



## **Koninklijke KPN N.V.**

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### **Agenda**

Koninklijke KPN N.V. (“KPN”) invites its shareholders to its Extraordinary General Meeting of Shareholders (“EGM”) to be held at the head office of KPN, Maanplein 55, The Hague, The Netherlands, on 9 January 2015 at 11:00 AM (CET). The registration will open as of 10:00 AM (CET).

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### **AGENDA**

1. Opening and announcements.
  2. Intended appointment of Mr Frank van der Post
    - a. Announcement of the intended appointment of Mr Frank van der Post as member of the Board of Management of KPN;
    - b. Approval of a compensation payment to Mr Frank van der Post.
  3. Any other business and closure of the meeting.
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### **Explanatory notes to the agenda**

#### **Item 2a**

The Supervisory Board intends to appoint Mr Frank van der Post as member of the Board of Management of KPN as of 1 March 2015. Mr van der Post will assume the role and responsibility of Chief Commercial Officer (“CCO”). During the EGM (i) a notification of the intended appointment will be provided, as required under Article 17 of the Articles of Association of KPN and (ii) approval will be asked for a compensation payment to Mr van der Post (see item 2b).

Following the EGM, the Supervisory Board will decide on the appointment of Mr Frank van der Post.

#### **Profile Mr Frank van der Post**

Since January 2011, Mr van der Post (53) has been a member of the Executive Board of Directors of British Airways Plc., responsible for the Brand and Customer Experience. Prior to that, Mr van der Post held various leadership positions in the hospitality industry, his last position was Chief Operating Officer of Dubai based Jumeirah Group.

Mr van der Post combines extensive global commercial leadership with online experience, where brands and customer loyalty are of the essence, and has demonstrated a consistent track record of accomplishment in different premium service industry environments.

See also below under ‘Further information’.



### **Remuneration**

The main terms and conditions of Mr van der Post's agreement fit within KPN's remuneration policy, as approved by the General Meeting of Shareholders. Mr van der Post will earn a base compensation of EUR 700,000 per year. Mr van der Post is also eligible for a short-term variable cash incentive and a long-term variable incentive (based on conditional shares) which are dependent on financial and/or non-financial targets of the company.

In addition, and subject to shareholder approval as requested under the next agenda item 2b, Mr van der Post will receive a partial compensation for forfeiture of certain rights at his previous employer, as further set out hereafter.

The contractual severance pay is in line with the Dutch Corporate Governance Code and amounts to (i) one and a half year base salary during the initial term of four years, and (ii) one year base salary in the event of a reappointment. A defined contribution pension plan is part of the other (additional) arrangements.

For full details of KPN's remuneration policy, reference is made to the remuneration report on page 88 and onwards of KPN's Integrated Annual Report 2013 and the related LTI amendments (as approved in the Annual Shareholders' Meeting of 9 April 2014).

### **Item 2b - Resolution**

At his previous employer, Mr van der Post was entitled to a long term incentive with an expected gross value of approximately EUR 3 million, as verified by an independent expert and consisting of:

- Approximately EUR 1.5 million worth of shares in British Airways (IAG), payment of which was not related to performance and was only subject to timing:
  - o Approximately EUR 1.1 million would be due mid 2015;
  - o The remainder would be due mid 2016.
- Two performance share plans vesting in 2015 and 2016 with an expected value - taking into account the remaining vesting period and the probability of vesting - of approximately EUR 1.5 million.
- Plans with a later maturity date than mid 2016 have not been taken into consideration for the valuation.

Due to his acceptance of his position at KPN, and therefore the termination of his agreement at his previous employer, he will forfeit all such rights. As compensation for this loss KPN has agreed to grant Mr van der Post a partial compensation with a total gross value of EUR 1,190,000. This compensation will be paid (i) 50% in cash (in total EUR 595,000) and (ii) 50% in shares. The total number of shares will be calculated by dividing EUR 595,000 (i.e., 50% of the total value of the partial compensation) by the opening price of the KPN share as reported on the official price list of Euronext Amsterdam on the date of appointment. The partial compensation will be spread out over a period of four years, to be paid in the following installments:



With respect to the total amount of cash:

- One fourth of the cash payment on the date of appointment;
- One fourth of the cash payment one year following the date of appointment;
- One fourth of the cash payment two years and six months following the date of appointment; and
- One fourth of the cash payment four years following the date of appointment.

With respect to the total amount of shares:

- One fourth of the shares one year following the date of appointment;
- One fourth of the shares two years following the date of appointment;
- One fourth of the shares two years and six months following the date of appointment; and
- One fourth of the shares four years following the date of appointment.

Concluding, Mr van der Post will receive a partial compensation for loss of entitlements at British Airways. The payment of the compensation has been spread out over a longer period of time, also reflecting an element of retention.

As such partial compensation is not foreseen in KPN's remuneration policy, shareholders are hereby requested to grant their approval thereto.



**Further information:**

**Mr F. van der Post**

Year of birth: 1961  
Current position: Managing Director of British Airways Plc. and Executive Board Member  
Nationality: Dutch  
KPN shares: None

Education:

Mr van der Post obtained a Master of Science degree in Hotel Administration (Florida International University, School of Hospitality Management, Miami, USA), a Bachelor of Science degree in Hotel and Restaurant management (Florida International University, School of Hospitality Management, Miami, USA) and a degree in Hotel Management (Hotel Management School, The Hague, The Netherlands).

Previous positions:

As Managing Director and Executive Board Member of British Airways, Mr van der Post has since 2011 been responsible for all Brand and Strategic Marketing related activities, Product and Service, In-Flight Customer Experience, the London Gatwick business unit and the Shorthaul (European network) Business Programme.

In the period 2005-2010, Mr van der Post held senior positions within the Jumeirah Group (Dubai, United Arab Emirates). In the period 2008-2010, Mr van der Post was - as Chief Operating Officer - responsible for all operating units of the Jumeirah Group (including Hotels and Resorts, the Restaurant division, Water Park, Spa Brand and Retail division) within four regions of the world.

In the period 1985-2005, Mr van der Post held various international positions within the Intercontinental Hotels Group (Atlanta, Georgia, USA).

Besides above mentioned current position, Mr van der Post is a member of the Board of AGL Group Ltd (a subsidiary of IAG Plc).

The Supervisory Board is confident that the extensive experience gained by Mr van der Post during his career, his global commercial leadership and online experience - where brands and customer loyalty are of the essence - and his experience in different premium service industry environments, will be of great added value for KPN. The appointment of Mr van der Post as CCO will strengthen the Board of Management of KPN.