We can demonstrate examples of progress by referring to the three categories of internal controls that the Board of Management previously identified as significant deficiencies as indicated in our previous annual report. These categories related to 1) our entity-level control framework and in particular US GAAP knowledge, 2) financial reporting on tax, and 3) controls within and around the use of electronic templates that directly relate to the creation, monitoring and review of our financial statements. The substantial education and awareness programme which we rolled out in the first quarter of 2006, as well as focused management attention, has resulted in each of these areas being addressed satisfactorily before 31 December 2006.

Throughout 2006 we have spent considerable time and resources documenting and testing the operational effectiveness of our internal control over financial reporting to comply with our obligations under Section 404 of Sarbanes-Oxley and to comply with (or, if appropriate to explain the deviations from) the Dutch corporate governance code and the recommendations of the Frijns Committee. We have developed and rolled out to all of our operational units world wide a framework of entity-level controls. This latter framework includes an integrity awareness and training programme, enhanced and more robust group-wide policies and procedures and group-wide internal control awareness training which complement our internal risk management and control systems.

The output of our efforts to strengthen our internal risk management and control systems has resulted in a group-wide risk management framework with processes to identify and, where applicable, mitigate 1) risks to our strategy and operations, 2) risks presented by the regulatory and compliance environments in which we operate, and 3) risks related to financial exposures and financial reporting.

Additionally, based on our assessment, we determined that there were no material weaknesses (as defined by the Public Company Accounting Oversight Board Auditing Standard 2) in our management report on internal control over financial reporting as of 31 December 2006. We are therefore able to confirm that our internal control over financial reporting was adequate and effective as of 31 December 2006, the time of its assessment.

Our independent auditors are obligated under the standards of the Public Company Accounting Oversight Board to consider our internal control over financial reporting as a basis for designing their auditing procedures for the purpose of expressing their opinion on our consolidated financial statements. We have discussed our own assessment of our control and risk management framework and in particular our internal control over financial reporting with our independent auditors. Our independent auditors concur with our conclusion in relation to our assessment of internal control over financial reporting as of 31 December 2006, as disclosed in the previous paragraph. Their report is included in Chapter 12 on page 103.

DISCLOSURE CONTROLS AND PROCEDURES

As of 31 December 2006, under the supervision and with the participation of our chief executive officer and chief financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on this our chief executive officer and chief financial officer concluded our disclosure controls and procedures were effective as of 31 December 2006.

REPORTING REQUIREMENTS UNDER SECTION II.1.4 OF THE DUTCH CORPORATE GOVERNANCE CODE TAKING INTO ACCOUNT THE RECOMMENDATIONS OF THE FRIJNS COMMITTEE ON THE APPLICATION THEREOF AND REPORTING REQUIREMENTS UNDER SECTION 404 OF SARBANES-OXLEY

The concept of internal risk management and control systems as used in the Dutch corporate governance code varies significantly from the concepts of “disclosure controls and procedures” and “internal control over financial reporting” under the US Securities Exchange Act of 1934, as amended, and the related SEC rules. Specifically the Dutch corporate governance code requires us to examine strategic, operational, regulatory, compliance and financial risks.

The Board of Management has reviewed, analysed and prioritised the strategic, operational, regulatory, compliance and financial risks to which we are exposed and has reviewed our control environment for the year ended 31 December 2006. The outcome of this review and analysis has been shared with the audit committee and the Supervisory Board and has been discussed with our independent auditors. Our current view on key risks is summarised in chapter 10.

With respect to financial reporting, the Frijns Committee has stated that it considers application in full of Section 404 of Sarbanes-Oxley meets the Dutch requirements in respect of the internal control objective and financial reporting. The Report of Management on Internal Control Over Financial Reporting is stated below.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company. Internal control over financial reporting is a process,

designed under the supervision of a company’s chief executive officer and chief financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: 1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of a company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the registrant are being made only in accordance with authorisations of a company’s management and directors; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of a company’s assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision, and with the participation of our management, including our chief executive officer and chief financial officer, we have conducted an evaluation as of 31 December 2006 of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by COSO. Based on this evaluation, management has concluded that the company’s internal control over financial reporting was effective as of 31 December 2006.

PricewaterhouseCoopers Accountants N.V., the independent auditors that audited the financial statements included in this annual report, has audited this assessment of the effectiveness of our internal control over financial reporting as of 31 December 2006; their report is included in Chapter 12 on page 103.