

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 19, 2012

UNITED PARCEL SERVICE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-15451
(Commission
File Number)

58-2480149
(IRS Employer
Identification Number)

55 Glenlake Parkway, N.E., Atlanta, Georgia
(Address of Principal Executive Offices)

30328
(Zip Code)

Registrant's telephone number, including area code: (404) 828-6000

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Introductory Note

On March 19, 2012, United Parcel Service, Inc. (the “Company”) announced that it had reached an agreement with TNT Express N.V. (“TNT Express”) on a recommended all-cash public offer for each of the issued and outstanding ordinary shares of TNT Express (the “Offer”). The Offer values the issued and outstanding share capital of TNT Express at €5.16 billion (\$6.77 billion assuming a foreign exchange rate \$1.3116/€1). The Company intends to finance the Offer by utilizing existing cash and through new debt arrangements. The Company will make a timely certain funds announcement as required by Section 7 Paragraph 4 of the Dutch Decree on Public Takeover Bids.

Item 1.01 Entry into a Material Definitive Agreement.

Merger Protocol

On March 19, 2012, the Company and TNT Express entered into a Merger Protocol agreement (the “Merger Protocol”) providing for the merger with TNT Express by the Company or a wholly-owned subsidiary of the Company by way of the Offer. Under the terms of the Merger Protocol, the Company has agreed to make, declare unconditional and settle the Offer on the terms and subject to the conditions set out in the Merger Protocol, at a price of €9.50 in cash per ordinary share or American Depositary Receipt of TNT Express. The Merger Protocol provides that, apart from the financial year 2011 final dividend of €0.004 per share, the offer price will be decreased by the full amount of any dividend or distribution declared or made by TNT Express in respect of its ordinary shares prior to settlement of the Offer.

The Executive and Supervisory Boards of TNT Express have unanimously approved TNT Express’ entry into the Merger Protocol and, subject to certain exceptions and conditions, TNT Express has agreed that neither the Executive nor the Supervisory Board will revoke or materially modify, amend or qualify its recommendation that shareholders of TNT Express accept the Offer.

Under the terms of the Merger Protocol, commencement of the Offer is subject to the satisfaction or waiver of certain conditions, including: (i) no material adverse effect having occurred, (ii) no breach of the Merger Protocol having occurred, (iii) approval of the offer memorandum by the Netherlands Authority for the Financial Markets (“AFM”), (iv) no revocation of the recommendation by TNT Express’ Executive Board or Supervisory Board, (v) Stichting Continuïteit TNT Express (which is a foundation that has been granted a call right to acquire preference shares of TNT Express) not having exercised its call option right to have protective preference shares issued to it, (vi) no notification having been received from the AFM that preparations of the Offer are in breach of Dutch offer rules and (vii) no order, stay, judgment or decree having been issued prohibiting the Offer. In addition, the Offer requires obtaining a number of approvals, clearances and other forms of consent or non-objection and other actions with respect to various works councils, trade unions and other employee representatives.

The Merger Protocol further provides that consummation of the Offer will be subject to the satisfaction or waiver of certain conditions, including: (i) a minimum acceptance of 80% of the TNT Express ordinary shares on a fully diluted basis, (ii) certain competition clearances for the Offer having been obtained, (iii) no material adverse effect having occurred, (iv) no breach of the Merger Protocol having occurred, (v) no revocation of the recommendations by TNT Express’ Executive Board or Supervisory Board, (vi) Stichting Continuïteit TNT Express not having exercised its call option right to have protective preference shares issued to it and having agreed to terminate its call option subject to the Offer being declared unconditional, (vii) no notification having been received from the AFM that preparations of the Offer are in breach of Dutch offer rules and (viii) no order, stay judgment or decree having been issued prohibiting the Offer. As soon as possible after completion of the Offer, the parties agree that the Company or its affiliates will seek to acquire all shares not then owned by it.

The Merger Protocol contains certain termination rights for the Company and TNT Express. Upon termination of the Merger Protocol (i) by the Company, in the event of certain breaches by TNT Express or (ii) by either the Company or TNT Express, in the event that a bona fide third-party offeror makes an offer which is binding upon such party, exceeds the Offer price by at least 8% and is considered by the Executive and Supervisory

Boards of TNT Express to be substantially more beneficial to TNT Express, TNT Express will pay the Company a €50 million termination fee. The Merger Protocol also provides that the Company will be required to pay TNT Express a reverse termination fee of €200 million in the event of termination of the Merger Protocol due to the Company's failure to consummate the Offer, certain breaches by the Company, or the failure to obtain certain regulatory approvals. In addition, subject to certain limitations, either party may terminate the Merger Protocol if the Offer is not consummated by February 28, 2013.

The foregoing description of the Merger Protocol is qualified in its entirety by reference to the full text of the Merger Protocol, which is attached to this Current Report on Form 8-K as Exhibit 2.1.

Irrevocable

On March 18, 2012, the Company obtained an irrevocable undertaking (the "Irrevocable") from PostNL N.V., which holds, as of the date of the Irrevocable, approximately 29.8% of TNT Express' outstanding ordinary shares. The Irrevocable provides, among other things, that subject to the terms and conditions set forth therein, PostNL N.V. will accept the Offer in respect of all of the ordinary shares of TNT Express that it holds or may acquire, except that after September 19, 2012, PostNL N.V. may sell, transfer or encumber, and is not obligated to accept the Offer to the extent that it has sold, transferred or encumbered, up to 54,320,242 ordinary shares of TNT Express (representing approximately 10% of TNT Express' outstanding ordinary shares). The Irrevocable will terminate under certain circumstances, including in the event the Merger Protocol is terminated, the Executive or Supervisory Board of TNT Express withdraw or modify their recommendation of the Offer, or a competing offer (as defined in the Merger Protocol) has been made for TNT Express and not matched by the Company.

The foregoing description of the Irrevocable is qualified in its entirety by reference to the full text of the Irrevocable, which is attached to this Current Report on Form 8-K as Exhibit 10.1.

Further Information

The offer memorandum will contain details of the Offer and for further information explicit reference is made to the offer memorandum, which is expected to be published during Q2 2012. TNT Express' shareholders are advised to review the offer memorandum in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the content of the offer memorandum and the Offer itself.

This disclosure is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This disclosure does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of the Company or TNT Express in any jurisdiction.

The distribution of this information may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, the Company disclaims any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither the Company, nor TNT Express, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any TNT Express shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay. This disclosure is not to be published or distributed in or to Australia, Canada or Japan.

Item 7.01 Regulation FD Disclosure.

On March 19, 2012, the Company and TNT Express issued a joint press release announcing the Offer, the text of which is attached to this Current Report on Form 8-K as Exhibit 99.1.

The information in this Item 7.01, including Exhibit 99.1, is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liabilities under that section, and shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended, regardless of any general incorporation language in those filings.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
2.1	Merger Protocol, dated as of March 19, 2012, between United Parcel Service, Inc. and TNT Express N.V.
10.1	Irrevocable Undertaking, dated as of March 18, 2012, between United Parcel Service, Inc. and PostNL N.V.
99.1	Press Release dated March 19, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED PARCEL SERVICE, INC.
(Registrant)

By: /s/ Teri P. McClure
Teri P. McClure
Senior Vice President, General Counsel and Corporate Secretary

Date: March 23, 2012

Exhibit Index

**Exhibit
No.**

Description

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99.1	Press Release dated March 19, 2012.

19 March 2012

UNITED PARCEL SERVICE, INC.

TNT EXPRESS N.V.

MERGER PROTOCOL

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MERGER PROTOCOL**BETWEEN:**

- (1) **UNITED PARCEL SERVICE, INC.**, a corporation organised and existing under the laws of the State of Delaware, having its address at 55 Glenlake Parkway, Atlanta, Georgia 30328, USA (**UPS**); and
- (2) **TNT EXPRESS N.V.**, a public company with limited liability (*naamloze vennootschap*), incorporated under the laws of The Netherlands, having its registered seat at Amsterdam, and its address at Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands (**TNT**),

(the parties above together the **Parties** and each also a **Party**).

WHEREAS:

- (A) TNT is listed on the stock exchange of Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext N.V. (**Euronext Amsterdam**).
- (B) TNT and its Affiliates (together the **TNT Group**) are engaged in the business of package delivery services.
- (C) UPS is listed on the New York Stock Exchange, operated by NYSE Euronext (**NYSE**) and is, together with its Affiliates, also engaged in the business of package delivery services.
- (D) UPS intends to merge with TNT by way of a recommended public offer (*openbaar bod*) to be made by UPS or a wholly-owned subsidiary of UPS in respect of all ordinary shares of TNT as further described in this Merger Protocol (the **Offer** and, together with the transactions contemplated in connection therewith, the **Merger**).
- (E) On 11 January 2012, UPS and TNT entered into a confidentiality agreement (the **Confidentiality Agreement**).
- (F) UPS and its advisors have performed a high level due diligence investigation into certain legal, financial, commercial, regulatory, tax and pension aspects of the TNT Group and its businesses based on the information included in the data room prepared by TNT, follow-up questions and other information provided to UPS or its advisors by or on behalf of TNT (the **Pre-Signing Due Diligence**).
- (G) At the date of this Merger Protocol, the authorised share capital of TNT amounts to EUR 120,000,000, divided into 750,000,000 ordinary shares with a nominal value of EUR 0.08 each and 750,000,000 preference shares with a nominal value of EUR 0.08 each.
- (H) On 15 March 2012, there were approximately 10,453,831 American Depositary Receipts (**ADRs**) outstanding, each representing one ordinary share of TNT, and together representing approximately 1.92% of the issued and outstanding ordinary shares of TNT.
- (I) At the date of this Merger Protocol, the issued share capital of TNT amounts to EUR 43,456,193,60, divided into 543,202,420 ordinary shares (including all ordinary shares represented by the ADRs), such shares, together with any ordinary shares that may be issued by TNT pursuant to the exercise of share options prior to the Closing Date, the **Shares**).
- (J) At the date of this Merger Protocol, TNT does not hold any Shares.

(K) At the date of this Merger Protocol, UPS does not hold any Shares.

(L) TNT has entered into an agreement with Stichting Continuïteit TNT Express (the **Foundation**) dated 31 May 2011 (the **Foundation Option Agreement**), pursuant to which the Foundation has been granted a call option to acquire from TNT such number of preference shares with a nominal value of EUR 0.08 each (the **Protective Preference Shares**) as is equal to the total number of Shares minus one and minus any Shares or Protective Preference Shares already issued to the Foundation (the **Call Option**).

(M) UPS and TNT have discussed their intentions in relation to the Merger and UPS has informed TNT of its intentions regarding the possible steps to be taken after declaring the Offer unconditional (*gestanddoening*) as further set out in this Merger Protocol.

(N) The executive board (*raad van bestuur*) of TNT (the **Executive Board**) and the supervisory board (*raad van commissarissen*) of TNT (the **Supervisory Board**) (the **Boards**) have in connection with the Offer received fairness opinions to the effect that, as of the date of this Merger Protocol, the Offer Price (as defined below) is fair to the holders of Shares from a financial point of view, in form and substance satisfactory to the Boards and in support of their recommendation of the Offer.

(O) The Boards have approved the terms of this Merger Protocol and intend to recommend the Offer for acceptance by the holders of Shares, subject to the terms and conditions of this Merger Protocol.

(P) On 7 April 2011, TNT and TNT N.V. (currently named PostNL N.V.) entered into a relationship agreement (the **Relationship Agreement**). The Relationship Agreement provides, *inter alia*, for the terms and conditions on lock-up and the restrictions on transfer of Shares held by PostNL N.V. in the event of a third party making a takeover bid for TNT. As at the date hereof, the Parties assume that PostNL N.V. holds approximately 29.8% of the Shares.

(Q) On 18 March 2012, UPS obtained an irrevocable undertaking from PostNL N.V. to tender all of the Shares held by it under the Offer, if and when made (the **Irrevocable**).

(R) The Parties have discussed and agreed the contents and timing of (i) public announcement of the Merger and (ii) communications with the relevant authorities and employee representatives. The notification and consultation procedure with respect to the Offer pursuant to the *SER Fusiegedragsregels 2000* (the Dutch code in respect of informing and consulting of trade unions), the Dutch Works Council Act (*Wet op de Ondernemingsraden*; the **WOR**) and any other similar laws and regulations of any jurisdiction other than The Netherlands have been initiated or will be initiated immediately after execution of this Merger Protocol.

(S) The Parties wish to lay down their respective rights and obligations with respect to the Offer and the Merger in this Merger Protocol.

HEREBY AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Capitalised words and expressions used in this Merger Protocol, including those used in the preamble to this Merger Protocol, shall have the meaning ascribed to such words and expressions in Schedule 1.

1.2 References in this Merger Protocol to:

- (a) any gender shall include all genders and words importing a singular number only shall include the plural and vice versa, unless otherwise specified;

- (b) statutes, acts and the like of whatever jurisdiction shall include any modification, re-enactment or extension thereof and any orders, regulations, instruments or other subordinate legislation made thereunder in force from time to time; and
- (c) persons shall include corporate bodies, corporate entities, firms, unincorporated or incorporated associations, foundations and partnerships.

1.3 The Schedules comprise schedules to this Merger Protocol and shall have the same force and effect as if set out in the body of this Merger Protocol and any reference to this Merger Protocol shall include the Schedules.

1.4 The headings in this Merger Protocol are inserted for convenience only and shall not affect its interpretation.

2. THE OFFER

Preparations of the Offer

2.1 UPS undertakes to TNT to prepare and make, or designate a wholly-owned subsidiary to make (*uitbrengen*), declare unconditional (*gestand doen*) and settle (*betalen en levering aanvaarden*) the Offer on the terms and subject to the conditions set out in this Merger Protocol.

2.2 The Parties shall use their respective best efforts to ensure that the Offer will be completed as soon as possible following the date of this Merger Protocol, subject to the terms and conditions of this Merger Protocol.

2.3 The Parties shall comply with all applicable laws and regulations, including without limitation, the applicable provisions of the Dutch Act on Financial Supervision *Wet op het Financieel Toezicht*; the *Wft*, the Decree on Public Takeovers (*Besluit Openbare Biedingen*; the *Decree*), the rules and regulations promulgated pursuant to the *Wft* and the Decree, the policy guidelines and instructions of the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*; the *AFM*), the *WOR*, the *SER Fusiegedragsregels 2000*, the rules and regulations of Euronext Amsterdam and, in so far as applicable, NYSE, the Dutch Civil Code (*Burgerlijk Wetboek*) (the *DCC*), the relevant securities and employee consultation rules and regulations in other applicable jurisdictions including, without limitation, the applicable US securities laws, and the relevant Antitrust Laws applicable to the Offer (collectively, the *Applicable Rules*).

Offer Price

2.4 Provided that this Merger Protocol is not terminated pursuant to clause 15 and subject to the satisfaction or waiver of the Commencement Conditions and the Offer Conditions, the Offer shall commit UPS to acquire each Share validly tendered under the Offer and not withdrawn against payment of a cash consideration of EUR 9.50 (nine euro and fifty cents) (and, in respect of ADRs, the U.S. Dollar equivalent of EUR 9.50 per ADR, calculated by using the spot market exchange rate for the U.S. Dollar against the euro on the date on which funds are received by the paying agent to pay for ADRs upon completion of the Offer) (the *Offer Price*), which price includes, for the avoidance of doubt, any (interim) dividends and other distributions that may be declared or paid in the period between the date of this Merger Protocol and completion of the Offer, except for a financial year 2011 final dividend payment not exceeding EUR 0.004 per Share.

2.5 If TNT were to declare or pay any (interim) dividend or other distribution as referred to in Schedule 4, paragraph (b) in the period between the date of this Merger Protocol and the Settlement Date (except for a financial year 2011 final dividend payment not exceeding EUR 0.004 per Share), then the Offer Price will be decreased by the full amount of any such dividend payment or other distribution declared or made by TNT in respect of each Share (before any applicable withholding tax).

Joint Announcement

2.6 The execution of this Merger Protocol will be announced immediately following its execution and in any event prior to the opening of the first trading day on Euronext Amsterdam following the execution of this Merger Protocol by way of a press release issued jointly by UPS and TNT (the **Joint Announcement**). The AFM and Euronext Amsterdam will be provided with a copy of the Joint Announcement immediately upon its release. The relevant (international) press-agents, the Socio-Economic Council (*Sociaal-Economische Raad*), the relevant Dutch trade unions, the European works council and the Works Council will also receive a copy. A copy of the Joint Announcement is attached hereto as Schedule 2.

Commencement Date

2.7 UPS shall make the Offer no later than on the earlier of:

- (a) the fifth Business Day after the day on which Phase I Competition Clearance from the European Commission has been obtained;
- (b) if Phase I Competition Clearance has not been obtained, the fifth Business Day after the day on which ten (10) Business Days have passed after the commencement of the Phase II Investigation; and
- (c) the last day on which the Offer has to be made pursuant to the Decree,

subject in all cases to all Commencement Conditions being satisfied or waived by UPS and/or TNT, as the case may be, in accordance with this Merger Protocol (the date on which the Offer is made, the **Commencement Date**).

