

KONINKLIJKE KPN N.V.

BY-LAWS OF THE BOARD OF MANAGEMENT

Adopted by the Board of Management on 26 September 2018 and lastly amended on 18 December 2019

Approved by the Supervisory Board 19 December 2019

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INTRODUCTION

- 0.1 These By-Laws are established pursuant to article 19.3 of the Articles of Association and the authority of the Board of Management.
- 0.2 These By-Laws are complementary to the provisions regarding the Board of Management, and their members contained in applicable law and regulation, the Articles of Association and the rules pertaining to the relationship between the Supervisory Board and the Board of Management contained in the By-Laws of the Supervisory Board.
- 0.3 In its resolution adopted on 26 September 2018, the Board of Management unanimously declared to comply with and be bound by the obligations arising from these By-Laws.
- 0.4 Anyone who is appointed as a member fo the Board of Management must, upon assuming office, declare in writing to the Company that he accepts and agrees to the contents of these By-Laws and pledge to the Company that he will comply with the provisions of these By-Laws.
- 0.5 These By-Laws are posted on the Company's website.
- 0.6 The meaning of certain capitalised or uncapitalised terms used in these By-Laws are set forth in the List of Definitions attached as **Annex 1**.

CHAPTER I - DUTIES AND POWERS

1. General Duties

- 1.1 The Board of Management is charged with the management of the Company, which means, among other things, that it is responsible for the continuity of the Company and its affiliated enterprise. The responsibility for the management of the Company is vested collectively in the Board of Management.
- 1.2 In performing its duties, the Board of Management focuses on long-term value creation for the Company and its affiliated enterprise(s), taking into account the interests of the stakeholders.¹
- 1.3 The members of the Board of Management shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, with due observance of the responsibilities of its individual members.

Without prejudice to the general duties and powers as set out in Article 1, the following articles describe specific duties and powers of the Board of Management.

2. Strategy and business planning

- 2.1 The Board of Management shall develop a view on long-term value creation by the Company and its affiliated enterprise and shall formulate and set a strategy on the basis of such view. When developing the strategy, attention shall in any event be paid to:²
 - a. the strategy's implementation and feasibility;
 - b. the business model applied by the Company and the market in which the Company and its affiliated enterprise operate;
 - c. opportunities and risks for the Company;
 - d. the Company's operational and financial goals and their impact on its future position in relevant markets;
 - e. the interests of the stakeholders;
 - f. any other aspects relevant to the Company and its affiliated enterprise, such as the environment, social and employee-related matters, the chain within which the enterprise operates, respect for human rights, and fighting corruption and bribery; and
 - g. the information and communication technology (ICT) systems of the Company and the affiliated risks of cybersecurity (including disturbance, failure or abuse of ICT).³
- 2.2 The Board of Management shall engage the Supervisory Board at an early stage in formulating the strategy for realising long-term value creation, and renders account to the Supervisory Board of the strategy and the explanatory notes to that strategy.⁴
- 2.3 The Board of Management shall, on an annual basis, prepare and adopt an Annual Plan to implement the strategy. The adoption of the Annual Plan requires the approval of the Supervisory Board.

¹ Dutch Corporate Governance Code, best practice provision 1.1.

² Dutch Corporate Governance Code; best practice provision 1.1.1.

³ Cyber Security Council; Cybersecurity guide for members of the Board of Management

⁴ Dutch Corporate Governance Code, best practice provision 1.1.2.

3. Risk Management

- 3.1 The Board of Management shall determine the Company's risk appetite, taking due note of the strategy, legal requirements, the Articles of Association and the interests of the Company's stakeholders.⁵
- 3.2 The Board of Management shall identify and analyse the risks associated with the Company's strategy and activities⁶. Based on this risk assessment, it shall design, implement and maintain adequate internal risk management and control systems to safeguard compliance with the risk appetite.⁷
- 3.3 The Board of Management monitors the operation of the internal risk management and control systems and conducts a systematic assessment of the design and effectiveness of the systems at least once a year. The monitoring covers all material control measures, relating to strategic, operational, compliance and reporting risks. Attention shall be given to observed weaknesses, instances of misconduct and irregularities, indications from whistle-blowers, lessons learned and findings from the internal audit function and the External Auditor. Where necessary, improvements shall be made to the internal risk management and control systems.⁸
- 3.4 The Board of Management discusses the effectiveness of the design and the operation of the internal risk management and control systems with the Audit Committee and renders account of this to the Supervisory Board.⁹

4. Governance, Culture & Compliance

- 4.1 The Board of Management is, together with the Supervisory Board, responsible for the corporate governance structure of the Company and compliance with the Dutch Corporate Governance Code.¹⁰
- 4.2 The Board of Management is responsible for the compliance with all relevant laws and regulations.
- 4.3 The Board of Management is responsible for creating a culture that contributes to long-term value creation of the Company. To this end, it shall¹¹:
- a. adopt common values for the Company and its affiliated enterprise that contribute to a culture focused on long-term value creation which shall be discussed with the Supervisory Board;
 - b. ensure the incorporation and maintenance of the values within the Company;
 - c. encourage behaviour that is in keeping with the values, and propagate these values through leading by example; and
 - d. draw up a code of conduct and monitor its effectiveness and compliance with this code, both on the part of itself and of the employees of the Company, and ensure that the effectiveness thereof and compliance therewith shall be discussed with the Supervisory Board.¹²

⁵ Dutch Corporate Governance Code, best practice provision 1.2.1.

⁶ Dutch Corporate Governance Code, best practice provision 1.2.1.

