

KPN Inside Information Code of Conduct

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1 SCOPE AND DEFINITIONS

- 1.1** This Inside Information Code of Conduct applies to all Designated Persons. As indicated in this Code of Conduct, certain parts of it apply to a particular group of Designated Persons only, such as Board Members.
- 1.2** Certain capitalised terms used in this Code of Conduct have the meaning set out in Annex 1 (*Definitions*). All references in the male form should be understood to also include the female form.

2 RULES FOR ALL DESIGNATED PERSONS

2.1 Inside Information

Inside Information is a crucial term in this Code of Conduct. Please see Annex 1 for its full legal definition. In relation to KPN, Inside Information essentially refers to undisclosed information that could affect the trading price of KPN shares or other KPN Securities.

2.2 No insider dealing

- 2.2.1** If a Designated Person possesses Inside Information, he may not use that information to Deal, or attempt to Deal, in KPN Securities.
- 2.2.2** This prohibition does not apply if the Designated Person Deals in discharge of an obligation that has become due in good faith (and not to circumvent the insider dealing prohibition or for any other illegitimate reason) and where (a) the obligation results from an order placed or an agreement concluded before the Designated Person concerned possessed Inside Information or (b) the transaction is carried out to satisfy a legal or regulatory obligation that arose before the Designated Person concerned possessed Inside Information.

2.3 No unlawful disclosure or tipping

- 2.3.1** A Designated Person may not disclose Inside Information to anyone else, except where the disclosure is made strictly as part of the Designated Person's regular duty or function and (i) this Code of Conducts applies to the recipient of the Inside Information or (ii) the recipient is otherwise under an obligation of confidentiality.
- 2.3.2** A Designated Person may not, whilst in the possession of Inside Information, recommend or induce anyone to engage in Dealing in KPN Securities.

2.4 No Dealing during Closed Periods

- 2.4.1** Permanent Insiders and other Designated Persons so instructed by the Compliance Officer may not Deal in KPN Securities during a Closed Period, regardless of whether they possess Inside Information.

The Closed Periods are (i) the periods of 30 calendar days prior to the first publication of KPN quarterly figures, or (ii) the periods starting from the first day of the quarter until and including the day prior to the first publication of the KPN quarterly figures, whichever period is longer.

- 2.4.2 The Compliance Officer will communicate the specific dates of the Closed Periods in any financial year on a designated page of TeamKPN Online. Any changes or additions will be announced in the same manner.

2.5 No Dealing in KPN Securities without prior permission Compliance Officer

A Designated Person may not Deal in KPN Securities, regardless of whether he possesses Inside Information, unless the Compliance Officer has granted prior permission for such Dealing in writing (which includes by e-mail).

Any request for such permission must be made in in the manner specified by the Compliance Officer on TeamKPN Online (or, if no such specification is available, by email to voorwetenschap@kpn.com). The Compliance Officer may grant a Designated Person permission to Deal in KPN Securities, to the extent permitted by law.

If the Designated Person has not executed the transaction as requested by the twentieth day of trading after the day on which he received the permission of the Compliance Officer, the request concerned and the permission will no longer be valid.

Any permission granted by the Compliance Officer is without prejudice to the statutory market abuse prohibitions, including the prohibition on insider dealing.

2.6 No dealing in financial instruments relating to certain other listed companies

A Designated Person may not Deal in financial instruments relating to other listed companies if the Compliance Officer has prohibited him from doing so, regardless of whether he possesses Inside Information.

2.7 Consultation Compliance Officer

A Designated Person may consult the Compliance Officer on whether a particular Dealing or other behaviour is allowed under this clause 2 (see also clause 5.3 of this Code of Conduct).

3 ADDITIONAL RULES FOR BOARD MEMBERS

3.1 Long-term investment

- 3.1.1 Any KPN Securities held by a Board Member shall in principle be held as long-term investments.

- 3.1.2 Unless the Compliance Officer has granted an exemption based on special circumstances, Board Members may not Deal in KPN Securities and, within six months thereafter, execute

another transaction in KPN Securities, if the other transaction is opposite to the first transaction or if the risk of the first transaction is excluded or limited by the second transaction, provided however that this prohibition does not apply if the first transaction consists of the exercise of an option granted by KPN and the second transaction consists of the sale of the KPN Securities obtained by the exercise of the option.

3.2 Notifications

3.2.1 Each Board Member must make notifications to both the AFM and the Compliance Officer of the following at the time indicated:

- (a) **without delay: each change**, in number and/or type, in his share and/or voting interest in KPN. In this context, "share" also includes rights to obtain shares, such as options. A change in the type of interest will, for example, occur if an option is exercised and consequently shares are obtained;
- (b) **promptly and ultimately within 3 business days: every transaction** in KPN Securities conducted by him or on his account. A non-exhaustive list of transactions that must be notified is included in Annex 2 to this Code of Conduct.
- (c) **within two weeks of the appointment** as a member of the Management Board or Supervisory Board: his **holding** in KPN shares and/or voting rights.

