

# Koninklijke KPN N.V.

## Agenda

Koninklijke KPN N.V. (“KPN”) invites its shareholders to its Annual General Meeting of Shareholders (“AGM”) to be held at KPN Headquarters, Maanplein 55 in The Hague on Wednesday 15 April, 2015.

The registration will be open as of 12:00 (CET), the meeting will commence at 14:00 (CET).

### AGENDA

1. Opening and announcements.

#### Review of the year 2014

2. Report by the Board of Management for the financial year 2014.
3. Remuneration in the financial year 2014.
4. Proposal to adopt the financial statements for the financial year 2014 (**Resolution**).

#### Dividend

5. Explanation of the financial and dividend policy.
6. Proposal to determine the dividend over the financial year 2014 (**Resolution**).

#### Discharge from liability

7. Proposal to discharge the members of the Board of Management from liability (**Resolution**).
8. Proposal to discharge the members of the Supervisory Board from liability (**Resolution**).

#### Corporate matters

9. Proposal to appoint the external auditor for the financial year 2016 (**Resolution**).

#### Composition and remuneration of the Supervisory Board

10. Opportunity to make recommendations for the appointment of a member of the Supervisory Board.
11. Proposal to appoint Ms J.C.M. Sap as member of the Supervisory Board (**Resolution**).

12. Proposal to appoint Mr P.F. Hartman as member of the Supervisory Board (**Resolution**).

13. Announcement concerning vacancies in the Supervisory Board arising in 2016.

14. Proposal for the remuneration of the members of the Strategy & Organization Committee (**Resolution**).

#### Shares

15. Proposal to authorize the Board of Management to resolve that the company may acquire its own shares (**Resolution**).

16. Proposal to reduce the capital through cancellation of own shares (**Resolution**).

17. Proposal to designate the Board of Management as the competent body to issue ordinary shares (**Resolution**).

18. Proposal to designate the Board of Management as the competent body to restrict or exclude pre-emptive rights upon issuing ordinary shares (**Resolution**).

#### Miscellaneous

19. Any other business and closure of the meeting.



# Agenda

## Explanatory notes to the agenda

<b>Item 2</b>	<p>The Board of Management will give a presentation on the performance of the company in 2014. Subsequently, the General Meeting will be invited to discuss this performance (described in more detail in the Integrated Annual Report 2014). Under this item the Supervisory Board report may also be discussed.</p>
<b>Item 3</b>	<p>This agenda item provides for a discussion on the implementation in 2014 of the remuneration policy for the Board of Management.</p>
<b>Item 4 - Resolution</b>	<p>The Board of Management - with the approval of the Supervisory Board - proposes to the General Meeting to adopt KPN's financial statements for the financial year 2014. Adoption of the annual accounts implicates that the loss sustained in the financial year 2014 (in the amount of EUR 598 million) will be charged to the distributable part of the shareholders' equity.</p>
<b>Item 5</b>	<p>Under this agenda item the Board of Management will give an explanation of the financial and dividend policy of KPN as outlined in the Integrated Annual Report 2014.</p>
<b>Item 6 - Resolution</b>	<p>On 1 October 2014 KPN announced its intention to pay a dividend of EUR 0.07 per ordinary share in respect of 2014 and decided to pay an interim dividend of EUR 0.02 to all holders of ordinary shares, the interim payment thus amounting to a total of approximately EUR 85 million.</p> <p>As KPN sustained a loss over the financial year 2014, payment of a dividend is only possible out of the distributable part of the shareholders' equity (charged with such loss) and requires the approval of the General Meeting of Shareholders.</p> <p>The loss for the financial year 2014 was mainly caused by the loss on discontinued operations (E-Plus) in the amount of EUR 823 million. Profit from continuing operations for the financial year 2014 was positive at EUR 239 million. Taking into account the continued strategic progress and improving operational performance made, in combination with the improved financial position of the company, the payment of a dividend from distributable reserves is considered in line with KPN's prudent financial policy.</p> <p>The Board of Management therefore - with the approval of the Supervisory Board - proposes to the General Meeting to determine the total dividend over 2014 at EUR 0.07 per ordinary share and - in accordance with the provisions of Article 31 of the Articles of Association - to distribute the dividend out of the distributable part of the shareholders' equity.</p> <p>After deduction of the interim dividend of EUR 0.02 per ordinary share, the final dividend to be paid will be EUR 0.05 per ordinary share. Subject to the provisions of Article 33 of the Articles of Association, the 2014 final dividend will become payable as of 22 April 2015.</p>
<b>Item 7 - Resolution</b>	<p>It is proposed to the General Meeting to discharge the members of the Board of Management from all liability in relation to the exercise of their duties in the financial year 2014, to the extent that such exercise is apparent from the financial statements or has been otherwise disclosed to the General Meeting prior to the adoption of the financial statements.</p>
<b>Item 8 - Resolution</b>	<p>It is proposed to the General Meeting to discharge the members of the Supervisory Board from all liability in relation to the exercise of their duties in the financial year 2014, to the extent that such exercise is apparent from the financial statements or has been otherwise disclosed to the General Meeting prior to the adoption of the financial statements.</p>
<b>Item 9 - Resolution</b>	<p>With the approval of the Supervisory Board, the Board of Management proposes to instruct Ernst &amp; Young Accountants LLP to audit the financial statements for the financial year 2016.</p>
<b>Item 10</b>	<p>At the closure of the meeting, Mr Streppel and Ms Hooymans will step down as members of the Supervisory Board, as they will then have reached the end of their four-year term. Mr Streppel cannot be reappointed as this has been his third and last four-year term. Following the resignation of Mr Streppel, Mr Sickinghe will become the new chairman of the Supervisory Board. Ms Hooymans is not available for reappointment.</p>

