



## EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

*Koninklijke KPN N.V. (KPN) invites its shareholders to an Extraordinary General Meeting of Shareholders (the EGM), to be held on 10 January 2014 at 14.00 hours at the KPN Head Office, Maanplein 55 in The Hague.*

### Agenda

1. Opening and announcements
2. Proposal to amend the articles of association (*resolution*)
3. Proposal to cancel the outstanding preference shares B (*resolution*)
4. Any other business and close

On 29 August 2013 the Stichting Preferente Aandelen B KPN (the Foundation), pursuant to a right granted by agreement dated 3 June 1994, subscribed for 4,258,098,272 preference shares B in the capital of KPN.

The objective of the Foundation as laid down in its articles of association is to promote the interests of KPN and the enterprises affiliated with it and all involved. In accordance with this objective the Foundation may, amongst others, acquire preference shares B in the capital of KPN and exercise the rights attached to these shares. On 29 August 2013 the Foundation exercised the right to acquire preference shares B. As a consequence, the Foundation acquired said number of preference shares B, which on that date represented nearly 50% of the voting rights after the issuance of the preference shares B.

At this EGM proposals will be submitted related to the Foundation and the preference shares B, including the proposal to cancel the outstanding preference shares B.

### Explanatory notes to agenda item 2: Proposal to amend the articles of association

The Board of Management, with the approval of the Supervisory Board, proposes an amendment to the articles of association with the aim to reduce the costs associated with exercising the right to acquire the preference shares B. The proposal does not grant the Foundation any new rights.

It is proposed that the nominal value of all shares be decreased from EUR 0.24 to EUR 0.04. When exercising its right to subscribe for preference shares B, the Foundation has the obligation to pay up at least 25% of the nominal value. Due to the proposed decrease of the nominal value, the amount to be paid up (and therewith the funding of the Foundation) will decrease substantially. The advantage of this amendment for KPN is that it will lower the amount of dividend to be distributed on the preference shares B, as this dividend is calculated on the basis of the paid up part of the nominal value.

The amount of the capital reduction will be added to the share premium reserve of KPN, and therefore continue to be part of KPN's equity. The capital reduction thus takes place without a repayment to the shareholders.

With the decrease of the nominal value, the authorised capital will be amended as well, so as to keep the ratio between issued capital and authorised capital within the statutory requirements.



The authorised capital is thereby set at such a level that potential future changes in the issued capital will remain reasonably possible.

The entire proposal for the amendment of the articles of association with explanatory notes is available and included in the documents pertaining to this meeting. It is proposed to amend the articles of association in accordance with this proposal.

The amendment of the articles of association will not be effected until the cancellation of the preference shares B as proposed in agenda item 3 has taken effect.

#### *Authorisation*

The proposed amendment of the articles of association also includes that each member of the Board of Management, the company secretary as well as each (junior) civil-law notary, paralegal and notarial employee of Allen & Overy LLP, lawyers, civil-law notaries and tax advisers in Amsterdam, are authorised to have the deed of amendment of the articles of association executed.

#### **Explanatory notes to agenda item 3: Proposal to cancel the outstanding preference shares B**

On 10 November 2013 the Foundation requested KPN to propose to the general meeting that it resolves to cancel - with repayment of the paid up amount - all the preference shares B held by the Foundation. The Board of Management and the Supervisory Board comply with this request.

#### *Proposal*

The Foundation presently holds 4,258,098,272 preference shares B with a nominal value of EUR 0.24. The Board of Management, with the approval of the Supervisory Board, proposes to the general meeting that it resolves to cancel these preference shares B with due observance of the provisions of the articles of association and the requirements of section 2:99 and 2:100 of the Dutch Civil Code. This cancellation will result in a repayment to the Foundation of the partial payment made by it of 25% of the nominal value of these shares (for a total amount of EUR 255,485,896.32) and release of the payment obligation, increased by a payment equal to the dividend that would have been distributed if no cancellation had been made, in proportion to the time lapsed between 29 August 2013 and the date of repayment, with deduction of any (interim) dividend distributed in this time period. The cancellation and repayment will be effected on a date to be set by the Board of Management, which will not be earlier than after expiry of the statutory objection period of two months. After effecting the cancellation of the preference shares B, the Foundation will again be entitled to acquire as many preference shares B as there were outstanding ordinary shares in the issued capital before the acquisition less one share, in accordance with the situation as existing before 29 August 2013.