⁷ Dutch Corporate Governance Code, best practice provision 1.2.1.

⁸ Dutch Corporate Governance Code, best practice provision 1.2.3.

⁹ Dutch Corporate Governance Code, best practice provision 1.4.1.

¹⁰ Dutch Corporate Governance Code, part: 'Compliance with the Code'.

¹¹ Dutch Corporate Governance Code, best practice provisions 2.5.1. and 2.5.2.

¹² Dutch Corporate Governance Code, best practice provision 2.5.2.

- e. Periodically discuss the conduct and culture in the company with the Central Works Council and the Supervisory Board

4.4 The Board of Management shall promote a culture of openness and accountability between the Board of Management and the Supervisory Board.¹³

4.5 The Board of Management shall ensure that employees have the possibility of reporting (actual or suspected) misconduct or irregularities in the Company to the CEO or an officer designated thereto, without jeopardising their legal position. When such matters concern the functioning of the members of the Board of Management, they shall be reported to the Chairman of the Supervisory Board. The Board of Management informs the Chairman of the Supervisory Board without delay on signs of actual (or suspected) material misconduct or irregularities within the Company and its affiliated enterprise.¹⁴

5. Internal audit function

5.1 The Board of Management shall establish, and is responsible for, an internal audit function.¹⁵ The tasks of the internal audit function shall be assigned to it in its charter and/or audit plan, and shall in any case include the assessment of the design and the operation of the internal risk management and control systems.

5.2 The Board of Management both appoints and dismisses the chief internal auditor, which decisions shall be subject to approval by the Supervisory Board, having heard the position of the Audit Committee.¹⁶

5.3 The Board of Management adopts a charter relating to the internal audit function, and may amend this charter at any time, having heard the views of the Audit Committee. This charter sets out the role and responsibility of the internal audit function, its composition, in which manner it should perform its tasks and how it should report.

5.4 The internal audit function will draw up its audit plan involving the Board of Management, the Audit Committee and the External Auditor.¹⁷ The audit plan will be submitted to the Board of Management and the Supervisory Board for its approval.

5.5 The internal audit function shall have direct access to the Audit Committee and to the External Auditor.¹⁸

5.6 The Board of Management annually assesses the way in which the internal audit function fulfils its responsibility, taking into account the views of the Audit Committee.¹⁹

6. Relation with the External Auditor

6.1 The Board of Management shall ensure that the External Auditor can properly perform his audit work, and it shall encourage both the External Auditor and the Company to properly perform and pursue the role and the policy of the Company regarding the External Auditor, as provided for by agreement with

¹³ Dutch Corporate Governance Code, best practice provision 2.4.1.

¹⁴ Dutch Corporate Governance Code, best practice provision 2.6.1. and 2.6.2.

¹⁵ Dutch Corporate Governance Code, Principle 1.3.

¹⁶ Dutch Corporate Governance Code, best practice provision 1.3.1.

¹⁷ Dutch Corporate Governance Code, best practice provision 1.3.3.

¹⁸ Dutch Corporate Governance Code, best practice provision 1.3.4.

¹⁹ Dutch Corporate Governance Code, best practice provision 1.3.2.

the External Auditor, these By-Laws, the By-Laws of the Supervisory Board, the terms of reference of the Audit Committee and the charter of the internal audit function.

- 6.2 The Board of Management maintains regular contact with the External Auditor. The Board of Management ensures that the External Auditor receives all information necessary for completing his task and will give the External Auditor the opportunity to respond to the information that has been provided.²⁰
- 6.3 The Board of Management shall discuss the draft audit plan with the External Auditor, following which it is presented to the Audit Committee.²¹
- 6.4 The Board of Management shall ensure that the Supervisory Board is granted access to the most important points of discussion arising between the External Auditor and the Board of Management based on the draft management letter or the draft audit report.²²
- 6.5 The Board of Management annually reports its observations on the functioning of the External Auditor and the fulfilment of his duties to the Audit Committee and the Supervisory Board, in light of the (re)appointment or dismissal of the External Auditor and the issue of a new audit-engagement.²³ The Board of Management facilitates the process of appointment of the External Auditor, paying attention to the scope of the audit, the materiality to be used and remuneration for the audit.²⁴
- 6.6 In the event of the early termination of the relationship with the External Auditor, the Board of Management shall ensure that the Company issues a press release which shall explain the reasons for such early termination.²⁵

7. Relation with the Supervisory Board

- 7.1 The CEO is the first contact for the Chairman of the Supervisory Board and the other members of the Supervisory Board.
- 7.2 The CEO, the Company Secretary and the other members of the Board of Management shall attend the Supervisory Board meetings, to the extent the Supervisory Board does not indicate that it wishes to meet (partially) in the absence of the CEO, the Company Secretary and/or other members of the Board of Management.²⁶
- 7.3 The Board of Management will provide the Supervisory Board with all information which the Supervisory Board requires, including in particular the information as indicated in the By-Laws of the Supervisory Board and such further information as the Supervisory Board requests.

²⁰ Dutch Corporate Governance Code, best practice provision 1.7.1.

²¹ Dutch Corporate Governance Code, Principle 1.7 and best practice provision 1.7.2.

²² Dutch Corporate Governance Code, best practice provision 1.7.5.

²³ Dutch Corporate Governance Code, best practice provision 1.6.1.

²⁴ Dutch Corporate Governance Code, best practice provision 1.6.3.

²⁵ Dutch Corporate Governance Code, best practice provision 1.6.5.

²⁶ See also article 16.1 of the by-laws of the Supervisory Board.

