

Offering Circular dated 19 September 2022



**KONINKLIJKE KPN N.V.**

*(Incorporated in the Netherlands as a public limited company  
with its corporate seat in Rotterdam, the Netherlands)*

**€500,000,000 Perpetual Fixed Rate Resettable Capital Securities**

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**Issue Price: 99.160 per cent.**

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The €500,000,000 Perpetual Fixed Rate Resettable Capital Securities (the **Securities**) will be issued by Koninklijke KPN N.V. (the **Issuer**) on 21 September 2022 (the **Issue Date**). The Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 21 December 2027 (the **First Reset Date**) at a rate of 6.000 per cent. per annum, payable annually in arrear on 21 December in each year, except that the first payment of interest, to be made on 21 December 2022, will be in respect of the period from (and including) the Issue Date to (but excluding) 21 December 2022 and will amount to €14.96 per €1,000 in principal amount of the Securities. Thereafter, unless previously redeemed, the Securities will bear interest from (and including) 21 December 2027 to (but excluding) 21 December 2032 at a rate per annum which shall be 3.769 per cent. above the Reset Reference Rate (as defined in the Terms and Conditions of the Securities (the **Conditions**)) for the relevant Reset Period (as defined in the Conditions), payable annually in arrear on 21 December in each year. From (and including) 21 December 2032 to (but excluding) 21 December 2047 the Securities will bear interest at a rate per annum which shall be 4.019 per cent. above the Reset Reference Rate for the relevant Reset Period, payable annually in arrear on 21 December in each year. From (and including) 21 December 2047 the Securities will bear interest at a rate per annum which shall be 4.769 per cent. above the Reset Reference Rate for the relevant Reset Period payable annually in arrear on 21 December in each year, all as more particularly described in "Terms and Conditions of the Securities — Interest Payments".

If the Issuer does not elect to redeem the Securities in accordance with Condition 6(g) following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) shall be increased by 5 percentage points per annum with effect from (and including) the date on which the Change of Control Event occurred, see "Terms and Conditions of the Securities — Interest Payments — Step-up after Change of Control".

The Issuer may, at its discretion, elect to defer all or part of any payment of interest on the Securities as more particularly described in "Terms and Conditions of the Securities — Optional Interest Deferral". Any amounts so deferred, together with further interest accrued thereon (at the interest rate per annum prevailing from time to time), shall constitute Arrears of Interest (as defined in the Conditions). The Issuer may pay outstanding Arrears of Interest, in whole or in part, at any time in accordance with the Conditions. Notwithstanding this, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first Mandatory Settlement Date, all as more particularly described in "Terms and Conditions of the Securities — Optional Interest Deferral — Mandatory Settlement".

The Securities will be perpetual securities in respect of which there is no fixed redemption date and shall be redeemable (at the option of the Issuer) in whole but not in part at any time from (and including) 21 September 2027 (the **First Call Date**) to (and including) the First Reset Date, and thereafter, on each applicable Interest Payment Date (as defined in the Conditions), at the principal amount of the Securities, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest. Following the exercise by the Issuer at any time other than during the period from (and including) the First Call Date to (and including) the First Reset Date or upon any subsequent Interest Payment Date, of the Make-whole Redemption, the Securities may be redeemed, in whole but not in part, at their Make-whole Redemption Amount (as defined in the Conditions). In addition, upon the occurrence

of an Accounting Event, a Change of Control Event, a Rating Event, a Substantial Repurchase Event, a Tax Deduction Event or a Withholding Tax Event by the Issuer (each such term as defined in the Conditions), the Securities shall be redeemable (at the option of the Issuer) in whole but not in part at the prices set out, and as more particularly described, in "Terms and Conditions of the Securities — Redemption".

The Securities will be unsecured securities of the Issuer and will constitute subordinated obligations of the Issuer, all as more particularly described in "Terms and Conditions of the Securities — Status", and "Terms and Conditions of the Securities — Subordination".

Payments in respect of the Securities shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of the Netherlands, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer, subject to certain exceptions as are more fully described in "Terms and Conditions of the Securities — Taxation".

This Offering Circular does not comprise a prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the approval of this Offering Circular as Listing Particulars. Application has been made to Euronext Dublin for the Securities to be admitted to the official list (the **Official List**) and to trading on the Global Exchange Market of Euronext Dublin (**GEM**). References in this Offering Circular to the Securities being "listed" (and all related references) shall mean that the Securities have been admitted to the Official List and have been admitted to trading on GEM. GEM is the exchange regulated market of Euronext Dublin and is not a regulated market in the EEA for the purposes of Directive 2014/65/EU.

The Securities have not been and will not be registered under the Securities Act of 1933, as amended (the **Securities Act**) or under any securities laws of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. The Securities may not be offered, sold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and other securities laws of the United States. There will be no public offer of the Securities in the United States. The Securities are being offered and sold in offshore transactions in compliance with Regulation S under the Securities Act (**Regulation S**).

The Securities will initially be represented by a temporary global security (the **Temporary Global Security**), without coupons or talons, which will be deposited with a common depository on behalf of Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**) on or about the Issue Date. The Temporary Global Security will be exchangeable for interests in a permanent global security (the **Permanent Global Security** and, together with the Temporary Global Security, the **Global Securities**), without coupons or talons, on or after a date which is expected to be 31 October 2022, upon certification as to non-U.S. beneficial ownership. See "Summary of Provisions relating to the Securities while in Global Form".

The Securities are expected to be rated BB+ by S&P Global Ratings Europe Limited (**S&P**) and BB+ by Fitch Ratings Ireland Ltd. (**Fitch**) (each a **Rating Agency**). Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the **CRA Regulation**). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The determination of the Reset Reference Rate in respect of the Securities is dependent upon the mid-swap rate for euro interest rate swaps with a term of 5 (five) years as displayed on Reuters screen "ICESWAP2" as at 11:00 a.m. (Central European time) provided by ICE Benchmark Administration Limited and the 6-month EURIBOR rate administered by the European Money Markets Institute. As at the date of this Offering Circular, the European Money Markets Institute is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 of Regulation (EU) No 2016/1011, as amended (the **EU Benchmarks Regulation**). ICE Benchmark Administration Limited does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. However, the transitional provisions in Article 51 of the Benchmarks Regulation

apply, such that ICE Benchmark Administration Limited is not currently required to obtain recognition, endorsement or equivalence.

**Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.**

**Structuring Adviser**

**Barclays**

**Joint Lead Managers**

**Barclays**

**Credit Suisse**

**Rabobank**

**Santander Corporate and Investment  
Banking**

**UniCredit**

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all the documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Securities. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Securities and distribution of this Offering Circular, see "Subscription and Sale" below.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the greatest extent permitted by law, the Structuring Adviser, the Joint Lead Managers, the Agents and the Trustee accept no responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by the Structuring Adviser, a Joint Lead Manager, the Agents or the Trustee or on its behalf in connection with the Issuer or the issue and offering of the Securities. Each of the Structuring Adviser, the Joint Lead Managers, the Agents and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

THE SECURITIES REFERENCED IN THIS DOCUMENT MAY NOT BE DISTRIBUTED IN OR INTO THE UNITED STATES OR JAPAN. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS OFFERING CIRCULAR CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR JAPAN OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR IN ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN THE UNITED

STATES EXCEPT IN ACCORDANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**PRIPs Regulation / Prohibition of sales to EEA retail investors** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**UK PRIIPs Regulation / Prohibition of sales to UK retail investors** - The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Structuring Adviser and the Joint Lead Managers do not accept any responsibility for any third party social, environmental and sustainability assessment of any Securities or makes any representation or warranty or assurance whether the Securities will meet any investor

expectations or requirements regarding such "green" or similar labels. The Managers are not responsible for the monitoring of the use of proceeds for the Securities. No representation or assurance is given by the Structuring Adviser or the Joint Lead Managers as to the suitability or reliability of the Issuer's Green Finance Framework (as defined herein) or any opinion or certification of any third party made available in connection with an issue of Securities and any such opinion or certification is not a recommendation by Structuring Adviser or any Joint Lead Manager to buy, sell or hold any such Securities. In the event any such Securities are listed or admitted to trading on a dedicated "green" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Managers that such listing or admission will be obtained or maintained for the lifetime of the Securities.