Offer Period

2.8 UPS may, in its sole discretion, determine the duration of the acceptance period (*aanmeldingstermijn*) of the Offer (the **Offer Period**), provided that the initial Offer Period shall be no less than eight (8) weeks and no longer than ten (10) weeks (the last day of the Offer Period, the **Closing Date**).

2.9 Immediately prior to the expiration of the Offer Period, TNT shall provide a written confirmation to UPS that, to the best knowledge of the members of the Executive Board, after having made reasonable enquiries, the Offer Conditions set forth in clause 4.3(d) (no breach by TNT) and clause 4.3(h) (no breach of public offer regulations) have been satisfied (or not, in which case reasonable details as to the non-satisfaction shall be included in the written confirmation) as of that time. Immediately prior to the expiration of the Offer Period, UPS shall provide a written confirmation to TNT that, to the best knowledge of the members of its executive board, after having made reasonable enquiries, the Offer Conditions set forth in clause 4.3(e) (no breach by UPS) and clause 4.3(h) (no breach of public offer regulations) have been satisfied (or not, in which case reasonable details as to the non-satisfaction shall be included in the written confirmation) as of that time.

2.10 If any Offer Condition is not satisfied or waived on the initial Closing Date, UPS may, at its sole discretion, extend the initial Offer Period once, provided that:

- (a) such extension of the initial Offer Period shall be no less than two (2) weeks and no more than ten (10) weeks after the initial Closing Date; and
- (b) if the Offer Condition relating to competition clearance set out in clause 4.3(b) is not satisfied or waived on the initial Closing Date, UPS must extend the initial Offer Period for one or more periods of time (subject to, in respect of an extension by more than one period, receipt of an exemption granted by the AFM, to be requested by UPS) until such time as the Parties reasonably believe is necessary to cause such Offer Condition to be satisfied.

Any request to the AFM for an exemption to extend the Offer Period more than once, other than pursuant to clause 2.10(b), shall require the prior written consent of TNT, which shall not be unreasonably withheld or delayed.

If, at any point in time prior to the Long Stop Date (i) the AFM does not grant an exemption to extend the Offer Period as a consequence of which the Offer Period has lapsed without the Offer having been declared unconditional (*gestand gedaan*) and (ii) the Offer Condition relating to competition clearance set out in clause 4.3(b) is not yet satisfied or waived, but no decision has yet been made or deemed to have been made by the European Commission in respect of Phase II Competition Clearance, UPS shall promptly launch a new public offer on the same terms and conditions as the Offer (and such new offer will then be deemed to be the "Offer" for purposes of this Agreement).

In case of one or more extensions of the Offer Period, all references to the Closing Date shall, unless the context requires otherwise, be deemed to refer to the latest date and time to which the Offer Period has been so extended.

2.11 If the Offer Conditions have been satisfied or waived in accordance with the terms and conditions of this Merger Protocol, UPS shall publicly declare the Offer unconditional no later than the third (3rd) Business Day after the Closing Date (the **Unconditional Date**). Settlement is expected to occur on the fifth (5th) Business Day after the Unconditional Date (the **Settlement Date**).

2.12 In the event that UPS declares the Offer unconditional (*gestand doet*), UPS shall also publicly announce a post acceptance period (*na-aanmeldingstermijn*) of no more than two (2) weeks (the **Post Closing Acceptance Period**) and accept, against payment of the Offer Price, each Share that is validly tendered and not withdrawn within such period.

2.13 Nothing in this clause 2 shall limit the rights of UPS under article 15 paragraph 5 of the Decree.

Offer Memorandum and Position Statement

2.14 On the Commencement Date, UPS shall make the offer memorandum (*biedingsbericht*) (together with all amendments and supplements thereto, the **Offer Memorandum**) generally available in The Netherlands and in those other jurisdictions in which the Parties agree or are obliged pursuant to the Applicable Rules to make the Offer. UPS and TNT shall jointly announce the availability of the Offer Memorandum and shall disseminate the Offer Memorandum in the jurisdictions where the Offer is made in accordance with the applicable laws and regulations in such jurisdictions.

2.15 The Offer Memorandum (and all transactions contemplated thereby) shall comply as to form and substance in all respects with the Applicable Rules, may include such additional information as the Parties reasonably agree should be included and shall otherwise be consistent with commercial practice. The Offer Memorandum shall be drafted by UPS. TNT shall be given sufficient opportunity to review, comment upon and, except for sections solely relating to, and/or being under the responsibility of, UPS, approve the Offer Memorandum (which approval shall not be unreasonably delayed or withheld). TNT, acting reasonably, undertakes to timely provide all such information and data relating to TNT and the TNT Group as is reasonably required to be included in the Offer Memorandum. UPS and TNT will timely submit the Offer Memorandum to the AFM for approval.

2.16 TNT will prepare the position statement pursuant to article 18 of the Decree (the **Position Statement**), which, subject to the terms of this Merger Protocol, shall set forth the Recommendation referred to in clause 3.1(b) and otherwise be consistent with this Merger Protocol and the Offer Document, shall comply as to form and substance in all respects with the Applicable Rules and may include such additional information as TNT reasonably determines should be included therein. Subject to the terms of this Merger Protocol, TNT will issue the Position Statement to holders of Shares as and to the extent required by the Applicable Rules, it being agreed that, to the extent permissible under the Applicable Rules, issuance of the Position Statement will not take place until consultations with the Works Council have been completed in accordance with the WOR.

2.17 Subject to the terms of this Merger Protocol, both the Offer Memorandum and the Position Statement shall contain a statement of the Boards that they unanimously support and recommend the Offer to the shareholders of TNT. The Fairness Opinions referred to in clause 3.2 will be included in the Position Statement.

2.18 Each Party shall provide all information as may reasonably be required by the other Party to make the Offer Memorandum and the Position Statement true, accurate and complete. Each Party shall be responsible for the information provided by it.

Timetable

2.19 Subject to the terms and conditions of this Merger Protocol and to the extent reasonably possible, the Parties shall complete the Offer in accordance with the timetable applicable to the Offer pursuant to the provisions of the Decree.

Consultation and cooperation

2.20 UPS and TNT:

- (a) shall consult each other in respect of any relevant matters in pursuance of the Offer, including on publicity and investor relations, subject to the terms and provisions of this Merger Protocol; and
- (b) shall notify each other promptly (and supply copies of all relevant information) of any event or circumstance it may become aware of and which would be likely to have material adverse consequences for the Offer, including any significant adverse impact on the satisfaction of the Commencement Conditions and/or the Offer Conditions, provided that any delay in or absence of such notification by UPS shall not prejudice any of UPS's rights under or pursuant to this Merger Protocol and that any delay in or the absence of such notification by TNT shall not prejudice any of TNT's rights under or pursuant to this Merger Protocol.

3. RECOMMENDATION AND SUPPORT

3.1 On the basis that the Offer, the Merger and the related actions as contemplated in this Merger Protocol are in the best interest of TNT and its stakeholders (including its shareholders), TNT confirms that:

- (a) the Boards have unanimously approved and consented to the entering into by TNT of this Merger Protocol;
- (b) the Boards have duly considered the Offer and intend, subject to the provisions of this Merger Protocol, to support and unanimously recommend the Offer for acceptance to holders of Shares in the Joint Announcement, any further press releases in connection with the Offer, the Offer Memorandum and the Position Statement (the **Recommendation**);
- (c) subject to the terms and conditions of this Merger Protocol and Dutch law, neither the Boards nor any of their members shall revoke or materially modify, amend or qualify their respective recommendation nor make any public contradictory statements as to their position with respect to the Offer; and
- (d) the Boards have resolved that TNT will take all necessary actions within its power to effect the Merger.

3.2 The Boards have obtained, *inter alia*, the opinions, addressed to the Boards by Goldman Sachs International and to the Supervisory Board by Lazard B.V., in each case, to the effect that, as of the date of this Merger Protocol, the Offer Price is fair to the holders of Shares from a financial point of view (such opinions, the **Fairness Opinions**).

4. CONDITIONS

Commencement Conditions

4.1 The obligation of UPS to make the Offer (*het bod uitbrengen*) shall be subject to the satisfaction or waiver, as the case may be, in accordance with this Merger Protocol, of the conditions set forth in this clause 4.1 (the **Commencement Conditions**):

- (a) no Material Adverse Effect having occurred;
- (b) TNT not having breached the terms of this Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for TNT, UPS or the Offer; and (ii) is incapable of being remedied within ten (10) Business Days after receipt by TNT of a written notice from UPS or has not been remedied by TNT within ten (10) Business days after receipt by TNT of a written notice from UPS;
- (c) UPS not having breached the terms of this Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for TNT or the Offer; and (ii) is incapable of being remedied within ten (10) Business Days after receipt by UPS of a written notice from TNT or has not been remedied by UPS within ten (10) Business days after receipt by UPS of a written notice from TNT;
- (d) the AFM having approved the Offer Document;

- (e) neither of the Boards having revoked or materially modified, amended or qualified its Recommendation;
- (f) the Foundation not having exercised, in whole or in part, its Call Option to have Protective Preference Shares issued to it;
- (g) no notification having been received from the AFM stating that preparation of the Offer has been made in violation of chapter 5.5 of the Wft, and that, pursuant to Article 5:80 paragraph 2 of the Wft, investment firms (*beleggingsondernemingen*, as defined in the Wft) will not be allowed to cooperate with the settlement of the Offer; and
- (h) no order, stay, judgment or decree having been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect, and no statute, rule, regulation, governmental order or injunction having been enacted, which in any such case prohibits the making and/or consummation of the Offer in accordance with this Merger Protocol in any material respect.

Waiver

4.2 The Commencement Conditions in clauses 4.1(a), 4.1(b), 4.1(e) and 4.1(f) are for the benefit of UPS and may be waived (either in whole or in part) by UPS at any time, in any such case by written notice to TNT.

The Commencement Condition set out in clause 4.1(c) is for the sole benefit of TNT and may be waived (either in whole or in part) by TNT at any time by written notice to UPS.

Commencement Conditions 4.1(d), 4.1(g) and 4.1(h) cannot be waived.

No Party may invoke any of the Commencement Conditions if the non-satisfaction of such condition(s) is caused by a breach of that Party of any of its obligations under this Merger Protocol.

Offer Conditions

4.3 The obligation of UPS to declare the Offer unconditional (*het bod gestand doen*) shall be subject to the satisfaction or waiver by UPS and/or TNT, as the case may be, in accordance with this Merger Protocol, of the conditions set forth in this clause 4.3 (the **Offer Conditions**):

- (a) the number of Shares having been tendered for acceptance on the Closing Date, together with (i) any Shares directly or indirectly held by UPS or any of its Affiliates at the Closing Date; (ii) any Shares committed to UPS, or any of its Affiliates, in writing and (iii) any Shares to which UPS is entitled (*gekocht maar nog niet geleverd*), representing at least 80% of TNT's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand kapitaal*) (excluding any Shares held by TNT at the Closing Date) on a fully diluted basis as at the Closing Date;
- (b) EU Competition Clearance and the Other Key Competition Clearances having been obtained;
- (c) no Material Adverse Effect having occurred;

- (d) TNT not having breached the terms of this Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for TNT, UPS or the Offer; and (ii) is incapable of being remedied within ten (10) Business Days after receipt by TNT of a written notice from UPS or has not been remedied by TNT within ten (10) Business days after receipt by TNT of a written notice from UPS;
- (e) UPS not having breached the terms of this Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for TNT or the Offer; and (ii) is incapable of being remedied within ten (10) Business Days after receipt by UPS of a written notice from TNT or has not been remedied by UPS within ten (10) Business days after receipt by UPS of a written notice from TNT;
- (f) neither of the Boards having revoked or materially modified, amended or qualified its Recommendation;
- (g) the Foundation not having exercised, in whole or in part, its Call Option to have Protective Preference Shares issued to it and having agreed to terminate the Foundation Option Agreement, subject only to the Offer being declared unconditional (*gestanddoening*);
- (h) on or prior to the Unconditional Date, no notification having been received from the AFM stating that preparation of the Offer has been made in violation of chapter 5.5 of the Wft, and that, pursuant to Article 5:80 paragraph 2 of the Wft, investment firms (*beleggingsondernemingen*, as defined in the Wft) will not be allowed to cooperate with the settlement of the Offer; and
- (i) no order, stay, judgment or decree having been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect, and no statute, rule, regulation, governmental order or injunction having been enacted, which in any such case prohibits the making and/or consummation of the Offer in accordance with this Merger Protocol in any material respect.

Waiver

4.4 The Offer Conditions set out in clauses 4.3(a), 4.3(b), 4.3(c), 4.3(d), 4.3(f) and 4.3(g) are for the sole benefit of UPS and may be waived (either in whole or in part) by UPS at any time by written notice to TNT.

The Offer Condition set out in clause 4.3(e) is for the sole benefit of TNT and may be waived (either in whole or in part) by TNT at any time by written notice to UPS.

The Offer Conditions set forth in clauses 4.3(h) and 4.3(i) cannot be waived.

Announcement of non/satisfaction or waiver

4.5 In accordance with the Merger Rules, if it is ascertained by UPS that an Offer Condition is not, or is incapable of being, satisfied and the relevant Offer Condition is not waived, UPS shall publicly announce this.

Competition Clearance

4.6 UPS shall have the primary responsibility, and take all steps required in consultation with TNT and with the assistance of its advisors, to make all necessary filings to obtain the EU Competition Clearance and the Other Key Competition Clearances as soon as permitted and practicably feasible under the relevant competition laws and shall use its best efforts to obtain the approvals of the relevant competition authorities as soon as practicable. In particular and without prejudice to the generality of the foregoing, UPS shall:

- (a) submit a briefing paper to the European Commission setting out the main arguments in a form reasonably acceptable to TNT as soon as practicable after signing of the Merger Protocol and in any event within thirty (30) Business Days after signing of the Merger Protocol or such longer period agreed upon by TNT;
- (b) procure the filing with the European Commission of the Form CO as set out in Annex I to the Commission Regulation (EC) No 802/2004 in a form reasonably acceptable to TNT as soon as practicable after signing of the Merger Protocol and in any event within sixty (60) Business Days after signing of the Merger Protocol or such longer period which is reasonably acceptable to, and approved by, TNT; and
- (c) not enter into (and will procure that none of its Affiliates enters into) any other agreement or arrangement where the effect of any such agreement or arrangement is likely to affect, delay, impede or in any respect prejudice the obtaining of EU Competition Clearance or the Other Key Competition Clearances.

If a competition approval or statement of no objection of a Regulatory Authority in respect of the Offer is given subject to conditions or obligations (**Commitments**), then those Commitments being reasonably satisfactory to UPS, acting reasonably, shall be accepted.

This clause 4.6 shall apply equally to the provision of Commitments to the competent authorities of a Member State if the European Commission makes a referral in whole or in part under Article 9 of the EC Merger Regulation to a competent authority of one or more Member States whose laws prohibit the parties from completing the consummation of the Offer before clearance is obtained under such national merger control.

UPS shall:

- (a) promptly notify TNT of any communication (whether written or oral) from the European Commission or any national competition authority in a country where according to local laws a notification is required (each a **Regulatory Authority**);
- (b) give TNT reasonable notice of all meetings and telephone calls with any Regulatory Authority and give TNT reasonable opportunity to participate in such meetings and telephone calls (save to the extent that a Regulatory Authority expressly requests TNT not be present at such meeting or any part thereof); and
- (c) provide TNT with drafts of all written communications intended to be sent to any Regulatory Authority, give TNT a reasonable opportunity to comment thereon, and provide TNT with final copies of all such communications (save that in relation to all disclosure under this sub-clause, business secrets and other confidential material may be redacted so long as TNT acts reasonably in identifying such material for redaction).

Best Efforts

4.7 Without prejudice to clauses 4.5 and 4.6, UPS and TNT shall consult with each other and each of UPS and TNT undertakes to use its best efforts to procure the fulfilment of the Commencement Conditions and the Offer Conditions as soon as reasonably practicable. If at any time a Party becomes aware of a fact or circumstance that might prevent a Commencement Condition or an Offer Condition from being satisfied, it shall immediately inform the other Party in writing. Without limiting the generality of the foregoing, each of the Parties shall make all applications and notifications required by the Commencement Conditions and the Offer Conditions and shall use its best efforts to procure that all such information as is requested by the relevant authorities in connection with any such applications and notifications is provided as promptly as reasonably practicable.

Binding advice in relation to Material Adverse Effect

4.8 If UPS considers that the Commencement Condition set out in clause 4.1(a) or the Offer Condition set out in clause 4.3(c), as the case may be, has not been satisfied, UPS may give written notice thereof to TNT, together with its explanations and, where practicable, supported by documentation.

4.9 If, following such notice, TNT disagrees with UPS's position, TNT shall respond within three (3) Business Days in writing stating, in detail and supported by documents where possible, that it disagrees with such Commencement Condition or such Offer Condition, as the case may be, not having been satisfied (a **Notice of Disagreement**).

4.10 If TNT has sent a Notice of Disagreement to UPS in accordance with clause 4.9, UPS shall reply within three (3) Business Days in writing thereto responding to the arguments raised by TNT in its Notice of Disagreement (a **Counter-Notice of Disagreement**).