3.2.2 The notifications referred to in clause 3.2.1(a) and (b) can be combined if and to the extent permitted by law.

3.2.3 Board Members must instruct any person arranging or executing transactions on their behalf, such as an individual portfolio manager, to timely inform them of any transaction that is notifiable under this clause, or to make the required notifications on their behalf.

3.2.4 Board Members may request the Compliance Officer to submit the necessary notifications to the AFM on their behalf. The request must be made timely, and at the latest immediately after the transaction (or other notification trigger event), and contain all details of which the AFM must be notified. The Compliance Officer may pose additional requirements in order to ascertain due, correct and timely notification to the AFM. Board Members will at all times remain responsible themselves for notifications to the AFM made on their behalf.

3.3 Closely Associated Persons

3.3.1 Board Members must inform the Compliance Officer of all persons that qualify as their Closely Associated Persons. See Annex 1 accompanying this Code of Conduct for the full legal definition of Closely Associated Persons. These persons include spouses (or partners), children under 18 years old, any relatives who have shared the same household for at least one year on the date of the transaction concerned, and certain legal entities managed or controlled by a Board Member or his Closely Associated Persons.

- 3.3.2 Board Members must inform their Closely Associated Persons in writing (and keep a copy thereof) of their duty to notify the AFM and KPN promptly and no later than 3 business days of every transaction in KPN Securities.

4 LIST OF DESIGNATED PERSONS

4.1 Pursuant to KPN's legal obligations under the Market Abuse Regulation, KPN will keep a list of persons who have or may have access to Inside Information (list of Designated Persons). The list is divided into separate sections relating to different Inside Information, as well as a section with the details of Permanent Insiders. New sections will be added to the list of Designated Persons upon the identification of new inside information. The various sections of the list of Designated Persons will be maintained by either the Compliance Officer or a person working on the relevant project or event.

4.2 The list of Designated Persons includes the following details of individuals that have or may have access to Inside Information:

- (a) first name(s) and surname(s), as well as birth surname(s);
- (b) professional telephone number(s);
- (c) company name and address;
- (d) function and reason for being designated;
- (e) date and time at which a person obtained access to Inside Information, or, in relation to Permanent Insiders, date and time at which a person was included in the Permanent Insiders section of the list of Designated Persons;
- (f) date and time at which a person ceased to have access to Inside Information;
- (g) date of birth;
- (h) national identification number;
- (i) personal telephone numbers;
- (j) personal full home address;
- (k) any information on notifications, requests for permission to Deal and communication in relation thereto, and any other communication with regard to the application of this Code of Conduct.

4.3 KPN is the data controller with regard to the processing of personal data (to be) included in the list of Designated Persons and may only use these data in accordance with the KPN privacy policy and for the following purposes:

- (a) keeping the list in accordance with this Code of Conduct;

- (b) complying with legal obligations, including complying with request from the AFM or another competent authority;
- (c) controlling the flow of Inside Information, thereby managing its confidentiality duties;
- (d) informing Permanent Insiders and certain other Designated Persons of Closed Periods;
- (e) informing of Designated Persons of which other persons are in the same section of the list of Designated Persons; and
- (f) holding or commissioning an inquiry into transactions conducted by or on behalf of a Designated Person or a Closely Associated Person.

4.4 KPN will retain the data in the list in accordance with KPN's record retention policy. The list of Designated Persons and all updates thereof will be dated. KPN will retain the list of Designated Persons for a period of at least five years after it is drawn up or updated. If such data is necessary for an internal or external investigation, the resolution of a dispute or in connection with legal proceedings, KPN will retain the relevant data until the relevant investigation, dispute or legal proceeding has ended.

4.5 KPN will inform each person of his inclusion in the list of Designated Persons. Each person included in the list of Designated Persons must acknowledge in writing to be aware of his duties as set forth in this Code of Conduct, as well as the applicable sanctions included and referred to in clause 6 of this Code of Conduct.

4.6 KPN may provide information from the list of Designated Persons to the AFM or other competent authorities upon their request or if a legitimate interest of KPN requires this. Information of the list of Designated Persons will not be supplied to other parties, except when required or allowed by law or if a legitimate interest of KPN requires this.

4.7 Persons included in the list of Designated Persons are entitled to review the personal data processed by KPN and request necessary amendments.

5 COMPLIANCE OFFICER

5.1 The Board of Management will announce who the Compliance Officer is and where he can be reached. The Compliance Officer may, in consultation with the Board of Management, appoint one or more deputies to carry out such duties and powers.