8. Relation with the Central Works Council

- 8.1 The Board of Management shall enable the establishment of employee participation through works councils, as provided for in the Works Council Act (*Wet op de ondernemingsraden*)²⁷.
- 8.2 The Board of Management shall maintain the relationship with the Central Works Council as provided for in the Works Council Act and in other arrangements covenanted with the Central Works Council.
- 8.3 The CEO shall be the primary contact for the Central Works Council and shall be considered the ‘director’ (*bestuurder*) as referred to in the Works Council Act. In consultation with the Central Works Council, the CEO may delegate this role for specific matters to other members of the Board of Management.
- 8.4 The Board of Management and the Central Works Council shall draw up and agree upon a charter to govern the overall employee participation within the Company.

9. Relation with the Shareholders

- 9.1 The Board of Management shall ensure that all shareholders and (where relevant) other parties in the financial markets will be provided with equal and simultaneous information about matters that may influence the price of relevant financial instruments issued by the Company.²⁸
- 9.2 The Board of Management and the Supervisory Board shall ensure that the General Meeting is adequately provided with information.²⁹
- 9.3 The Board of Management and the Supervisory Board shall endeavour to ensure that the General Meeting of Shareholders is provided with all requested information in time, unless this would be contrary to an overriding interest of the Company. If the Board of Management or the Supervisory Board invokes an overriding interest, it shall state the reasons.³⁰
- 9.4 Guidelines on contacts with shareholders are set out in **Annex 3**.
- 9.5 The members of the Board of Management shall be present at the annual General Meeting of Shareholders, unless they are unable to attend for important reasons. If appropriate, and subject to the approval of the Chairman, based on the advice of the Company Secretary, a member may attend the General Meeting of Shareholders through means of electronic communication.
- 9.6 Meetings with and presentations to analysts, presentations to (institutional) investors and press conferences shall be announced in advance on the Company's website and/or by means of press releases. Analysts’ meetings and -presentations to investors shall not take place shortly before the publication of the regular financial information. Provisions shall be made for all shareholders to follow these meetings and presentations in real time, by means of webcasting, telephone or by other means.³¹

²⁷ See Sections 24 paragraph 2; 25 paragraph 4; 27 paragraph 2 and 30 paragraph 3 of the Works Council Act.

²⁸ See also Section 5:25i Wft and Section 5:53 paragraph 1 Wft.

²⁹ Dutch Corporate Governance Code, Principle 4.2.

³⁰ Article 2:107 lid 2 of the Dutch Civil Code and Dutch Corporate Governance Code, best practice provision 4.2.1.

³¹ Dutch Corporate Governance Code, best practice provision 4.2.3.

- 9.7 The Board of Management shall post and update all information relevant to the shareholders that the Company is required to publish or deposit pursuant to the applicable provisions of company law or securities law and regulation on a separate part of the Company's website and provides that the information on the website is accessible for at least one year, or so much longer as required by a specific statutory or other obligation.³²

10. Takeover situations

- 10.1 When a takeover bid for (depository receipts for) shares in the Company is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the Board of Management shall ensure that the Supervisory Board is involved in the takeover process and/or the change in structure closely and in a timely fashion.³³
- 10.2 If a takeover bid has been announced or made for (depository receipts for) shares in the Company and the Board of Management receives a request from a third competing bidder for information regarding the Company, the Board of Management shall discuss such request without delay with the Supervisory Board.³⁴
- 10.3 If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, the Board of Management shall, as soon as possible, publicly announce its position on the bid and the reasons for this position.³⁵

³² See also article 5:25m paragraph 3 Wft.

³³ Dutch Corporate Governance Code, best practice provision 2.8.1.

³⁴ Dutch Corporate Governance Code, best practice provision 2.8.2.

³⁵ Dutch Corporate Governance Code, best practice provision 2.8.3.

CHAPTER II - COMPOSITION AND POSITIONS

11. Composition of the Board of Management

- 11.1 The members of the Board of Management are appointed by the Supervisory Board, in the manner as provided in the Articles of Association.
- 11.2 Members of the Board of Management are appointed for a period of four years per term, running until the end of the first annual general meeting of shareholders after the completion of four years since the appointment.³⁶
- 11.3 The number of members of the Board of Management is determined by the Supervisory Board, after consultation with the CEO, at two or more.³⁷
- 11.4 The Supervisory Board shall draw up a diversity policy with regard to the composition of the Board of Management, which shall be taken into account when making appointments to the Board of Management. The diversity policy addresses the concrete targets relating to diversity and the diversity aspects relevant to the Company, such as nationality, age, gender and background of education and professional experience.³⁸
- 11.5 Members of the Board of Management that are nominated for appointment shall attend the General Meeting of Shareholders at which notification will be given of their intended appointment.³⁹
- 11.6 Members of the Board of Management shall retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board in order to avoid as much as possible the situation in which many members of the Board of Management retire at the same time. The current rotation plan shall be published on the Company's website. The Supervisory Board may at any time amend the rotation plan. Amendments to the rotation plan, however, do not entail that a sitting Board of Management member remains in office for a longer period than he was appointed for, or that he retires against his will before his term has expired.
- 11.7 A Board of Management member shall retire early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board.⁴⁰

12. Division of Tasks in the Board of Management

- 12.1 Individual members of the Board of Management may be charged with specific parts of the managerial tasks, without prejudice to the collective responsibility of the Board of Management as a whole. The Board of Management remains collectively responsible for decisions, even if they are prepared by individual members of the Board of Management. An individual member of the Board of Management may only exercise such powers as are explicitly attributed or delegated to him and he may never exercise powers beyond those exercisable by the Board of Management as a whole.
- 12.2 The division of tasks within the Board of Management is determined (and amended, if necessary) by the Board of Management, subject to the approval of the Supervisory Board. The division of tasks

³⁶ Dutch Corporate Governance Code, best practice provision 2.2.1.

