

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

Adopted by the Supervisory Board on 3 November 2017

Introduction

- These Terms of Reference are established by the Supervisory Board pursuant to clause 5 of the Bylaws of the Supervisory Board.
- The Remuneration Committee is a standing committee of the Supervisory Board.
- Capitalised terms used but not defined herein shall have the meaning set forth in the List of Definitions attached to the Bylaws of the Supervisory Board.

1. Purpose

1.1 The Remuneration Committee is appointed by the Supervisory Board to:

- (a) make a proposal to the Supervisory Board for a clear and understandable remuneration policy to be pursued (such policies to be adopted by the General Meeting of Shareholders).¹ The following aspects should be taken into consideration when formulating this policy: (i) the objectives for the strategy for the implementation of long-term value creation within the meaning of best practice provision 1.1.1; (ii) the scenario analyses carried out in advance; (iii) the pay ratios within the Company and its Associated Companies; (iv) the development of the market price of the Company shares; (v) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character; (vi) if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and (vii). if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded;
- (b) make a proposal for the remuneration of the individual members of the Board of Management, for adoption by the Supervisory Board; such proposal shall be prepared in accordance with the remuneration policy and shall, in any event, cover (i) the remuneration structure; (ii) the amount of the fixed and variable remuneration components; (iii) the performance criteria used; (iv) the scenario analyses performed and the pay ratios with the Company and its Associated Companies², and to prepare schemes granting members of the Board of Management remuneration in the form of Company shares or options for Company shares, which shall, after approval by the Supervisory Board, be submitted by the Supervisory Board to the General Meeting of Shareholders for approval. In preparing the proposal for the remuneration of the individual members of the Board of Management, the Remuneration Committee shall take note of the views of the individual members of the Board of Management with regard to the amount and structure of their own remuneration, and will ask the individual members of the Board of Management to pay attention to the aspects referred to in the remuneration policy.³
- (c) prepare the Remuneration Report⁴. This report shall in any event describe in a transparent manner, in addition to the matters required by law: (i) how the remuneration policy has been implemented in the past financial year; (ii) how the implementation of the remuneration policy contributes to long-term value creation; (iii) that scenario analyses have been taken into consideration; (iv) the pay ratios within the Company and its Associated Companies and, if

¹ Dutch Corporate Governance Code, clause 3.1.1 and 3.1.2.

² Dutch Corporate Governance Code, clause 3.2.1.

³ Dutch Corporate Governance Code, clause 3.2.2

⁴ Dutch Corporate Governance Code, clause 3.4.1.

applicable, any changes in these ratios in comparison with the previous financial year; (v) in the event that a member of the Board of Management receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and (vi) in the event that a current or former member of the Board of Management receives a severance payment, the reason for this payment;

- (d) subject to confirmation by the Supervisory Board, set common targets for members of the Board of Management for the three coming years;
 - (e) review the granting of (rights on) Company shares or options for Company shares to other senior management of the Company pursuant to the Company's share plans; and
 - (f) prepare a clear and understandable proposal for the remuneration of Supervisory Board members for submission to the General Meeting of Shareholders. The remuneration of the Supervisory Board members should promote an adequate performance of their role and should not be dependent on the results of the Company. Additionally, it should reflect the time spent and the responsibilities the role of the respective Supervisory Board members.
- 1.2 The Remuneration Committee shall have delegated authority on behalf of the Supervisory Board only on issues specified in these Terms of Reference or on other issues as the Supervisory Board may specifically decide from time to time. Any use by the Remuneration Committee of the aforementioned delegated authority shall be communicated to the full Supervisory Board.
- 1.3 The Remuneration Committee shall present all material findings and recommendations to the Supervisory Board for consideration.

2. Composition

- 2.1 The Remuneration Committee shall consist of at least three members. All members of the Remuneration Committee must be Supervisory Board members. More than half of the members of the Remuneration Committee shall be Supervisory Board members who are independent within the meaning of clauses 1.3 and 1.4 of the Bylaws of the Supervisory Board.⁵
- 2.2 The members of the Remuneration Committee shall be appointed and may be replaced at any time by the Supervisory Board.
- 2.3 The chairman of the Remuneration Committee shall be designated by the Supervisory Board. If a member of the Remuneration Committee is not independent within the meaning of clauses 1.3 and 1.4. of the Bylaws of the Supervisory Board, he or she shall not chair the Remuneration Committee. The Remuneration Committee shall furthermore not be chaired by the Chairman of the Supervisory Board or by a former member of the Board of Management.⁶
- 2.4 The term of office of a member of the Remuneration Committee will not be set beforehand. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and other committees of the Supervisory Board from time to time.
- 2.5 The Group HR Director shall act as secretary to the Remuneration Committee and will in that role work closely with the Corporate Secretary to ensure proper decision-making.

3. Meetings

- 3.1 The Remuneration Committee shall meet at least twice a year, in any event once well before the end of

⁵ Dutch Corporate Governance Code, clause 2.3.4.

⁶ Dutch Corporate Governance Code, clause 2.3.4.

the year and once after publication of the Annual Report. Meetings may also take place by telephone or video conference.

- 3.2 The Remuneration Committee shall be convened in consultation between its chairman and the CEO. Save in urgent cases, the Corporate Secretary shall provide the members of the Remuneration Committee with an agenda and any necessary documentation as early as possible and in general at least seven days before a meeting takes place.
- 3.3 As a general rule, the CEO and the secretary to the Remuneration Committee shall attend Remuneration Committee meetings. The CEO will, however, not attend discussions about his or her own remuneration. In addition, independent experts may be invited to attend Remuneration Committee meetings. Every Supervisory Board member may attend meetings of the Remuneration Committee.
- 3.4 The minutes of the Remuneration Committee meetings shall be made by the secretary to the Remuneration Committee and shall be circulated as soon as possible to all the Supervisory Board members.
- 3.5 If and when required, the chairman of the Remuneration Committee shall provide further information to the Supervisory Board during its meetings on the results of the Remuneration Committee's discussions.
- 3.6 The Group HR Director shall ensure that decisions affecting the remuneration and other benefits of members of the Board of Management will be executed and are set down in letters for submission to the Chairman of the Supervisory Board for signature.

4. Amendment of these Terms of Reference; revocation of Powers

- 4.1 The Supervisory Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Remuneration Committee.

5. Disclosures regarding Remuneration Committee

- 5.1 The composition of the Remuneration Committee, the number of meetings of the Remuneration Committee and the main items discussed shall be mentioned in the report of the Supervisory Board which is part of the Annual Report and on the Company's website.
- 5.2 These Terms of Reference shall be published on the Company's website.

6. Miscellaneous

- 6.1 Every Supervisory Board member shall have unrestricted access to all records of the Remuneration Committee.
- 6.2 The chairman of the Remuneration Committee or one of the other members of the Remuneration Committee shall be available to answer questions about the Remuneration Committee's activities at the annual General Meeting of Shareholders.
- 6.3 Clauses 27.2 through 27.6 of the Bylaws of the Supervisory Board apply to the Terms of Reference of the Remuneration Committee by analogy.