4.11 Either Party shall be entitled upon lapse of three (3) Business Days from the Counter-Notice of Disagreement to submit the dispute in writing, with a copy to the other Party, to a binding advisor (**Binding Advisor**) who shall settle the matter by way of binding advice (*bindend advies*) (**Binding Advice**) under articles 7:900 et seq. of the DCC and in accordance with the terms as set out in Schedule 5.

4.12 The Binding Advisor shall be the President of the Enterprise Chamber (*Ondernemingskamer*) of the Court of Appeals of Amsterdam. If such agreed Binding Advisor is not able (for whatever reason) to provide the Binding Advice within ten (10) Business Days, each Party shall be entitled to request the President of the District Court of Amsterdam to appoint another independent lawyer as a Binding Advisor within two (2) Business Days. The Binding Advisor shall decide as binding advisor, not as arbitrator. The Parties shall fully cooperate with the Binding Advisor and shall provide him promptly with all information that he reasonably requires. The Binding Advice shall be rendered within ten (10) Business Days after the dispute having been referred to the Binding Advisor or such shorter period as the Parties may agree. Notwithstanding the previous sentence, if the Binding Advice relates to an Offer Condition, the Binding Advice shall be rendered no later than noon CET on the Business Day before the Unconditional Date. The Binding Advice shall be final and binding upon the Parties and each of the Parties shall fully comply with the Binding Advice and the content thereof.

Employee Clearances

4.13 The Offer will require the obtaining of a number of approvals, clearances and other forms of consent or non-objection and the seeking and/or obtaining of a number of (formal or informal) advices, opinions or points of view from employee representatives, including those of the central works council of TNT Nederland B.V. (previously named TNT Head Office B.V.) (the **Works Council**), the European works council and trade unions (together: the **Employee Clearances**).

4.14 Each Party shall use its best efforts to ensure that the Employee Clearances are obtained as soon as possible following the date of this Merger Protocol. Without prejudice to the generality of the foregoing, the Parties agree that TNT shall have the primary responsibility for, and take all steps necessary, in consultation with UPS and its advisors, as soon as practicably possible following the date of this Merger Protocol, to file for and obtain all Employee Clearances. TNT agrees that it shall keep UPS and its advisors informed on the preparation of the filings necessary to obtain the Employee Clearances. In the context of obtaining Employee Clearances in connection with the Offer, TNT shall not send any letter or other document, nor make any submission and/or commitment, to the relevant employee representatives without UPS's prior consent, such consent not to be unreasonably withheld.

4.15 Without limiting the generality of clause 4.14, TNT will take all action reasonably necessary to initiate, conduct and finalise the consultations with the Works Council and obtain the advice from the Works Council in respect of the Offer prior to the Commencement Date, resolving such outstanding issues in connection therewith as may reasonably be required to accept the advice of the Works Council, in a manner satisfactory to TNT and UPS, acting reasonably. TNT and UPS will consult with each other closely with a view to seeking and obtaining the Works Council's advice and TNT will keep UPS informed on a continuing basis on all material correspondence and consultations in respect thereof. TNT will give (representatives of) UPS the opportunity to give a presentation to the Works Council about UPS, its general strategy and its general views on the position of employees within the UPS group, and UPS will attend meetings with (representatives of) the Works Council if requested by the Works Council.

4.16 The Parties acknowledge that, as from the date of this Merger Protocol until the date on which the consultations with the Works Council will have been completed in accordance with the WOR, the obligations of TNT and the Boards in relation to the Recommendation as set out in this Merger Protocol and all other obligations of TNT in connection with the Offer and the Merger as set out in this Merger Protocol are of a conditional nature (*voorwaardelijk karakter*) only and in all respects subject to proper completion of the Works Council consultation process. Without limiting the generality of the foregoing, if consultations with the Works Council have not yet been completed in accordance with the WOR by the Commencement Date, the Offer Document will not contain the Recommendation, but will only set out the conditional intention of the Boards to recommend the Offer to TNT's shareholders for acceptance.

5. STRATEGY AND FINANCING

5.1 The Parties intend to integrate and align their respective businesses to fully benefit from the global reach, scale and resources of the Combined Group, in order to provide a compelling growth platform and enhance the Parties' capabilities to service customers in a reliable and cost-efficient way throughout the world.

5.2 UPS will finance the Offer through existing cash reserves and current and new debt arrangements and will timely make a certain funds announcement as required by article 7 paragraph 4 of the Decree.

6. GOVERNANCE

Delisting, squeeze-out proceedings and other post-closing measures

6.1 As soon as possible after completion of the Offer, the Parties will seek to:

- (a) procure the delisting of the Shares from Euronext Amsterdam and the termination of the listing agreement between TNT and Euronext Amsterdam in relation to the listing of the Shares;

- (b) have UPS, or any of its Affiliates, acquire all Shares not yet owned by it and cause TNT to operate as a wholly-owned subsidiary within the UPS group; and
- (c) cause TNT to terminate the deposit agreement between TNT, JPMorgan Chase Bank, N.A., as depositary, and the holders and beneficial owners of ADRs.

For as long as TNT remains listed on Euronext Amsterdam, it shall continue to comply with the Dutch Corporate Governance Code (except for (i) current deviations from the aforementioned code in accordance with the “explain” requirement in respect of such deviations, (ii) deviations from the aforementioned code that find their basis in this Merger Protocol) and (iii) deviations as a result of resolutions adopted by TNT’s general meeting of shareholders scheduled for 11 April 2012).

6.2 If, following the Settlement Date, UPS and its Affiliates, alone or together with TNT, hold at least 95% of the Shares, UPS will commence a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a of the DCC or the takeover buy-out procedure in accordance with article 2:359c of the DCC to buy out the holders of Shares that have not tendered their Shares under the Offer. TNT shall provide UPS with any assistance as may reasonably be required, including, if needed, joining such proceedings as co-claimant.

6.3 Without prejudice to clauses 6.1 and 6.2, UPS shall be entitled to effect or cause to effect any other restructuring of the TNT Group for the purpose of achieving an optimal operational, legal, financial and/or fiscal structure in accordance with the Merger Rules and Dutch law in general, some of which may have the (side) effect of diluting the interest of any remaining minority shareholders of TNT (**Post-Closing Measures**), including:

- (a) a sale of all, or substantially all, of the assets and liabilities of TNT to UPS or an Affiliate of UPS;
- (b) a subsequent public offer for any Shares held by minority shareholders;
- (c) a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische (driehoeks-) fusie*) in accordance with article 2:309 et seq of the DCC between TNT, UPS and/or one or more Affiliate of UPS;
- (d) a statutory legal demerger (*juridische splitsing*) of TNT in accordance with article 2:334a et seq of the DCC;
- (e) a contribution of cash and/or assets by UPS or by any Affiliate of UPS in exchange for Shares or preference shares in TNT’s share capital, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of minority shareholders of TNT could be excluded;
- (f) a distribution of proceeds, cash and/or assets to the shareholders of TNT;
- (g) a sale and transfer of assets and liabilities by UPS or any of its Affiliates to any member of the TNT Group, or a sale and transfer of assets and liabilities by any member of the TNT Group to UPS or any of its Affiliates;

- (h) the conversion of TNT into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);
- (i) any transaction between TNT and UPS at terms that are not at arm's length;
- (j) any combination of the foregoing; or
- (k) any transactions, restructurings, share issues, procedures and/or proceedings in relation to TNT and/or one or more of its Affiliates required to effect the aforementioned objectives.

6.4 In the implementation of any Post-Closing Measure, due consideration will be given to the interests of minority shareholders of TNT, if any. The members of the Supervisory Board shall be requested to form their independent view of the relevant matter, which shall be communicated to all shareholders of TNT. In this respect, the Supervisory Board members shall have the opportunity to engage, for the account of TNT, their own financial and legal advisors, if and to the extent they believe that the advice of such advisors is necessary to assist them in reviewing and assessing any matter that comes before the Supervisory Board.

6.5 If any proposed Post-Closing Measure could reasonably be expected to lead to dilution of remaining minority shareholders in TNT, other than pursuant to a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a of the DCC or the takeover buy-out procedure in accordance with article 2:359c of the DCC, or could otherwise prejudice or negatively affect the value of the Shares held by minority shareholders, then the affirmative vote of at least one Independent Member shall be required prior to the implementation of any such Post-Closing Measure.

6.6 Subject to the Offer being declared unconditional, and for so long as the number of Shares which are held by UPS and its Affiliates represents less than 95% (ninety-five per cent) of the Shares on a fully diluted basis, UPS commits to use its commercially reasonable efforts to place and maintain a standard order on Euronext Amsterdam to purchase the remaining Shares held by minority shareholders against the Offer Price for a period of at least two (2) weeks following the expiry of the Post Closing Acceptance Period.

Composition of the Boards

6.7 UPS and TNT, including the Supervisory Board and all respective members thereof individually, will use their respective best efforts, including through their vote in favour of any (proposal for the) required amendment of the articles of association of TNT or any other constitutional document, their (vote in favour of any) nomination or appointment of any person to the Supervisory Board, their (vote in favour of any) resignation from the Supervisory Board, to ensure that the Supervisory Board will as soon as possible following the Settlement Date be composed as follows:

- (a) three (3) or more of the members of the Supervisory Board will be identified by UPS, at its discretion, prior to the Commencement Date; and
- (b) two (2) members of the Supervisory Board will be the following current members of the Supervisory Board: Shemaya Levy and Margot Scheltema.

The composition of the Supervisory Board will be disclosed in the Offer Memorandum.

6.8 It is acknowledged and agreed that, as of the Settlement Date, in deviation of the Dutch Corporate Governance Code, persons that are employed by, or otherwise related to, UPS can be

appointed to the Supervisory Board, provided that Shemaya Levy and Margot Scheltema, or, after their resignation, any replacement supervisory director that qualifies as independent supervisory director within the meaning of the Dutch Corporate Governance Code (the **Independent Members**), shall continue to serve on the Supervisory Board until the third (3rd) anniversary of the Settlement Date. It is furthermore agreed that until the third (3rd) anniversary of the Settlement Date, one (1) Independent Member shall be a member of the Supervisory Board's audit committee and one (1) Independent Member shall be a member of the Supervisory Board's nomination committee.

6.9 In their position as members of the Supervisory Board, the Independent Members shall monitor and protect the interests of all TNT's stakeholders, including, in particular, the minority shareholders of TNT, if any.

6.10 Prior to the Commencement Date, UPS will, at its sole discretion, determine the composition of the Executive Board as of the Settlement Date, which will be disclosed in the Offer Memorandum.

6.11 Prior to the Commencement Date, UPS will discuss with the current members of the Executive Board their potential involvement in the management structure of the Combined Group.

6.12 Subject to the terms of this Merger Protocol, after the Settlement Date, UPS may, at its sole discretion, procure any subsequent appointments and dismissals of members of the Boards.

6.13 Any current member of the Executive Board that would not be part of the Executive Board as determined in accordance with clause 6.10, will resign from their position(s) as member(s) of the Executive Board as per the Settlement Date (or such later date as will be agreed with UPS) and each such member will confirm that he or she has no claim whatsoever against TNT in respect of loss of office or otherwise, other than his or her contractual redundancy/termination entitlement in the amount as disclosed in the TNT 2011 annual report. UPS shall allow TNT to pay such compensation to the respective members of the Executive Board. UPS will procure that each resigning member of the Executive Board will be fully released from his or her duties as per the date of resignation and that such member will be granted customary full and final discharge, provided that by the time of such resignation, no wilful misconduct, fraud or other criminal behaviour of such member has become apparent.

6.14 As from the Settlement Date, Antony Burgmans, Tex Gunning, Mary Harris and Roger King and such other members as may have been appointed to the Supervisory Board after the date of this Merger Protocol but prior to the EGM, will resign from their positions as members of the Supervisory Board and each such member will confirm that he has no claim whatsoever against TNT in respect of loss of office or otherwise, except with respect to compensation which would have been due had Settlement occurred on 31 December of the financial year in which Settlement occurred. UPS shall allow TNT to pay such compensation to the respective members of the Supervisory Board. UPS will procure that any resigning member of the Supervisory Board will be fully released from his duties as per the date of resignation and that such member will be granted customary full and final discharge, provided that by the time of such resignation, no wilful misconduct, fraud or other criminal behaviour of such member has become apparent.

6.15 TNT Nederland B.V. shall maintain the mitigated structure regime (*gemitigeerd structuurregime*). TNT Nederland B.V. shall continue to have a supervisory board consisting of three (3) supervisory directors, one of which will be appointed on the basis of a nomination made by the Works Council.

7. INTEGRATION AND ORGANISATION

7.1 The integration of the Combined Group will be the responsibility of the respective boards of UPS and TNT. In order to facilitate such integration, an integration committee will be established as of the Settlement Date consisting of four (4) members, two of which will be current senior executives of TNT (and if any such senior executive resigns, he will be replaced by another current senior executive of TNT) and the other two will be UPS representatives (the *Integration Committee*). One of the UPS representatives shall be chairman of the Integration Committee and shall have a casting vote. The Integration Committee will determine an integration plan and submit it to the boards of UPS and TNT, monitor its implementation and do all things necessary to assist and optimise the integration of the Combined Group.

7.2 Prior to the Settlement Date, UPS, in consultation with TNT, will determine the interim reporting structure for the TNT Group within the Combined Group. The final reporting structure will be described in the plan determined by the Integration Committee and approved by the boards of UPS and TNT.

7.3 UPS and TNT share a vision of building upon their respective strengths to become a global leader in the logistics industry. In furtherance of this shared vision, UPS confirms that:

- (a) it is familiar with TNT's 2012 business plan and will support that business plan based on current trading, including the following elements:
 - (i) growth initiatives in TNT's core B2B intra-Europe express;
 - (ii) development of value added solutions for the high-tech, healthcare and lifestyle segments;
 - (iii) development of high-end B2C services;
 - (iv) roll out of pan-European high-end road freight service;
 - (v) optimisation measures to reduce fixed cost base;
 - (vi) enhancement of worldwide service to customers, optimisation of the combined intercontinental air fleet and honouring of cooperation agreements with other airline operators, and
 - (vii) allowing for the implementation of operating and investment plans related to the 2012 business plan, provided that execution of TNT's 2012 business plan remains subject to clause 12.1;
- (b) it recognizes the significant value of the functions performed at TNT's Hoofddorp head office and undertakes to carefully consider maintaining that office or a similar facility and to support a meaningful presence within The Netherlands. In particular in regards to marketing, sales and operations, it undertakes to create a meaningful centre of excellence for marketing, sales and operations within The Netherlands, all subject to the terms of any relevant commitments binding upon the Combined Group;

- (c) it recognizes the significant value and expertise of TNT's leading road freight network in Europe and the leading role TNT's road freight network and its management will occupy within the Combined Group;
- (d) it recognizes the significant value of TNT's brand and the need to maintain that brand for an interim period. UPS will support TNT's brand and it will carefully plan the gradual and prudent phase-out of TNT's brand on a country-by-country basis as part of the integration of the Combined Group;
- (e) it recognizes the significant value of TNT's operations, assets and people in Liège and will seek to continue the future utilisation of these operations, assets and people within the Combined Group, taking into account the interest of customers and employees; and
- (f) it will allow the Combined Group to continue its leadership in sustainable development.

8. EMPLOYEES

Selection

8.1 The Parties agree that, following the Settlement Date, the nomination, selection and appointment of staff for any function within the Combined Group will, subject to Applicable Laws, be based on the "best person for the job" principle.

8.2 UPS shall ensure that persons currently holding management and staff positions within the TNT Group will be given fair opportunities to hold management and staff positions (including country, functional and central management) within the Combined Group.

8.3 UPS shall ensure that any employees that are selected for a position within the Combined Group shall receive proper training.

Redundancies

8.4 The Parties acknowledge that a combination of the businesses of UPS and TNT may have potential consequences for the employees of the Combined Group. The Parties shall assume responsibility for the related effects and costs thereof and shall honour the redundancy arrangements, social plans and applicable contractual arrangements already made or, subject to clause 12.1 and Schedule 4(o), to be made with the relevant employees. The Works Council and the European works council will be given the opportunity to exercise all of its rights pursuant to applicable law and the covenants entered into with them in relation to any redundancies and specific integration plans, including, if applicable, their right to provide advice. Furthermore, all other applicable employee information and consultation requirements in relation to any redundancies and specific integration plans will also be complied with at the relevant time.

8.5 To the extent required pursuant to existing or future social plans and/or redundancy plans, UPS will ensure that any vacancies within the Combined Group are first offered to employees of the Combined Group within the same geographical area who would have become redundant in connection with the Merger, subject to such employees having the relevant skills and experience. The Parties shall apply the fairness principle as to the impact of redundancies on TNT and UPS respectively and also agree that any further rationalisation will be free from discrimination on the basis of (current) employer, nationality, sex, race or creed.

8.6 To the extent required pursuant to existing or future social plans and/or redundancy plans, UPS will ensure that outplacement services are offered to employees of the TNT Group that would become redundant in connection with the Merger.