³⁷ Articles of Association, Clause 16.1

³⁸ Dutch Corporate Governance Code, best practice provision 2.1.5.

³⁹ Dutch Corporate Governance Code, best practice provision 4.1.8.

⁴⁰ Dutch Corporate Governance Code, best practice provision 2.2.3.

between the members of the Board of Management, which for the CEO and CFO are in addition to their respective tasks described in clauses 0 and 0, shall be published on the Company's website.

- 12.3 Each member of the Board of Management must inform the other members of the Board of Management in a clear and timely manner about the way in which he has used delegated powers and about major developments in the area of his responsibilities.

13. Chief Executive Officer

- 13.1 The Supervisory Board appoints one of the members of the Board of Management as CEO.

- 13.2 The CEO is primarily responsible for:

- a. ensuring that the Board of Management functions properly and in accordance with its mandate, and that it makes decisions in a collective manner;
- b. preparing an agenda and chairing meetings of the Board of Management ;
- c. the overall coordination of formulating, communicating and executing the Company's strategy;
- d. on an ad hoc basis consulting with members of the Board of Management regarding their respective tasks;
- e. the functioning of the internal audit function;
- f. the functioning of the Company's compliance function;
- g. ensuring that the functioning of the Board of Management and its members is assessed at least annually;⁴¹
- h. maintaining the relationship with the Central Works Council as described in clause 8.3.

- 13.3 The CEO is also responsible for the following matters regarding the relationship between the Board of Management on the one hand, and the Supervisory Board on the other hand:

- a. overseeing and ensuring communications of the Board of Management with the Supervisory Board;
- b. regular consulting with the Chairman of the Supervisory Board and if deemed necessary or advisable, with other members of the Supervisory Board;
- c. designating members of the Board of Management who will participate in the consultation with Committees if so required;
- d. submitting items on the agenda and in this regard preparing meetings of the Supervisory Board in consultation with the Chairman of the Supervisory Board;
- e. ensuring that the Supervisory Board is provided with all information necessary for the proper performance of its duties;

⁴¹ Dutch Corporate Governance Code, best practice provision 2.2.7.

- f. involving the Supervisory Board in a timely manner when formulating the strategy concerning the long-term value creation;
 - g. if so requested by the Audit Committee⁴², participating in meetings of the Audit Committee.
- 13.4 The CEO is assisted in the organisation of the matters set out in clauses 13.2 and 13.3 by the Company Secretary.

14. Chief Financial Officer

14.1 The Supervisory Board appoints one of the members of the Board of Management as CFO, after consultation with the CEO.

14.2 The CFO is primarily responsible for:

- a. formulating, communicating and executing the Company's financial strategy;
- b. formulating, communicating and executing the Company's business risk strategy;
- c. overseeing and ensuring the integrity of the Company's accounts;
- d. the financial, tax and management accounting reporting of the Company; and
- e. performing any other related duties as may be prescribed from time to time by the Board of Management.

14.3 The CFO is also primarily responsible for taking part in meetings of the Audit Committee to discuss,⁴³ among other things:

- a. the integrity of the financial statements of the Company (including but not limited to the choice of accounting policies, application and assessments of the effects of new rules, information about the handling of estimated items in the Annual Accounts and forecasts);
- b. the qualifications, independence, remuneration and non-auditing work of the External Auditor for the Company (without prejudice to the responsibilities of the Audit Committee in the area of finance, accounting and tax);
- c. the performance of tasks by the internal audit function (in consultation with the CEO) and the External Auditor;
- d. the financial reporting process;
- e. risk management;
- f. the system of internal business controls (including but not limited to the effect of internal risk management and control systems);
- g. compliance by the Company with laws and regulations and applicable codes of conduct in the area of finance, accounting and tax;

⁴² Dutch Corporate Governance Code, best practice provision 1.5.2.

⁴³ Dutch Corporate Governance Code, best practice provision 1.5.2.

- h. compliance by the Company with recommendations of the External Auditor and the Company's internal audit function;
- i. the financing of the Company and finance-related strategies; and
- j. the Company's tax policy.

15. Company Secretary⁴⁴

- 15.1 The Board of Management is assisted by the Company Secretary, who is appointed by the Board of Management, after approval by the Supervisory Board. The Company Secretary may be removed by the Board of Management after approval by the Supervisory Board.
- 15.2 All members of the Board of Management have access to the advice and services of the Company Secretary.
- 15.3 The Company Secretary ensures that correct Board of Management procedures are followed and that the obligations of the Board of Management under the law, the Articles of Association as well as the by-laws are complied with. The Company Secretary furthermore facilitates the provision of information to the Board of Management and Supervisory Board. The Company Secretary shall support the CEO in the organisation of the affairs of the Board of Management (the preparing and reporting of meetings, information etc.).
- 15.4 The Company Secretary may also perform activities for the Supervisory Board, as provided for in the By-Laws of the Supervisory Board. If the Company Secretary notes that the interests of the Board of Management and the Supervisory Board diverge, as a result of which it is unclear which interests the Company Secretary should represent, he shall report this to the Chairman of the Supervisory Board.
- 15.5 The Company Secretary may delegate his duties under these By-Laws, or parts thereof, to one (or more) deputy (or deputies) appointed by him in consultation with the CEO. In such case, any reference to the Company Secretary in these By-Laws, shall be read as a reference to such deputy if appropriate for the matter at hand.