The Issuer's exposure to Environmental, Social and Governance (**ESG**) risks, and the related management arrangements established to mitigate those risks has been assessed by several agencies, including Carbon Disclosure Project, Dow Jones Sustainability Index, Dutch Sustainable Brand Index, Ecovadis and MSCI, through environmental, social and governance ratings (**ESG ratings**). ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Securities and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Offering Circular or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer or any other person to buy, sell or hold the Securities. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the evaluation methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Offering Circular).

The Securities may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of the relevant financial markets and of any financial variable which might have an impact on the return on the Securities; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Securities.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Unless otherwise specified or the context requires, references to **€**, **EUR** and **euro** are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community and references to **U.S.\$**, **USD** and **dollars** are to the lawful currency of the United States of America.

References to the **Issuer** and **KPN** are to Koninklijke KPN N.V. and, as the context requires, any or all of its subsidiaries and consolidated joint ventures.

Any forward looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

In connection with the issue of the Securities, Barclays Bank Ireland PLC (the **Stabilising Manager**) (or any person acting on behalf of the Stabilising Manager) may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents (together, the **Documents Incorporated by Reference**) which have previously been published or are published simultaneously with this Offering Circular and have been filed with Euronext Dublin shall be incorporated by reference in, and form part of, this Offering Circular:

- (a) the articles of association of the Issuer (the **Articles of Association**) which are available at [https://ir.kpn.com/download/companies/koninkpnnv/Other%20Information/20180420\\_Koninklijke%20KPN%20NV\\_AoA.PDF](https://ir.kpn.com/download/companies/koninkpnnv/Other%20Information/20180420_Koninklijke%20KPN%20NV_AoA.PDF);
- (b) the publicly available interim financial statements of the Issuer for the six months ended 30 June 2022 (the **H1 Interim Financial Statements**), which are available at [https://ir.kpn.com/download/companies/koninkpnnv/Results/KPN\\_Q2\\_2022\\_Interim\\_Financial\\_Statements.pdf](https://ir.kpn.com/download/companies/koninkpnnv/Results/KPN_Q2_2022_Interim_Financial_Statements.pdf);
- (c) the publicly available report on the Q2 2022 quarterly results of the Issuer published on 27 July 2022, (the **Q2 2022 Results Press Release**) which is available at [https://ir.kpn.com/download/companies/koninkpnnv/Results/KPN\\_Q2\\_2022\\_Press\\_release.pdf](https://ir.kpn.com/download/companies/koninkpnnv/Results/KPN_Q2_2022_Press_release.pdf);
- (d) the publicly available audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2021 (prepared in accordance with International Financial Reporting Standards as adopted by the EU (**IFRS-EU**) and with Part 9 of Book 2 of the Dutch Civil Code) which appear on pages 96 to 157 (inclusive) of the KPN Integrated Annual Report 2021 (the **2021 Annual Report**) which are available at <https://www.jaarverslag2021.kpn/downloads/KPN-Integrated-Annual-Report-2021-Single-navigation.pdf> and the independent auditor's report which appears on pages 165 to 173 (inclusive) of the 2021 Annual Report; and
- (e) the publicly available audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2020 (prepared in accordance with IFRS-EU and with Part 9 of Book 2 of the Dutch Civil Code) which appear on pages 106 to 163 (inclusive) of the KPN Integrated Annual Report 2020 (the **2020 Annual Report**) which are available at [https://ir.kpn.com/download/companies/koninkpnnv/Results/KPN\\_IR\\_2020\\_Single\\_navigation.pdf](https://ir.kpn.com/download/companies/koninkpnnv/Results/KPN_IR_2020_Single_navigation.pdf) and the independent auditor's report which appears on pages 171 to 179 (inclusive) of the 2020 Annual Report.

The Issuer will provide, without charge, upon request of such person, a copy of any or all of the documents which are incorporated herein by reference. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Offering Circular. Copies of documents incorporated by reference in this Offering Circular can also be obtained from <http://ir.kpn.com>.

In each case, unless stated otherwise, the entire document is incorporated by reference into this Offering Circular. Notwithstanding the foregoing, where the documents incorporated by reference themselves incorporate information by reference, such information does not form part of this Offering Circular.

Potential investors should only rely on the information that is provided in this Offering Circular or incorporated by reference into this Offering Circular. No other documents or information,



including the contents of KPN's website ([www.kpn.com](http://www.kpn.com)) or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference into, this Offering Circular.

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## RISK FACTORS

*KPN believes that the following factors may affect its ability to fulfil its obligations under the Securities. All of these factors are contingencies which may or may not occur and KPN is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which KPN believes may be material for the purpose of assessing the market risks associated with the Securities are also described below.*

*KPN believes that the factors described below represent the principal risks inherent in investing in the Securities, but KPN may be unable to pay interest, principal or other amounts on or in connection with the Securities for other reasons, and KPN does not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Capitalised terms used herein have the meaning given to them in "Terms and Conditions of the Securities".*

### RISK FACTORS CONCERNING THE ISSUER

#### A. Risks related to the Issuer's financial situation

***Adverse macro-economic conditions could have a negative impact on KPN's financial condition and prospects.***

Macro-economic conditions in the Netherlands could deteriorate due to continued geopolitical uncertainties in Europe and the United States, including the invasion of Ukraine by Russia, increasing protectionism and polarisation in global trade, the impact of sanctions and the impact of COVID-19 or other pandemics. If macro-economic conditions worsen in the Netherlands, this could lead to increasing costs due to high inflation and declining spending and potential insolvency of customers in the Consumer, Wholesale and Business market and consequently higher bad debt, and could materially adversely affect KPN's financial condition and prospects as a result of lower future revenue, higher costs and lower profitability (a substantial part of KPN's cost structure is fixed and cannot be lowered in the short to medium term) and lower cashflows.

***KPN operates in a capital-intensive business and may not have sufficient liquidity to fund its capital expenditures and investments over the longer term.***

KPN requires significant capital expenditures and investments (EUR 1.2 billion in 2022) to improve and maintain its networks and add customers, including expenditures for equipment and related labour costs. Generally, advancements in the information and telecommunications industry (the development of faster networks and new products requiring mobile internet access) and the behaviour of KPN's customers (for example, accelerated growth in internet usage and expectations of higher speeds) may require it to invest in the capacity of its network at a faster pace than KPN currently anticipates, and at greater additional expense. Currently, KPN's main investments in its infrastructure are in the accelerated roll-out of fiber in the Netherlands and in the modernisation of its mobile network and making it 5G ready. Inability to make the necessary investments in its network and infrastructure could lead to lower revenues as well as lower market shares, lower cash flow generation and a deterioration of the overall financial condition of KPN.

KPN cannot provide assurance that its business will generate sufficient cash flows from operations or that future debt and equity financing will be available to it on acceptable terms or in an amount sufficient to enable it to, over the longer term, fund its capital expenditures or investments or renew its debt financing as principal repayments come due. Forces over which KPN has little or no control, such as competition, technological innovation, regulatory changes, the loss of its current distribution partners which could require additional capital expenditure for new stores or distribution channels and general market conditions all impact KPN's operating performance, and therefore the cash it has available to fund these expenditures and service its debt. In addition, sustained turbulence in the capital markets could further restrict KPN's ability to access additional funding.