Existing rights

8.7 After the Settlement Date and, if applicable, for the agreed duration of the respective arrangements, UPS will respect and continue the current TNT employee consultation structure (i.e. European works council, the Works Council and other existing employee representative bodies).

8.8 After the Settlement Date and for the agreed duration of the respective arrangements, UPS will also respect the existing employment terms of TNT, including any existing social plans, pension plans, profit sharing schemes, covenants and collective labour agreements (including the employee benefits included in the terms thereof), as well as the terms of the individual employment agreements between the TNT Group and its employees.

8.9 The Special Covenants set forth in clause 8 shall be fully disclosed in the Offer Document and in summary in the Joint Announcement.

9. COMPLIANCE AND ENFORCEMENT

9.1 Although UPS currently has no intention to deviate from the covenants, confirmations and commitments set out in clauses 6 (Governance), 7 (Integration and Organisation) and clauses 8.7 and 8.8 (Employees – Existing rights) (the *Special Covenants*), the Parties agree that the Special Covenants between them will expire on the third (3rd) anniversary of the Settlement Date.

9.2 Any material deviation by UPS from the Special Covenants before the third (3^d) anniversary of the Settlement Date, shall require the approval of the Supervisory Board, including the affirmative vote of at least one Independent Member.

9.3 The Special Covenants are made to TNT as well as, by way of irrevocable third party undertaking for no consideration (*nherroepelijk derdenbeding om niet*), to the two Independent Members, from time to time, it being understood that the Special Covenants may only be enforced against UPS by the Independent Members acting jointly. UPS hereby agrees in advance to the assignment of the benefit of this undertaking by an Independent Member to its successor.

10. WARRANTIES

10.1 TNT represents and warrants to UPS that, at the date of this Merger Protocol, each of the statements in Schedule 3, Part I is true and accurate.

10.2 UPS represents and warrants to TNT that, at the date of this Merger Protocol, each of the statements in Schedule 3, Part II is true and accurate.

11. TNT UNDERTAKINGS

11.1 TNT shall:

- (a) procure that each of the members of the Boards that holds Shares, directly or indirectly, will tender such Shares to UPS under the terms and conditions of the Offer; and

- (b) use its best efforts to ensure that any employee of TNT or the TNT Group who is or becomes a holder of Shares, that are under TNT's custody, tenders such Shares under the terms and conditions of the Offer.

Extraordinary shareholders meeting

11.2 On the Commencement Date, TNT undertakes to convene an extraordinary shareholders meeting of TNT to provide the shareholders of TNT with the necessary information concerning the Offer and, subject to the terms of this Merger Protocol, recommend the Offer to TNT's shareholders for acceptance, such meeting to take place at least 6 (six) Business Days before the Closing Date in accordance with article 18, paragraph 1 of the Decree (the **EGM**).

11.3 At the EGM, the shareholders shall be requested to, subject to the Offer being declared unconditional (*gestanddoening*) and effective as per the Settlement Date:

- (a) appoint the persons identified by UPS in accordance with clause 6.10 as Executive Board member(s);
- (b) accept the resignation of, and, in accordance with this Merger Protocol, give discharge to, any current member of the Executive Board that would not be part of the Executive Board as determined in accordance with clause 6.10, as Executive Board member(s);
- (c) appoint the persons identified by UPS in accordance with clause 6.7(a) as Supervisory Board member(s); and
- (d) accept the resignation of, and, in accordance with this Merger Protocol, give discharge to, Antony Burgmans, Tex Gunning, Mary Harris and Roger King, and such other members as may have been appointed to the Supervisory Board after the date of this Merger Protocol but prior to the EGM, as Supervisory Board member(s) as of the Settlement Date.

TNT shall reasonably do, and procure to be done, all those things necessary to ensure that the proposed resolutions set out above are passed. If, however, one or more of the resolutions is not approved at the EGM, TNT shall convene a new extraordinary meeting of shareholders of TNT, to take place after the Settlement Date, during which UPS, acting as the majority shareholder of TNT, shall exercise the voting rights attached to the Shares it holds in favour of the approval of the relevant resolutions.

Incentive Plans

11.4 At the date of this Merger Protocol, TNT has granted (i) 81,204 (cash-settled) one-off matching rights to directors, including Executive Board, and (senior) employees of the Group pursuant to the TNT Express One-off Investment/Matching Plan as adopted by the supervisory board of TNT N.V. on 7 April 2011 (the **OMPlan**) (the **One-off Matching Rights**) and (ii) 82,018 (cash-settled) matching rights, excluding Executive Board, to directors and (senior) employees of the Group pursuant to the TNT Express Bonus/Matching Plan as adopted by the supervisory board of TNT N.V. on 7 April 2011 (the **BMPlan**) (the **Bonus Matching Rights** and together with the One-off Matching Rights, the **Employee Matching Rights**).

11.5 The Parties acknowledge that all rights in respect of the Incentive Plans will be respected, subject to the provisions set out below.

11.6 The Supervisory Board shall, in accordance with Rule 10.1 of Part C of the Incentive Plans, allow all Employee Matching Rights outstanding under the Incentive Plans immediately prior to the Settlement Date to vest (as defined in the Incentive Plans) on the Settlement Date, subject to the relevant directors and (senior) employees tendering their Shares under the Offer. Such Employee Matching Rights shall be settled by payment of the cash equivalent of the Shares comprising the Employee Matching Rights based on the middle market quotation of a Share as derived from the Official Price List of Euronext Amsterdam. The number of Shares comprising the Employee Matching Rights is based on the Shares which are owned by the directors and (senior) employees pursuant to the Incentive Plans immediately prior to the Settlement Date. Rules 5.1.1 and 5.1.2 of Part C of the Incentive Plans shall only apply until Settlement.

11.7 For the avoidance of doubt and without prejudice to the foregoing, UPS shall pay the Offer Price for each Share that has been (i) granted to, or acquired by, directors and (senior) employees under the Incentive Plans and (ii) validly tendered under the Offer. TNT shall use its best efforts to ensure that, subject to the Offer being declared unconditional (*gestand gedaan*), the directors and (senior) employees participating in the Incentive Plans shall tender their Shares obtained pursuant to the Incentive Plans under the Offer.

TNT Airline

11.8 The Parties shall endeavour to ensure that TNT's airline operations will be able to continue to operate despite the change in ownership and control over TNT to UPS. To that end, TNT will during the Interim Period, to the extent permitted by applicable law, procure that it and its Affiliates and their respective directors, employees and advisors will provide UPS with all information and cooperation reasonably required by UPS in order to have in place as per the Settlement Date, a legal, organisational and management structure with respect to TNT's airline operations that complies with all applicable laws, regulations, decrees, rules, arrangements and requirements, taking into account the acquisition of majority control over TNT by UPS. The Parties acknowledge and agree that such cooperation by TNT and its Affiliates may include, without limitation, corporate restructurings, transfer of assets and operations and filings and/or applications with regulators, provided that none of these shall have an irreversible detrimental effect on TNT, its Affiliates and their respective businesses. UPS hereby agrees to reimburse TNT for all reasonable out-of-pocket expenses and costs incurred by TNT and its Affiliates pursuant to this clause 11.8.

Transaction Planning

11.9 Subject to any limitation pursuant to applicable Antitrust Laws, TNT will, upon reasonable written notice and during normal business hours, provide, and will procure that its Affiliates will provide, UPS and its advisors reasonable access to their directors, senior employees, premises, documents and advisors, and provide as soon as reasonably practicable UPS and its advisors with regular updates on financial results and operational developments material to TNT and the TNT Group and all such information and documentation as may reasonably be requested by UPS in connection with the Offer and the Merger. In particular, and subject to any limitation pursuant to applicable Antitrust Laws, TNT shall give UPS and its advisors access to such information and shall give such management and expert presentations as may reasonably be required by UPS (i) to determine the optimal acquisition and financing structure of the Merger, (ii) to complete any necessary filings and notifications, (iii) to determine the optimal legal, organisational and management structure with respect to TNT's airline operations following the Settlement Date, (iv) to allow its financing banks to obtain the necessary comfort and prepare the necessary financing and security documentation in connection with the Offer, (v) for integration planning purposes and (vi) otherwise to progress the Merger.

Relationship Agreement

11.10 TNT hereby confirms to UPS to have waived any and all rights it may have vis-à-vis PostNL N.V. under clause 6.2 of the Relationship Agreement to the extent required for PostNL N.V. to be able to enter into the Irrevocable and to perform its obligations thereunder without breaching its obligations under such article 6.2 of the Relationship Agreement, subject to the condition subsequent (*ontbindende voorwaarde*) of termination of the Irrevocable and/or this Merger Protocol, in each case in accordance with their respective terms.

12. INTERIM PERIOD**Conduct of TNT during Interim Period**

12.1 Subject to applicable Antitrust Laws, as from the date of this Merger Protocol until the earlier of (i) the Settlement Date or (ii) the date on which this Merger Protocol is terminated in accordance with its terms (the *Interim Period*), TNT shall:

- (a) conduct its business, and shall procure that the TNT Group conducts its business, in the ordinary course of business and consistent with past practice; and
- (b) refrain, and shall procure that its Affiliates shall refrain, from taking any of the actions set out in Schedule 4, without the prior written consent of UPS (which shall not unreasonably be withheld or delayed),

it being understood that with respect to the period between the Commencement Date and the earlier of (i) the Settlement Date and (ii) the date on which this Merger Protocol is terminated in accordance with its terms, UPS shall be deemed to have given its prior written consent with respect to the following:

- (a) any actions that TNT or any of its Affiliates is obligated to do by applicable law;
- (b) all actions approved by the general shareholders' meeting of TNT to be held on 11 April 2012 in accordance with the agenda for the meeting, as disclosed to UPS prior to the date of this Merger Protocol; and
- (c) any actions contemplated by the Merger Protocol.

Conduct of UPS during Interim Period

12.2 Subject to applicable Antitrust Laws, during the Interim Period, UPS shall, and shall cause its Affiliates to:

- (a) not, directly or indirectly, initiate or engage with any of the key customers, suppliers or other business partners of the TNT Group, except (i) in the ordinary course of UPS's existing business and unconnected with the Offer and not involving any use or disclosure of any Due Diligence Information or (ii) in consultation with TNT;
- (b) not, directly or indirectly, initiate or maintain contact with any officer, director or employee of the TNT Group without having consulted with the contact person(s) designated by TNT from time to time in this respect;
- (c) not, directly or indirectly, hire, solicit, endeavour to entice away, or offer to employ any employee, director, officer or managerial employee of any member of

the TNT Group (other than pursuant to general mass solicitations of employment not specifically directed toward employees of the TNT Group or in response to an approach from such employee, director, officer or managerial employee); and

- (d) not, directly or indirectly, take any action which may reasonably be expected to impair its ability to perform its obligations under this Merger Protocol or to consummate the transactions contemplated hereby.

13. EXCLUSIVITY

13.1 For the purposes of this Merger Protocol, the **Exclusivity Period** shall mean the period commencing on the date of this Merger Protocol and ending on the date of termination of this Merger Protocol, unless the Offer has been made, in which case the Exclusivity Period shall end on the earlier of the Settlement Date and the date of termination of this Merger Protocol.

13.2 During the Exclusivity Period:

- (a) TNT shall, and shall ensure that its Affiliates and their respective directors, officers, employees, advisors, agents and representatives, including without limitation, the members of the Boards, shall, proceed with the preparations of the Offer (including, without limitation by reviewing or drafting the relevant sections of the Offer Memorandum, by providing UPS with all information reasonably necessary for the preparation of the Offer Memorandum and by taking all such other steps as are reasonably necessary in connection with the Offer) in good faith and as expediently as practicable;
- (b) except as permitted pursuant to clause 13.4 and clause 14.2, TNT shall not, and shall ensure that none of its Affiliates, nor any of their respective directors, officers, employees, agents or representatives, including without limitation, the members of the Boards, shall, directly or indirectly, approach, initiate, enter into or continue discussions or negotiations with any third party with respect to a potential offer or proposal for a potential offer for all or part of the Shares or for the whole or part of the businesses or assets of the TNT Group or any proposal involving the potential acquisition of a substantial interest in the TNT Group, a legal merger or demerger involving TNT or a reorganisation or re-capitalisation of TNT and/or the TNT Group (each an **Alternative Proposal**); and
- (c) TNT will notify UPS promptly (and in any event within 24 (twenty-four) hours) if any communication, invitation, approach or enquiry, or any request for information, is received by TNT, any of its Affiliates or any of their respective directors, officers, employees, agents or representatives, from any third party in relation to an Alternative Proposal, it being understood that, as a minimum, TNT shall notify UPS of the identity of such third party, the proposed consideration and other key terms of such Alternative Proposal (including, without limitation the financing terms and structure and the anti-trust and other regulatory requirements that need to be complied with), so as to enable UPS to consider its position in light of such Alternative Proposal and to assess the (possible) effects of such Alternative Proposal on the Offer and the Offer's chances of success, and TNT shall keep UPS immediately informed in writing of any further material developments in relation to such Alternative Proposal.

13.3 By their acceptance of the terms of this Merger Protocol, TNT and the members of the Boards confirm that at the date of signing of this Merger Protocol they are not in discussions and/or negotiations with any third party about any Alternative Proposal.

13.4 Notwithstanding clauses 13.2(b), 13.2(c) and 17, TNT is permitted to engage in discussions or negotiations with, and provide information to, a third party that makes an unsolicited serious approach to TNT with the intention of making a Competing Offer (as defined below), provided that TNT shall promptly notify UPS thereof (and in any event within 48 (forty-eight) hours of receipt of the Alternative Proposal) and shall keep UPS immediately informed of any material developments in relation to such Alternative Proposal, including, but not limited to the fact whether it considers the Alternative Proposal to be a Potential Competing Offer.

14. COMPETING OFFER

14.1 A **Potential Competing Offer** is a written proposal to make a (public) offer for all Shares or all or substantially all of the assets of the TNT Group or a merger of TNT, made by a party who, in the reasonable opinion of TNT (including the Supervisory Board), is a *bona fide* third party and which proposal in the reasonable opinion of TNT (including the Supervisory Board), having consulted its financial and legal advisors and considering, among others, level and character of consideration, certainty of financing, conditionality, integrity of the business and position of employees, could reasonably be expected to become a Competing Offer.

14.2 In the event a Potential Competing Offer is made:

- (a) TNT shall be permitted to allow the third party making the offer to conduct the same or substantially the same due diligence investigation as UPS was permitted to conduct in the context of the preparation of the Offer; and
- (b) TNT shall promptly (and in any event within 24 hours) notify UPS in writing and provide full details, to the extent available to it, of such Potential Competing Offer. Furthermore, TNT shall keep UPS informed of any material developments in relation to such Potential Competing Offer.

14.3 A Potential Competing Offer will be a **Competing Offer** if:

- (a) it is launched, or is binding on the offering party concerned in the sense that such offering party has (i) conditionally committed itself to TNT to launch a Competing Offer within eight (8) weeks and (ii) has publicly announced its intention to launch a Competing Offer, which announcement includes the proposed price per Share and the relevant conditions precedent in relation to such offer and the commencement thereof;
- (b) the consideration offered per Share exceeds the consideration per Share offered under the Offer by at least 8% (eight percent). To the extent that the Potential Competing Offer is an offer for all or substantially all of the assets of the TNT Group, the calculation shall be made on the basis of the net proceeds to be distributed to the shareholders of TNT resulting from such a transaction (to be valued as at the first trading day on Euronext Amsterdam following the execution of this Merger Protocol) calculated on a per Share basis; and
- (c) it is determined by the Boards, having consulted financial and legal advisors and acting in good faith and observing their obligations under Dutch law, to be substantially more beneficial to TNT and its stakeholders than the Offer as contemplated in this Merger Protocol, specifically taking into account the identity and track record of such third party, the consideration to be received by shareholders, the likelihood of completion, the other terms and conditions of the Potential Competing Offer and the interests of all stakeholders of TNT.

14.4 If UPS has matched any Competing Offer in accordance with clause 14.5, the consideration per Share of any other, consecutive or amended offer made by *any bona fide* third party for all of the outstanding Shares or all or substantially all of the assets of the TNT Group or a merger of TNT (a **Subsequent Higher Offer**) must exceed the most recently offered consideration per Share by UPS after having exercised its Matching Right by at least 8% (eight percent), in order for any such Subsequent Higher Offer to qualify as a Competing Offer for the purpose of this Merger Protocol.