The Supervisory Board has the intention to fill the vacancies that arise by nominating candidates for appointment at this AGM. The vacancies must be filled in accordance with the profile of the Supervisory Board. In particular, the Supervisory Board aims for a diverse composition in terms of age, gender, experience and expertise. Furthermore, candidates should have knowledge of or experience with, e.g., managing a large organisation, (inter)national business matters, financial matters and/or relations between a company and society, and have affinity with telecommunications and ICT industries.

The General Meeting has the opportunity to put forward recommendations for the vacancies.

### Item 11 - Resolution

Under the condition precedent that no recommendations for another person have been made by the General Meeting under item 10, the Supervisory Board nominates Ms Jolande Sap for appointment as member of the Supervisory Board. The nomination for this position was subject to the enhanced right of recommendation of the Central Works Council, which recommended Ms Sap's nomination. The Board of Management also supports the nomination.

Ms Sap complies with the requirements of the profile of the Supervisory Board, in particular as to her extensive knowledge of and experience in the public sector and insight into relations between business and society. Ms Sap is considered independent within the meaning of the Dutch Corporate Governance Code.

It is therefore proposed to the General Meeting to appoint Ms Sap in accordance with this nomination for a period of four years (ending at the closure of the Annual General Meeting of Shareholders to be held in 2019). The details required under article 142 (3) of Book 2 of the Dutch Civil Code are attached to these notes.

### Item 12 - Resolution

Under the condition precedent that no recommendations for another person have been made by the General Meeting under item 10, the Supervisory Board nominates Mr Peter Hartman for appointment as member of the Supervisory Board. The Board of Management and the Central Works Council support the nomination.

Mr Hartman complies with the requirements of the profile of the Supervisory Board, in particular due to his extensive knowledge of and experience in managing a large organization, (inter)national business matters and relations between business and society. Mr Hartman is considered independent within the meaning of the Dutch Corporate Governance Code.

It is therefore proposed to the General Meeting to appoint Mr Hartman in accordance with this nomination for a period of four years (ending at the closure of the Annual General Meeting of Shareholders to be held in 2019). The details required under article 142 (3) of Book 2 of the Dutch Civil Code are attached to these notes.

### Item 13

At the closure of the Annual General Meeting to be held in 2016 one vacancy will arise, as Mr van Bommel will step down as he will then have reached the end of his four-year term.

### Item 14 - Resolution

Supervisory Board members receive a remuneration for their Supervisory Board membership, supplemented with a remuneration for membership of committees in which they participate. This remuneration was last amended in 2011.

Mid 2014 the Strategy & Organization Committee was implemented as a new committee within the Supervisory Board. The purpose of the Strategy & Organization Committee is to prepare and review topics concerning the strategy of the Company in advance of the meetings of the Supervisory Board. The most important objective thereby, is to provide the Supervisory Board with options in terms of strategic avenues going forward.

It is proposed to the General Meeting of Shareholders to approve the remuneration of (i) Euro 7,500 per year for the members of the Strategy & Organization Committee and (ii) Euro 12,500 per year for the Chairman of this committee, as of the financial year 2015. These amounts fit within the overall framework of the Supervisory Board remuneration.

## Item 15 - Resolution

KPN considers it desirable to have financial flexibility with regard to the repurchase of its own ordinary shares, also to service incentive plans for management and personnel.

In accordance with article 98(4) of Book 2 of the Dutch Civil Code and Article 12 of the Articles of Association of KPN, the Board of Management, with the approval of the Supervisory Board, proposes to authorize the Board of Management to acquire the company's own ordinary shares for a period of 18 months starting 15 April 2015 and ending 15 October 2016 (the existing authorization on this matter – as granted by the Shareholders' meeting on 9 April 2014 – will expire upon the adoption of this resolution). The number of ordinary shares to be acquired shall be limited to a maximum of 10% of the issued capital per 15 April 2015.