The telecom and IT market is characterised by strong competition, accelerating changes in customer behaviour, accelerating technological developments, increasing price pressure and shrinking markets. Due to these developments, high investments in KPN's assets such as technical infrastructure (access and core networks), IT infrastructure, licenses and goodwill may not be recovered as KPN's business models to generate revenue and cash flow streams could change in future. Also, changes in assumptions such as profitability, network penetration, long-term growth and discount rates could negatively affect the value of cash generating units. These factors could lead to impairments of fixed assets, licenses and goodwill.

KPN's large investments in its fiber and mobile infrastructure including licenses, may not be recovered or returns on these investments may be lower than anticipated. If KPN's future cash flows from operations and other capital resources are insufficient, KPN may be unable to fund its strategy, which includes planned capital expenditures, investments, maintenance of its credit rating and sustaining an acceptable leverage ratio, and as a result, could have a material and adverse effect on KPN's business, results of operations, financial condition and prospects.

***A deterioration of KPN's credit ratings could materially adversely affect KPN's ability to obtain future financing and the terms of that financing and the market price of KPN's debt securities.***

KPN currently has a BBB long-term issuer default rating with stable outlook from Fitch; BBB with a stable outlook from S&P, and a Baa3 senior unsecured rating with stable outlook from Moody's Investors Service, Inc. (**Moody's**), however a credit rating may be subject to revision by the assigning rating agency at any time. KPN operates in a capital intensive industry and uses significant debt financing to fund its investments and operations. If KPN were to be assigned lower credit ratings, it could be more difficult or more expensive for KPN to obtain financing in the future or to refinance its existing debt. Either prolonged limited access to debt capital markets or significantly higher future debt servicing costs could materially adversely affect KPN's financial position and prospects and could negatively impact the market price of KPN's debt securities.

***KPN's financial results could be adversely affected by changes in interest rates.***

KPN is subject to interest rate risk, principally related to its borrowings of EUR 6.7 billion (carrying value) per 31 December 2021. Changes in interest rates could result in higher interest expense in the future either directly for its debt obligations which are subject to floating interest rates or upon future refinancing of its debt obligations which have fixed interest rates. Interest rates are highly sensitive to many factors, including central bank monetary policies and domestic and international economic and political conditions, as well as other factors beyond KPN's control. KPN operates in a capital intensive sector and has significant debt financing outstanding. A significant part of KPN's cashflow from operations is used to make interest payments on its debt obligations, therefore a significant increase in interest payments could materially adversely affect KPN's financial results.

***The German Tax authorities are conducting an audit of the 2014 E-Plus debt restructuring.***

Upon completion of all years prior to 2014, the German Tax authorities started a tax audit of E-Plus over fiscal year 2014. In 2014, KPN completed the sale of its former German subsidiary E-Plus. Over the years, E-Plus had incurred substantial debts to KPN, amongst others in relation to the acquisition of the UMTS licenses and the roll-out of its network. The sale of E-Plus excluded these debts, which were subsequently restructured. In 2021, the German Tax authorities requested KPN's German subsidiary to further substantiate its tax filing with regard to these debt restructurings. The subsidiary has addressed the questions on the basis of supporting third party expert opinions regarding this matter, and continues its dialogue with the German Tax authorities, mainly around the tax neutral treatment of the debt assumptions undertaken as part of the debt restructuring. Completion of this process may take time given the materiality and complexity of the 2014 tax filings. This matter is treated as a contingent liability as it could materially adversely affect KPN's financial results.

***KPN has significant deferred income tax assets which may not be recoverable.***

As at 31 December 2021, KPN reported deferred tax assets totalling EUR 506 million. Deferred income tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits based on KPN's Business Plan will be available against which the temporary differences, tax credits and tax losses can be utilized.

In 2021, the Dutch government enacted new legislation, changing the method for carry forward and carry back losses: as from 2022 realized losses can be offset to 50% of the taxable profit of a certain year. However, losses will no longer be time-barred. As a result of the new legislation, KPN will need more time to utilize available losses. Based on current projections, KPN will utilize all losses in the foreseeable future for which a deferred tax asset is recognized.

Both the recognized and unrecognized deferred income tax assets are reassessed at each reporting date. Recognized deferred income tax assets reflect management's expectation of realizable amounts. If KPN's actual results fall behind expectations, this could over time result in de-recognition of (part of) KPN's deferred tax assets of EUR 506 million as at 31 December 2021. Furthermore, under current legislation, as a main rule, a loss cannot be compensated with future profits if a change of control has occurred.

***Global epidemics or pandemics such as COVID-19 and the accompanying containment measures could lead to lower profitability of KPN's operations and declining customer satisfaction.***

Global epidemics or pandemics such as COVID-19 and the accompanying containment measures could adversely impact KPN's business in the coming years as a result of:

- Lower business revenues, for example caused by lower roaming revenues, lower handset sales and cancellations or postponement of sales contracts in business market (e.g. IT projects).
- Increasing interruptions in the continuity and quality of KPN's services, for example caused by sick leave of key personnel or disruptions in the international supply chain leading to shortage of network equipment or devices.
- Lower operational cash flows due to increasing bad debt in consumer, wholesale or business market (especially following the reduction or termination of COVID-19)

support packages by the Dutch government).

Overall, the risk could lead to lower profitability of KPN's operations and declining customer satisfaction.

## **B. Risks related to the Issuer's business activities and industry**

*KPN is exposed to significant competition in all areas of its business from existing and potential new telecommunications service or IT service providers and network operators and competitors from other industries.*

KPN is subject to significant competition for all its products and services in the fixed-line and mobile telecommunications markets, along with IT services for business customers. Compared to most other European countries, the Netherlands is characterized by a high penetration of high-speed, high-quality fixed and mobile broadband access. The fixed network topography consists of two nationwide operators with extensive broadband coverage and a few smaller local or regional players. Competitors include cable network operators, mobile network operators, MVNO's and branded resellers as well as non-traditional voice, data and IT service providers. KPN also competes with domestic and international business service providers in the provision of IT services for business customers.

KPN could face increased competition on services and network access from current competitors as well as new market entrants and OTT players offering cheaper and/or better alternatives to traditional connectivity. Competition in consumer, business and wholesale markets can occur based on price, content, increase of investment in customer acquisition or retention costs, subscription options, coverage and service quality. Most of KPN's services are increasingly based on technology standards, limiting the possibilities for differentiation from competitors. KPN's competitive position could be threatened by actions of competitors, e.g. in the roll out of fiber networks or in the adoption of pricing strategies. These factors could lead to lower market shares and adversely affect KPN's results of operations, financial condition and prospects.

KPN may not be able to develop and monetise sufficient new business initiatives and opportunities in the future to compensate declining older generation products and services, which may jeopardise KPN's profitability.