5.2 The Compliance Officer has the duties and powers granted to him in this Code of Conduct. The Board of Management may grant additional duties or powers to the Compliance Officer.

5.3 Designated Persons may request the Compliance Officer as to whether a prohibition, restriction or obligation contained in this Code of Conduct applies to them. If a

Designated Person is in doubt as to whether or how a prohibition or obligation applies, it is advisable that he contacts the Compliance Officer and seeks advice. Designated Persons will at all times remain fully responsible for compliance with this policy and the law.

5.4 The Compliance Officer may in exceptional circumstances grant dispensation from prohibitions, restrictions or obligations included in this Code of Conduct, to the extent permitted by law.

5.5 The Compliance Officer is authorised to hold or commission an inquiry into transactions conducted by or on behalf a Designated Person or a Closely Associated Person. The Compliance Officer may report the outcome of the inquiry to the chairman of the Supervisory Board and/or other Board Members if deemed appropriate.

6 SANCTIONS

6.1 In the event of a violation of any provision of the rules, KPN, or, as the case may be, the employer reserves the right to impose any sanctions which it is entitled to impose pursuant to the law and/or the (employment) agreement with the person in question. Such possible sanctions include termination of the (employment) agreement with the person involved, by way of summary dismissal or otherwise.

6.2 A description of the market abuse prohibitions under the Market Abuse Regulation and related maximum sanctions can be found in Annex 3 to this Code of Conduct.

7 MISCELLANEOUS

7.1 Circumstances not covered by this policy

The Compliance Officer has the right to take decisions in any circumstances not covered by this Code of Conduct, provided that he does so in accordance with any applicable statutory provisions including the Market Abuse Regulation.

7.2 Applicability

With respect to each Designated Person, the provisions in this Code of Conduct, with the exception of the obligations to notify the AFM (if applicable), will continue to have effect on him for (i) a period of four months after the date on which the Designated Person will have ceased to occupy the capacity based on which he had been designated (including a full termination of his employment) or (ii) another period of time as indicated by the Compliance Officer.

7.3 Amendments

The provisions of this Code of Conduct may be amended and/or supplemented by a resolution from the Board of Management. Amendments and supplements will enter into

force from the moment that they are announced, unless the announcement specifies otherwise.

7.4 Governing law

This Code of Conduct is governed by Dutch law.

7.5 Entry into force

This Code of Conduct enters into force on 3 July 2016. As of that date, this Code of Conduct replaces the Subcode Insider Information of 1 November 2015.

ANNEX 1: DEFINITIONS

AFM	Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>).
Board Members	Members of the Board of Management and Supervisory Board of KPN.
Board of Management	KPN's board of management.
Closed Period	Periods defined in clause 2.4.1 of this Code of Conduct.
Closely Associated Persons	<ul style="list-style-type: none">(a) a Board Member's spouse, or partner considered to be equivalent to a spouse in accordance with national law;(b) a Board Member's dependent child, in accordance with national law;(c) a Board Member's relative who has shared the same household for at least one year on the date of the transaction concerned; or(d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a Board Member or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.
Compliance Officer	Compliance officer for inside information of KPN.
Deal or Dealing	Acquiring or disposing of, or conducting any other transaction on a person's own account or for the account of a third party, directly or indirectly, relating to, financial instruments. A cancellation or amendment of an order concerning a financial instrument is also considered to be a Deal.
Designated Persons	The persons the Compliance Officer has named as Designated Persons because they have access to Inside Information through the exercise of their employment, profession or duties, including but not confined to Board Members.

Inside Information	Information of a precise nature, which has not been made public, relating, directly or indirectly, to KPN or to one or more financial instruments (including KPN Securities), and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.
KPN	Koninklijke KPN N.V.
Permanent Insiders	Persons who have or may have access at all times to all inside information within KPN, including but not confined to Board Members. Permanent Insiders are placed on the permanent section of the list of Designated Persons, and are informed thereof by the Compliance Officer.
KPN Securities	KPN shares or debt instruments, or derivatives or other financial instruments linked to them.
Market Abuse Regulation	European Market Abuse Regulation ((EU) No 596/2014)
Supervisory Board	KPN's supervisory board (<i>raad van commissarissen</i>).

