



## **Profile of the Supervisory Board**

*Of Royal KPN N.V.*

Adopted in the meeting of the Supervisory Board  
December 15, 2005, and last amended April 22, 2013

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### **1 Foreword**

This profile was produced in consultation between the Supervisory Board and the Board of Management of Royal KPN N.V. ('KPN') and has been discussed with the Central Works Council and the General Meeting of Shareholders.

### **2 Basic principles**

It is important for the General Meeting of Shareholders and Central Works Council to be guided by a uniform vision when recommending persons for appointment as supervisory directors of KPN. This profile is available to all stakeholders via the website of the company. The Supervisory Board examines all nominations against conformity with the profile.

### **3 Legal duties, independence and representation of interests**

The number one consideration regarding nominations is the Supervisory Board's legal duty. Article 140, paragraph 2 of the Dutch Civil Code gives the following definition of the duty of a supervisory board: *"Supervising management's conduct of business and the general course of affairs at the company and the enterprise associated with it. A supervisory board shall assist management with advice. In performing their duties, supervisory directors shall be guided by the interests of the company and the enterprise associated with it."*

One of the consequences of this definition is that the Supervisory Board and its individual members may not represent any specific areas of interest on the grounds of their appointment on the recommendation of a certain grouping. However, this requirement is fundamentally different to a person contributing his/her own specific expertise to the Supervisory Board. Therefore, the Supervisory Board is made up of independent members, each of whom must focus solely on the interests of the company in its entirety and must act in the interest of all stakeholders, but may adopt a critical stance towards each other and towards the Board of Management. The members are allowed to devote special attention to certain interests as long as they always make such interests subordinate to those of the company and all of its stakeholders.

Supervisory directors shall be sufficiently independent from the company, in line with the requirements of the Dutch Corporate Governance Code.

### **4 Requirements for composition of the Supervisory Board**

When assessing recommended appointments and reappointments, article 158, paragraph 6 of Book 2 of the Dutch Civil Code requires the following conditions to be examined::

- a. nominated persons must be “suitable” for performing the duties of a supervisory director;  
and
- b. the Supervisory Board must be "properly composed".

**a. *'Suitable' for performing the duties of a supervisory director***

A person shall be suitable for performing the duties of a supervisory director at Royal KPN N.V. if he or she is capable of properly performing the following **tasks**:

- composing the Board of Management and assessing the way that it functions;
- assessing the company's general strategy and general policy;
- assessing the development of the company's financial position;
- assessing the company's control systems (including risk control systems);
- assessing the company's organizational structure;
- assessing the company's social policy and the social aspects of the company's business policy.

Furthermore, each supervisory director shall at least possess the following **qualities**:

- Have sufficient authority with all company stakeholders;
- Be of undisputed integrity and high ethical standards;
- Be conscious of and attain high standards of corporate governance;
- Have an open eye to developments in society, both social, economic and political;

Finally, each supervisory director shall possess the following **knowledge or experience**:

- Have insight into or experience with managing a large commercial organization, preferably with both national and international operations;
- Have insight into or experience with international issues, preferably gained from having worked abroad for a shorter or longer period of time;
- Have insight into or experience with relations within companies and relations between a company and society;
- Have sufficient financial expertise to properly evaluate the financial impact of the company's strategy;
- Have knowledge of and feeling for – or, as a minimum, strong affinity with - the telecommunications / ICT industries.

The above tasks, qualities and experiences are not listed in order of importance, but are of equal significance in relation to each other.

**b. *Proper composition***

The Supervisory Board is considered to be properly composed if the board as a whole satisfies the following criteria:

- A balanced distribution of specific expertise of one or more aspects of the company's policy (e.g. commercial, financial and operational);
- A balanced distribution of experience of society;

- Extensive financial expertise, with at least one of the supervisory directors qualifying as a 'financial expert' under the Dutch Corporate Governance Code.

The Supervisory Board should furthermore be well balanced between members who exercise a fulltime position at another company, and those who do no longer exercise a fulltime employment. Persons in both categories will contribute their knowledge of and involvement, experience and interest in current issues to the Supervisory Board. Where persons in the first category deal with present management topics on a day to day basis, persons in the second category are generally more experienced and could have more time available for the Supervisory Board's work than those members who exercise fulltime employments.

In addition, the Supervisory Board aims for a diverse composition of the Supervisory Board, in terms of age, gender, expertise, social background and nationality. In this respect, and in accordance with article 166 of Book 2 of the Dutch Civil Code, the Supervisory Board shall, in the interest of a balanced composition of the Supervisory Board, when possible, aim to ensure that the Supervisory Board consists of at least 30% female and at least 30% male members.

It is important for each supervisory director - including those nominated for appointment or reappointment - to be a loyal member of the existing Supervisory Board. In common with all other bodies, the proper functioning of the Supervisory Board benefits greatly from a good team spirit. Each supervisory director is expected to demonstrate commitment to KPN or - in the case of the appointment of a new member - to be willing to give such a commitment to the company. A supervisory director must in principle be able to attend all meetings of the Supervisory Board.

## **5 Articles of Association and by-laws of the Supervisory Board**

The Articles of Association of Royal KPN N.V. and the by-laws of the Supervisory Board contain - amongst others - rules on such topics as the appointment and reappointment of supervisory directors, conflicts of interest, holding other positions and trading in securities. Any supervisory director must fully endorse all such regulations, and this profile must be read and interpreted in accordance therewith.