*The sectors in which KPN competes are subject to rapid and significant changes in technology, with which KPN may have difficulty competing successfully.*

The fixed and mobile telephony, fixed and mobile broadband internet, iTV and business IT markets are characterised by rapid and significant changes in technology, customer demand and behaviour, and as a result feature a constantly changing competitive environment. The telecommunications industry is experiencing continuous structural changes, including new revenue models and new (disruptive) technologies introduced by KPN's competitors, new market entrants including big-tech companies and OTT players. These structural changes, together with the accompanying products, or other technological developments are exerting substantial pricing pressure on KPN's products and services and may increase KPN's subscriber acquisition and retention costs. Technologies such as quantum computing, software defined networks, alternative network providers, integrated optics and eSIM could have a continued effect on the telecommunications industry and on KPN's business. As a consequence of these or other developments, new and established information and telecommunications technologies or products may not only fail to complement each other, but in some cases may even substitute or decrease demand for each other. KPN is also investing in new technologies, which may have slower than expected customer acceptance. Also the roll-out of such new technologies may be slowed down by limited or lack of supply of products by third parties (e.g. as a result of

COVID-19) and, as a consequence, delay the availability of such new technology for KPN's customers. If KPN is unable to effectively anticipate, react to or access technological changes in the telecommunications market, KPN could lose customers, fail to attract new customers, experience lower Average Revenue Per User (ARPU) or incur substantial or unanticipated costs and investments in order to maintain its customer base, all of which could have a material adverse effect on its business, financial condition and results of operations. The introduction of new products and services such as new propositions may not be successful and/or timely. This could lead to lower profitability as well as lower market shares.

***Customer churn may increase, and revenues and margins could be significantly lower than expected, if KPN fails to offer customer propositions that respond to customer demand.***

One of KPN's primary revenue drivers is its number of customers. The success of KPN's business and its ability to limit churn by retaining existing customers or to win new customers depends upon the introduction of new or enhanced products and services, flexible pricing models, high quality customer service, and improved network capabilities in response to evolving customer expectations, new technologies, or the offerings of its competitors. Any of the new or enhanced products, services or pricing models KPN introduces may fail to achieve market acceptance, or products or services introduced by KPN's competitors may prove more appealing to customers, who may discontinue using KPN's services, either of which would, in turn, increase KPN's customer churn. An increase in customer churn may lead to a reduced number of total customers, increased acquisition and retention costs which would increase operating costs but may not result in a corresponding increase in revenue, the need to reduce other costs to preserve margins, or lower overall revenues and margins, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

***Failure of KPN's telecommunications systems or security measures could significantly disrupt its operations, which could negatively affect KPN's reputation, reducing its customer base and resulting in lower revenue.***

KPN's success largely depends on the continued and uninterrupted performance of its information technology, network systems and of certain hardware and datacentres. The hardware supporting a large number of critical systems for KPN's network and those of its clients is housed in locations that are geographically close to each other or that could be exposed to similar risks at the same time. As a result, these systems are vulnerable to damage from a variety of sources, including fire, power loss, malicious human acts, human errors, supplier failures, sabotage, terrorism, failures and bugs in supporting systems, telecommunications failures, natural disasters (e.g. caused by climate change), pandemics (e.g. COVID-19), and the disaster recovery, security, information protection and service continuity protection measures that KPN has undertaken or may in the future undertake, and its monitoring of network performance, may be insufficient to identify problems and prevent losses. Moreover, despite security measures, KPN's servers are potentially vulnerable to physical or electronic break-ins, cyber-attacks, computer viruses and similar disruptive problems each of which, in the individual or in the aggregate, could negatively affect KPN's levels of customer satisfaction and reputation.

During the COVID-19 crisis, KPN's customers and society strongly depend on KPN's networks and services, making them more sensitive and vulnerable for network disruptions. Continued climate changes in the future could lead to rising sea levels, extreme rainfall, flooding or extreme heat; these weather conditions could also disrupt KPN's systems, networks and services.

Moreover, in the event of a power outage or data loss, KPN does not have a backup or alternative supply source for all components of its network. Despite the presence of certain data

backup systems and similar precautions KPN has taken, unanticipated problems affecting its systems could cause failures in its information technology systems or disruption in the transmission of signals over KPN's network. Sustained or repeated system failures that interrupt KPN's ability to provide service to its customers or otherwise meet its business obligations in a timely manner would adversely affect KPN's reputation and result in a loss of customers and reputational damage, and may trigger claims for payment of damages or contractual remedies. The occurrence of any of these eventualities could have a material adverse effect on KPN's business, financial condition, results of operations and prospects.

Furthermore, KPN's technical equipment and systems have been and may continue to be subject to occasional malfunctioning due to technical shortcomings in KPN's own network or with other surrounding equipment. KPN might incur liabilities or reputational damages as a result thereof, which could materially and adversely affect its business, results of operations, financial condition and prospects.

***KPN's success depends on the ability to attract and retain key personnel without whom KPN may not be able to manage its business effectively.***

KPN's operations are currently managed by senior management and key employees. The loss of any of its senior management or key employees could significantly impede KPN's financial plans, product development, network completion, marketing and other plans. In addition, competition for qualified senior management and skilled experts in the telecommunications industry is intense. KPN's success in implementing its business plans largely depends on its continued ability to attract and retain experienced senior management as well as highly skilled employees. KPN cannot assure that it will be successful in hiring and retaining such qualified personnel. Furthermore, integration of new senior management would require additional time and resources, which could adversely affect KPN's ability to successfully implement its strategy. If any of KPN's senior management or other key personnel ceases employment with KPN, its business, results of operations, financial position and prospects could be harmed.

KPN may not be able to attract and retain qualified and diverse staff members, as the war for talent increases rapidly. This could lead to insufficient competency in KPN's workforce. Also, employees or new candidates may have negative perceptions about KPN's employer identity. If KPN does not meet the diversity goals and 'social return' requirements, this could impact KPN's future profitability, customer satisfaction and reputation. Restructurings could lead to less motivated personnel and/or key personnel leaving the company and thus loss of knowledge and continuity.

***KPN's business operational performance may be adversely affected by delays in the realization of its simplification and transformation actions.***

KPN may not make sufficient progress in realizing the necessary simplification and transformation actions, for example by phasing out legacy networks and systems, by simplifying its processes and services, by digitalizing its business, by organizational transformation (more lean and flat), by post-merger integration of its acquisitions or by strengthening its capabilities and culture. These actions must lead to necessary cost reductions, increased agility (e.g. less complexity and improved time-to-market of new innovative services), increased digitalized operations and higher quality of services (e.g. higher NPS and first-time right).

Global pandemics such as the COVID-19 pandemic could delay the implementation of restructurings and consequently could lead to lower cost savings in the medium term. If KPN cannot realize simplification and transformation in time, KPN may not be able to adequately respond to actions of its competitors and could lead to lower cost savings, less room for new Capital expenditures and lower profitability in the future.



***KPN is subject to risk related to reliance on a well-recognised brand.***

As a result of KPN's strategy to focus on its main KPN brand, a larger part of KPN's services is offered under the KPN brand, making KPN more exposed to reputational damage to the KPN brand. KPN's brand and reputation could be damaged as a result of service interruptions, operational issues and loss, theft or manipulation of customer data. Any damage to KPN's brand or reputation could result in loss of customers and, as a consequence have a material adverse impact on KPN's results of operations, financial condition and prospects.

***Dependence on suppliers and outsourcing: KPN depends on hardware, software and content suppliers and other service providers who may choose to discontinue or be forced to discontinue their services or products, seek to charge prices that are not competitive or choose not to renew contracts with KPN.***

KPN has important relationships with suppliers of hardware, software, content and related services that KPN uses to operate its fixed and mobile telephony, fixed and mobile broadband internet, TV and business telecommunications systems. In certain cases, KPN has made substantial investments in the equipment or software of a particular supplier, making it difficult for KPN to quickly change supply and maintenance relationships in the event that its initial supplier refuses to or is unable to offer KPN favourable prices (e.g. due to inflation or exchange rate fluctuations) or ceases to produce equipment or provide the support that KPN requires. Certain of KPN's suppliers in Asia, deliver important network equipment e.g. in KPN's radio access network which may be difficult or costly to replace, may face governmental or regulatory restrictions on imports into the European Union, or may experience disruptions in their ability to deliver their products and services as a result of natural disasters (e.g. caused by climate change), supply chain disruptions or pandemics (e.g. COVID-19). In the event that hardware or software products or related services are defective, it may be difficult or impossible to enforce recourse claims against suppliers, especially if warranties included in contracts with suppliers have expired, are exceeded by those in KPN's contracts with its customers or if the suppliers are insolvent. In addition, there can be no assurances that KPN will be able to obtain the hardware, software, services and content it needs for the operation of its business, in a timely manner, at competitive terms and in adequate amounts.

