

## Agenda

Koninklijke KPN N.V. (“KPN”) invites its shareholders to its Annual General Meeting of Shareholders to be held at KPN Headquarters, Maanplein 55 in The Hague on Wednesday 12 April, 2017.

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 2016

2. Report by the Board of Management for the financial year 2016.

#### Remuneration in the year 2016

3. Remuneration in the financial year 2016.

#### Financial statements for the financial year 2016

4. Proposal to adopt the financial statements for the financial year 2016 (Resolution).

#### Shareholder remuneration

5. Explanation of the financial and dividend policy.
6. Proposal to determine the dividend over the financial year 2016 (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 2018 (Resolution).

### Composition of the Board of Management and Supervisory Board

10. Announcement of the intended reappointment of Mr J.F.E. Farwerck as member of the Board of Management.
11. Opportunity to make recommendations for the appointment of a member of the Supervisory Board.
12. Proposal to reappoint Mr D.J. Haank as member of the Supervisory Board (Resolution).
13. Proposal to reappoint Mr C.J. García Moreno Elizondo as member of the Supervisory Board (Resolution).
14. Announcement concerning vacancies in the Supervisory Board arising in 2018.

### 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

### Item 2

The Board of Management will give a presentation on the performance of KPN in 2016. Subsequently, the General Meeting will be invited to discuss this performance (described in more detail in the Integrated Annual Report 2016). Under this item the Supervisory Board report will also be discussed.

### Item 3

This agenda item provides for a discussion on the implementation of the remuneration policy for the Board of Management in 2016.

### Item 4 – Resolution

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 2016.

### Item 5

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 2016.

### Item 6 - Resolution

On 23 February 2017, the Board of Management, with approval of the Supervisory Board, has allocated an amount of EUR 261 million out of the profit to the other reserves. Taking into account the interim (dividend) distributions made at the expense of the profits in 2016, the remaining part of the profit of EUR 285 million is available for distribution and is proposed as a final dividend.

On 3 February 2016, KPN announced its intention to pay a total dividend per ordinary share of EUR 10 cents in respect of the financial year 2016. On 3 August 2016 KPN made an interim (dividend) distribution of EUR 3.3 cents per ordinary share (being an aggregate amount of EUR 140.6 million), being approximately one third of the intended EUR 10 cents total dividend per ordinary share in respect of the financial year 2016.

In addition, KPN decided to distribute the received dividend over the financial year 2015 on its shareholding in Telefónica Deutschland Holding AG to its shareholders as a special interim (dividend) distribution of EUR 2.5 cents per ordinary share. This special interim (dividend) distribution amounted to EUR 106.5 million and has been paid on 27 May 2016.

The interim (dividend) distributions of EUR 3.3 cents and EUR 2.5 cents per ordinary share, jointly amounted to a total of EUR 247.1 million and were paid at the expense of the profits of the financial year 2016.

After deduction of the interim (dividend) distribution of EUR 3.3 cents per ordinary share, there remains a final dividend to be paid of EUR 6.7 cents per ordinary share, such in accordance with the announcement to distribute EUR 10 cents per ordinary share in respect of the financial year 2016. The (dividend) distribution of EUR 2.5 cents per ordinary share has not been taken into account in this respect, as this was a special (dividend) distribution. In accordance with the provisions of Article 33 of the Articles of Association, the 2016 final dividend will become payable on 21 April 2017.

The total dividend in respect of the financial year 2016, including the special interim (dividend) distribution amounts to EUR 12.5 cents per ordinary share. The Board of Management therefore - with the approval of the Supervisory Board - proposes to the General Meeting to determine the total dividend over the financial year 2016 at EUR 12.5 cents per ordinary share, leading to a payment of EUR 6.7 cents per ordinary share as final dividend.

For the sake of completeness; KPN also paid out EUR 28 cents per ordinary share in the form of a capital repayment to distribute part of the proceeds from the BASE disposal and the sale of a 5% stake in Telefónica Deutschland Holding AG, to its shareholders (as approved by the General Meeting on 13 April 2016). The capital repayment amounted to EUR 1,192.8 million and has been paid on 30 June 2016.

### Item 7 – Resolution

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 2016, 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.

### Item 8 – Resolution

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 2016, 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.

### Item 9 - Resolution

With the approval of the Supervisory Board, the Board of Management proposes to instruct Ernst & Young Accountants LLP to audit the financial statements for the financial year 2018.

### Item 10

Following the end of his current term, the Supervisory Board intends to reappoint Mr Farwerck as member of the Board of Management. During this General Meeting and under this agenda item, a notification of the intended reappointment will be provided, as required under Article 17 of the Articles of Association of KPN. Following this General Meeting, the Supervisory Board will decide on the reappointment of Mr Farwerck. KPN's Central Works Council has made a positive recommendation on the intended reappointment of Mr Farwerck.