⁴⁴ See also clause 4 of the By-Laws of the Supervisory Board and Dutch Corporate Governance Code, best practice provision 2.3.10.

CHAPTER III - MEETINGS AND DECISION-MAKING

16. Frequency, Notice, Agenda and Venue of Meetings

- 16.1 The Board of Management shall in principle meet once a month, or with such other frequency as the Board of Management or the CEO deem desirable or required for a proper functioning.
- 16.2 Meetings of the Board of Management shall be called by its secretary, at the initiative of the CEO or of two other members of the Board of Management collectively.
- 16.3 Save in urgent cases, to be determined by the CEO, the agenda for the meeting shall be made available to all members as early as possible, and where possible at least two calendar days before the meeting. Supporting documentation shall be made available as soon as possible, but no later than 24 hours before the meeting.
- 16.4 Each member of the Board of Management has the right to request that an item be placed on the agenda for its meeting.
- 16.5 Meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings may be held by means of conference call, video conference or other means of communication, provided that all participants can communicate with each other simultaneously.

17. Attendance of and Admittance to Meetings

- 17.1 The Board of Management may invite persons other than their respective members to its meeting. In case a member objects to such invitation, the Board of Management shall decide on such invitation by a majority vote of its members present at the meeting.
- 17.2 A member may be represented at meetings by another member holding a proxy in writing. The existence of such proxy must be proved satisfactorily to the CEO or, in his absence, the other members present at the meeting, and to the secretary.

18. Chairman of the Meeting; Reports

- 18.1 Meetings are chaired by the CEO. If the CEO is absent, one of the other members of the Board of Management, designated by the CEO or - in absence of such designation – designated by a majority of votes cast by the members of the Board of Management present and represented at the meeting, presides over the meeting.
- 18.2 The Company Secretary, his deputy or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting. The minutes shall provide insight into the decision-making process at the meeting. The minutes shall be adopted by the Board of Management, normally at the next meeting.

19. Decision-making

- 19.1 The members of the Board of Management shall endeavour to achieve that resolutions are adopted unanimously.
- 19.2 Where unanimity cannot be reached and the law, the Articles of Association or these By-Laws do not prescribe a larger majority, all resolutions of the Board of Management are adopted by an absolute majority of the votes cast. Each Board of Management member has the right to cast one vote. In the event of a tie, the CEO shall have the deciding vote, provided that the Board of Management consists of at least three members. At a meeting, the Board of Management may only pass resolutions if the majority of the members of the Board of Management then in office are present or represented.
- 19.3 In general, resolutions of the Board of Management are adopted at a Board of Management meeting. Resolutions may also be adopted in writing, provided the proposal concerned is submitted to all members then in office and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the members of the Board of Management or , as the case may be. A statement from a member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.
- 19.4 Resolutions of the Board of Management, against which the CEO has cast his vote, shall be submitted to the Supervisory Board for approval.⁴⁵
- 19.5 The Board of Management shall not pass resolutions relating to the area of expertise of a particular member in the absence of that member, unless with the explicit written consent of the relevant member.
- 19.6 The Board of Management may deviate from the provisions of clauses 19.2 (last sentence))or 19.4 if this is deemed necessary by the CEO, considering the urgent nature and other circumstances of the case, provided that all members of the Board of Management , as the case may be, are allowed the opportunity to participate in the decision-making process. The Company Secretary shall then prepare a report on any resolution so adopted, that shall be added to the documents for the next meeting.
- 19.7 The report of a meeting shall reflect the resolutions passed in that meeting. If no unanimity was reached on a decision, the report shall include the votes of each of the members. In case resolutions are passed under the provisions of clauses 19.3 (last sentence) or 19.6, the Company Secretary shall prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting.
- 19.8 A resolution adopted by the Board of Management may be evidenced outside the Company through a statement from the CEO and the Company Secretary.
- 19.9 The resolutions listed in **Annex 2** are subject to the approval of the Supervisory Board. Pursuant to article 21.3 of the Articles of Association, the Supervisory Board is entitled to require further resolutions of the Board of Management to be subject to its approval. Such resolutions must be clearly specified and notified to the Board of Management in writing.

⁴⁵ Art. 21, paragraph 2, sub B, Articles of Association

CHAPTER IV - OTHER PROVISIONS

20. Conflicts of Interests

- 20.1 The Supervisory Board is responsible for dealing with conflicts of interest regarding members of the Board of Management, Supervisory Board members and majority shareholders in relation to the Company.⁴⁶
- 20.2 Each member of the Board of Management is alert to conflicts of interest and shall in any case not:
- a. enter into competition with the Company;
 - b. demand or accept (substantial) gifts from the Company for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
 - c. provide unjustified advantages to third parties to the detriment of the Company; or
 - d. take advantage of business opportunities to which the Company is entitled for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.⁴⁷
- 20.3 A conflict of interest may amongst others exist if the Company intends to enter into a transaction with:
- a. a member of the Board of Management or the Supervisory Board, or a person who has a relationship under family law⁴⁸ with such member; or
 - b. a legal entity in which a member of the Board of Management personally has a material financial interest; or
 - c. a legal entity which has a member of a board of management or a supervisory board who has a relationship under family law with a member of the Board of Management.⁴⁹
- 20.4 A member of the Board of Management shall without delay report any actual or potential, direct or indirect conflict of interest in a matter that is of material significance to the Company and/or to the member concerned, to the Chairman of the Supervisory Board and to the other members of the Board of Management and shall provide all relevant information thereto, including – where relevant - information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage upon the second degree. The Supervisory Board shall decide, without the Board of Management member concerned being present, whether a conflict of interest exists.⁵⁰

A member of the Board of Management shall not take part in any discussion and decision-making that involves a subject or transaction in relation to which he has a direct or indirect conflict of interest with the Company. If, as a result, no resolution can be adopted, the resolution will be adopted by the Supervisory Board.⁵¹

⁴⁶ Dutch Corporate Governance Code, Principle 2.7.

