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**EXPLANATORY NOTES TO THE  
PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION  
KONINKLIJKE KPN N.V.,  
having its official seat in The Hague, The Netherlands.  
(KPN)**

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Part of the proposal dated 2 March 2016,  
as it will be presented at the KPN's General Meeting of Shareholders  
to be held on 13 April 2016 for its approval.

**ALLEN & OVERY**

**Office translation**

In preparing this document, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation, and if they do, the Dutch text will govern by law.

In this document, Dutch legal concepts are expressed in English terms and not in their original Dutch terms; the concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

**EXPLANATORY NOTES TO THE PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION OF KONINKLIJKE KPN N.V. (KPN), as it will be presented for a decision at the General Meeting of Shareholders, to be held on 13 April 2016.**

**1. General**

This proposed amendment of the Articles of Association includes two separate amendments, which will be presented in a single voting item on the agenda at the General Meeting of Shareholders of KPN. The proposed amendments are made to distribute part of the proceeds from the sale of BASE Company and the shares of Telefónica Deutschland Holding AG sold in November 2015, to the shareholders of KPN. After careful consideration, the Board of Management and the Supervisory Board have concluded that a distribution in the form of a capital repayment on the ordinary shares is the most advantageous method to return the proceeds to the shareholders. This means that first the nominal value of the ordinary shares will be increased and the amount of the capital increase will be charged at the share premium reserve (**Amendment I**). Subsequently, the capital reduction is effected by a reduction of the nominal value of the ordinary shares to the former amount of EUR 0.04, followed by a repayment to the shareholders of KPN (**Amendment II**).

In addition, the articles of association of KPN will also be amended in light of the amended provisions on accounting law as per November 1, 2015.

**2. Authorised capital. Capital reduction**

**Amendment I**

It is proposed to increase KPN's issued share capital by an amount of approximately EUR 1.2 billion, which amount shall be charged at the expense of the share premium reserves of KPN. In connection with the increase of the issued capital, the nominal value of the ordinary shares will be increased as well to an amount of EUR 0.32.

**Amendment II**

After the increase of the nominal value of the ordinary shares, it is proposed to decrease the nominal value of the ordinary shares to EUR 0.04. In connection herewith, there will be a repayment of EUR 0.28 on each issued ordinary share to the shareholders of KPN in the manner as described in the notes to the agenda for the General Meeting of Shareholders.

The reduction of the issued capital by a decrease of the nominal value of the ordinary shares shall take place with due observance of the provisions regarding capital reduction as set out in Sections 2:99 and 2:100 of the Dutch Civil Code.

Since the aforementioned amendments are inextricably linked together, these amendments are presented in one proposal to amend the Articles of Association to be voted on once.

### **3. Other proposed amendments. Board Report**

On November 1, 2015, the Implementation of the EU Accounting Directive (*Uitvoeringswet richtlijn jaarrekening*) entered into force pursuant to which the European Accounting Directive (2013/34/EU) (*Europese richtlijn jaarrekening*) has been implemented in the Dutch legislation. Next to certain other changes, the term ‘annual report’ is replaced by the term ‘report of the Board of Management’ as a result of this law. This is consistent with common practice whereby the concept of annual report (*jaarverslag*) is commonly used for the whole set of documents (financial statements and report of the Board of Management).

In this context it is proposed to amend Article 1 under f, the title of Chapter X, the title of Article 30, paragraphs 2, 5 and 8 of Article 30 and Article 34 paragraph 2 under a, such that the term annual report is replaced by the newly used term report of the Board of Management, which amendments will be made in the Amendment II.

### **4. Authorization**

The proposal to amend the Articles of Association also includes the authorization of each member of the Board of Management, KPN's secretary, and every civil-law notary (and deputy civil-law notary), paralegal and notarial assistant at Allen & Overy LLP, Attorneys at Law, Civil-Law Notaries and Tax Consultants, in Amsterdam, the Netherlands, to execute the notarial deeds of amendment to implement Amendment I and Amendment II.

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