The success of KPN's business increasingly depends on the quality and variety of the TV and other content it delivers to its customers. As KPN does not produce most of its own content, it depends on agreements, relationships and cooperation with broadcasters and collective rights associations. If KPN is unable to obtain or retain attractively priced competitive content on its network, demand for its existing and future TV and other content services could decrease, thereby limiting its ability to maintain or increase revenues from these services, which could have an adverse effect on KPN's business, results of operations, financial condition and prospects. Furthermore, contractual obligations as included in agreements with KPN customers may not be properly translated into the relevant third-party supplier contracts.

Suppliers of KPN could breach relevant legislation and regulations such as data protection, security, privacy, intellectual property rights, human rights and/or environmental laws, which could negatively impact KPN's reputation, which could materially and adversely affect its business, results of operations, financial condition and prospects.

***Risks in relation to outsourcing of services may adversely affect KPN's business and may cause higher costs than initially anticipated.***

Over recent years, KPN has outsourced or offshored certain parts of its operations, including the outsourcing of a large part of its back office, network, and IT operations, and may do so with other parts of its operations in the future. KPN may experience an adverse effect on its customer

satisfaction if its service partners do not deliver the service quality agreed in the outsourcing contracts, and certain business customers may object to outsourced services being provided by KPN at all. KPN could also be damaged by negative public perception of outsourcing or perception of inadequate customer service, particularly if it increases the role outsourcing or offshoring plays in the provision of certain customer service functions. Furthermore, should any of these arrangements be terminated by either contract party, including as a result of bankruptcy or insolvency by KPN's outsourcing partners, this could result in delays or disruptions to KPN's operations and could result in it incurring additional costs, including if the outsourcing counterparty increases pricing or if KPN is required to locate alternative service providers or in-source previously outsourced services. KPN may also incur higher costs if it decides to or is required by its customers to perform these services in-house, particularly if it must do so on short notice. In addition, it is possible that persons who provide services for KPN on a contractual basis may be recharacterized as KPN's employees, in which case KPN would be required to pay social insurance contributions and tax, on a retroactive basis for such persons, including a potential fine and/or surcharge. The occurrence of any of these eventualities could have a material adverse effect on KPN's business, results of operations, financial condition and prospects.

***KPN's business may be adversely affected by actual or perceived health risks and other environmental requirements relating to mobile telecommunications transmission equipment and devices, including the location of antennas.***

Although there is no evidence that electromagnetic fields of (mobile) equipment or base stations pose health risks, KPN cannot assure investors that further medical research and studies will not establish a link between electromagnetic signals or radio frequency emissions and these health concerns. The actual or perceived risk of mobile telecommunications devices or customer litigation relating to such risks could adversely affect the size or growth rate of KPN's customer base and result in decreased mobile usage or increased litigation costs. In addition, these health concerns may cause authorities in the jurisdictions in which KPN operates to impose more onerous regulations on the construction of base stations or other telecommunications network infrastructure. In particular, public concern over actual or perceived health effects related to electromagnetic radiation may result in increased costs related to KPN's networks, which may hinder the completion or increase the cost of network deployment, reduce the coverage of KPN's network and hinder the commercial availability of new services. If actual or perceived health risks were to result in decreased mobile usage, increased customer litigation or more burdensome regulation, KPN's business, results of operations, financial condition and prospects could be materially and adversely affected.

KPN is also subject to a variety of laws and regulations relating to land use and the protection of the environment, including those governing the storage, management and disposal of hazardous materials and the clean-up of contaminated sites. KPN could incur substantial costs, including clean-up costs, fines, sanctions and third-party claims for property damage or personal injury, as a result of violations of, or liabilities under, such laws and regulations, which could have a material adverse effect on KPN's business, results of operations, financial condition and prospects.

***KPN could be acquired by a third party, without consent of KPN's Boards (unsolicited or uncontrolled take over). Activist shareholders could attempt to change the strategic direction of the Company.***

KPN may be subject to legal and business challenges in the operation of the Company due to actions instituted by activist shareholders. Such investor activism could result in uncertainty of the direction of the Company, substantial costs and diversion of management attention and resources, which could harm KPN's business and hinder execution of KPN's strategy, make it

difficult to attract and retain qualified personnel and business partners, and could materially adversely affect the market price of KPN's debt securities as well as KPN's ability to obtain future financing and the terms of that financing.

As of 1 October 2020, any party seeking to acquire a substantial influence (*overwegende zeggenschap*) in KPN is required by law (*Wet ongewenste zeggenschap telecommunicatie*) to notify its intention thereto in advance to the Dutch Ministry of Economic Affairs. The Dutch Ministry of Economic Affairs could subsequently prohibit such an acquisition or prevent such a party from exercising its voting rights, if it identifies threats to national security or public interest. However, there is no guarantee that such an acquisition would be blocked or that the adverse effects referred to above could be prevented. Although the Foundation Preference Shares B KPN (*Stichting Preferente Aandelen B KPN*) may decide to exercise its call option (as more fully described in section "Foundation Preference Shares B KPN") with a view to enabling KPN to determine its position in relation to the circumstances referred to above and seek alternatives, there is no guarantee that the adverse effects referred to above could be prevented. Furthermore, as the Foundation is an independent entity there is no guarantee that the Foundation would exercise its call option nor that such exercise would be effective.

### **C. Legal and regulatory risk**

#### ***KPN may fail to obtain or renew its spectrum licenses.***

KPN's current principal spectrum licenses have specified terms and are due for renewal in the future. New spectrum bands will become available for mobile and will be open for application (usually by means of an auction). Upon spectrum license renewal, KPN is often required to pay various licensing fees and satisfy certain other conditions, including, for example, meeting minimum quality, service and network coverage standards. If KPN fails or is unable to comply with the conditions on its licenses or with the legal and regulatory regime requirements more generally, KPN may be subject to fines and/or other administrative actions or may have one or – ultimately - more of its licenses or concessions suspended or revoked.

The auction of the 3.5 GHz band (for 5G) – initially planned for Q1 2022 - has been postponed until further notice. At the request of the user of the spectrum (Inmarsat), the Dutch courts have suspended the necessary reallocation of the spectrum. An advisory committee, set up in December 2021, has advised on a solution that protects Inmarsat's emergency communications and allows the 3.5 GHz to be deployed in an effective and efficient manner. This will cause further delay of the auction, which is currently expected no sooner than the second half of 2023.

KPN's ability to renew or acquire spectrum and other licenses and the terms of acquisition or renewal to which those licenses are subject are determined by a number of factors, some of which are beyond KPN's control, including the prevalent regulatory and political environment at the time of renewal. As a condition for renewal, KPN may also be required to agree to new and more onerous terms and service requirements. The loss of, or failure to renew any of KPN's spectrum licenses, or a renewal on unfavourable terms, or failure to obtain new spectrum licenses could have a material adverse effect on KPN's business, financial condition and prospects.

