

TERMS OF REFERENCE
OF THE NOMINATION & CORPORATE GOVERNANCE COMMITTEE
OF THE SUPERVISORY BOARD OF ROYAL KPN N.V.

1. PURPOSE

- 1.1 The purpose of the Nomination & Corporate Governance Committee ("the Committee") is to recommend individuals to the Supervisory Board (hereinafter: "the Board") for nomination as members of the Board and its committees and for nomination as members of the Board of Management, support the Board in adopting high standards and practices for the Company's corporate governance structure, lead the Board in its periodic review of Board performance and oversee the Company's activities in the areas of environmental and social responsibility.

2. COMPOSITION

- 2.1 The Committee shall consist of at least 3 members. All members of the Committee must also be members of the Supervisory Board. All members of the Committee shall be independent within the meaning of the Bye-Laws of the Supervisory Board, with the exception, if any, of no more than one member¹.
- 2.2 The chairman of the Supervisory Board is a member in his capacity *qualitate qua*, and chairman of the Committee. The members of the Committee shall be appointed and may be replaced at any time by the Supervisory Board.
- 2.3 Members of the Committee shall be appointed for a term of two years and may be eligible for re-election provided that membership rotation shall be effected where practicable.
- 2.4 The Director of Human Resources shall act as Secretary to the Committee with respect to its nomination responsibilities. The Company Secretary shall act as Secretary to the Committee with respect to its corporate governance responsibilities. The Secretary may delegate his duties, or parts thereof, under these Terms of Reference, to a deputy appointed by him in consultation with the chairman of the Committee.

3.1 DUTIES AND POWERS

- 3.1 The Committee has the following duties with respect to its nomination responsibilities:
- a. to draft selection criteria and appointment procedures for Board members and Board of Management members²;

¹ Dutch Corporate Governance Code, best practice provision III.5.1

² Dutch Corporate Governance Code, best practice provision III.5.13 sub a

- b. to assess at regular intervals the size and composition of the Supervisory Board and the Board of Management, and to make proposals for the Supervisory Board Profile³;
- c. to assess at regular intervals the functioning of individual Supervisory Board members and Board of Management members, and report their findings to the Supervisory Board⁴;
- d. to make proposals for (re)appointments⁵;
- e. to supervise the policy of the Board of Management on the selection criteria and appointment procedures for senior management within the meaning of Article 3.1.B of the Bye-laws of the Remuneration Committee⁶;
- f. to identify individuals (within the meaning of Article 3.1.B of the Bye-laws of the Remuneration Committee) believed to be qualified to become Board members, screen the qualifications of such individuals for consideration by the Board as and when required;
- g. to prepare decisions of the Board in the event a member of the Board of Management wishes to accept membership of the Board of a listed company;
- h. to prepare discussions of the Board concerning any potential conflicts of interest of Board members;
- i. to retain and terminate, as appropriate at its discretion, any search firm to be used to identify candidates for membership of the Board or the Supervisory Board and to approve the search firm's fees and other retention terms.

3.2 The Committee has the following duties with respect to corporate governance:

- a. develop and recommend to the Board a set of corporate governance principles for the Company and periodically review those principles in a manner consistent with the statutory Netherlands Corporate Governance Code;
- b. make recommendations to the Board from time to time as to the desirable size of the Board and the Management Board;
- c. determine the independence of each member of the Board;
- d. review and make recommendations to the Board regarding directors & officers liability insurance;
- e. review all proposed changes to the charter of a committee of the Board and, when the Committee deems appropriate in its discretion, recommend the change to the Board for approval.

³ Dutch Corporate Governance Code, best practice provision III.5.13 sub b

⁴ Dutch Corporate Governance Code, best practice provision III.5.13 sub c

⁵ Dutch Corporate Governance Code, best practice provision III.5.13 sub d

⁶ Dutch Corporate Governance Code, best practice provision III.5.13 sub e

- 3.3 The Committee shall assist the Board in a periodic review of the performance of the Board, its committees and the Board of Management. As part of this review, the Committee shall:
- a. manage the process whereby the Board periodically assesses its performance and then reports the results of this evaluation to the Board along with any recommendations for improvement.
 - b. oversee the process whereby each committee of the Board, in accordance with its charter, periodically assesses its own performance and then reports the results of its evaluation to the board along with recommendations for improvement.
- 3.3 When exercising its duties regarding the composition of the Board, the Committee shall observe the criteria on the composition of the Board as laid down in the Bye-Laws of the Board.
- 3.4 The Committee may only exercise such powers as are explicitly attributed or delegated to it by the Board and shall not exercise powers beyond those exercisable by the Board as a whole.

4. MEETINGS

- 4.1 The Committee shall meet as often as required for a proper functioning of the Committee, but shall meet at least twice a year. The meetings are as much as possible scheduled annually in advance. The Committee shall meet ad hoc if this is deemed necessary by the chairman of the Committee, or by two other members of the Committee.
- 4.2 Meetings of the Committee are in principle called by the Secretary of the Committee in consultation with the chairman of the Committee. Save in urgent cases, to be determined by the chairman of the Committee, the agenda for the meeting shall be sent at least seven working days before the meeting to all members of the Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.
- 4.3 The Committee shall decide if and when the chairman of the Board of Management should attend its meetings. In addition, independent experts may be invited to attend meetings of the Committee.
- 4.4 The Secretary of the Committee or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting of the Committee.
- 4.5 The Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.

5. REPORTING TO THE SUPERVISORY BOARD

- 5.1 The Board shall receive from the Committee a report of its deliberations and findings, including major developments in the area of its responsibilities⁷. The reports of the meetings of the Committee shall be circulated as soon as possible after the meeting among all members of the Board.
- 5.2 If requested, the chairman of the Committee shall at meetings of the Supervisory Board provide the Board with further information on the outcome of the discussions of the Committee.
- 5.3 Every Board member shall have unrestricted access to all records of the Committee.

6. MISCELLANEOUS

- 6.1 These Terms of Reference have been drawn up by the Board pursuant to the Bye-Laws of the Board.
- 6.2 The Committee is a standing committee of the Board.
- 6.3 The chairman of the Committee (or one of the other Committee members) shall be available to answer questions regarding the Committee's activities at the annual General Meeting of Shareholders.
- 6.4 The Committee shall review and reassess the adequacy of these Terms of Reference annually, report its assessment to the Board and recommend, where appropriate, any proposed changes to the Board.
- 6.5 The Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Committee.
- 6.6 The Bye-Laws of the Supervisory Board apply by analogy to the Committee, while for the application of these Terms of Reference the power of the Board or the chairman of the Board referred to in these Clauses is considered a power of the Board or the chairman of the Board.

⁷ Dutch Corporate Governance Code, best practice provision III.5.3

- 6.7 The annual report of the Board as referred to in the Bye-Laws of the Board shall state the composition of the Committee, the number of meetings held by the Committee and the main issues dealt with at these meetings⁸.
- 6.8 These Terms of Reference and the composition of the Committee are posted on the Company's website⁹.

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⁸ Dutch Corporate Governance Code, best practice provision III.5.2

⁹ Dutch Corporate Governance Code, best practice provision III.5.1