14.5 In the event of a Competing Offer, the following shall apply:

- (a) TNT shall promptly (and in any event within 24 hours) notify UPS in writing and provide full details, to the extent available to it, of such Competing Offer. Furthermore, TNT shall keep UPS informed of any material developments in relation to such Competing Offer;
- (b) UPS shall have a period of ten (10) Business Days following announcement of the Competing Offer to decide whether or not it wants to revise its Offer and match the Competing Offer (the **Matching Right**);
- (c) if UPS exercises its Matching Right and its revised Offer is determined by the Boards, having consulted their financial and legal advisors and acting in good faith and observing their obligations under Dutch law, to be at least equally beneficial to TNT and its stakeholders as the Competing Offer within the aforementioned period of ten (10) Business Days (a **Matching Revised Offer**), TNT shall not be entitled to accept the third party offer and/or to terminate this Merger Protocol, except if permitted by this clause 14 in respect of any consecutive Competing Offer; and
- (d) if UPS has failed to timely inform TNT in accordance with clause 14.5(b), or if UPS has not made a Matching Revised Offer or if UPS has informed TNT that it does not wish to exercise its Matching Right, TNT shall be entitled to accept the Competing Offer and the Boards shall have the right, but shall not be obliged, to withdraw or, as applicable, modify the Recommendation and the Position Statement. If TNT accepts the Competing Offer and this is communicated to UPS within five (5) Business Days from the last day of the aforementioned period of ten (10) Business Days, each Party shall be entitled, but shall not be obliged, to terminate this Merger Protocol in accordance with clause 15. If in such scenario neither Party exercises its right to terminate this Merger Protocol, this Merger Protocol shall remain in full force and effect, save for the provisions of clause 4.3(f), and clauses 13.1 and 13.2, which shall then no longer apply in relation to the Competing Offer and the third party having made such Competing Offer.

14.6 This clause (including but not limited to the Matching Right) applies *mutatis mutandis* to any Subsequent Higher Offer constituting a Competing Offer.

15. TERMINATION

15.1 Subject to clause 15.2, this Merger Protocol and the rights and obligations thereunder may be terminated:

- (a) if UPS and TNT so agree in writing;
- (b) by notice in writing given by either of the Parties (the **Terminating Party**) to the other Party if (i) any of the Commencement Conditions has not been satisfied or

waived by the relevant Party in accordance with this Merger Protocol by the Ultimate Launch Date, and (ii) the non-satisfaction of the relevant Commencement Condition(s) is not due to a breach by the Terminating Party of any of its obligations under this Merger Protocol or any agreement resulting from it;

- (c) by notice in writing given by the Terminating Party to the other Party if (i) any of the Offer Conditions has not been satisfied or waived by the relevant Party in accordance with this Merger Protocol by the Long Stop Date, and (ii) the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the Terminating Party of any of its obligations under this Merger Protocol or any agreement resulting from it;
- (d) by notice in writing given by the Terminating Party to the other Party in case of the other Party having breached the terms of this Merger Protocol to the extent that any such breach:
 - (i) has or could reasonably be expected to have material adverse consequences for TNT or the Offer; and
 - (ii) is incapable of being remedied within ten (10) Business Days after receipt by the other Party of a written notice from the Terminating Party or has not been remedied by the other Party within ten (10) Business Days after receipt by the other Party of a written notice from the Terminating Party;
- (e) by notice in writing by TNT if (i) all Commencement Conditions have been satisfied or waived and UPS has failed to commence the Offer on the Commencement Date, or (ii) the Offer has been commenced and all Offer Conditions have been satisfied or waived and settlement has not taken place on the Settlement Date; or
- (f) by notice in writing by either TNT or UPS to the other Party pursuant and subject to the terms and conditions set forth in clause 14.

15.2 Any termination in accordance with this Merger Protocol shall not take effect until the expiry of ten (10) Business Days following receipt of the written termination notice by the non-terminating Party. The Parties acknowledge that during the period referred to in the previous sentence, they shall be entitled to seek remedies in accordance with clause 27, including but not limited to seeking provisional measures in summary proceedings (*kort geding*) to prevent such termination from taking effect.

15.3 If this Merger Protocol is terminated by TNT pursuant to clause 15.1(c) (but only if the Offer Condition under clause 4.3(b) (competition clearance) is not satisfied or waived in accordance with this Merger Protocol) or clause 15.1(d), UPS shall withdraw the Offer and shall not, directly or indirectly, either alone or together with another person, for a period of nine (9) months after termination of this Merger Protocol:

- (a) acquire or enter into an agreement or arrangement (whether legally binding or not) or do or omit to do any act as a result of which it may acquire any Shares; or
- (b) make or announce a public offer for any Shares.

15.4 In the event that this Merger Protocol is terminated pursuant to this clause 15, none of the Parties shall have any claim hereunder of any nature whatsoever against the other Party, save (i) in

respect of accrued rights and/or liabilities arising from the prior breach of this Merger Protocol and, where applicable (ii) for any claim pursuant to clause 16. Clauses 15 up to and including clause 26.3 shall survive termination of this Merger Protocol.

16. TERMINATION FEE

16.1 To induce UPS to enter into this Merger Protocol and to compensate UPS for loss of management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of the) Offer, TNT shall pay to UPS an amount of EUR 50 million in cash, immediately upon first written request thereto from UPS, if this Merger Protocol is terminated:

- (a) by UPS pursuant to clause 15.1(d); or
- (b) pursuant to clause 15.1(f).

16.2 To induce TNT to enter into this Merger Protocol and to compensate TNT for loss of management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of the) Offer, the loss of franchise, (in)direct loss and damages to TNT's business due to the announcement of the (potential) Offer and its effects on, among other things, employees, customers and suppliers, UPS shall pay to TNT an amount of EUR 200 million in cash, immediately upon first written request thereto from TNT, if this Merger Protocol is terminated by TNT pursuant to:

- (a) clause 15.1(c) on the basis of EU Competition Clearance or one or more of the Other Key Competition Clearances not having been obtained;
- (b) clause 15.1(d); or
- (c) clause 15.1(e).

16.3 Parties acknowledge and agree that the obligations set forth in clauses 16.1 and 16.2 shall constitute a "boetebeding" as referred to in article 6:91 DCC. Parties furthermore agree that any forfeiture by TNT or UPS, as the case may be, of the UPS or TNT compensation payment set out in clauses 16.1 and 16.2, respectively, pursuant to article 6:95 DCC et seq., be deemed to be in lieu of, and not in addition to, any liability (*schadevergoedingsplicht*) of TNT towards UPS or vice versa related to the events set forth in clauses 16.1 and 16.2 so that the provisions of this clause 16.3 shall be deemed to be a "schadevergoedingsbeding" and not a "strafbeding". The provisions of article 6:92, paragraphs 1 and 3 DCC shall, to the maximum extent possible, not apply. Each Party hereby waives any (potential) right it might have to request mitigation of such liability in any manner (in legal proceedings or otherwise).

17. CONFIDENTIALITY AND PUBLIC ANNOUNCEMENTS

17.1 The substance of this Merger Protocol (including a summary of clauses 6, 7, 8 and 9) will be disclosed in the joint press release attached hereto as Schedule 2, in the Offer Memorandum, the Position Statement and furthermore as required by the Applicable Rules.

17.2 The Parties will co-operate in ensuring that all filings and notices required by the Merger Rules, or as otherwise required by the AFM or Euronext Amsterdam are timely and properly made.

17.3 Notwithstanding clause 17.1, no Party shall, without the written approval of the other Party, disclose or provide this Merger Protocol to anyone, except to the extent that it is obliged to

make such a disclosure pursuant to the Applicable Rules or order of a court or other governmental authority. Where possible, the disclosing Party shall, prior to disclosure, consult the other Party about the form and contents of such disclosure.

17.4 UPS and TNT agree to consult with each other with respect to any and all further press releases and meetings with journalists in connection with the Offer, if and to the extent reasonably possible.

17.5 The Confidentiality Agreement agreed between the Parties will remain in full force and effect.

18. ASSIGNMENT

18.1 With the exception of clause 18.2, none of the Parties may assign or transfer any of its rights or obligations under this Merger Protocol without the prior written consent of the other Parties.

18.2 UPS is entitled to assign any and all of its rights and obligations under this Merger Protocol to any of its wholly-owned subsidiaries. In the event of such assignment, this Merger Protocol shall, insofar as it refers to UPS, apply *mutatis mutandis* to the designated assignee. UPS shall remain jointly and severally liable with the designated assignee for the proper performance of any obligations assigned to the designated assignee under this clause 18.2. If TNT Express N.V. will be liquidated or dissolved, TNT is, immediately prior to such liquidation or dissolution, entitled to assign any and all of its rights and obligations under this Merger Protocol to TNT Nederland B.V. or any other TNT Affiliate. UPS shall cause the relevant members of the board of directors of UPS, of the Executive Board of TNT and of the executive boards of the relevant wholly-owned subsidiaries to execute and perform all such deeds, documents, assurances, acts and things and to exercise all powers and rights available to them, in whatever capacity, including the giving of all waivers and consents and the passing of all resolutions reasonably required to ensure that the Parties and their representatives (if any) give effect to the provisions of this clause.

19. COSTS

Except where this Merger Protocol provides otherwise, each Party shall pay its own costs relating to the negotiation, preparation, execution and performance of this Merger Protocol and any documents executed pursuant thereto.

20. NO WAIVER

The rights of any Party shall not be prejudiced or restricted by any indulgence or forbearance extended to any other Party and no waiver by any Party in respect of any breach shall operate as a waiver in respect of any subsequent breach.

21. NO RESCISSION

To the extent permitted by law, the Parties waive their rights, if any, to (i) in whole or in part annul, rescind or dissolve (including *anygehele dan wel partiële ontbinding en vernietiging*) this Agreement, and (ii) invoke section 6:228 of the Dutch Civil Code in the sense that an error (*fouting*) shall remain for the risk and account of the Party in error as referred to in section 6:228, subsection 2 of the DCC.

22. FURTHER ASSURANCES

The Parties undertake to each other to execute and perform all such deeds, documents, assurances, acts and things and to exercise all powers and rights available to them, in whatever capacity, including the giving of all waivers and consents and the passing of all resolutions reasonably required to ensure that the Parties and their representatives (if any) give effect to the provisions of this Merger Protocol.

23. INVALIDITY

If any provision of this Merger Protocol is or is held to be invalid or unenforceable, then so far as it is invalid or unenforceable it has no effect and is deemed not to be included in this Merger Protocol. This shall not invalidate any of the remaining provisions of this Merger Protocol. The Parties shall use their respective best efforts to replace any invalid or unenforceable provision by a valid provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

24. THIRD PARTY RIGHTS

24.1 Except as set out in clause 9.3, this Merger Protocol does not contain any stipulation in favor of any third party (*terdenbeding*).

25. ENTIRE AGREEMENT; AMENDMENT

With the exception of the Confidentiality Agreement, this Merger Protocol constitutes the entire agreement between and understanding of the Parties in respect of the Offer and the Merger and any preceding or concurrent oral or written agreements or arrangements between the Parties in relation to thereto are hereby superseded. A variation to this Merger Protocol is valid only if it is in writing and signed by each of the Parties.

26. NOTICES

26.1 Any notice or other formal communication to be given under this Merger Protocol shall be in writing and signed by or on behalf of the party giving it. It shall be:

- (a) sent by e-mail to the relevant e-mail address set out in clause 26.2; or
- (b) delivered by hand or sent by prepaid recorded delivery, special delivery or registered post to the relevant address in clause 26.2.

In each case it shall be marked for the attention of the relevant party set out in clause 26.2 (or as otherwise notified from time to time under this Merger Protocol). Any notice given by hand delivery, post or e-mail shall be deemed to have been duly given:

- (a) if hand delivered, when delivered;
- (b) if sent by e-mail, twelve (12) hours after the time of despatch; or
- (c) if sent by recorded delivery, special delivery or registered post, on the second Business Day from the date of posting,

unless there is evidence that it was received earlier than this and provided that, where (in the case of delivery by hand or by e-mail) the delivery or transmission occurs after 6 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9 a.m. on the next following Business Day. References to time in this clause are to local time in the country of the addressee.

26.2 The (email) addresses of the parties for the purpose of clause 26.1 are:

(a) UPS:

To: United Parcel Service, Inc.
 For the attention of: Richard Peretz
 Address: 55 Glenlake Parkway, Atlanta, Georgia 30328, USA
 E-mail address: rperetz@ups.com

With written copies:

To: United Parcel Service, Inc.
 For the attention of: Jeff Firestone
 Address: 55 Glenlake Parkway, Atlanta, Georgia 30328, USA
 E-mail address: jfirestone@ups.com

and

To: Freshfields Bruckhaus Deringer LLP
 For the attention of: Jan Willem van der Staay
 Address: Strawinskyiaan 10, 1077 XZ Amsterdam, The Netherlands
 E-mail address: janwillem.vanderstaay@freshfields.com

(b) TNT:

To: TNT Express N.V.
 For the attention of: Bernard Bot
 Address: Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands
 E-mail address: bernard.bot@tnt.com

With a written copy to:

To: TNT Express N.V.
 For the attention of: Jan Ernst de Groot
 Address: Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands
 E-mail address: jan.ernst.de.groot@tnt.com

To: Allen & Overy LLP
 For the attention of: Jan Louis Burggraaf
 Address: Barbara Strozziilaan 101, 1083 HN, Amsterdam, The Netherlands (as from 10 April 2012: Apollolaan 15, 1077 AB Amsterdam, The Netherlands)
 E-mail address: janlouis.burggraaf@allenoverly.com

26.3 All notices or formal communications under or in connection with this Merger Protocol shall be in the English language or, if in any other language, accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

27. GOVERNING LAW AND FORUM

27.1 This Merger Protocol is construed in accordance with and shall be governed exclusively by the laws of The Netherlands.

27.2 Without prejudice to clauses 4.8 through 4.12, and without prejudice to the right of each Party to seek injunctive relief with the relevant Dutch courts (*kort geding*), all disputes in connection with this Merger Protocol (including any dispute as to the validity of this Merger Protocol, any questions in respect of the authority of the arbitrators and any dispute about whether a particular dispute should be referred to arbitration) shall be finally settled in accordance with the arbitration rules of the Netherlands Arbitration Institute (*Nederlands Arbitrage Instituut*). The arbitral tribunal shall be composed of three arbitrators, to be appointed in accordance with such arbitration rules. The place of the arbitration will be Amsterdam, The Netherlands. The arbitral procedure will be conducted in the English language. The arbitrators will decide according to the rules of law.

This clause 27.2 shall also apply to disputes arising out of or in connection with agreements which are connected with this Merger Protocol, unless the relevant agreement expressly provides otherwise.

Consolidation of arbitral proceedings with other proceedings as provided for in article 1046 of the Dutch Code of Civil Procedure is excluded.

IN WITNESS WHEREOF this Merger Protocol is signed by the Parties (or their duly authorised representatives) on 19 March 2012.

For and on behalf of UPS

/s/ D. Scott Davis

By:

Name: D. Scott Davis

Title: Chief Executive Officer and Chairman

For and on behalf of TNT

/s/ Marie-Christine M. Lombard

By:

Name: Marie-Christine M. Lombard

Title: Chief Executive Officer

/s/ Bernard Bot

By:

Name: Bernard Bot

Title: Chief Financial Officer

For and on behalf of the Supervisory Board

/s/ Antony Burgmans

By:

Name: Antony Burgmans

Title: Chairman of the supervisory board

SCHEDULE 1

DEFINITIONS AND INTERPRETATION

1.1 In the Merger Protocol, the following words and expressions shall have the following meanings:

ADRs means the outstanding American Depositary Receipts outstanding, each representing one ordinary share.

Affiliates means in relation to any Party, any subsidiary or parent company of that Party and any subsidiary of such parent company, in each case from time to time.

AFM means the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

Alternative Proposal has the meaning given to it in clause 13.2(b).

Antitrust Laws means the Dutch Competition Act (*Mededingingswet*), the HSR Act, the EC Merger Regulation and any other law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade or the significant impediment of effective competition.

Applicable Rules means the Wft, the Decree, any rules and regulations promulgated pursuant to the Wft and the Decree, the policy guidelines and instructions of the AFM, the WOR, the *SER Fusiegedragsregels 2000*, the rules and regulations of Euronext Amsterdam and, in as far as applicable, NYSE, and the DCC, the relevant securities and employee consultation rules and regulations in other applicable jurisdictions and any relevant Antitrust Laws.

Binding Advice has the meaning given to it in clause 4.11.

Binding Advisor has the meaning given to it in clause 4.11.

BMPlan has the meaning given to it in clause 11.4.

Boards means the executive board (*raad van bestuur*) of TNT and the supervisory board (*raad van commissarissen*) of TNT together.

Bonus Matching Rights has the meaning given to it in clause 11.4.

Business Day means a day (other than a Saturday or Sunday) on which banks, Euronext Amsterdam and NYSE are generally open in The Netherlands and in the United States of America for normal business, except where it is used to refer to terms set out in the Decree, in which case it means any working day designated as such in the *Algemene Bank-CAO*.

Call Option means the call option granted to the Foundation under the Foundation Option Agreement as referred to in Recital (L).

Closing Date means the last day of the Offer Period.

Combined Group means the group constituted by UPS and TNT and their respective Affiliates after the Settlement Date.

Commencement Conditions means the conditions precedent to the launch of the Offer, as set out in clause 4.1.

Commencement Date means the date on which the Offer is made.

Commitments has the meaning given to it in clause 4.6.

Competing Offer has the meaning given to it in clause 14.3.

Confidentiality Agreement means the confidentiality agreement between UPS and TNT dated 11 January 2012.

Counter-Notice of Disagreement has the meaning given to it in clause 4.10.

DCC means the Dutch Civil Code (*Burgerlijk Wetboek*).