The remuneration package of Mr Farwerck fits within KPN's remuneration policy as approved by the General Meeting. The service contract with Mr Farwerck will provide for a gross base compensation of EUR 625,000 per year. Furthermore, Mr Farwerck will be eligible to a short term variable cash incentive and a long term variable incentive (based on conditional shares), which are dependent on financial and non-financial targets of the company. For full details of KPN's remuneration policy, reference is made to the remuneration report on page 78 and onwards of KPN's Integrated Annual Report 2016. A defined contribution pension plan is part of the other (additional) arrangements.

Further details regarding Mr Farwerck are attached to these notes.

### Item 11

At the closure of the meeting, the four-year appointment terms of Mr Haank and Mr García Moreno Elizondo will end. The Supervisory Board has the intention to fill the vacancies that arise as a result of the end of the appointment terms of Mr Haank and Mr García Moreno Elizondo by nominating candidates for appointment at this General Meeting. 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 Supervisory Board also firmly believes that it is in the best interest of the company to ensure continuity in the Supervisory Board. In that light, Mr Haank and Mr García Moreno Elizondo have indicated that they are available for reappointment.

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

## Item 12 - Resolution

Under the condition precedent that no recommendations for another person have been made by the General Meeting under item 11, the Supervisory Board nominates Mr Haank for reappointment as member of the Supervisory Board. The Board of Management supports this nomination, as does the Central Works Council. The complete position of the Central Works Council in relation to this nomination has been made available on the company's website (together with the meeting documents).

Mr Haank complies with the requirements of the profile of the Supervisory Board, in particular as to his extensive knowledge of and experience in international business and ICT matters. Mr Haank is considered independent within the meaning of the Dutch Corporate Governance Code.

It is therefore proposed to the General Meeting to reappoint Mr Haank in accordance with this nomination for a period of four years (ending at the closure of the General Meeting to be held in 2021). The details required under article 142 (3) of Book 2 of the Dutch Civil Code are attached to these notes.

## Item 13 - Resolution

Under the condition precedent that no recommendations for another person have been made by the General Meeting under item 11, the Supervisory Board nominates Mr C.J. García Moreno Elizondo for reappointment as member of the Supervisory Board. The Board of Management supports this nomination, as does the Central Works Council. The complete position of the Central Works Council in relation to this nomination has been made available on the company's website (together with the meeting documents).

Mr García Moreno Elizondo complies with the requirements of the profile of the Supervisory Board, in particular as to his extensive knowledge of and experience in financial and accounting matters. Mr García Moreno Elizondo is an officer of América Móvil (AMX), a major shareholder of KPN, and is therefore not independent within the meaning of the Dutch Corporate Governance Code. Best Practice Provision 2.1.7 of the Dutch Corporate Governance Code allows one not independent supervisory board member.

It is therefore proposed to the General Meeting to reappoint Mr García Moreno Elizondo in accordance with this nomination for a period of four years (ending at the closure of the General Meeting to be held in 2021). The details required under article 142 (3) of Book 2 of the Dutch Civil Code are attached to these notes.

## Item 14

At the closure of the Annual General Meeting to be held in 2018 two vacancies will arise. Both Mr Sickinghe and Mrs Zuiderwijk will step down, as they will then have reached the end of their four-year term.

## 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 12 April 2017 and ending 12 October 2018 (the existing authorization on this matter – as granted by the Shareholders' meeting on 13 April 2016 – 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 12 April 2017.

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 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 Price is defined as the volume weighted average price of trades in KPN shares on Euronext Amsterdam between 9:00 (CET) and 17:30 (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 12 April 2017. 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, which 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 12 April 2017 and ending 12 October 2018 (the existing designation on this matter – as granted by the Shareholders' meeting on 13 April 2016 – 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 issued capital per 12 April 2017. 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 12 April 2017 and ending 12 October 2018 (the existing designation on this matter – as granted by the Shareholders' meeting on 13 April 2016 – will expire upon the adoption of this resolution). This authority shall be limited to a maximum of 10% of the issued capital per 12 April 2017. Resolutions by the Board of Management to restrict or exclude pre-emptive rights are subject to the approval of the Supervisory Board.