⁴⁷ Dutch Corporate Governance Code, best practice provision 2.7.1.

⁴⁸ A relation under family-law consists between a child, his parents and their blood relatives (Section 1:197 Dutch Civil Code).

⁴⁹ Dutch Corporate Governance Code, best practice provision 2.7.3, first paragraph.

⁵⁰ Dutch Corporate Governance Code, best practice provision 2.7.3, second paragraph and third paragraph on the end.

⁵¹ Article 2:129 paragraph 6 Dutch Civil Code.

- 20.5 All transactions in which there are conflicts of interest with members of the Board of Management shall be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with members of the Board of Management that are of material significance to the Company and/or the relevant members require the approval of the Supervisory Board.⁵² The Supervisory Board shall set a procedure to periodically review whether transactions entered into with members of the Board of Management in the normal course of business and on terms that are customary in the market, indeed comply with these conditions.
- 20.6 All transactions between the Company and individuals or legal entities who hold at least 10% of the shares in the Company must be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with such persons that are of material significance to the Company and/or to such persons require the approval of the Supervisory Board.⁵³

21. Outside Positions

- 21.1 A member of the Board of Management shall report any other position he intends to accept in advance to the other members of the Board of Management and to the Chairman of the Supervisory Board, whereby:
- a. the acceptance of a remunerated position, or a non-remunerated but time-consuming position, including in an advisory or supervisory capacity, requires the consent of the CEO (having consulted the Chairman of the Supervisory Board); or – in case of the CEO – the Chairman of the Supervisory Board;
 - b. The acceptance of membership of a supervisory board by a Board of Management member requires the approval of the Supervisory Board.⁵⁴
- 21.2 A Board of Management member may not hold more than two supervisory memberships of Dutch large companies or large foundations. A Board of Management member may not concurrently serve as chairman of the supervisory board or one tier board of a large company or a large foundation.⁵⁵
- 21.3 The Board of Management shall annually prepare an overview of outside positions for discussion at a meeting of the Supervisory Board.

22. Holding and Trading Securities

- 22.1 Members of the Board of Management are bound to the Code of Conduct on Insider Trading of the Company as posted on the Company's website.

23. Confidentiality

No member of the Board of Management shall, during his membership of the Board of Management (as the case may be) or thereafter, disclose in any way whatsoever to anyone whomsoever any information of a confidential nature that came to his knowledge in his capacity as member of the Board

⁵² Dutch Corporate Governance Code, best practice provision 2.7.4.

⁵³ Dutch Corporate Governance Code, best practice provision 2.7.5.

⁵⁴ Dutch Corporate Governance Code, best practice provision 2.4.2.

⁵⁵ Article 2:132a of the Dutch Civil Code contains more detailed provisions in this regard.

of Management which he knows or should know to be of a confidential nature, unless such disclosure is required by law. A member is allowed to disclose the above information to other members of the Board of Management and Supervisory Board members as well as to staff members of the Company who, in view of their activities for the Company, should be informed of the information concerned. A member of the Board of Management member shall not in any way whatsoever utilise the information referred to above for his personal benefit.

24. Miscellaneous

- 24.1 **Occasional non-compliance.** Subject to applicable law and regulations, the Board of Management may incidentally decide to deviate from these By-Laws. Where relevant or requested, the Board of Management shall explain such deviation to the Supervisory Board.
- 24.2 **Amendment.** These By-Laws may be amended by the Board of Management at any time and without any notification being made, subject only to Supervisory Board approval.
- 24.3 **Interpretation.** In case of uncertainty or difference of opinion on the interpretation of any provision of these By-Laws, the opinion of the CEO, to be formed after consultation with the Company Secretary and the Chairman of the Supervisory Board, shall be decisive.
- 24.4 **Governing law and jurisdiction.** These By-Laws are governed by the laws of the Netherlands. The courts of the Netherlands have exclusive jurisdiction to settle any dispute arising from or in connection with these By-Laws (including any dispute regarding the existence, validity or termination of these By-Laws).
- 24.5 **Complementarity to Dutch law and Articles of Association.** These By-Laws are complementary to the provisions governing the Board of Management as contained in Dutch law, other applicable Dutch or EU regulations and the Articles of Association. Where these By-Laws are inconsistent with Dutch law, other applicable Dutch or EU regulations or the Articles of Association, the latter shall prevail. Where these By-Laws are consistent with the Articles of Association but inconsistent with Dutch law or other applicable Dutch or EU regulations, the latter shall prevail.
- 24.6 **Partial invalidity.** If one or more provisions of these By-Laws are or become invalid, this shall not affect the validity of the remaining provisions. The Board of Management, subject to prior approval of the Supervisory Board, may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these By-Laws is, to the greatest extent possible, similar to that of the invalid provisions.

* * * * *

ANNEX 1

LIST OF DEFINITIONS

1. In these By-Laws, the following terms have the following meanings:

Annual Accounts means the annual accounts of the Company as referred to in Section 2:101 of the Dutch Civil Code.