Decree means the Decree on Public Takeovers (*Besluit Openbare Biedingen Wft*).

Due Diligence Information means the information provided in the Pre-Signing Due Diligence and the Confirmatory Due Diligence.

Dutch Corporate Governance Code means the Dutch corporate governance code, dated 1 January 2009 as established under article 2:391 paragraph 5 of the DCC.

EC Merger Regulation means Council Regulation (EC) No. 139/2004.

EGM means the extraordinary shareholders meeting of TNT in connection with the Offer to be held at least six (6) Business Days before the Closing Date in accordance with article 18, paragraph 1 of the Decree.

Employee Clearances means the approvals, clearances and other forms of consent or non-objection and (formal or informal) advices, opinions or points of view from employee representatives, including those of the Works Council, European works council and trade unions, required in connection with the Offer.

Employee Matching Rights has the meaning given to it in clause 11.4.

Enquiries has the meaning given to it in Schedule 5.

EU Competition Clearance means Phase I Competition Clearance or Phase II Competition Clearance, as the case may be, or, if relevant, any approval of any EU Member State in case of a referral by the European Commission to a national competition authority.

Euronext Amsterdam means the stock exchange of Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext N.V.

European Commission means the European Commission.

Exclusivity Period means the period commencing on the date of this Merger Protocol and ending on the date of termination of this Merger Protocol, unless the Offer has been made, in which case the Exclusivity Period shall end on the earlier of the Settlement Date and the date of termination of this Merger Protocol.

Executive Board means the executive board (*raad van bestuur*) of TNT.

Fairness Opinions means the fairness opinion issued by Goldman Sachs International and the fairness opinion issued by Lazard B.V. as referred to in clause 3.2.

Foundation means Stichting Continuïteit TNT Express.

Foundation Option Agreement means the option agreement between TNT and the Foundation dated 31 May 2011.

HSR Act means the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

Incentive Plans means the BMPlan and OMPlan together.

Independent Members means the independent members on the Supervisory Board, from time to time.

Integration Committee has the meaning given to it in clause 7.1.

Interim Period means the period from the date of this Merger Protocol until the earlier of (i) the Settlement Date or (ii) the date on which this Merger Protocol is terminated.

Irrevocable has the meaning given to it in Recital (Q).

Joint Announcement has the meaning given to it in clause 2.6.

Key Employee means any employee of TNT Group earning a gross salary of EUR 250,000 or more.

Long Stop Date means 28 February 2013.

Matching Revised Offer has the meaning given to it in clause 14.5(c).

Matching Right has the meaning given to it in clause 14.5(b).

Material Adverse Effect means any change, event, circumstance or effect (any such items an Effect) individually or when taken together with all other Effects that have occurred between the date of this Merger Protocol and the Commencement Date or the Closing Date, as the case may be, that is or is reasonably likely to be sustainably materially adverse to the business, the assets, capitalization or financial condition of TNT taken as a whole with its Affiliates such that UPS cannot reasonably be expected to commence the Offer or to declare the Offer unconditional, as the case may be, provided, however, that for the purpose of determining whether there has been, or will be, a Material Adverse Effect, only Effects will be taken into account which:

- (i) materially affect or are reasonably likely to materially affect the economies in which the Group operates generally or the world economy as a whole;
- (ii) result from changes materially affecting European economic conditions or financial, debt, credit or securities capital market conditions; or
- (iii) result from any outbreak or escalation of war or major hostilities or act of terrorism leading to a material market disruption;

it being understood that any Effect which is known or should have been known to UPS as per the date of this Merger Protocol will not qualify as a Material Adverse Effect.

Matters in Dispute has the meaning given to it in Schedule 5.

Member States means the states that are party to the Treaty on European Union and to the Treaty on the Functioning of the European Union.

Merger means the Offer and all transactions contemplated therewith.

NYSE means the New York Stock Exchange, operated by NYSE Euronext.

Notice of Disagreement has the meaning given to it in clause 4.9.

Offer means the recommended public offer (*openbaar bod*) to be made by UPS or a wholly-owned subsidiary of UPS in respect of all Shares, as described in this Merger Protocol.

Offer Conditions means the conditions precedent to the Offer, as set out in clause 4.3.

Offer Memorandum means the offer memorandum (*biedingsbericht*) to be made available by UPS in connection with the Offer (together with all amendments and supplements thereto).

Offer Period means the acceptance period (*aanmeldingstermijn*) of the Offer.

Offer Price means a cash amount of EUR 9.50 (nine euro and fifty cents) for each Share tendered (cum dividend, except for a financial year 2011 final dividend payment not exceeding EUR 0.004 per Share).

Other Key Competition Clearances means the approval from the relevant antitrust authorities in Australia, China, Israel, Russia, Turkey and the United States in respect of the transactions contemplated by this Merger Protocol or the expiry of the statutory or otherwise imposed waiting period in the aforementioned countries.

OMPlan has the meaning given to it in clause 11.4.

One-Off Matching Rights has the meaning given to it in clause 11.4.

Parties means UPS and TNT and **Party** means any single one of them.

Phase I Competition Clearance means that the transactions contemplated by this Merger Protocol are declared by the European Commission to be compatible with the common market, whether unconditionally or subject to any such conditions, obligations, undertakings or modifications as the decision may identify, pursuant to Article 6(1)(a), 6(1)(b) or 6(2) of the EC Merger Regulation or deemed to have been declared compatible with the common market pursuant to Article 10(6) of the EC Merger Regulation.

Phase II Competition Clearance means that the transactions contemplated by this Merger Protocol are declared by the European Commission to be compatible with the common market, whether unconditionally or subject to any such conditions, obligations, undertakings or modifications as the decision may identify, pursuant to Article 8(1) or 8(2) of the EC Merger Regulation or deemed to have been declared compatible with the common market pursuant to Article 10(6) of the EC Merger Regulation.

Phase II Investigation means the in-depth investigation by the European Commission pursuant to Article 6(1)(c) of the EC Merger Regulation.

Position Statement means the position statement of the Boards of TNT to be issued in connection with the Offer.

Post Closing Acceptance Period means the post closing acceptance period (*na-aanmeldingstermijn*) of no more than two (2) weeks that may be announced by UPS in the event that the Offer is declared unconditional (*gestanddoening*).

Post-Closing Measures has the meaning given to it in clause 6.3.

Potential Competing Offer has the meaning given to it in clause 14.1.

Pre-Signing Due Diligence means the high level due diligence investigation performed by UPS and its advisors into certain financial, operational, legal and tax aspects of the TNT Group and its businesses prior to the signing of this Merger Protocol.

Protective Preference Shares means the preference shares in the share capital of TNT with a nominal value of EUR 0.08 each.

Recommendation has the meaning given to it in clause 3.1(b).

Regulatory Authority has the meaning given to it in clause 4.6.

Relationship Agreement means the relationship agreement entered into by TNT and TNT N.V. (currently named PostNL N.V.) on 7 April 2011.

Schedules means all schedules to this Merger Protocol.

Settlement Date means the date on which, in accordance with the terms of the Offer, UPS will pay the Offer Price to the holders of Shares.

Shares means the issued ordinary shares in the share capital of TNT, from time to time, together with any shares that may be issued by TNT pursuant to the exercise of share options and/or convertible debt instruments prior to the Closing Date, and **Share** means any single one of them.

Special Covenants has the meaning given to it in clause 9.1.

Subsequent Higher Offer has the meaning given to it in clause 14.4.

Supervisory Board means the supervisory board (*raad van commissarissen*) of TNT.

Terminating Party has the meaning given to it in clause 15.1(b).

TNT means TNT Express N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, the Netherlands and its office address at Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands.

TNT Group means TNT and its Affiliates.

Ultimate Launch Date means 30 June 2012.

Unconditional Date means the day on which UPS publicly declares the Offer unconditional, which shall be no later than the third Business Day after the Closing Date.

UPS means United Parcel Service, Inc., a corporation organised and existing under the laws of the State of Delaware, having its address at 55 Glenlake Parkway, Atlanta, Georgia 30328, USA.

Wft means the Dutch Act on Financial Supervision (*Wet op het Financieel Toezicht*).

WOR means the Dutch Works Council Act (*Wet op de Ondernemingsraden*).

Works Council means the central works council of TNT Nederland B.V. (previously named TNT Head Office B.V.).

SCHEDULE 2
JOINT ANNOUNCEMENT

SCHEDULE 3**WARRANTIES****PART I**

TNT represents and warrants to UPS that at the date of this Merger Protocol, each of the following is true and accurate:

1.1 TNT is validly existing and is a company duly incorporated under the laws of The Netherlands as a limited liability company (*naamloze vennootschap*). Each Affiliate is a corporation or other entity duly organised and validly existing under the laws of the jurisdiction of its incorporation or organisation.

1.2 TNT and each of its Affiliates have full power and authority (corporate or otherwise) to carry on its respective business as currently conducted and, with respect to TNT, to enter into, execute, deliver and carry out the terms of this Merger Protocol and to incur and discharge its obligations provided for herein.

1.3 TNT has taken all corporate action required by it to authorise it to perform its obligations pursuant to this Merger Protocol and neither the execution of this Merger Protocol by TNT, nor the consummation of the transactions contemplated hereby, will conflict with, or result in, any breach of any material obligation of TNT or trigger any obligations or liabilities of material importance for TNT as a whole.

1.4 This Merger Protocol has been duly and properly executed and duly delivered, as required by law, by TNT, and assuming due authorisation, execution and delivery of this Merger Protocol by UPS, constitutes a legal and binding obligation of TNT, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganisation or other similar laws affecting the enforcement of the creditors' rights generally or by general principles of equity.

1.5 No action has been taken or is contemplated to dissolve or liquidate TNT or any of its Affiliates, and, to the knowledge of TNT, no insolvency proceedings have been proposed, commenced or threatened against TNT or any of its Affiliates and no judgment has been made or is pending declaring TNT or any of its Affiliates insolvent.

1.6 The Shares are duly authorised, validly issued and fully paid up and, at the date of this Merger Protocol, constitute the entire issued share capital of TNT.

1.7 Recitals (G), (H) and (I) correctly reflect the details of the share capital of TNT.

1.8 There are no other outstanding rights granted by TNT to subscribe for any securities in TNT, other than the ADRs and any entitlements pursuant to the Incentive Plans and except for the rights granted to the Foundation pursuant to the Foundation Option Agreement.

1.9 To the best knowledge of TNT, the public disclosures made by or on behalf of TNT since 26 May 2011 (including but not limited to regulatory filings, financial statements, press releases and other information communicated to the market) are true and accurate in all material respects and do not require any further disclosure or update in order to avoid any such prior disclosure being materially incorrect, misleading or incomplete by reference to the date of the relevant disclosure and TNT has not failed to observe any obligation to make any such public disclosure.

1.10 In so far as TNT has postponed the public disclosure of price sensitive information as permitted by, and in accordance with, article 5:25i Wft, such information has been fairly disclosed to UPS in the Pre-Signing Due Diligence.

1.11 The entitlements pursuant to the Incentive Plans are correctly set out in this Merger Protocol.

PART II

UPS represents and warrants to TNT that at the date of this Merger Protocol, each of the following is true and accurate:

1.1 UPS is validly existing and is a company duly incorporated under the laws of the State of Delaware.

1.2 UPS has full power and authority (corporate or otherwise) to carry on its business as currently conducted and to enter into, execute, deliver and carry out the terms of this Merger Protocol and to incur and discharge its obligations provided for herein.

1.3 UPS has taken all corporate action required by it to authorise it to perform its obligations pursuant to this Merger Protocol and neither the execution of this Merger Protocol by UPS, nor the consummation of the transactions contemplated hereby, will conflict with, or result in, any breach of any material obligation of UPS.

1.4 This Merger Protocol has been duly and properly executed and duly delivered, as required by law, by UPS, and assuming due authorisation, execution and delivery of this Merger Protocol by TNT, constitutes a legal and binding obligation of UPS, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganisation or other similar laws affecting the enforcement of the creditors' rights generally or by general principles of equity.

1.5 At the date of this Merger Protocol, UPS does not hold any Shares or rights to Shares, other than in respect of the Irrevocable.

1.6 Given its AA- corporate credit rating, its current cash reserves (including marketable securities) of over USD 4 billion and its existing relationships with banks, UPS will be able to finance the acquisition of Shares pursuant to the Offer and subsequent squeeze-out proceedings. UPS will determine the optimal financing structure and finalize the substance of definitive arrangements with its banks before the date on which it would need to make a certain funds announcement as required by article 7 paragraph 4 of the Decree.

1.7 To the best knowledge of UPS, the information relating to UPS provided by or on behalf of UPS to TNT on the occasion of the presentations and negotiations in respect of the Offer during the period between 13 December 2011 and the date hereof, is true and accurate in all material respects and does not require any update in order to avoid any such information being materially incorrect or misleading.

SCHEDULE 4**INTERIM PERIOD**

During the Interim Period, without the prior written consent of UPS, which shall not unreasonably be withheld or delayed, TNT shall refrain from the following actions (and TNT shall procure that the companies forming part of the TNT Group shall refrain from taking any such actions):

- (a) make any material changes to the legal, tax or accounting structure of the TNT Group;
- (b) in respect of TNT, declare, pay or agree to pay or declare any dividend or make or agree to make any distribution in kind, whether from capital or reserves, including the acquisition of own shares and the reduction of share capital;
- (c) amend its articles of association or similar constitutional documents (including shareholders and joint venture agreements);
- (d) create, extend, grant, issue, or agree to create, extend, grant, issue or allow any third party rights over (i) any of the TNT Group's material assets and (ii) any securities in members of the TNT Group, except in the ordinary course of business;
- (e) create, issue, increase, acquire, reduce, repay, redeem or dispose of, or agree to create, issue, increase, acquire, reduce, repay, redeem or dispose of any shares or equity interests, including options, in the capital of TNT or instruments convertible into shares;
- (f) grant, or agree to grant, any option in respect of any shares or other securities;
- (g) make or enter into any capital or investment commitments or operating leases that individually exceed EUR 7 million other than disclosed in the Due Diligence Information, or make any acquisitions or divestments involving amounts in excess of EUR 7 million;
- (h) enter into any covenant not to compete;
- (i) except pursuant to any existing agreed arrangements, materially increase, or agree to materially increase the remuneration (including fringe, severance, retirement, death or disability benefits) of any of its directors, officers or Key Employees or make any material change in the provisions of employment of any of its directors, officers or Key Employees or employ or end the employment of any such person or grant, or agree to grant, any bonuses or any other material one-off benefits to its directors, officers or Key Employees;
- (j) enter into any new material borrowings or change or agree to change the principal terms of any material existing borrowings;
- (k) enter into or terminate any material agreement outside the ordinary course of business (such as an outsourcing agreement) or any supplier agreement that has a duration of more than three (3) years, any of which involves an aggregate cost or exposure in excess of EUR 7 million;
- (l) dispose of any material rights to use any intellectual property or dispose of or disclose to any person any trade secrets, formula, process or know-how owned or possessed by the TNT Group;

- (m) provide, extend or renew any guarantee or security for the obligations of any other party other than those of any of the companies forming part of the TNT Group and except in the ordinary course of business;
- (n) sell or dispose of, or create, extend, grant, issue, encumber, or agree to sell or dispose of, or create, extend, grant, issue, encumber or allow any third party rights over any of the TNT Group's material assets except in the ordinary course of business;
- (o) enter into, terminate or materially amend any employee benefit plans, severance, insurance, redundancy (including, without limitation, any social plans), pension or other employee benefit plan or collective bargaining agreement, other than those in line with existing plans or agreements or in line with market practice in the relevant country;
- (p) appoint any new senior managers or dismiss any senior managers, unless for any reason of serious cause requiring immediate action;
- (q) make any tax election or settle or compromise any material tax liability for an amount in excess of EUR 2 million per matter and EUR 10 million in aggregate, except if such tax liability was provided for in TNT's consolidated financial statements for the year ended 2011; and
- (r) settle any litigation involving an amount exceeding EUR 2 million.

SCHEDULE 5

BINDING ADVICE

- (a) These terms indicate the proceedings and the basis for the Binding Advice in respect of the matters in dispute between the Parties (the *Matters in Dispute*).
- (b) The Matters in Dispute are to be set out in the Parties' respective Notice of Disagreement and Counter-Notice of Disagreement and any notices delivered by either Party under clauses 4.9 and 4.10. The Parties agree that such notices together set out all of the Matters in Dispute between the Parties which are to be the subject of the Binding Advice process contemplated herein.
- (c) The Binding Advisor shall be entitled to make such additional enquiries as he may determine in his discretion (*Enquiries*) to assist with the Binding Advice. Any such Enquiries will be made in writing jointly to the Parties setting out the issues that the Binding Advisor considers that either or both Parties should address.
- (d) The Binding Advisor shall ensure that either Party has a reasonable opportunity to present its arguments, taking into account the timeframe to render the Binding Advice, and shall treat the Parties equally.
- (e) The Binding Advisor may seek advice from experts where there is any question or issue arising from any of the information submitted which require specialist expertise outside the scope of the Binding Advisor's own expertise. In the event the Binding Advisor decides to obtain external advice, he will make the requirement known to the Parties.
- (f) The Parties require this dispute to remain confidential between them, the Binding Advisor and any expert engaged by the Binding Advisor. The Binding Advisor agrees to observe and ensure such confidentiality and to ensure that all documentation and correspondence remain confidential. The Binding Advisor will not disclose any confidential information concerning the Parties' business to third parties without the relevant Party's prior written consent unless otherwise required by law, a court of competent jurisdiction, taxation authorities or other government or regulatory authority.
- (g) The Binding Advisor shall render his Binding Advice as amiable compositeur. The Binding Advice shall be final and binding on the Parties as regards the fulfilment and/or waiver of the Commencement Conditions or Offer Conditions, as the case may be.
- (h) The Binding Advice shall set out in writing, for each of the Matters in Dispute, a decision as to the fulfilment or waiver of the relevant Condition, or Conditions, and a brief explanation of the basis upon which the Binding Advisor reached his Binding Advice.
- (i) Costs of the Binding Advisor will be shared equally between the Parties unless the Binding Advisor determines otherwise.

