

Remuneration Policy Supervisory Board

The following sections set out our Supervisory Board's remuneration policy ('Policy'), which will be put forward for a binding shareholder vote at the 2020 Annual General Meeting ('AGM'). Subject to shareholder approval, the Policy will take effect from January 1, 2020 onwards and is, in line with applicable legislation, intended to remain in place for four years.

Guiding Principles

The objective of the Policy is to attract and retain qualified talent to perform the Supervisory Board's duties and act in accordance with the interests of PostNL and its stakeholders. The Policy is built on the following principles:

- Alignment - the Policy is aligned with multi-stakeholder interests
- Independence - neither variable nor share-based compensation elements are part of the Policy
- Transparent - the Policy and its execution are clear and predictable
- Compliant - PostNL adopts the highest standards of good corporate governance and complies with laws and regulations
- Simple - the Policy and its execution are simple and easy to understand for all stakeholders

Policy framework

The policy framework:

- reflects time spent and the responsibilities of the role;
- supports deployment of specific skills and competences; and
- is fixed and cash-based with no variable or share-based element and therefore not related to company performance. This ensures the objectivity and independence of the Supervisory Board and is in line with the Dutch Corporate Governance Code.

The Remuneration Committee takes multiple factors into account when determining compensation levels, including the type of role, the pay conditions of PostNL's employees and relevant market developments. Compensation levels will be benchmarked at least every four years against the same peer group that is used for the [Board of Management](#) benchmark. PostNL aims to position compensation between the lower quartile and median levels of the peer group for all compensation elements of the Policy.¹

Fee structure

The Policy contains the following compensation elements:

- **Board fees for chairman and members:** A fixed compensation that reflects time spent and responsibilities of the respective roles in the Supervisory Board
- **Committee fees for chairman and members:** A fixed compensation that reflects time spent and responsibilities of the respective roles in a Committee
- **Other benefits:** Service awards granted to Supervisory Board members
- **Expenses:** All expenses reasonably incurred by Supervisory Board members in the course of performing their duties are considered business expenses and are reimbursed at cost

No loans, advance payments, guarantees or severance payments in the event of termination are granted.

¹ For the purpose of clarity: the 25th percentile equals the lower quartile. The 50th percentile equals the median.



The fee structure is as follows:

Annual Board fees (excl. VAT)	
Chairman	€ 55,000
Member	€ 40,000
Annual Committee fees (excl. VAT)	
Chairman Audit Committee	€ 10,000
Chairman Remuneration / Nomination Committee	€ 7,500
Member Audit Committee	€ 7,500
Member Remuneration / Nomination Committee	€ 5,000

In case of appointment or step down of a Supervisory Board member in the course of a year, pro rata fees apply. Detailed information on the remuneration of individual members of the Supervisory Board will be provided in the remuneration report.

Contractual arrangements

Supervisory Board members are appointed by the Annual General Meeting on nomination of the Supervisory Board in accordance with statutory, legal and regulatory requirements. The members are appointed for a maximum period of four years and may then be reappointed once for another four-year period. A Supervisory Board member may subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. Termination is subject to a notice period of one month for either party. Furthermore, provisions regarding independence, confidentiality and insider trading are in place.

Derogation

The Supervisory Board may, upon recommendation of the Remuneration Committee, temporarily derogate from the Policy in exceptional circumstances as defined by the Dutch Civil Code. This may concern granting higher or lower Board and/or Committee fees, depending on the character of the circumstances.

Procedure

The Supervisory Board is responsible for the Policy and its implementation in accordance with statutory, legal and regulatory requirements.

The Remuneration Committee is appointed by the Supervisory Board to make at least once every four years a proposal to the Supervisory Board for the Policy to be pursued and to prepare the remuneration report on the implementation of the Policy. The Supervisory Board presents the Policy and remuneration report to the Annual General Meeting.

Policy revision

(Representing bodies of) several stakeholders have been consulted in drafting this Policy. No concerns were raised, causing no adjustments to the Policy.

This Policy contains the following adjustment compared to the current Supervisory Board policy:

- **Fixed Committee fees:** In the past, PostNL operated a fee per attended Committee meeting. In order to increase transparency, predictability, simplicity and align the Policy with current market practice, fixed Committee fees replace attendance-based fees for Committee meetings. The remuneration level of these fixed fees are aligned with the total sum of attendance fees paid in the past and observed market levels. This change can be observed as cost neutral.

