

Remuneration and Organizational Development Report

Details on all remunerations per individual

The remuneration of the current members of the Board of Management is provided below.

Name and Position	Year	Salary & Social Security (EUR)	Bonus ¹ (EUR)	Retirement bonus ¹ (EUR)	Share Awards ² (EUR)	Option Awards ³ (EUR)	Pension costs ⁴ (EUR)	Total (EUR)
A.J. Scheepbouwer								
Chairman of the Board	2007	1,005,277	977,300	2,500,000	651,638	281,197	-	5,415,412
	2006	1,004,698	1,442,300	-	-	258,334	-	2,705,332
	2005	1,001,397	1,000,000	-	-	401,189	-	2,402,586
M.H.M. Smits								
Chief Financial Officer	2007	530,277	480,953	-	669,231	-	86,000	1,766,461
	2006	482,058	453,055	-	433,657	-	70,600	1,439,370
	2005	423,828	273,000	-	-	313,698	84,700	1,095,226
E. Blok⁵								
Board Member	2007	505,277	454,450	-	637,352	-	74,684	1,671,763
	2006	266,617	222,390	-	-	-	39,130	528,137
	2005	-	-	-	-	-	-	-
S.P. Miller⁶								
Board Member	2007	739,277	554,072	-	379,357	-	125,280	1,797,986
	2006	428,340	661,500	-	-	-	73,080	1,162,920
J.B.P. Coopmans⁷								
Board Member	2007	430,277	260,610	-	317,829	-	51,641	1,060,357
	2006	132,216	78,034	-	374,315	-	15,813	600,378
Total current members								
	2007	3,210,385	2,727,385	2,500,000	2,655,407	281,197	337,605	11,711,979
	2006	2,313,929	2,857,279	-	807,972	258,334	198,623	6,436,137
	2005	1,425,225	1,273,000	-	-	714,887	84,700	3,497,812

1) Actual bonuses disclosed in a specific year relate to the performance in that year, but are paid out in the following year. In 2007 Mr. Scheepbouwer received an upfront payment of his EUR 2.5 million retirement bonus upon signing the extended contract.

2) The fair value of the share-based award as of the grant date. The fair value is the amount for which an item could be exchanged or settled between knowledgeable willing parties. Costs under IFRS deviate from the value attributed to the individual awards at the date of grant, due to differences in calculation method. Under IFRS the fair value of the share-based award is charged to the P&L over the vesting period. Costs recognized for shares and share-based awards under IFRS amounted to EUR 146,205 in 2007 for Mr. Scheepbouwer, EUR 294,573 in 2007 (EUR 103,666 in 2006) for Mr. Smits, EUR 264,607 in 2007 (EUR 71,298 in 2006) for Mr. Blok, EUR 85,115 in 2007 (EUR 0 in 2006) for Mr. Miller and EUR 195,968 in 2007 (EUR 38,251 in 2006) for Mr. Coopmans.

3) The fair value of the option award as of the grant date. The fair value is the amount for which an item could be exchanged or settled between knowledgeable willing parties. Costs under IFRS deviate from the value attributed to the individual awards at the date of grant, due to differences in calculation method. Under IFRS the fair value of the options is charged to the P&L over the vesting period. Cost recognized for options under IFRS amounted to EUR 368,590 in 2007 (EUR 604,793 in 2006, EUR 828,898 in 2005) for Mr. Scheepbouwer, EUR 130,071 in 2007 (EUR 146,847 in 2006, EUR 117,053 in 2005) for Mr. Smits, EUR 30,197 in 2007 (EUR 31,261 in 2006, EUR 0 in 2005) for Mr. Miller and EUR 121,087 in 2007 (EUR 113,677 in 2006) for Mr. Blok.

4) The pension costs relate to the premiums paid for new Board members as of 2006 and the service cost in the corresponding years for the other members. Interest charges and investment yields are not allocated on an individual level.

5) Mr. Blok joined the Board of Management on April 15, 2004 and resigned from the Board on December 23, 2004. Mr. Blok re-joined the Board of Management on June 1, 2006. The 2006 share award for Mr. Blok was granted when he was not a Board Member (the fair value as of the grant date amounted to EUR 356,154 in 2006).