IRREVOCABLE UNDERTAKING

This agreement is made this 18th day of March 2012 (the *Agreement*).

BETWEEN:

- (1) **UNITED PARCEL SERVICE, INC.**, a corporation organised and existing under the laws of the State of Delaware, having its address at 55 Glenlake Parkway, Atlanta, Georgia 30328, USA (the *Offeror*); and
- (2) **POSTNL N.V.**, a public company with limited liability (*naamloze vennootschap*), incorporated under the laws of The Netherlands, having its registered seat at 's-Gravenhage, The Netherlands and its address at Prinses Beatrixlaan 23, 2595 AK 's-Gravenhage, The Netherlands (the *Shareholder*).

The parties mentioned above are hereinafter also collectively referred to as the *Parties* and individually as a *Party*.

WHEREAS:

- (A) The Shareholder is the holder of 162,130,035 ordinary shares (the *Current Shareholding*) in TNT Express N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its statutory seat in Amsterdam, The Netherlands (the *Company*), constituting approximately 29.8% of the total issued and outstanding ordinary shares of the Company.
- (B) On 7 April 2011, the Company and the Shareholder entered into a relationship agreement setting out certain arrangements in respect of the Current Shareholding (the *Relationship Agreement*), which was retained by the Shareholder as a result of the statutory demerger of the Company from the Shareholder.
- (C) The Offeror contemplates to make, or have a wholly-owned subsidiary make, a public offer to acquire all the issued and outstanding ordinary shares with a nominal value of EUR 0.08 each of the Company (the *Shares*) against a consideration in cash of EUR 9.50 per share (the *Offer Price*) (which price includes any (interim) dividends and other distributions that may be declared and/or paid in the period between the date of this Agreement and completion of the Offer, except for a financial year 2011 final dividend payment not exceeding EUR 0.004 per Share) (the *Offer*).
- (D) The Offer, if and when made, will be made pursuant to a merger protocol between the Offeror and the Company (the *Merger Protocol*).
- (E) The Offeror wishes to secure the acceptance of the Offer by the Shareholder in respect of all Shares held by the Shareholder.
- (F) The Shareholder is supportive of the Offer and is willing to (i) tender its Shares under the Offer and (ii) support the Offeror in taking the actions necessary for a successful completion of the Offer, including the voting in favour of certain shareholder resolutions proposed by the Offeror, as further set out in this Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:**1. CONDITION PRECEDENT**

- 1.1 This Agreement and all rights and obligations contained therein are conditional (and will only enter into force) upon the execution of the Merger Protocol by the Offeror and the Company.

AD

2. IRREVOCABLE UNDERTAKING TO TENDER SHARES

- 2.1 Subject to the terms of this Agreement, the Shareholder hereby irrevocably undertakes to and agrees with the Offeror:
- (a) to accept the Offer in respect of:
 - (i) the Current Shareholding; plus
 - (ii) any Shares acquired by the Shareholder between the signing of this Agreement and the Settlement Date (as defined in clause 2.4 below); minus
 - (iii) any Shares sold and/or transferred by the Shareholder between the date of this Agreement and the Settlement Date as permitted pursuant to clause 2.7, (the Shares referred to under (i), (ii) and (iii) together the **Subject Shares**); and
 - (b) to tender the Subject Shares under and in accordance with the terms and conditions of the Offer.
- 2.2 The Shareholder hereby confirms and represents to the Offeror that as at the date of this Agreement, the Shareholder (i) holds the Current Shareholding, (ii) has the full legal and beneficial ownership in respect of all Shares that constitute the Current Shareholding and (iii) has the power to dispose thereof, subject to the limitations set out in the Relationship Agreement.
- 2.3 The Shareholder's irrevocable acceptance of the Offer in respect of the Subject Shares pursuant to this Agreement shall be made on or before the last day of the initial tender period of the Offer in accordance with the terms and conditions set out in the offer document (*biedingsbericht*) to be published in connection with the Offer (the **Offer Document**).
- 2.4 The Subject Shares shall be tendered free from any pledge or other security interest (collectively, **Liens**) and with all rights attaching to the Subject Shares at the date of settlement of the Offer (the **Settlement Date**).
- 2.5 Until (i) the Offer is declared unconditional (*gestand wordt gedaan*), (ii) the Offer is withdrawn or (iii) the Shareholder's obligations under this Agreement terminate in accordance with the terms of this Agreement, the Shareholder shall not, directly or indirectly, solicit any third party to make an offer by such third party for all or part of the Shares.
- 2.6 Until (i) the Offer is declared unconditional (*gestand wordt gedaan*), (ii) the Offer is withdrawn or (iii) the Shareholder's obligations under this Agreement terminate in accordance with the terms of this Agreement, the Shareholder will not:
- (a) sell, transfer, grant any option over or otherwise dispose of, or bring about a transaction in, any of the Subject Shares or any interest in any of the Subject Shares, except under the Offer or as permitted pursuant to clause 2.7;
 - (b) commit any act that could restrict or otherwise affect such Shareholder's legal power, authority and/or right to vote in respect of any or all of its Subject Shares as required by this Agreement;
 - (c) grant any Lien over or in respect of any of the Subject Shares; or

(d) withdraw the acceptance referred to in clause 2.3 above.

2.7 After 19 September 2012, the Shareholder shall be permitted to sell and/or transfer and/or create Liens in respect of up to a maximum of 54,320,242 Shares.

3. FURTHER UNDERTAKINGS OF THE SHAREHOLDER

3.1 With effect from the date of this Agreement and until this Agreement terminates in accordance with its terms, the Shareholder shall vote in favour of any resolutions proposed to the general meeting of shareholders of the Company as contemplated by the Merger Protocol.

3.2 Subject to the Offeror having declared the Offer unconditional and settlement of the Offer having taken place, the Shareholder hereby agrees with the Offeror to set up and maintain a dedicated, bankruptcy-proof escrow fund (the **Escrow Fund**) in an amount equal to the Escrow Amount (as defined below). The sole and exclusive purpose of the Escrow Fund and the monies held therein from time to time (the **Permitted Purpose**) shall be to repay, repurchase or otherwise reduce the outstanding obligations (including, without limitation, as to repayment of principal, payment of interest and payment of any break or other fees or costs, in each case whether or not required to be paid) of the Shareholder and its group companies (as defined in article 2:24b of the Dutch Civil Code) from time to time (together, the **Shareholder Group**) in connection with the following outstanding bonds of (any member of) the Shareholder Group (the **Bonds**):

- (a) the 3.875% Eurobond 2005-2015 (EUR 400,000,000);
- (b) the 5.375% Eurobond 2007-2017 (EUR 650,000,000); and
- (c) the 7.50% Eurobond 2008-2018 (GBP 450,000,000).

The Offeror and the Shareholder agree that the Shareholder shall have full discretion as to the timing and manner of application of the Escrow Amount or any part thereof, provided that (i) the monies held from time to time in the Escrow Fund may solely be used for the Permitted Purpose and (ii) the Shareholder shall in any event not refrain from making any required payment in connection with the Bonds if and to the extent funds are available in the Escrow Account.

The Shareholder hereby undertakes to the Offeror to have the Escrow Fund fully set up and implemented (including as to payment into the Escrow Fund of the Escrow Amount) by no later than five (5) Business Days after the Settlement Date. Sufficiently prior to such set-up and implementation of the Escrow Fund, the Shareholder will provide the Offeror with final drafts of all documentation in connection with the Escrow Fund for verification purposes, which documentation shall not be entered into by the Shareholder without prior written consent of the Offeror (which consent shall not be withheld or delayed if such documentation complies with the provisions of this clause 3.2).

The **Escrow Amount** shall be an amount of EUR 700,000,000 (in words: seven hundred million euro), less any payments made by any member of the Shareholder Group on account of payment of any principal amount outstanding under the Bonds between the date of this Agreement and the Settlement Date.

4. INTENTIONS OF THE OFFEROR

4.1 It is the intention of the Offeror to:

- (a) issue a joint public announcement with the Company in connection with the Offer announcing that they have reached conditional agreement on the terms of the Offer (the **Joint Public Announcement**) as soon as possible after the execution of this Agreement; and

-
- (b) release the Offer Document in accordance with the timetable applicable to public offers as set out in the Decree on Public Offers With *Resluit Openbare Biedingen W/fi*, including such timetable following any exemptions granted by the Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the **Decree**).

5. TERMINATION OF THIS AGREEMENT

5.1 This Agreement shall terminate in the event of either the Offeror or the Company having terminated the Merger Protocol.

5.2 In addition to clause 5.1 and subject to clause 5.3, this Agreement shall terminate immediately if:

- (a) the Joint Public Announcement is not released by 19 March 2012; or
- (b) the Offer Document is not released and the Offer is not commenced in accordance with the statutory timetable applicable to the Offer as referred to in clause 4.1(b) and ultimately on 31 July 2012; or
- (c) the Offer is withdrawn; or
- (d) in case of a Competing Offer (as such term is defined in the Merger Protocol):
 - (i) the Offeror not having made a Matching Revised Offer (as such term is defined in the Merger Protocol) within the time period agreed between the Offeror and the Company in the Merger Protocol or the Offeror having informed the Company that it does not wish to exercise its Matching Right (as such term is defined in the Merger Protocol); and
 - (ii) the Boards (as defined in the Merger Protocol) having withdrawn or modified the Recommendation (as defined in the Merger Protocol); or
- (e) the Offer is not declared unconditional (*gestand wordt gedaan*):
 - (i) in accordance with its terms and conditions within 3 business days following expiry of the tender period, or a potential extended tender period, as the case may be, as will be further set out in the Offer Document; or
 - (ii) by 28 February 2013; or
- (f) the Shareholder is obliged, in its reasonable opinion, to tender the Subject Shares in whole or in part under another public offer for the Company pursuant to the terms of the Relationship Agreement (as they apply from time to time); or
- (g) settlement (*gestanddoening*) of the Offer has taken place.

5.3 Upon termination of this Agreement pursuant to:

- (a) clause 5.2(g), clauses 3.2 and 6 through 10 shall remain in full force and effect; and

(b) clause 5.2(a), 5.2(b), 5.2(c), 5.2(d), 5.2(e) or 5.2(f), clauses 6 through 10 (but, for the avoidance of doubt, not clause 3.2) shall remain in full force and effect.

6. CONFIDENTIALITY AND ANNOUNCEMENTS

- 6.1 Except as otherwise agreed in this clause 6, no Party shall, without the written approval of the other Party, disclose or provide this Agreement to anyone, except to the extent that it is obliged to make such a disclosure pursuant to applicable law, regulations or (stock exchange or other applicable) rules or order of a court or other governmental authority. Where reasonably possible, the disclosing Party shall, prior to disclosure, consult the other Party about the form and contents of such disclosure.
- 6.2 The Shareholder agrees to references to the Shareholder and this Agreement in the Joint Public Announcement and any other announcement to be made in connection with the Offer pursuant to applicable law, the rules and regulations of NYSE Euronext Amsterdam or rules applicable to public offers in The Netherlands and any equivalent references in the Offer Document.
- 6.3 Before the issuance of the Joint Public Announcement, no announcements or disclosures in relation to the signing, execution and contents of this Agreement shall be made by either Party without the prior written consent of the other Party, except where required in order to comply with applicable law or regulations, provided that each Party, to the extent lawful and reasonably practicable, shall in connection with any such announcement or disclosure:
- (a) give the other Party reasonable advance written notice; and
 - (b) disclose only such information as is required on the basis of the above.
- 6.4 Immediately upon issuance of the Joint Public Announcement by the Offeror, the Shareholder shall issue a press release in the form as set out in Annex 1.
- 6.5 For the avoidance of doubt, nothing in this clause 6 shall prejudice the timing and scope of disclosure obligations under applicable law, the rules and regulations of a relevant stock exchange or public offer rules in The Netherlands.

7. MISCELLANEOUS

- 7.1 All amendments or additions to this Agreement must be in writing and signed by or on behalf of each party.
- 7.2 Each party shall pay its own costs and expenses incurred in the preparation, execution and enforcement of this Agreement.
- 7.3 This Agreement is without prejudice to any relevant legal and regulatory provisions in The Netherlands or other relevant jurisdictions regarding inter alia, notification of securities transactions and prevention of insider trading that may apply to the Offeror and/or the Shareholder.
- 7.4 This Agreement and the documents referred to herein contain the whole agreement between the parties relating to the Offer and supersede all previous agreements, whether oral or in writing, between the parties relating to such transactions and other matters.
- 7.5 Except where the context requires otherwise, in this agreement the expression the Offer extends to any improved offer on behalf of the Offeror, whether voluntary or mandatory, contested or uncontested.

8. NOTICES

A notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by registered express mail (and air mail if overseas) or by email to the party due to receive the notice or communication, at its address or email address set out hereunder or another address specified by that party by written notice to the others.

The Offeror

To: United Parcel Service, Inc.
For the attendance of: Richard Peretz
Address: 55 Glenlake Parkway, Atlanta, Georgia 30328, USA
E-mail address: rperetz@ups.com

With written copies:

To: United Parcel Service, Inc.
For the attendance of: Jeff Firestone
Address: 55 Glenlake Parkway, Atlanta, Georgia 30328, USA
E-mail address: jfirestone@ups.com

and

To: Freshfields Bruckhaus Deringer LLP
For the attendance of: Alexander Doorman
Address: Strawinskylaan 10, 1077 XZ Amsterdam, The Netherlands
E-mail address: alexander.doorman@freshfields.com

The Shareholder

To: PostNL N.V.
For the attendance of: Cees Visser
Address: Prinses Beatrixlaan 23, 2595 AK 's-Gravenhage, The Netherlands
E-mail address: cees.visser@postnl.nl

With a written copy:

To: Stibbe N.V.
For the attendance of: Egbert Vroom
Address: Strawinskylaan 2001, 1077 ZZ Amsterdam, The Netherlands
E-mail address: egbert.vroom@stibbe.com

9. WAIVER OF CERTAIN PROVISIONS OF RELATIONSHIP AGREEMENT

The Shareholder acknowledges that (i) the Offeror and the Company agreed in the Merger Protocol that the Company will waive any and all rights it may have vis-à-vis the Shareholder pursuant to clause 6.2 of the Relationship Agreement, subject to the condition subsequent (*ontbindende voorwaarde*) of termination of this Agreement pursuant to its terms and (ii) the Company has given written notice of such waiver to the Shareholder.

10. GOVERNING LAW AND JURISDICTION

This Agreement is governed by, and shall be construed in accordance with, the laws of The Netherlands. Any dispute arising out of or in connection with this Agreement will be finally settled

by arbitration in accordance with the rules of the Netherlands Arbitration Institute (*Nederlands Arbitrage Instituut*). The arbitral tribunal will be composed of three arbitrators appointed in accordance with those rules. The place of the arbitration will be Amsterdam, The Netherlands. The language of the arbitration will be English. The arbitrators will decide according to the rules of law. This paragraph shall also apply to disputes between the parties to this Agreement arising in connection with agreements that are connected with this Agreement, unless the relevant agreement expressly provides otherwise.

Remainder of this page is intentionally left blank

As agreed and signed in two counterparts on the date first above written.

UNITED PARCEL SERVICE, INC.

/s/ D. Scott Davis

By: D. Scott Davis

Title: Chief Executive Officer and Chairman

POSTNL N.V.

/s/ H.M. Koorstra

By: H.M. Koorstra

Title: CEO and Chairman of the Board of Management

Annex 1 Agreed form press release

PostNL has signed an irrevocable undertaking with UPS in support of UPS' offer for TNT Express

Today United Parcel Service, Inc. ("UPS") and TNT Express N.V. ("TNT Express") jointly announced that they have reached agreement by entering into a Merger Protocol on an all-cash public offer by UPS for all issued and outstanding ordinary shares of TNT Express (the "TNT Shares") at an offer price of € 9.50 for each TNT Share (the "Offer").