The shares may be acquired on the stock exchange or through other means at a price per share of at least EUR 0.01 and at most the highest of (i) the Quoted Share Price plus 10% and (ii) if purchases are made on the basis of a programme entered into with a single counterparty or using a financial intermediary, the average of the Volume Weighted Average Share Prices during the course of the programme. The Quoted Share Price is defined as the average of the closing prices of KPN shares as reported in the official price list of Euronext Amsterdam over the five trading days prior to the acquisition date. The Volume Weighted Average Share Price is defined as the volume weighted average price of trades in KPN shares on Euronext Amsterdam between 9:00 AM (CET) and 17:30 PM (CET) adjusted for block, cross and auction trades. Resolutions by the Board of Management to acquire the company's own shares are subject to the approval of the Supervisory Board.

## Item 16 - Resolution

The Board of Management proposes, with the approval of the Supervisory Board, that the General Meeting of Shareholders resolves to reduce the issued capital through cancellation of own shares, as provided for in Article 13 of the Articles of Association of KPN. The number of shares that will be cancelled following this resolution, will be determined by the Board of Management. It is restricted to a maximum of 10% of the issued capital per 15 April 2015. Only shares held by the company may be cancelled. Each time the amount of the capital reduction will be stated in the resolution of the Board of Management that shall be filed at the Commercial Register in The Hague. The capital reduction will enable the company to further optimize its equity structure and shall take place with due observance of the applicable provisions of Dutch law and the Articles of Association.

## Item 17 - Resolution

To ensure continuing financial flexibility, the Board of Management proposes, with the approval of the Supervisory Board, to designate the Board of Management as the company body competent to issue ordinary shares and to grant rights to subscribe for ordinary shares as provided for in Article 9 of the Articles of Association of KPN for a period of 18 months, starting 15 April 2015 and ending 15 October 2016 (the existing designation on this matter – as granted by the Shareholders' meeting on 9 April 2014 – will expire upon the adoption of this resolution). The number of ordinary shares to be issued shall be limited to a maximum of 10% of the capital. The term "capital" means the issued capital per 15 April 2015. Resolutions by the Board of Management to issue ordinary shares or to grant rights to subscribe for ordinary shares are subject to the approval of the Supervisory Board.

## Item 18 - Resolution

The Board of Management proposes, with the approval of the Supervisory Board, to designate the Board of Management as the company body competent to restrict or exclude pre-emptive rights of existing shareholders upon the issuance of ordinary shares or the granting of rights to subscribe for ordinary shares as provided for in Article 10 of the Articles of Association of KPN for a period of 18 months, starting 15 April 2015 and ending 15 October 2016 (the existing designation on this matter – as granted by the Shareholders' meeting on 9 April 2014 – will expire upon the adoption of this resolution). This authority shall be limited to a maximum of 10% of the capital. The term "capital" means the issued capital per 15 April 2015. Resolutions by the Board of Management to restrict or exclude pre-emptive rights are subject to the approval of the Supervisory Board.

## Items 10-11: Information required under article 142 (3) of Book 2 of the Dutch Civil Code

### Ms J.C.M. Sap

Year of birth:

1963

Current position:

Entrepreneur (in the field of sustainability), partner of cultural leadership firm Camunico

Nationality:

Dutch

KPN shares:

None

(Supervisory) directorships and other positions:

Ms Sap chairs the Supervisory Board of Arkin (a mental healthcare institution). Ms Sap is also the Chair of the NPHF health federation and of the Supervisory Board of Fairfood International.

Ms Sap was the party leader and parliamentary group leader of political party GroenLinks in the Dutch House of Representatives (Tweede Kamer) during the period 2010-2012. In the period between 2008 and 2010, she was a member of the Dutch House of Representatives and spokesperson on Finance, Healthcare and Pensions. Ms Sap also worked for the Dutch Ministry of Social Affairs and Employment as Head of Income policy of the Directorate General Social and Economic Affairs.

Reason for nomination:

Ms Sap has extensive knowledge of and experience in the public sector and in Dutch politics and has good insight into relations between business and society, gained in her role as party leader and parliamentary group leader of political party GroenLinks in the House of Representatives and in her other positions.

The nomination for the position in the Supervisory Board of KPN was subject to the enhanced right of recommendation of the Central Works Council, which recommended Ms Sap's nomination.

### Mr P.F. Hartman

Year of birth:

1949

Current position:

Vice-Chairman of the Supervisory Board of Air France KLM S.A.

Nationality:

Dutch

KPN shares:

None

(Supervisory) directorships and other positions:

Mr Hartman is Vice-Chairman of the Supervisory Board of Air France KLM S.A. He is a member of the Supervisory Boards of Fokker Technologies Group B.V. and Royal Ten Cate N.V., a non-executive director of Constellium B.V. and a member of the Advisory Board of Wageningen UR.

Mr Hartman furthermore holds a number of advisory roles related to aviatric matters, including as chairman of ACARE (Advisory Council for Aviation Research and Innovation in Europe, a working group of the European Commission), and as member of the advisory boards of Space Expedition Corporation and the Nederlands Lucht en Ruimtevaartfonds (NLF).

Reason for nomination:

Mr Hartman has extensive knowledge of and experience in managing a large organization, (inter)national business matters and relations between business and society, which he gained during his 40 year career at KLM and in particular during 2007-2013 when he held the position of CEO of KLM.