#### ***KPN is subject to monitoring and regulation by regulatory bodies, which may increase its costs and otherwise adversely affect its business.***

Most of KPN's network activities are monitored by a national regulatory authority (NRA), in the Netherlands mainly the Authority for Consumers & Markets (ACM) and the Agentschap Telecom of the Ministry of Economic Affairs and Climate. Such governmental regulation and supervision, as well as future changes in laws, regulations or government policy (or in the

interpretation of existing laws or regulations) that affect KPN, its competitors or its industry, strongly influence how it operates and will operate its various businesses. Adverse regulatory developments could expose its business to a number of risks as well as limit growth, curtail revenues and impact KPN's service offerings, lead to increased operating expenses and higher levels of capital expenditure or investment. In addition, regulation may restrict KPN's operations and subject KPN to further competitive pressure, including pricing restrictions, interconnection and other access obligations, obligations to protect customer interests, and restrictions or controls on content. Furthermore, KPN's competitors often engage in litigation to challenge certain regulatory decisions which impact their and KPN's businesses, and there is a risk that the results of such litigation could alter KPN's or its competitors' current regulatory environment such that KPN's business or results of operations would be negatively impacted. Moreover, there is a risk of non-compliance associated with the complexity of regulation. Failure to comply with current or future regulation could expose KPN's business to various sanctions, including fines and reputational damage.

Furthermore, KPN's ability to introduce new products and services may also be affected if it does not accurately predict how existing or future laws, regulations or policies would apply to such products and services, which could prevent KPN from realising a return on its investment in their development. Complying with existing regulations is burdensome, and future changes may increase KPN's operational and administrative expenses and limit its revenues, which in turn could have a material adverse effect on its business, financial condition and prospects.

***KPN has been found in the past, and in the future may be found, to have significant market power in the markets in which it operates, the regulation of which may adversely affect its business.***

The European Regulatory Framework for Electronic Communications Networks and Services provides a legal basis to impose measures on entities deemed to have significant market power in any of the markets in which they operate. KPN has been designated as having significant market power in the call termination markets on its individual fixed and mobile networks in the Netherlands. As of mid-2021, single EU maximum rates have been introduced for mobile and fixed call termination services, that (gradually) decreases the current nationally defined tariff caps. Although currently no designation for fixed (wholesale) markets exists, the NRA ACM will review these markets again and could once again designate KPN (and/or other market parties) if ACM would find significant market power.

A finding that KPN has significant market power in a given market subjects it to increased regulatory monitoring and review, potential pricing regulation and could require KPN to provide other service providers access to its network for purposes of providing competing services at regulated prices, as well as impose other restrictions on how it operates its networks and markets its services. Furthermore, if competition authorities were to view KPN's significant market power as being relevant to a finding of market dominance, KPN will possibly not be able to expand its business by means of mergers or acquisitions in markets in which it is found to have significant market power or would obtain significant market power as the result of a given merger or acquisition.

***Geopolitical developments may impact KPN's choice in vendor selection, partnerships and shareholders.***

Both at the European and national level increased attention has been given to security concerns in relation to control over telecom operators via investment and to potential security risks in networks. A Foreign Direct Investment Screening Regulation has come to effect on 11 October 2020, aimed at information exchange between EU member states on potential risks for national security and public order in relation to investments. At national level, sector specific regulation

has been implemented in the Telecommunications Act by 1 October 2020, creating new powers for the government to prevent undesirable control (related to security risks for public order or national security) over telecom operators which have a significant role in the market. Furthermore, discussions have started at EU level on security requirements for 5G networks, resulting in an EU 5G Toolbox, with various measures member states can implement to avoid security risks in relation to new 5G networks that will be developed.

***Bans and other sanctions on suppliers of hardware and software from countries with offensive cyber security activities could significantly impact the supply chain and products of those suppliers and consequently could also harm KPN's innovation roadmap, and availability or use of network equipment.***

In the Netherlands, legislation has come into effect in December 2019 which allows the minister to impose specific security requirements for network equipment (including software and systems) and to mandate operators not to use equipment from certain vendors in specifically designated critical parts of their networks in order to prevent possible security issues that some vendors (or the originating countries) could present to Dutch society. As a result, KPN may be mandated to replace equipment in its networks and services or may be restricted in choice of new equipment.

Such measures or other sanctions imposed on KPN's suppliers could significantly impact business continuity of those suppliers and consequently could harm KPN's innovation roadmap and availability and use of network equipment, and could lead to higher and unexpected investment and maintenance costs in the future. Additionally, public opinion of these vendors and the use of their services by KPN could lead to reputational damage and loss of consumer or business customers.

***Third parties may claim that KPN infringes their intellectual property rights, which could adversely affect KPN's business.***

Though KPN takes steps to protect its intellectual property rights, there can be no guarantee that third parties will not claim that KPN has infringed or is infringing their intellectual property rights. Moreover, KPN cannot guarantee that a court or other adjudicative body will find any of KPN's intellectual property rights to be valid in the event they are challenged by a third party or that they conform to required technical standards. Furthermore, the fact that KPN has received ownership of, or licenses under, certain intellectual property rights from its contract partners is no guarantee that its activities do not infringe the intellectual property rights of third parties.

If a third party claims that KPN has infringed its intellectual property rights, this may have an adverse effect on KPN's ability to use, store or distribute certain of its products or services or specific parts thereof. Furthermore, any claims of infringement by a third party, even those without merit, will require administrative handling and follow-up as well as cause distraction, for example investigating and responding to cease and desist letters, and could cause damage to KPN's reputation and the value of its brand, cause KPN to incur substantial defence costs and distract its management and employees from its business. In addition, KPN may be required to seek a license for the use of the infringed intellectual property, which may not be available to it on commercially reasonable terms or at all.

#### **D. Internal Control Risk**

***Customer churn may increase, and revenues could be lower than expected if KPN fails to maintain the confidentiality, integrity or availability of KPN's networks, systems or (customer) data as a result of cyber-attacks or terrorism.***

Keeping KPN's systems safe in the face of ever-more sophisticated cyber-attacks demands constant vigilance and rapid adaptability. If KPN cannot maintain or improve the confidentiality, integrity or availability of its networks, systems or (customer) data as a result of cyber-attacks or terrorism, this could have a material adverse effect on KPN's business, results of operations, financial condition and prospects, and could ultimately impact KPN's continuity.

***KPN collects and processes customer data as part of its daily business and the leakage of such data may violate laws and regulations which could result in fines, loss of reputation and customer churn and adversely affect KPN's business.***

KPN accumulates, stores and uses data in the ordinary course of its operations that is protected by data protection laws. Although KPN takes precautions to protect customer data in accordance with the applicable privacy requirements of the European Union and of the jurisdictions where it operates, KPN may fail to do so and certain customer data may be leaked or otherwise used inappropriately. KPN works with independent and third-party sales agents, service providers and call centre agents, and although KPN's contracts with these third parties restrict the use of customer data, KPN cannot provide assurances that they will abide by the contractual terms. Violation of data protection laws may result in fines, loss of reputation and customer churn and could have a material adverse effect on KPN's business, results of operations, financial condition and prospects.

#### **RISKS RELATED TO THE SECURITIES GENERALLY**

***The Securities may not be a suitable investment for all investors.***

Each potential investor in any Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of the financial markets and of any financial variable which might have an impact on the return on the Securities; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

***The Securities will be perpetual securities; Holders of Securities may be required to bear the financial risks of an investment in the Securities for an indefinite period.***

The Securities will be perpetual securities in respect of which there is no fixed redemption date by which the Issuer would be under the obligation to redeem the Securities. See "Terms and Conditions of the Securities — Redemption". Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Securities for an indefinite period and may not recover their investment in the foreseeable future.