PostNL N.V. ("PostNL"), holding approximately 29.8% of the TNT Shares, has irrevocably undertaken to tender all TNT Shares held by it under the Offer subject to customary undertakings and conditions (the "Irrevocable Undertaking"). The Irrevocable Undertaking terminates, *inter alia*, upon termination of the Merger Protocol between UPS and TNT Express. PostNL may furthermore terminate the Irrevocable Undertaking in the event that the executive and supervisory boards of TNT Express revoke their recommendation of the Offer upon a bona fide third-party offeror making an offer which exceeds the offer price by at least 8% that is considered by the executive and supervisory boards of TNT Express to be substantially more beneficial to TNT Express and that is not matched by UPS.

In the context of the Offer, UPS and TNT Express agreed that TNT Express will not invoke certain provisions of the Relationship Agreement dated 7 April 2011 between PostNL and TNT Express. If the Offer has not been declared unconditional ('*gestand gedaan*') ultimately on 19 September 2012, PostNL shall be permitted to sell and/or transfer up to a maximum of 54,320,242 TNT Shares held by it (being approximately 10% of the total issued and outstanding share capital of TNT Express at the date hereof).

If the Offer will be effected at the offer price of € 9.50 for each TNT Share, it is expected that PostNL will receive a cash amount of approximately € 1,540 million. PostNL will put an amount of €700 million of the proceeds of the sale of all its TNT Shares in an escrow account which will be used for the purpose of the reduction of its debt, in line with PostNL's financial policy.

This announcement does not constitute an offer to purchase or the solicitation of an offer to sell any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About PostNL

PostNL processes 8.7 billion addressed postal items (including 106 million parcels) each year and delivers to addresses in the Benelux, Germany, the UK and Italy. PostNL's main business is mail, parcels and e-commerce. The company also provides services in the area of data and document management, direct marketing and fulfilment. PostNL employs some 65.500 people. In 2011 the company generated a turnover of nearly 4.3 billion euros.

This is a joint press release by United Parcel Service, Inc. and TNT Express N.V., pursuant to the provisions of Section 4 Paragraph 3 and Section 6 Paragraph 1 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) in connection with the intended public offer by United Parcel Service, Inc. or a wholly owned subsidiary of United Parcel Service, Inc. for all the issued and outstanding ordinary shares in the capital of TNT Express N.V. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in TNT Express N.V. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Australia, Canada or Japan.



**UNITED PARCEL SERVICE AND TNT EXPRESS TO CREATE A GLOBAL LEADER
IN THE LOGISTICS INDUSTRY**

United Parcel Service and TNT Express Reach Agreement on Recommended All-Cash Public Offer of €9.50 per Ordinary TNT Express Share

Transaction Highlights

- United Parcel Service, Inc. (“UPS”) and TNT Express N.V. (“TNT Express”) have reached agreement on a recommended all-cash offer of €9.50 per ordinary share for TNT Express, representing a premium of 53.7% to the unaffected share price of TNT Express of €6.18 on February 16, 2012, the day before TNT Express and UPS announced their on-going discussions
- The transaction values TNT Express at approximately €5.16 billion (\$6.77 billion¹⁾)
- The Executive and Supervisory Boards of TNT Express unanimously intend to support and recommend the offer

Compelling Strategic Rationale with Significant Benefits for All Stakeholders

- The transaction will create a global leader in the logistics industry with more than €45 billion (\$60 billion¹⁾) in annual revenues and an enhanced, integrated global network
- The complementary strengths of both organizations will create a customer-focused global platform that will be a leader in transportation technology and customer service
- The combination underlines UPS’s long-standing commitment to Europe by expanding its express capabilities in Europe
- The integration of TNT Express’ leading intra-Europe road freight network will expand UPS’s logistics solutions in Europe
- TNT Express customers will benefit from UPS’s unparalleled access to the North American market, as well as access to its logistics solutions, such as global freight forwarding and distribution capabilities
- The combination deepens UPS’s existing position in fast-growing regions such as Asia-Pacific and Latin America
- The proposed transaction will create additional value for UPS’s shareholders by accelerating UPS’s international growth, further connecting the world
- UPS estimates that the transaction will deliver an annual run rate of approximately €400 to €550 million (\$525 to \$725 million¹⁾) of pre-tax cost synergies achieved by the end of year four after closing
- The transaction is expected to be EPS accretive²⁾ in year one
- Upon completion of the integration, UPS expects to generate returns in line with its existing target ROIC
- The combination of the two businesses benefits from a strong cultural fit as both entities have strong management teams that focus on customer service, operational excellence and good corporate citizenship
- The combined business will offer employees enhanced career opportunities

¹ Assuming FX spot rate as of 3-16-2012 of EUR / USD 1.3116 (Source: ECB)

² On an as adjusted basis – expected to be accretive inclusive of net synergies

Atlanta, GA / Hoofddorp, March 19, 2012 – United Parcel Service, Inc. (NYSE: UPS) and TNT Express N.V. (NYSE Euronext: TNTE) today jointly announce that they have reached agreement on a recommended all-cash public offer of €9.50 per ordinary share by UPS for TNT Express (the “Offer”). TNT Express’ Executive and Supervisory Boards unanimously intend to support and recommend the Offer.

The offer price of €9.50 (including any dividend or other distribution other than the financial year 2011 final dividend payment not exceeding €0.004 per share) represents a 53.7% premium to TNT Express’ unaffected share price on February 16, 2012 of €6.18, the day before TNT Express and UPS announced their ongoing discussions. The Offer values the issued and outstanding share capital of TNT Express at €5.16 billion (\$6.77 billion⁽¹⁾).

The combination of UPS and TNT Express will create a global leader in the logistics industry, with annual revenues of more than €45 billion (\$60 billion⁽¹⁾) and will deliver significant benefits for the shareowners, customers, employees and other stakeholders of both companies.

Together, UPS and TNT Express will offer customers an enhanced, integrated global network that will provide greatly enhanced service to customers throughout the world. In addition, the two companies are a strong cultural fit given their intense focus on customer service, operational excellence, employee engagement and good corporate citizenship.

The proposed transaction will accelerate UPS’s growth strategy and increase its geographic diversity and ability to provide customers comprehensive solutions. UPS currently estimates annual run-rate pre-tax cost synergies of approximately €400 to €550 million (\$525 to \$725 million⁽¹⁾) a year, achieved by the end of the fourth year after closing. UPS believes that the cumulative pre-tax implementation costs related to achieving these synergies will be approximately €1 billion (\$1.31 billion⁽¹⁾) over the four-year integration period.

UPS and TNT Express believe this transaction will significantly enhance their ability to serve their customers’ complex global logistics needs. Following the transaction, around 36% of the combined group’s revenues will be generated outside the United States, up from 26% today at UPS. The combination underlines UPS’s long-standing commitment to Europe, where it has maintained a presence since 1976, by strengthening its product capabilities through the addition of TNT Express’ leading Intra-Europe road freight network. The combination also enhances UPS’s existing position in fast growing regions such as Asia-Pacific and Latin America.

Service lies at the heart of this proposed transaction. With a combined network and enhanced IT platforms, customers will have access to deeper product capabilities and broader reach through the expanded geographies served, giving them more choice and flexibility to support the growth and globalization of their businesses. The combination also will offer employees greater opportunities to be part of a global, growing and respected business.

“With this combination, both UPS and TNT Express will significantly enhance their ability to serve our combined customers’ complex global logistics needs. The additional capabilities and broadened global footprint will support the growth and globalization of our customers’ businesses. At the same time, this positions us for future growth, which will benefit our employees and shareowners,” said Scott Davis, UPS Chairman and CEO.

“This combination will significantly enhance the capabilities of two strong companies. I am convinced that together we will be the supplier and employer of choice in the express delivery industry. Our customers will greatly benefit from our enhanced combined service offerings. To my 77,000 colleagues I say that the combination will create unique opportunities for development and growth in which we can participate,” said Marie-Christine Lombard, TNT Express CEO.

Unanimous Support from Executive and Supervisory Boards of TNT Express

After careful consideration of all of TNT Express' strategic alternatives, the Executive and Supervisory Boards of TNT Express believe this transaction is in the best interests of the company and its stakeholders and intend to support and unanimously recommend the Offer for acceptance to TNT Express' shareholders. Goldman Sachs International has issued a fairness opinion to the Supervisory and Executive Boards of TNT Express and Lazard B.V. has issued a fairness opinion to the Supervisory Board, in each case to the effect that, as of today, the offer price is fair to the TNT Express shareholders from a financial point of view.

Irrevocable from PostNL

PostNL N.V., holder of approximately 29.8% of the outstanding shares of TNT Express, has committed itself to tender its shares under the offer if and when made. The irrevocable contains certain customary undertakings and conditions.

Corporate Governance and Integration

UPS recognizes that TNT Express' employees will play a pivotal role in the success of the combined entity and they will be treated accordingly. All employee rights, covenants, and benefits under current ownership will be respected. As a result of the proposed transaction, the employees of the combined group will have broader career opportunities based on our future growth expectations.

UPS has a long-standing history of developing people through its promotion from within philosophy, giving employees the opportunity to hold positions at the highest levels of the company. Additionally, UPS and TNT Express share a common business culture and believe that a combination of the businesses will prove attractive to employees. Throughout integration, the selection and appointment of staff for any function within the newly combined entity, will be subject to applicable laws, and be based on the "best person for the job" principle. In case of potential consequences for employees of the combination, the principle of fairness will be applied as to the impact of redundancies on TNT Express and UPS staff.

UPS spent considerable time evaluating potential integration opportunities as it evaluated this transaction. In the coming months, UPS and TNT Express will work together through the establishment of an Integration Committee to develop plans to combine both companies' strong networks and customer relationships while maintaining the same level of quality and service associated with both companies. UPS is committed to maintaining an ongoing dialogue with, and to closely involve, employee representatives in line with legal requirements and UPS and TNT Express' leading employment practices.

UPS recognizes the expertise of TNT Express' leading road freight network in Europe. It also appreciates the leading role that the road freight management will occupy in the combined group. UPS undertakes to create a meaningful center of excellence for marketing, sales, and operations in The Netherlands. UPS recognizes the significant value of TNT Express' operations, assets and people in Liège and will seek to continue the future utilization of these operations, assets and people within the combined group.

TNT Nederland B.V. will maintain the mitigated structure regime. After successful completion of the Offer, the Supervisory Board of TNT Express will be composed of at least three members identified by UPS and two members of the current Supervisory Board of TNT Express, namely Shemaya Levy and Margot Scheltema. These two members will function as independent Supervisory Directors within the meaning of the Dutch Corporate Governance Code and shall continue to serve on the Supervisory Board until the third anniversary of the settlement date.

Financing of the Offer

The Offer values 100% of the issued and outstanding share capital at €5.16 billion. UPS intends to finance the Offer by utilizing \$3 billion in existing cash on balance sheet and through new debt arrangements. UPS will make a timely certain funds announcement as required by Section 7 Paragraph 4 of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft*). UPS has a strong financial position and remains committed to maintaining a strong balance sheet.

Pre-Offer and Offer Conditions

The commencement of the Offer is subject to the satisfaction or waiver of the following pre-offer conditions: (i) no material adverse effect having occurred, (ii) no breach of the merger protocol having occurred, (iii) approval of the offer memorandum by the AFM, (iv) no revocation of the recommendation by TNT Express' Executive Board and Supervisory Board, (v) Stichting Continuïteit TNT Express not having exercised its call option right to have protective preference shares issued to it, (vi) no notification having been received from the AFM that preparations of the offer are in breach of the offer rules and (vii) no order, stay judgment or decree having been issued prohibiting the transaction.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following offer conditions: (i) a minimum acceptance of 80% of the TNT Express ordinary shares on a fully diluted basis, (ii) relevant competition clearances for the Offer having been obtained, (iii) no material adverse effect having occurred, (iv) no breach of the merger protocol having occurred, (v) no revocation of the recommendations by TNT Express' Executive Board and Supervisory Board (vi) Stichting Continuïteit TNT Express not having exercised its call option right to have protective preference shares issued to it and having agreed to terminate its call option subject to the Offer being declared unconditional, (vii) no notification having been received from the AFM that preparations of the Offer are in breach of the offer rules and (viii) no order, stay judgment or decree having been issued prohibiting the transaction.

UPS and TNT Express have done extensive preparatory work on the required competition filings. UPS is confident that it will secure all relevant competition approvals.

On termination of the Merger Protocol because of the competition offer condition not being satisfied or waived, UPS will forfeit a termination fee to TNT Express equal to €200 million.

Competing Offer

UPS and TNT Express may terminate the merger protocol in the event that a bona fide third-party offeror makes an offer which is binding upon such party, exceeds the Offer Price by at least 8% and is considered by the Executive and Supervisory board of TNT Express to be substantially more beneficial to TNT Express. In the event of a competing offer, UPS will be given the opportunity to match such offer, in which case the merger protocol may not be terminated by TNT Express. TNT Express has entered into customary undertakings not to solicit offers from third parties.

On termination of the Merger Protocol on account of a competing offer, TNT Express will forfeit a termination fee to UPS equal to €50 million.

Indicative Timetable

UPS and TNT Express will seek to obtain all the necessary approvals and competition clearances as soon as practicable. The required advice and consultation procedures with TNT Express' Central Works Council, European Works Council and unions will be commenced immediately. The cooperation of TNT Express is conditional upon Central Works Council advice.

It is UPS's intention to submit a request for approval of its offer document to the AFM within 8 weeks from today and to publish the offer memorandum during Q2 2012 in accordance with the applicable statutory timetable. TNT Express will hold an informative Extraordinary General Meeting (EGM) at least 6 business days before closing of the offer period in accordance with Section 18 Paragraph 1 of the Decree.

Advisors

Morgan Stanley, UBS and Bank of America Merrill Lynch are acting as financial advisors to UPS; Goldman Sachs is acting as financial advisor to TNT Express and Lazard is acting as financial advisor to the Supervisory Board of TNT Express.

Freshfields Bruckhaus Deringer is acting as legal counsel to UPS; Allen & Overy is acting as legal counsel to TNT Express.

Communication

Today at 10h00 CET, a joint press conference will take place for accredited representatives of the media at the Amsterdam Hilton Hotel, Diamond Room, Apollolaan 138, Amsterdam, The Netherlands.

There will be a webcast of the press conference available at <http://www.pressroom.ups.com>. For those wishing to listen in, dial in details are provided below:

- From The Netherlands: +31 (0)20 716 83 97 (no PIN required)
- From the UK: +44(0)20 3043 2442
- From the US: +1 914 885 0780
- And enter PIN code 479942#

Today at 13h30 CET (08h30 EST), an analyst and investor call will be held.

Investors and analysts who wish to ask a question should join the call using the following telephone number

- +1 612 332 0226 (USA) (no pin required)

Listeners only, should join the conference via live webcast where slides will also be available. The webcast registration will be located on the UPS Investor Relations home page beginning at 12h45 CET (07h45 EST). <http://www.investors.ups.com>

Replay of the conference call will be available after the call on the companies' websites.

Further Information

The information in this press release is not intended to be complete and for further information explicit reference is made to the offer memorandum, which is expected to be published during Q2 2012. The offer memorandum will contain details of the Offer. The TNT Express' shareholders are advised to review the offer memorandum in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the content of the offer memorandum and the Offer itself.

For More InformationUPS

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About UPS

United Parcel Service (NYSE:UPS) is a global leader in logistics, offering a broad range of solutions including the transportation of packages and freight, the facilitation of international trade, and the deployment of advanced technology to manage the world of business more efficiently. Headquartered in Atlanta, UPS serves more than 220 countries and territories worldwide. The company can be found on the Web at UPS.com and its corporate blog can be found at blog.UPS.com. To receive UPS news direct, visit pressroom.UPS.com/RSS.

About TNT Express

TNT Express (NYSE Euronext: Tnte) is one of the world's largest express delivery companies. On a daily basis, TNT Express delivers close to 1 million consignments ranging from documents and parcels to palletized freight. The company operates road and air transportation networks in Europe, the Middle East and Africa, Asia-Pacific and the Americas. It employs 77,000 people and runs a fleet of 30,000 road vehicles and 46 aircraft. TNT Express had revenues of €7.25 billion (\$9.51 billion⁽¹⁾) in 2011.

Restrictions

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity.

This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of UPS or TNT Express in any jurisdiction.

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, UPS and TNT Express disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither UPS, nor TNT Express, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any TNT Express shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Australia, Canada or Japan.

Notice to US holders of TNT Express Shares

The Offer will be made for the securities of a Dutch company and is subject to Dutch disclosure requirements, which are different from those of the United States. Some of the financial information included in this announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Decree. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a US holder of TNT Express shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of TNT Express shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the offer.

It may be difficult for US holders of TNT Express shares to enforce their rights and claims arising out of the US federal securities laws, since TNT Express is located in a country other than the United States, and some or all of its officers and directors may be residents of a country other than the United States. US holders of TNT Express shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

In accordance with normal Dutch practice and pursuant to Rule 14e-5(b) of the US Exchange Act, UPS or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, TNT Express shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the Netherlands, will be reported to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and disclosed in the offer memorandum or by press release.

Forward Looking Statements

This press release may include “forward-looking statements” and language indicating trends, such as “anticipated” and “expected.” Although UPS and TNT Express believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither UPS nor TNT Express, nor any of their advisors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.