AFM means the Authority for the Financial Markets (*Autoriteit Financiële Markten*).

Articles of Association means the articles of association of the Company.

Audit Committee means the audit committee of the Supervisory Board.

Board of Management means the management board of the Company.

By-Laws means the By-Laws of the Board of Management or the By-Laws of the Supervisory Board, depending on the context, including the annexes belonging thereto.

CEO means the chief executive officer, who is also the chairman of the Board of Management of the Company.

CFO means the chief financial officer of the Company, who is also a member of the Board of Management.

Chairman of the Supervisory Board means the chairman of the Supervisory Board.

Committee means each committee of the Supervisory Board.

Company means Koninklijke KPN N.V., and, where appropriate, the subsidiaries and possible other group companies of the Company, whose financial information is incorporated in the consolidated Annual Accounts.

Company Secretary means the company secretary of the Company appointed in accordance with clause 15, or, as the case may be, his deputy as appointed in accordance with paragraph 15.5.

External Auditor means the accounting and auditing firm that, in accordance with Section 2:393 of the Dutch Civil Code, is charged with the audit of the Annual Accounts.

General Meeting of Shareholders means the general meeting of shareholders of the Company.

group company has the meaning attributed to it in Section 2:24b of the Dutch Civil Code.

in writing means by letter, by fax, by e-mail, or by message which is transmitted via any other current means of communication and which can be received in written form.

Nomination Committee means the Nomination & corporate governance committee of the Supervisory Board.

Remuneration Committee means the remuneration committee of the Supervisory Board.

Remuneration Report means the remuneration report of the Supervisory Board regarding the remuneration policy of the Company as drawn up by the Remuneration Committee.

Report of the Board of Management means the Report of the Board of Management of the Company drawn up by the Board of Management, as referred to in Section 2:101 of the Dutch Civil Code.

Subsidiary has the meaning attributed to it in Section 2:24a of the Dutch Civil Code.

Supervisory Board means the supervisory board of the Company.

Supervisory Board Profile means the profile for the size and composition of the Supervisory Board, as designated in clause 1.1 of the By-Laws of the Supervisory Board.

2. Save where the context dictates otherwise, in these By-Laws:
 - (a) unless a different intention clearly appears, a reference to a clause or Annex is a reference to a clause or annex of these By-Laws;
 - (b) words and expressions expressed in the singular form also include the plural form, and vice versa;
 - (c) words and expressions expressed in the masculine form also include the feminine form; and
 - (d) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.
3. Headings of articles and other headings in these By-Laws are inserted for ease of reference and do not form part of these By-Laws for the purpose of interpretation.

ANNEX 2

LIST OF APPROVAL ITEMS SUPERVISORY BOARD

The approval of the Supervisory Board is required for:

Business matters

- (a) resolutions by the Board of Management to approve the annual plan of the Company (which has incorporated any annual plans of Subsidiaries);
- (b) resolutions by the Board of Management regarding divestments, mergers and acquisitions with a financial interest in excess of the sum of EUR 25,000,000;
- (c) other resolutions by the Board of Management with a financial interest in excess of the sum of EUR 50,000,000, excluding resolutions in the ordinary course of business or that have been expressly provided for in an approved annual plan;
- (d) the expansion of business activities to a new type of business activities, that may materially affect the existing business activities, the business management or the image of the Company;
- (e) the closure, in whole or in part, or the transfer of an essential part of the business of the Company,
- (f) entering into, terminating or materially amending joint venture agreements that are of essential significance to the Company;

items (b) to (e) also include such activities at Subsidiaries, whereby the relevant effects are to be assessed on the total Company

Corporate matters

- (g) in conformity with article 21 of the Articles of Association of the Company, resolutions of the Board of Management concerning:
 - i. the issue and acquisition of shares of the Company and debt instruments issued by the Company or of debt instruments issued by a limited partnership (*commanditaire vennootschap*) or a general partnership (*vennootschap onder firma*) in respect of which the Company is a general partner with full liability;
 - ii. co-operation in the issue of depositary receipts for shares in the Company;
 - iii. application for listing or withdrawal of listing on any stock exchange of the securities referred to under i and ii;
 - iv. the entering into or termination of long-term co-operation of the Company or a dependent company with any other company or legal entity or as fully liable partner in a limited partnership or general partnership if such co-operation or termination is of fundamental importance to the Company;
 - v. the acquisition of a participation worth at least a quarter of the value of the issued capital plus reserves according to the Company's balance sheet plus explanatory notes, by the Company

or a dependent company in the capital of another company, and any substantial increase or decrease of such participation;

- vi. investments requiring an amount equal to at least a quarter of the Company 's issued capital plus reserves according to its balance sheet plus explanatory notes;
- vii. a proposal to alter the articles of association of the Company⁵⁶;
- viii. a proposal to dissolve the Company⁵⁷;
- ix. a petition for bankruptcy or a request for suspension of payments;
- x. a proposal to reduce the issued capital of the Company;
- xi. the termination of the employment of a considerable number of the Company 's employees or of a dependent company's employees simultaneously or within a short period of time;
- xii. a significant change in the employment conditions of a considerable number of the company's employees or of a dependent company's employees;

(h) the following resolutions regarding dividend⁵⁸:

- i. a resolution of the Board of Management to distribute an interim dividend or to make interim distributions out of the distributable part of the shareholders' equity.
- ii. a resolution of the Board of Management to pay all or part of the dividend on ordinary shares in shares in the Company instead of cash.
- iii. the proposal of the Board of Management to the general meeting to pay dividends to holders of ordinary shares chargeable to the distributable part of its equity, whether to be made in cash or in whole or in part in shares in the Company.

