

KPN Annual General Meeting

Soort vergadering	Annual General Meeting of Shareholders
Datum	18 April 2018, 14.00
Locatie	KPN Offices, The Hague
Woordvoerder	Kenneth Robertson, Robeco
Stemmen volmachtgevers	APG, Achmea Investment Management, Stichting Pensioenfonds TNO, Menzies
Opkomst AVA	3,064,397,838 shares voted; 73,07%

Agenda item	Result	
	Vote	% Vote
1 Opening And Announcements		Non -Voting
2 Report By The Board Of Management For The Fiscal Year 2017		Non -Voting
3 Explanation Corporate Governance		Non -Voting
4 Remuneration In The Fiscal Year 2017		Non -Voting
5 Accounts and Reports	F	100%
6 Explanation Of The Financial And Dividend Policy		Non -Voting
7 Allocation of Profits/Dividends	F	99.30%
8 Ratification of Management Board Acts	F	97.95%
9 Ratification of Supervisory Board Acts	F	97.95%
10 Amendments to Articles	F	100%
11 Appointment of Auditor	F	100%
12 Announcement Of The Intended Reappointment Of Mr J.C. De Jager As Member Of The Board Of Management		Non -Voting
13 Opportunity To Make Recommendations For The Appointment Of A Member Of The Supervisory Board		Non -Voting
14 Elect C.J.G. Zuiderwijk to the Supervisory Board	F	99.88%
15 Elect D.W. Sickinghe to the Supervisory Board	F	99.31%
16 Announcement Concerning Vacancies In The Supervisory Board In 2019	F	Non -Voting
17 Authority to Repurchase Shares	F	99.39%
18 Cancellation of Shares	F	99.99%
19 Authority to Issue Shares w/ Preemptive Rights	F	99.32%

20	Authority to Suppress Preemptive Rights	F	92.57%
21	Any Other Business And Closure Of The Meeting		Non -Voting

Agenda Item 2: Report By The Board Of Management For The Fiscal Year 2017

Thank you, Mr. Chairman, my name is Kenneth Robertson. I work for Robeco, and today I also speak on behalf of Achmea Investment Management, Stichting Pensioenfonds TNO.

Firstly, we would like to place on record our thanks to Mr. Blok for his years of good service to KPN, and we would also like to take this opportunity to welcome Mr. Ibarra to his new role.

As long-term investors, we are also pleased to see the work KPN is undertaking to align its business strategy with the UN Sustainable Development Goals (SDGs), and we hope that KPN continues to make progress in further refining and quantifying its impact versus the SDGs.

Question 1: Mr Ibara, as you begin your tenure as CEO, you have suggested that you will not significantly change KPN's current strategy, but rather that there are parts of it that you would like to accelerate. Can you be more specific on what that would mean, for example by elaborating on what you would like to see on organic growth initiatives or M&A?

Question 2: Following the sale of e-Plus in Germany and Base in Belgium, KPN is now almost fully exposed to the Dutch market, meaning that all changes in the competitive environment here will have a large impact on your business. What is the impact on KPN of the announced T-Mobile and Tele2 merger, especially on the current duopoly?

Question 3: Cyber security is an emerging threat for all sectors and particularly for those operating in the telco space. We increasingly understand that cyber security is a collaborative effort, and that to mitigate these threats strong collaboration between companies on the identification and mitigation of cyber threats is required.

Can you share more information on any collaborative initiatives KPN is partaking in in this space?

The chairman of the board cannot speak to the plans of the new CEO too much at this point as he is not yet formally in position. But indeed the expectation is that the current strategy will be maintained, but Mr. Ibarra is likely to focus on specific accents of the strategy.

The CEO mentions that it is too early to speak about the impacts of this potential merger. We will have to wait and see if the authorities approve the proposal. Until then, any comments would be mere speculation.

The COO answers that cyber security is one of the main issues for KPN and a very important topic. We are dealing with this on a daily basis and it is important to work in collaboration. The COO mentions several initiatives including the FMA.

Agenda Item 4: Remuneration In The Fiscal Year 2017

Thank you, Mr. Chairman. Under this agenda item, I have one question if I may

Question 4: One of the easiest ways to align the interests of management with that of shareholders is to require executives to hold significant equity in the company. It would appear that, compared to other AEX companies, KPN's share ownership guidelines for executives are relatively low. Is this something which will be included in this year's review of the remuneration policy.

As part of that review, we also encourage KPN to conduct a multi-stakeholder engagement programme before presenting its final proposal to the 2019 AGM. We would be happy to provide our own input.

The Chairman of the board explains the guidelines for executive management. The aim for the CEO is to hold shares 2 times the value of annual salary and for other executives this is one year. One needs to find a balance, but we think this is a nice ambition. One can always argue that it should be higher, but these are our current guidelines.

We are open to suggestions on the remuneration policy and we will do a broad consultation.

Agenda Item 11: Appointment of Auditor

Thank you, Mr. Chairman, I have two short questions under the agenda item

Question 5: 'Reliability of IT systems, including security, cybercrime and data privacy' was one of the key audit matters during the audit on the 2017 annual accounts. The external auditor observed: "In a few instances, we identified situations where controls needed improvement. KPN has set-up remediation procedures that we have also reviewed and tested with satisfactory results." Could you please elaborate on the external auditor's remarks and KPN's remediation procedures?

During the presentation the auditor already comments on suggestions for improved controls. These were mainly minor suggestions on procedures, all of which were taken up proactively by management.

Question 6: *In the auditor's report, the most material audit matters are reported clearly. Can you also elaborate on the most material corrections you needed to undertake?*

The auditor confirms that there were no material corrections.