



**CORPORATE EXPRESS AUSTRALIA LIMITED
Majority Shareholder Protocol
27 May 2008**

A. PURPOSE

The purpose of this document is to establish a general guide for appropriate dealings by the board of Corporate Express Australia Limited (Company) with its current majority shareholder, Corporate Express NV (CENV) via its wholly owned subsidiary, Corporate Express International BV. As at the date of last review of this document CENV owns approximately 59% of the Company's issued capital.

It is a general protocol only, and the board recognises situations may arise where the specific circumstances require a specific response.

The document is not legally binding, nor is it intended to create representations upon which a party or any other person may rely. The document will be disclosed on the Company's website.

B. BOARD CONSITUTION

The Australian Securities Exchange has published non-binding corporate governance recommendations, including that: (a) a majority of the board should be independent directors; (b) the Chairman should be an independent director; and (c) the Chairman of the audit committee should be an independent director.

It is recognised that a majority shareholder has the power to control the constitution of the Board, and in theory, may appoint all directors to the board. CENV has chosen not to exercise this power to date.

To date, the majority shareholder has encouraged a level of independence of the Company's board by agreeing to a board makeup of up to 4 independent non-executive directors, up to 3 executive management directors and up to 3 nominees of CENV. Even so, it should be noted that the board is not made up of a majority of independent directors.

The majority shareholder currently supports the appointment of an independent director as Chairman of the Board, and as Chairman of all Board Committees (today Audit, Nomination, Compensation and Business Information Systems).

C. BOARD DECISION MAKING

All directors and CENV acknowledge that it is the responsibility of all directors of the Company to ensure that matters potentially of material interest to the Company, and otherwise in its interests, are brought before the Company's board for full consideration, regardless of the interests of any specific shareholder (except where required by law).

Any actual or perceived conflicts of interest that may arise (including those arising by virtue of any majority shareholder nominee role), and any matters of "material personal interest" are disclosed by directors to the board. All directors, including majority shareholder nominee directors are aware of the common law and statutory duties owed by a director to the company, including in this context:

- to act in the "best interests of the company" or "in the best interests of members as a whole";
- to avoid any position of conflict of interest - ie not to have a personal interest or inconsistent engagement with a third party, except with the company's fully informed consent;
- not to misuse their position for their own or a third party's possible advantage, except with the company's fully informed consent;
- to exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they were a director or officer in the corporation's circumstances and occupied the office held by, and had the same responsibilities within the corporation as, the director or officer;
- to exercise their powers and discharge their duties in good faith in the best interests of the company and for a proper purpose; and
- to not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation.

Directors acknowledge that they cannot act in the interests of any one shareholder, or any group of shareholders, where to do so would not be in the interests of the Company.

D. SUBSCRIPTION AGREEMENT

At a general meeting held in May 1995, the acquisition of approximately 52% of the Company's issued capital by Corporate Express Inc was approved. At the May 1995 General Meeting shareholders also approved the signing of two agreements- a Subscription Agreement and a Co-operation Agreement.

In 1999, Corporate Express Inc was acquired by CENV, and as a result its majority shareholding in the Company was also acquired by CENV.

Whilst many of the terms of the Subscription Agreement no longer have effect, some provisions do continue to apply to both the Company and its majority shareholder CENV.

The key continuing features of the Subscription Agreement are:

- The Subscription Agreement contains a provision to enable CENV to maintain an interest of more than 50% in the Company's issued capital. Accordingly, except for pro-rata issues, if the Company issues further shares, then CENV must be given the opportunity to subscribe for additional shares to enable it to maintain its majority shareholding.
- CENV's shareholding must be wholly owned by CENV or a 100% owned subsidiary of CENV. If this is not the case, the Company has a right, within 15 days, to place the CENV shareholding with other parties at fair value.
- Whilst it is a shareholder in the Company and for a period of 2 years thereafter, no member of the CENV group is permitted, in Australia or New Zealand, to compete with or to be interested in any business, which competes with the Company as a contract stationer.
- For so long as CENV owns more than 50% of the Company, the Company must obtain CENV's consent prior to:
 - a) commencing business operations outside Australia or New Zealand;
 - b) commencing a new line of business or materially changing how its business is carried on;
 - c) declaring any dividends; or
 - d) issuing any shares or other equity securities, other than in limited circumstances.