6) The base salary of Mr. Miller is partly subject to Belgian tax law, pursuant to his Belgian Employment Agreement. It was agreed that a Dutch Employment Agreement would not have a negative impact on his net salary. Therefore, the remuneration payable to Mr. Miller includes a compensation for loss of net salary of EUR 134,000. Mr. Miller's annual bonus also includes a compensation of EUR 114,332. Further, Mr. Miller received reimbursements for tuition costs of children and for private international medical plan expenses for him and his children. For Mr. Miller, a separate long-term incentive arrangement applies as agreed in his previous position before joining the Board of Management. See 'Long-term incentives' for further information on this arrangement. This long-term incentive was partly accrued for in 2007 for EUR 0.5 million (EUR 1 million in 2006).

7) In 2007, Mr. Coopmans received an additional relocation allowance for moving from Mexico City to The Netherlands of EUR 232,000 (EUR 100,000 in 2006).

The remuneration of the former members of the Board of Management is provided below.

Name and position	Year	Salary (EUR)	Bonus ¹ (EUR)	Option Awards ² (EUR)	Pension costs ³ (EUR)	Total (EUR)
G.J.M. Demuyndck⁴						
Board Member	2006	226,954	178,182	-	44,875	450,011
	2005	453,828	362,250	336,105	174,200	1,326,383

1) Actual bonuses disclosed in a specific year relate to the performance in that year, but paid out in the next year.

2) The fair value of the option award as of the grant date. Under IFRS the fair value of the options is charged to the P&L over the vesting period. Costs under IFRS deviate from the value attributed to the individual awards at the date of grant, due to differences in calculation method.

3) The pension costs relate to the service cost in the corresponding years. Interest charges and investment yields are not allocated on an individual level.

4) Mr. Demuyndck resigned from the Board of Management on June 1, 2006. Cost recognized for options under IFRS amounted to EUR 0 in 2007 (EUR 424,504 in 2006, EUR 395,498 in 2005).

The following tables summarize the shares/share-based awards and options granted to members of the Board of Management, granted (un)conditional shares/share-based awards held by them during 2007, granted shares sold during 2007, granted options exercised by them during 2007, and granted (un)conditional shares/share-based awards and unexercised options held by them as of December 31, 2007. Options issued in 2007 carry an entitlement to one KPN share.

	Grant date	Number of granted shares as of January 1, 2007	Number of shares/ share-based awards granted in 2007 ¹	Number of conditional shares/ share-based awards granted	Number of unconditional shares granted/ share-based awards	Number of granted shares/ share-based awards sold	Number of granted conditional shares/ share-based awards as of December 31, 2007	Number of granted unconditional shares/ share-based awards per December 31, 2007
A.J. Scheepbouwer	04-19-2007	-	48,485 ²	48,485	-	-	48,485	-
M.H.M. Smits	04-19-2007	-	49,794	49,794	-	-	49,794	-
	04-13-2006	37,160	-	37,160	-	-	37,160	-
E. Blok	04-19-2007	-	47,422	47,422	-	-	47,422	-
	04-13-2006 ³	31,290	-	31,290	-	-	31,290	-
S.P. Miller	04-19-2007	-	28,226	28,226	-	-	28,226	-
J.B.P. Coopmans	04-19-2007	-	23,648	23,648	-	-	23,648	-
	09-11-2006	32,075	-	32,075	-	-	32,075	-
Total		100,525	197,575	298,100	-	-	298,100	-

1) The share-based awards granted to the Board Members represent 13% of the total number of share-based awards granted in 2007.

2) During 2007, Mr. Scheepbouwer participated in the Performance Share Plan.

3) Shares not granted in capacity of Board Member.

See Note [3] of the Financial Statements for a description of the share plan.

