

# Remuneration and Organizational Development Report

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 <sup>1</sup>	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	-	-	-
<b>Total</b>	<b>167,934</b>	<b>67,934</b>	<b>67,647</b>

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

Actual fees received in 2007 by each member of the Supervisory Board are reflected below.

Amounts in euro					
	Membership fees 2007	Committee fees 2007	2007 Total	2006 Total	2005 Total
A.H.J. Risseeuw (Chairman)	63,528	8,500	72,028	68,500	66,270
M. Bischoff	48,528	10,000	58,528	55,000	53,425
C.M. Colijn-Hooymans	35,278	7,056	42,334	-	-
D.G. Eustace	48,528	15,000	63,528	60,000	57,866
D.I. Jager	48,528	8,500	57,028	53,500	54,888
M.E. Van Lier Lels	48,528	7,000	55,528	52,000	51,307
J.B.M. Streppel	48,528	10,000	58,528	55,000	51,925

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

Amounts in euro					
	Membership fees 2007	Committee fees 2007	2007 Total	2006 Total	2005 Total
V. Halberstadt	13,250	2,061	15,311	52,000	50,607

Members receive an additional fee if a meeting is held in a country other than the member's respective country of residence.

#### Stock ownership Supervisory Board

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

Number of shares			
	December 31, 2007	December 31, 2006	December 31, 2005
A.H.J. Risseeuw	46,524	46,524	46,524
D.G. Eustace	-	-	-
M. Bischoff	-	-	-
D.I. Jager	92,500	75,000	45,000
M.E. van Lier Lels	-	-	-
J.B.M. Streppel	-	-	-
C.M. Colijn-Hooymans	-	-	-
<b>Total</b>	<b>139,024</b>	<b>121,524</b>	<b>91,524</b>

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

Members of the Remuneration and Organizational Development Committee:

D.I. Jager (Chairman)  
M.E. van Lier Lels  
A.H.J. Risseeuw