## Item 10: Further information

### Mr J.F.E. Farwerck

Year of birth:	1965
Current positions:	Member of the Board of Management of KPN and Chief Operating Officer (“COO”)
Nationality:	Dutch
KPN shares:	131,071
Education:	Mr Farwerck studied law at the University of Amsterdam and subsequently, after launching his career, followed a variety of study courses at such institutions as the International Institute for Management Development.
Previous positions:	Mr Farwerck joined KPN in 1994 as a legal counsel. He then became an account manager and subsequently occupied senior management positions, becoming Secretary of the Board of Management and Supervisory Board, Head of Network and Customer Operations, Director of the Wholesale division, Director of the Consumer Residential division and Managing Director KPN The Netherlands. Mr Farwerck has been a member of KPN’s Board of Management since April 10, 2013. In 2014 Mr Farwerck was appointed as Chief Operating Officer (“COO”) of KPN.
Other positions:	Mr Farwerck is a non-executive Board Member of the KPN Group company iBasis. He is also Member of the Executive Committee of VNO-NCW and Member of the Board of Nederland-ICT. Mr Farwerck is also a Member of the Supervisory Board of the Foundation ‘Lezen & Schrijven’ (Reading & Writing).
Reason for the proposed reappointment:	<p>In 2013 Mr Farwerck was appointed as member of the Board of Management for a period of four years and now qualifies for reappointment.</p> <p>In his COO role, Mr Farwerck has made significant progress in implementing KPN’s operational and network strategy and has achieved major ‘operational excellence’ and ‘Simplification’ improvements. Under Mr Farwerck’s leadership, material network investments resulted in an improved quality of the networks and better customer service.</p> <p>Mr Farwerck has also delivered a key contribution to the successful implementation of the functional organizational structure and was of importance in (shaping) KPN’s leadership team. Also, Mr Farwerck has been of great value in stakeholder management, e.g., with major customers, strategic suppliers and governmental bodies.</p> <p>The Supervisory Board is confident that Mr Farwerck will continue to be successful in the further development of KPN’s operational activities and network improvements. The Supervisory Board thereby values his long term experience within KPN, his expertise in the Telecom/ICT industry, his operational and network knowledge and his effective and open leadership style. Continuity in the management of the company is also considered important.</p>

## Items 12 and 13: Information required under article 142 (3) of Book 2 of the Dutch Civil Code

### Mr D.J. Haank

Year of birth:	1953
Current positions:	CEO of SpringerNature
Nationality:	Dutch
KPN shares:	24,351
Supervisory directorships and other positions:	Mr Haank is a member of the Supervisory Council of the Dutch broadcast association AvroTros and chairman of The Dutch Publishers' Association and The Publishers Employers Association. Before his appointment at SpringerNature, Mr Haank was CEO of Elsevier Science and Executive Board Member of Reed Elsevier PLC.
Reason for nomination:	Mr Haank was appointed as a member of the Supervisory Board on April 7, 2009 and has been reappointed on April 10, 2013. He is currently Vice-Chairman of the Supervisory Board and Chairman of the Strategy & Organization Committee. Mr Haank's expertise in the international publishing and media business - where online distribution and other ICT developments have led to major shifts - are deemed of great value to KPN. Together with Mr Van Bommel he is the only member of the Supervisory Board who has witnessed the company's fundamental developments in 2013 (refinancing, sale of E-Plus, intended public offer). His reappointment contributes to keeping this valuable experience within the Supervisory Board for the coming period. Mr Haank has fulfilled his duties in an adequate manner and to the satisfaction of the Supervisory Board, among others as Chairman of the Audit Committee (until April 2016) and currently as Chairman of the Strategy & Organization Committee. During his tenure, Mr Haank attended 98% of all Supervisory Board meetings and in 2016, Mr Haank attended 100% of all Supervisory Board meetings (including both regular and ad hoc meetings).

### Mr C.J. García Moreno Elizondo

Year of birth:	1957
Current positions:	CFO of América Móvil (AMX)
Nationality:	Mexican
KPN shares:	80,820
Supervisory directorships and other positions:	Mr García Moreno Elizondo is a member of the Supervisory Board of Telekom Austria Group (listed, 51% controlled by América Móvil), of Grupo Financiera Inbursa (listed) and of Nacional Financiera (not listed). Prior to joining América Móvil, Mr García Moreno Elizondo held amongst other positions at the Mexican Ministry of Finance as the Director General of Public Credit and at the Swiss Bank Corporation Warburg as executive director and managing director.
Reason for nomination:	Mr García Moreno Elizondo has been a member of the Supervisory Board since April 2013 and serves as member of the Audit Committee. Mr García Moreno Elizondo has been designated by AMX for appointment to KPN's Supervisory Board pursuant to the terms of the relationship agreement between AMX and KPN of 20 February 2013. In accordance with the surviving clauses of such agreement, AMX has indicated that it wishes to designate Mr García Moreno Elizondo again. The Supervisory Board supports this designation, among others due to his extensive knowledge of international business matters and financial markets, drawing on his expertise as CFO of one of the major global telecommunication companies. Mr García Moreno Elizondo has fulfilled his duties in an adequate manner and to the satisfaction of the Supervisory Board. During his tenure, Mr García Moreno Elizondo attended 68% of all Supervisory Board meetings (including both regular and ad hoc meetings). In 2016, due to circumstances relating to unanticipated events in his agenda

related to his primary function and in addition his overseas domicile, Mr García Moreno Elizondo was able to attend 57% of the Supervisory Board meetings held. In such cases, however, he has participated in the Audit Committee meetings (80% attendance) preceding the meeting of the full Supervisory Board, and/or has provided his observations and opinion to the documents and proposals prior to the meeting. Mr García Moreno Elizondo will give full attention to his attendance at Supervisory Board meetings in the years ahead.