	Grant date	Number of options as of January 1, 2007	Number of options granted in 2007 ¹	Number of exercisable options	Options exercised during the year	Number of options as of December 31, 2007	Expiration date	Exercise price in euro
A.J. Scheepbouwer	04-19-2007	-	165,410	165,410	-	165,410	04-18-2012	12.09
	04-13-2006	215,278	-	215,278	-	215,278	04-12-2011	9.29
	04-14-2005	297,177	-	297,177	-	297,177	04-13-2010	6.73
	04-16-2004	310,078	-	310,078	-	310,078	04-15-2009	6.45
	05-13-2003	319,865	-	319,865	-	319,865	05-12-2008	5.94
	04-26-2002	385,356	-	385,356	385,356	-	04-25-2007	6.49
M.H.M. Smits ⁴	04-14-2005	115,330	-	-	-	115,330	04-13-2013	6.73
	08-09-2004	42,708	42,708 ³	85,416	-	85,416	08-08-2012	6.07
E. Blok	04-14-2005	100,685 ²	-	-	-	100,685	04-13-2013	6.73
	04-16-2004	98,342	98,342 ³	196,684	-	196,684	04-15-2012	6.45
	05-13-2003	12,000 ²	-	12,000	-	12,000	05-12-2008	5.94
	04-26-2002	12,000 ²	-	12,000	12,000	-	04-25-2007	6.49
S.P. Miller	04-14-2005	28,000 ²	-	-	-	28,000	04-13-2013	6.73
	04-16-2004	32,000 ²	-	32,000	32,000	-	04-15-2012	6.45
J.B.P. Coopmans ⁴	-	-	-	-	-	-	-	-
Total		1,968,819	306,460	2,031,264	429,356	1,845,923		

1) The options granted to the CEO represent 100% of the total number of options granted in 2007.

2) Options not granted in capacity as Board Member.

3) As of the end of 2006, KPN held the fourth position with respect to the 2004 option grant, which led to a vesting percentage of 200% of the options that vested in April 2007 and August 2007. The 2004 option grant of Mr. Miller was not performance related.

4) In 2006, Mr. Smits privately purchased 400 options on 100 shares on the stock market and Mr. Coopmans privately purchased 200 options on 100 shares on the stock market.

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The exercise price of the options equals the market value of KPN's share on the grant date. These options are performance related; and the numbers mentioned are on the basis of 100% vesting. As contractually agreed at the time of appointment, the stock options for the CEO are not linked to performance. This was disclosed in 2003 and approved by shareholders in 2004.

See Note [3] of the Financial Statements for a description of the option plans.

Stock ownership Board of Management

The tables below show the shares held by current members of our Board of Management.

Number of shares			
	December 31, 2007	December 31, 2006	December 31, 2005
A.J. Scheepbouwer ¹	152,147	52,147	52,147
M.H.M. Smits	15,500	15,500	15,500
E. Blok	287	287	-
S.P. Miller	-	-	-
J.B.P. Coopmans	-	-	-
Total	167,934	67,934	67,647

1) On November 7, 2007 Mr. Scheepbouwer invested the total net proceeds of his EUR 2.5 million retirement bonus in KPN shares. This retirement bonus was accrued for in 2005, 2006 and 2007.

Share ownership relates to normal shares, constituting one vote in the AGM per share.

Supervisory Board Remuneration 2007

The Committee has the formal responsibility to review and, if appropriate, recommend changes to remuneration for the Supervisory Board. Any recommended changes to Supervisory Board remuneration must be submitted to the AGM for approval.

The Committee decided to adjust the Supervisory Board remuneration in 2007 to reflect the increase in responsibilities of the Supervisory Board members over time. This adjustment was approved by the AGM on April 17, 2007.

The current annual remuneration for the Chairman of the Supervisory Board is EUR 65,000. Annual remuneration for Supervisory Board members is EUR 50,000. Committee fees are determined on an annual basis. The Committee will review the employment market peer group that currently acts as a reference for the remuneration levels of the Supervisory Board (not only limited to Dutch listed companies) in 2008 to ensure an adequate alignment with the relevant market competitive standards as adopted by companies of a similar size and complexity as KPN.

Shareholdings in the Company held by Supervisory Board members serve as a long-term investment in the Company and help align their interest with those of our other shareholders. No Supervisory Board member is granted stock options or shares as a form of remuneration. No member of the Supervisory Board held any stock options in the Company. As a policy, the Company does not provide loans to its Supervisory Board members.

The table below shows the remuneration payable to current and former Supervisory Board members in 2007 (on an annual basis).

Membership fees		
Amounts in euro on annual basis	From April 17, 2007	Until April 17, 2007
Chairman	65,000	60,000
Member	50,000	45,000

The table below reflects fixed committee fees as of April 12, 2005 on an annual basis.

Amounts in euro	
Chairman Audit Committee	15,000
Member Audit Committee	10,000
Chairman Remuneration and Organizational Development Committee	5,000
Member Remuneration and Organizational Development Committee	3,500
Chairman Nominating and Corporate Governance Committee	5,000
Member Nominating and Corporate Governance Committee	3,500