***The Securities will be subject to optional redemption by the Issuer including upon the occurrence of Special Events or a Change of Control Event.***

The Securities will be redeemable, at the option of the Issuer, in whole but not in part at any time from (and including) the First Call Date to (and including) the First Reset Date, and thereafter on each Interest Payment Date (each as defined in the Conditions), in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Following the exercise by the Issuer at any time other than during the period from (and including) the First Call Date to (and including) the First Reset Date or upon any subsequent Interest Payment Date, of the Make-whole Redemption, the Securities may be redeemed, in whole but not in part, at their Make-whole Redemption Amount (as defined in the Conditions).

In addition, upon the occurrence of an Accounting Event, a Rating Event, a Substantial Repurchase Event, a Tax Deduction Event, a Withholding Tax Event or a Change of Control Event by the Issuer (each as defined in the Conditions and as more fully described in Condition 6), the Issuer shall have the option to redeem, in whole but not in part, the Securities at the prices set out therein, in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. In relation to a Tax Deduction Event or a Withholding Tax Event, the Issuer has the right to determine whether in its view such an event has occurred, and the Trustee will be entitled to rely upon that determination by the Issuer, as a result of which holders of the Securities will not be entitled to appeal if the Issuer chooses to exercise its optional redemption right upon the occurrence of such an event.

In the case of a Change of Control Event, if the Issuer does not elect to redeem the Securities in accordance with the Conditions, the then prevailing Interest Rate (as defined in the Conditions), and each subsequent Interest Rate otherwise determined in accordance with Condition 4, on the Securities shall be increased by 5 percentage points with effect from (and including) the date on which the Change of Control Event occurred.

A Substantial Repurchase Event shall be deemed to occur if the Issuer or any of its subsidiaries repurchases (and effects corresponding cancellations) or the Issuer redeems Securities in respect of 75 per cent. or more in the principal amount of the Securities initially issued, as more fully described in the Conditions.

During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Securities when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest

the redemption proceeds at an effective interest rate as high as the interest payable on the Securities being redeemed and may only be able to do so at a significantly lower rate.

Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Issuer may not be able to redeem the Securities after a Change of Control Event.***

At or around the Issue Date, the Issuer intends to undertake to holders of its Relevant Securities (as defined below) that following the occurrence of a Change of Control Event in respect of which the Issuer intends to deliver a notice exercising its right to redeem the Securities under Condition 6(g), it will do so only after making a tender offer, directly or indirectly, to all holders of Relevant Securities to repurchase such securities at their respective aggregate nominal amounts together with any interest accrued until the day of completion of the repurchase. As a consequence, Holders should be aware that there may not be sufficient funds to redeem the Securities after the repurchase of the Relevant Securities.

**Relevant Securities** means any current or future indebtedness of the Issuer to Senior Creditors (as defined in Condition 3(a)) in the form of, or represented or evidenced by bonds, notes, debentures or other similar securities or instruments (or a guarantee thereof) which benefits from a solicited rating from an external rating agency recognised by EU or US regulations, and which does not include protection for the holders thereof in the event of a change of control of the Issuer (however defined).

***The use of proceeds of the Securities may not meet investor expectations***

It is the Issuer's intention to allocate an amount equal to the net proceeds from the issue of the Securities to finance and/or refinance of Eligible Green Projects (as defined in the "Use of Proceeds" section) under the Issuer's Green Finance Framework (as defined in the "Use of Proceeds" section). Prospective investors should have regard to the Issuer's Green Finance Framework available at <https://ir.kpn.com/websites/kpn/English/6010/bond-documentation.html> and must determine for themselves the relevance of such information for the purpose of any investment in the Securities together with any other investigation such investor deems necessary. The Issuer's Green Finance Framework is not incorporated in and does not form part of this Offering Circular.

In particular no assurance is given by the Issuer that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Accordingly, no assurance is or can be given that Eligible Green Projects will meet investor expectations or requirements regarding "green" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the so called **EU Taxonomy**) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects.

In connection with the issue of the Securities, the Issuer has appointed Sustainalytics to provide a second opinion (the **Second Party Opinion**) on the Issuer's Green Finance Framework. The Second Party Opinion aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts of the Securities issued under the Issuer's Green Finance Framework. The Second Party Opinion is only an opinion and not a statement of fact. No assurance or representation is given as to the suitability or reliability for any purpose



whatsoever of the Second Party Opinion which may be made available in connection with the issue of the Securities and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. The Second Party Opinion is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any Securities. The Second Party Opinion is only current as at the date that opinion is issued. The Second Party Opinion is not incorporated in and does not form part of this Offering Circular. Prospective investors must determine for themselves the relevance of the Second Party Opinion and/or the information contained therein and/or the provider of the Second Opinion for the purpose of any investment in the Securities. Currently, the provider of such opinions are not subject to any specific regulatory or other regime or oversight. Furthermore, the Holders will have no recourse against the provider of the Second Party Opinion. A negative change to, or a withdrawal of, the Second Party Opinion of the Issuer's Green Finance Framework may affect the value of the Securities and may have consequences for certain investors with portfolio mandates to invest in Eligible Green Projects.

In the event that the Securities are listed or admitted to trading on any dedicated "green or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any the Securities or, if obtained, that any such listing or admission to trading will be maintained for so long as any Securities remain outstanding.

While it is the Issuer's intention to invest an amount equal to the net proceeds from the issue of the Securities into Eligible Green Projects, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in, or substantially in, the intended manner and/or in accordance with any timing schedule and that accordingly such amount will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not (i) give rise to any claim of a Holder against the Issuer, (ii) be an event of default under the Securities, or (iii) lead to an early redemption right. Any such event or failure to invest an amount equal to the net proceeds of the Securities into Eligible Green Projects as aforesaid, and/or withdrawal of the Second Party Opinion attesting that the Issuer is not complying in whole or in part with any matters for which the Second Party Opinion is opining or certifying on, and/or the Securities no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid, may have a material adverse effect on the value of the Securities and also potentially the value of any other securities of the Issuer which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Neither the Structuring Adviser nor any of the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Securities.

***The current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change, which may result in the occurrence of an Accounting Event***

In June 2018, the International Accounting Standards Board (the **IASB**) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the **DP/2018/1 Paper**). The IASB Board decided to move the project to its standard-setting programme at the December 2020 Board meeting. At the April 2021 meeting of the IASB it was agreed to continue discussions on potential refinements to the disclosure proposal explored in the DP/2018/1. At the March 2022 meeting of the IASB the reclassification of financial instruments issued by an entity as financial liabilities or equity instruments was discussed. The IASB was not asked to make any decisions and will consider proposals for potential reclassification principles. The next milestone is to produce an exposure draft. If the proposals set out in the DP/2018/1 Paper are implemented in their current form, the current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer may have the option to redeem, in whole but not in part, the Securities pursuant to the Conditions. The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is still uncertain.

Accordingly, no assurance can be given as to the future classification of the Securities from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Securities pursuant to the Conditions.

For a description of the risks related to the early redemption of the Securities, see the Risk Factor entitled "*The Securities will be subject to optional redemption by the Issuer including upon the occurrence of Special Events or a Change of Control Event.*".

***The interest rate on the Securities will reset on the First Reset Date and on every Reset Date thereafter, which can be expected to affect the interest payment on such Securities and the market value of the Securities.***

While the Securities will earn interest at a fixed rate until (but excluding) the First Reset Date, the current market interest rate on the capital markets (the market interest rate) typically changes on a daily basis. Since the initial fixed rate of interest for the Securities will be reset on the First Reset Date (as set out in the Conditions) and on each subsequent Reset Date, the interest payment on such Securities will also change. Holders should be aware that movements in these market interest rates can adversely affect the price of the Securities and can lead to losses for the Holders if they sell the Securities.

