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

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Part of the proposal dated 27 February 2013,  
as it will be presented at the Company's Annual General Meeting of Shareholders  
to be held on 10 April 2013 for its approval.

## **ALLEN & OVERY**

### **Office translation**

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

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

**EXPLANATORY NOTES TO THE PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION OF KONINKLIJKE KPN N.V. (KPN), as it will be presented for a decision at the Annual General Meeting of Shareholders, to be held on 10 April 2013**

**1. General**

This proposal to amend the Articles of Association is made in relation to a capital raise by KPN. It is proposed to amend the authorised share capital referred to in the Articles of Association, in order to enable the issue of ordinary shares as part of the rights issue.

It is further proposed to amend KPN's Articles of Association in view of the recent change of the statutory provisions regarding conflict of interest of managing directors and supervisory directors.

**2. Authorised share capital. Rights issue**

The number of ordinary shares currently included in the authorised share capital amounts to 3 billion, of which more than 1.4 billion ordinary shares are currently issued. In order to enable the rights issue, the authorised share capital of KPN must be increased. Considerations in respect of the increase of the authorised share capital are:

- (a) The size of the increase of the part of the authorised share capital that consist of ordinary shares depends on the number of ordinary shares that will be issued as part of the rights issue. This number, in turn, depends on the issue price, which can only be determined shortly before issuance.
- (b) Half of the nominal value of the authorised share capital will consist of ordinary shares. The remaining part (the other half) will consist of preference shares B, which are included with a view to the contractual arrangements with the Foundation Preferential Shares B KPN.
- (c) Pursuant to Dutch law the nominal value of the authorised share capital may not exceed five times the nominal value of the issued share capital.

It is proposed to implement the increase of the authorised share capital in two steps. The first step will be an increase of the authorised share capital based on the currently issued share capital. No issuance of shares is necessary for this increase.

The second step is a further increase of the authorised share capital. Three alternatives are proposed for this further increase of the authorised share capital.

**Alternative A**, an increase of the authorised share capital up to EUR 2,400,000,000 will be applicable if after issuance at least 2,000,000,000 ordinary shares *in total* are issued.

**Alternative B**, an increase of the authorised share capital up to EUR 4,200,000,000 will be applicable if after issuance at least 3,500,000,000 ordinary shares *in total* are issued.

**Alternative C**, an increase of the authorised share capital up to EUR 7,200,000,000 will be applicable if after issuance at least 6,000,000,000 ordinary shares *in total* are issued.

In the event that more than one of the alternatives may be applicable, the Board of Management will determine which alternative will be included in the Articles of Association.

The amendment of Article 5 paragraphs 1 and 2 in accordance with alternative A, B or C only becomes effective at the moment on which, pursuant to a resolution of the Board of Management to that effect, ordinary shares have been issued, resulting in the number of issued ordinary shares being at least equal to the number of issued ordinary shares mentioned in the applicable alternative, which resolution of the Board of Management is subject only to the condition precedent of the execution by a civil-law notary (of Allen & Overy LLP) of a notarial deed of record (*akte van constatering*) of the number of ordinary shares that will be issued and, if applicable, for which of the three alternatives has been opted by the Board of Management. Upon the execution of this notarial deed of record, the second step of the increase of the authorised share capital will have been effected.

Up until the execution of the aforementioned notarial deed of record, the authorised share capital will therefore be equal to an amount that is approximately five times the nominal value of the currently issued share capital.

This procedure is laid down in Article 45, a transitional provision that will lapse after the execution of the notarial deed of record.

### **3. Other proposed amendments. Conflict of interest**

On 1 January 2013, Dutch legislation regarding conflicts of interest of managing and supervisory directors has changed. Core of the new rules is that a managing or supervisory director who has a personal conflict of interest with regard to a matter to be resolved upon, may not take part in the deliberation and decision making process.

In this respect it is proposed to delete Article 20 paragraph 3, that reflects the (now) old statutory provision. It should be noted that the by-laws of both the Board of Management and the Supervisory Board contain comparable provisions regarding deliberation and decision-making process in case of a conflict of interest, based upon the Dutch Corporate Governance Code.

### **4. Power of attorney**

The proposal also includes granting a power of attorney to every member of the Board of Management, KPN's secretary, and every civil-law notary (and deputy civil-law notary), paralegal and notarial assistant at Allen & Overy LLP, Attorneys at Law, Civil-Law Notaries and Tax Consultants, in Amsterdam, The Netherlands to have the notarial deed of amendment of the Articles of Association executed.

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