(i) a proposal to merge or demerge the Company⁵⁹

(j) the following resolutions with regard to any Subsidiaries:

- i. application for listing or withdrawal of listing on any stock exchange of the securities of the Subsidiary;
- ii. issuance of debt instruments by the Subsidiary, other than to the Company or any other Subsidiary in the course of intra-group financing arrangements;
- iii. a petition for bankruptcy or a request for suspension of payments of the Subsidiary;

(k) in addition to (i) above, the following resolutions with regard to any Subsidiaries worth at least a quarter of the value of the issued capital plus reserves according to the Company's balance sheet plus explanatory notes:

⁵⁶ Also art. 43 Articles of Association

⁵⁷ Also art. 43 Articles of Association

⁵⁸ Art. 31 and 32 Articles of Association

⁵⁹ Art. 43 Articles of Association

- i. a resolution to alter the articles of association that entails an essential change in the manner in which KPN exercises its rights as a shareholder or as member of the supervisory board in a such Subsidiary;
- ii. a resolution to dissolve the Subsidiary;
- iii. a resolution to merge or demerge the Subsidiary;

Functioning of the Board of Management

- (l) the allocation of duties of the Board of Management to individual members of the Board of Management;⁶⁰
- (m) the adoption of the By-Laws of the Board of Management
- (n) the establishment of an executive committee;
- (o) the appointment and removal of the Company Secretary⁶¹ and the chief internal auditor⁶²;
- (p) any resolution of the Board of Management, against which the CEO has cast his vote in the voting of the Board of Management⁶³.

Conflicts of interest

- (q) all transactions between the Company and natural or legal persons who hold at least 10% of the shares in the Company that are of material significance to the Company and/or such persons;⁶⁴
- (r) all transactions in which there are conflicts of interest with members of the Board of Management that are of material significance to the Company and/or the relevant members of the Board of Management;⁶⁵
- (s) all transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or the relevant Supervisory Board members;⁶⁶

Other resolutions

- (t) any resolutions which the Supervisory Board has further subjected to its approval in a resolution which was clearly specified in writing and of which the Board of Management was informed in writing
- (u) all other acts that require the approval by legislation, the Articles of Association, the By-Laws of the Board of Management, the By-Laws of the Supervisory Board, the Dutch Corporate Governance Code or any other applicable legislation.

⁶⁰ Board of Management By-Laws, clause 12.2.

⁶¹ Board of Management By-Laws, clause 15.1.

⁶² Board of Management By-Laws, clause 5.2.

⁶³ Art. 21, paragraph 2, sub B, Articles of Association

⁶⁴ Board of Management By-Laws, clause 20.6.

⁶⁵ Board of Management By-Laws, clause 20.5.

⁶⁶ Supervisory Board By-Laws, clause 20.6.

ANNEX 3

GUIDELINES ON CONTACTS WITH SHAREHOLDERS

In the normal course of business members of the Board of Management and Supervisory Board members will have contacts with (major) shareholders. In general these contacts are and should be limited to subjects, which form part of the usual investor relations activities. Selective disclosures are not allowed and the only information on the Company that will be provided is information that can also be obtained from the public domain.

It is however possible that a large shareholder needs to be consulted when this is necessary to let the company form an opinion about the feasibility of an intended transaction.

For both situations certain guidelines are necessary to provide clarity on do's and don'ts in relation to contacts with shareholders. This will result in avoidance of misunderstandings and prevent infringement of securities legislation (rules on disclosure of inside information).

I. Contacts from a general Investor Relations Perspective

General contacts from an IR perspective are possible, provided that no selective disclosures can be made. The following guidelines apply:

In principle, no member of the Board of Management and no Supervisory Board member will have contacts on an individual basis, and each member of the Board of Management Board or Supervisory Board member will be accompanied by the CEO and/or CFO or a representative from the Investor Relations department. In case the contact relates to members of the Board of Management, the contact may take place by two members of the Supervisory Board together, or one member of the Supervisory Board and the Company Secretary. In case the Chairman of the Supervisory Board or the CEO deem that a deviation of these principles is warranted in particular circumstances in the interest of the company, they may decide to do so, while maintaining strictly within the boundaries of the law and while ensuring they can at all times render account of such decision and of the respective contacts.

The only information about the Company that will be provided is public information.

In case of an intended disclosure by the shareholder, the latter should be made aware of the fact that the Company will have to issue a press release if this disclosure would make the Company privy to inside information.

II. Contacts from a governance perspective

The support of a (major) shareholder can be a prerequisite for the Company to form an opinion about the feasibility of an intended (transformational) transaction. It is a legitimate concern that the Company wishes to take this into consideration in the decision-making process.

This would be the case if a transaction is subject to approval of the General Meeting of Shareholders. This form of contact would normally represent a disclosure of inside information. The following guidelines apply:

No member of the Board of Management and no Supervisory Board member will have contacts on an individual basis and each member will be accompanied by the CEO and/or CFO, a representative of the Investor Relations department and/or the Company Secretary.

The provision of inside information to the major shareholder should be limited to the information, which is necessary for the shareholder to form its opinion about the transaction.

The provision of inside information should be limited to a small group of people.

Both the Company and shareholder should confirm in writing that the information is confidential and that the latter undertakes not to trade the relevant securities (which include relevant bonds) until announcement of the transaction or such time as the information no longer qualifies as inside information.