It follows that there may well be circumstances where the Board makes a decision as to what it believes to be in the best interests of the Company, such as the payment of a special dividend, or the pursuance of an acquisition target business in another industry, and the approval of CENV is required under the Subscription Agreement. In those circumstances, approval is requested. CENV may however withhold or grant approval at its discretion, and is not required to consider the interests of the Company or any other matter in doing so. CENV may have many valid reasons of its own for withholding approval, including for example, its priorities to allocate resources to other business opportunities of CENV, issues of timing, issues of funding, or other matters. CENV is not required to give any explanation to the Company for approval or non-approval of a request.

E. CO-OPERATION AGREEMENT

The Co-operation Agreement, which was entered into at the same time as the Subscription Agreement, allows the Company to use the "Corporate Express" name and associated trade and service marks. Under the Co-operation

Agreement the parties also agree to provide reciprocal technical and software related services to one another on terms to be agreed.

The Company and CENV have agreed to assist one another to obtain best prices from suppliers, and share proportionately in any international supplier rebate programme.

F. SERVICE AGREEMENT

The service agreement flows on from the Co-operation Agreement and sets out the terms on which specific services are provided by CENV to the Company.

Service fees are paid by the Company annually. The quantum of the fees, the services provided, and their reasonableness, is assessed and approved by the Board. As a matter of practice, fees for services provided by the Company to CENV are offset against any fees paid by the Company to CENV.

The types of services acquired by the Company from CENV include access to global software licensing deals, provision of CENV owned software and systems, marketing materials, access to global insurance premium rates, access to qualified and experienced personnel, and access to business ideas and methodologies used in other countries, and as previously mentioned, participation in global purchasing programmes.

Details of all fees paid are disclosed each year in the Company's annual report.

G. CONFIDENTIALITY AGREEMENT

The Company and CENV have agreed that from time to time each will wish to share mutually beneficial ideas, marketing techniques and plans, IT developments, and other business initiatives. Financial and other information is also provided by the Company to CENV to enable CENV to comply with its reporting obligations .

The Company and CENV have agreed that all such information shared between them will be treated by the recipient of the information as confidential, and will not be disclosed to any third parties or used for any unapproved purposes.

There are exceptions for disclosures required by law, information that is in the public domain and information independently acquired or developed by a third party.

H. OWNERSHIP SCENARIOS

The Company is aware of its continuous disclosure obligations. However, because ownership issues are substantially affected by and controlled by

CENV, situations may arise where the Company is unaware of, and not a party to, discussions which may impact its future ownership.

Further, existing and potential investors should carry out their own due diligence on the financial position and ownership of the majority shareholder, and the likelihood of any of the above scenarios arising, before making any investment decision.

I. U.S. SARBANES – OXLEY LEGISLATION

There can be some inherent conflict in a majority shareholder position. For example, whilst all directors must comply with their obligations to the Company outlined in section C of this document, legislation in other countries may require CENV to put in place certain controls over its subsidiaries.

J. CENV DIRECTIVES TO CENV NOMINEES

CENV currently has up to three nominees on the board of the Company. Subject to compliance with Australian law and the director's duties they owe the Company CENV nominees, who are all CENV employees, will generally act in accordance with any requests made of them by CENV. For example, consistent with CENV's internal policy on authority limits for its employees, CENV nominees will only vote in favour (at Company board meetings) of proposed acquisitions by the Company valued at above 5 million Euros (approximately A\$8.5 million) with the prior approval of the CENV board.

Notwithstanding the above, as a matter of practice and Australian law, the Company does not require CENV's consent to matters not covered by the Subscription Agreement.

K. OTHER POTENTIAL ISSUES

As stated above, directors are aware of their duties and responsibilities owed to the Company. This is not without some inevitable tension in the relationship with the majority shareholder which is managed with due respect to both parties from time to time.

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