ANNEX 2: NON-EXHAUSTIVE LIST OF TRANSACTIONS THAT MUST BE NOTIFIED BY BOARD MEMBERS AND THEIR CLOSELY ASSOCIATED PERSONS

Transactions in KPN's Securities which need to be notified to the AFM and KPN under Article 19 of the Market Abuse Regulation, include the following:

- a) acquisitions or disposals;
- b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a Board Member or a Person Closely Associated with a Board Member, including where discretion is exercised (e.g. under an individual portfolio or asset management mandate);
- c) gifts and donations made or received, and inheritance received;
- d) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
- e) subscription to a capital increase or debt instrument issuance;
- f) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- g) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- h) pledging (or a similar security interest), borrowing or lending by or on behalf of a Board Member or Person Closely Associated with a Board Member;
- i) short sale, subscription or exchange;
- j) entering into or exercise of equity swaps;
- k) transactions in or related to derivatives, including cash-settled transactions;
- l) entering into a contract for difference on a financial instrument of KPN or on emission allowances or auction products based thereon;
- m) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- n) transactions in derivatives and financial instruments linked to a debt instrument of KPN, including credit default swaps;
- o) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of Market Abuse Regulation;
- p) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council, insofar as required by Article 19 of the Market Abuse Regulation;
- q) transactions executed by manager of an AIF in which the Board Member or Person Closely Associated with a Board Member have invested, insofar as required by Article 19 of Market Abuse Regulation; and
- r) transactions made under a life insurance policy, where the investment risk is borne by the Board Member or Person Closely Associated with the Board Member and he/she has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

ANNEX 3: DESCRIPTION OF MARKET ABUSE PROHIBITIONS AND RELATED MAXIMUM SANCTIONS

1. Market abuse prohibitions

The market abuse prohibitions can be summarized as set forth below. The precise prohibitions are contained in the Articles of the Market Abuse Regulation referred to in the headings 1.1 through 1.3 below. There are a limited number of exemptions from the prohibitions.

Inside Information is a crucial term for the prohibitions. Definition: inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

1.1 Insider dealing prohibition – Article 14(a) jo. Article 8 Market Abuse Regulation

It is prohibited for any person to make use of inside information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates, as well as an attempt thereto. The use of inside information by cancelling or amending of an order concerning a financial instrument is also prohibited.

1.2 Unlawful disclosure and tipping prohibition – Article 14(b)-(c) jo. Article 8 Market Abuse Regulation

It is prohibited to (i) disclose inside information to anyone else, or (ii) whilst in the possession of inside information recommend or induce anyone to engage in dealing in financial instruments to which the information relates.

1.3 Prohibition on market manipulation – Article 15 jo. Article 12 Market Abuse Regulation

It is prohibited to engage or attempt to engage in market manipulation. Market manipulation can take various forms and includes a purchase or sale transaction or the dissemination of information which gives, or is likely to give, false or misleading signals as to the supply or demand for a financial instrument.

2. Sanctions

Violation of the market abuse prohibitions summarised above constitutes a crime and an administrative offence. The maximum sanctions are outlined below (as per 11 August 2016).

2.1 Criminal sanctions

- (a) Violation of any of the prohibitions above is subject to a maximum period of imprisonment of six years.
- (b) Violation of any of the prohibitions above is subject to a sentence of community service.

- (c) Violation of any of the prohibitions above is in principle subject to a “5th category fine”. A fine of the 6th category can be imposed if (i) a legal entity has committed the violation, or (ii) the value of the relevant assets with which or in relation to which the violation has been committed exceeds one-fourth of the maximum amount of the fine.
- As per 1 January 2016, the fines are: 5th category: EUR 82,000 maximum and 6th category: EUR 820,000 maximum. The maximum fines are subject to indexation in accordance with the consumer price index (update every two years with effect as of the 1st of January).
 - If the violation has been committed by a legal entity and the value of the relevant assets with which or in relation to which the crime has been committed exceeds one-fourth of the maximum amount of the fine, a fine of up to 10% of the legal entity’s annual turnover can be imposed.
- (d) Additional punishment, penalties and measures can be imposed.

2.2 Administrative sanctions

- (a) In case of violation of any of the prohibitions above, the AFM can impose an administrative fine. For natural persons, the maximum for such fine is EUR 5 million or EUR 10 million in case of recidivism. For legal persons, the maximum for such fine is EUR 15 million or EUR 30 million in case of recidivism, or 15% of the total consolidated annual turnover. By way of derogation from the above, the AFM can, for both natural persons and legal persons, impose a fine of up to three times the amount of the proceeds. The AFM will in principle publish any fine imposed by it.
- (b) The AFM can issue a public warning.
- (c) In case of market manipulation, the AFM can also impose an order subject to an incremental penalty (*last onder dwangsom*). The AFM will in principle publish any such order imposed by it.
- (d) In case of violation of any of the prohibitions above, the AFM can temporarily forbid of a natural person to deal on his own account for a period of up to one year plus one extension of up to one year.

2.3 Other sanctions

Violation of the prohibitions above can also have company law or employment law consequences, including immediate or other termination of employment, even if no government sanctions are imposed.