Holders of Securities are exposed to the risk of fluctuating interest rate levels and uncertain interest income as the reset rates could affect the market value of an investment in the Securities.

***Changes or uncertainty in respect of EURIBOR may affect the value or payment of interest under the Securities.***

Reference rates and indices, including interest rate benchmarks, such as the Euro Interbank Offered Rate (**EURIBOR**), which are used to determine the amounts payable under financial instruments or the value of such financial instruments (**Benchmarks**), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on the Securities.

Under the EU Benchmarks Regulation requirements apply with respect to the provision of a wide range of benchmarks (including EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the EU Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have the following currently known effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Conditions provide that the Interest Rate shall be determined by reference to the Reset Screen Page (or its successor or replacement). In circumstances where the Original Reference Rate is discontinued, neither the Reset Screen Page, nor any successor or replacement may be available.

Where the Reset Screen Page is not available, and no successor or replacement for the Reset Screen Page is available, the Conditions provide for the Interest Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of the Original Reference Rate), the Interest Rate may ultimately revert to the Interest Rate applicable as at the last preceding Reset Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Securities.

Benchmark Events include (amongst other events) permanent discontinuation of the Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a

Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Interest Rate is likely to result in the Securities performing differently (which may include payment of a lower Interest Rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the holders of Securities.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be, or, if the Independent Adviser determines that no such industry standard is recognised or acknowledged (iv) the spread, formula or methodology which the Independent Adviser determines to be appropriate.

Accordingly, the application of an Adjustment Spread may result in the Securities performing differently (which may include payment of a lower Interest Rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Securities.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next relevant Reset Interest Determination Date, the Interest Rate for the next succeeding Reset Period will be the Interest Rate applicable as at the last preceding Reset Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Reset Interest Determination Date, the Interest Rate will be the initial Interest Rate.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Reset Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Reset Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Reset Periods, as necessary.

Applying the initial Interest Rate, or the Interest Rate applicable as at the last preceding Reset Interest Determination Date before the occurrence of the Benchmark Event is likely to result in the Securities performing differently (which may include payment of a lower Interest Rate) than

they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the Securities, the initial Interest Rate, or the Interest Rate applicable as at the last preceding Reset Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Securities, in effect, becoming fixed rate Securities.

Any such consequences could have a material adverse effect on the value of and return on any such Securities.

***The Issuer's obligations under the Securities are subordinated to certain other claims and obligations.***

The Issuer's obligations under the Securities will be unsecured and subordinated as follows.

In the event of a Winding-up (as defined in the Conditions) of KPN, the claims of the Holders will rank (i) in priority to any distributions in respect of (A) any ordinary shares in the capital of the Issuer; (B) any preference shares in the capital of the Issuer; and (C) if there are any preference shares outstanding and any other instruments outstanding which by their terms are expressed to rank *pari passu* with the preference shares, such instruments; (ii) *pari passu* with all Parity Obligations (as defined in the Conditions) and (iii) junior to the rights and claims of Senior Creditors (as defined in the Conditions), so that in the event of a Winding-up, amounts due and payable in respect of the Securities shall be paid by KPN only after all of the Senior Creditors have been reimbursed or paid in full and the Holders irrevocably waive their right to be treated equally with all such creditors in such circumstances. No Holder shall be entitled to exercise any right of set-off, netting or counterclaim in respect of any amounts owed by the Issuer under or in connection with the Securities. See "Terms and Conditions of the Securities — Status" and "Terms and Conditions of the Securities — Subordination".

By virtue of such subordination, payments to a Holder will, in the events described in the Conditions, only be made after all obligations of the Issuer resulting from higher ranking. Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

***Dutch insolvency laws may not be as favourable to holders of the Securities as those of another jurisdiction with which you may be familiar.***

There are two primary insolvency regimes under Dutch law. The first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganisation of a debtor's indebtedness and enable the debtor to continue as a going-concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*faillissementswet*). The consequences of both proceedings are roughly equal from the perspective of a creditor, with creditors being treated on a *pari passu* basis subject to exceptions.

A general description of the principles of both insolvency regimes is set forth below.

Under Dutch law secured creditors (and in case of suspension of payment also preferential creditors (including tax and social security authorities)) may enforce their rights against assets of the company to satisfy their claims as if there were no insolvency proceedings.

A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going-concern value of the debtor. Consequently, a Holder's potential recovery could be reduced in Dutch insolvency proceedings.

Any pending executions of judgments against the debtor will be suspended by operation of law when suspension of payments is granted and terminate by operation of law when bankruptcy is declared. In addition, all attachments on the debtor's assets will cease to have effect upon the suspension of payments having become definitive, a composition having been ratified by the court or the declaration of bankruptcy (as the case may be) subject to the ability of the court to set an earlier date for such termination.

In a suspension of payments and bankruptcy, a composition (*akkoord*) may be offered to creditors. A composition will be binding on all unsecured and non-preferential creditors if it is (i) approved by a simple majority of the creditors being present or represented at the creditors' meeting, representing at least 50 per cent. of the amount of the claims that are admitted for voting purposes, and (ii) subsequently ratified (*gehomologeerd*) by the Dutch courts.

Consequently, Dutch insolvency laws could preclude or inhibit the ability of the Holders to effect a restructuring and could reduce the recovery of a Holder.

Claims against a company subject to Dutch insolvency proceedings will have to be verified in the insolvency proceedings in order to be entitled to vote and, in a bankruptcy liquidation, to be entitled to distributions. "Verification" under Dutch law means, in the case of suspension of payments, that the treatment of a disputed claim for voting purposes is determined and, in the case of a bankruptcy, that the value of the claim is determined and whether and to what extent it will be admitted in the insolvency proceedings. The valuation of claims that would not otherwise have been payable at the time of the proceedings may be based on a net present value analysis. Unless secured by a pledge or a mortgage, interest accruing after the date on which insolvency proceedings are opened cannot be verified. Where interest accrues after the date of opening of the proceedings, it can be admitted on a provisional basis.

The existence, value and ranking of any claims submitted by the Holders may be challenged in the Dutch insolvency proceedings. Generally, in a creditors' meeting (*verificatievergadering*), the receiver in bankruptcy, the administrator in suspension of payments proceedings, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors' meeting may be referred to separate court proceedings (*renvooiprocedure*) in bankruptcy, while in suspension of payments the court will decide how a disputed claim will be treated for voting purposes. These situations could cause the Holders to recover less than the principal amount of their Securities. Renvooi procedures could also cause payments to the holders of Securities to be delayed compared to holders of undisputed claims.

The Dutch Bankruptcy Act does not in itself recognize the concept of classes of creditors. Remaining amounts, if any, after satisfaction of the secured and the preferential creditors are distributed among the unsecured non-preferential creditors, who will be satisfied on a pro rata basis. Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings, with the actual effect largely depending on the way such subordination is construed.

Secured creditors may enforce their rights against assets of the debtor to satisfy their claims under a Dutch bankruptcy as if there is no bankruptcy. As in moratorium of payments proceedings, the court may order a "cooling down period" for a maximum of four months during which enforcement actions by secured creditors are barred unless such creditors have obtained leave for enforcement from the supervisory judge. Further, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have to share in the bankruptcy costs. Excess proceeds of enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor in the bankruptcy. Such set-off is allowed prior to the bankruptcy, although a

set-off prior to bankruptcy may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for set-off.

Under Dutch law, a legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its receiver in bankruptcy, if (a) it performed such act without an obligation to do so (*onverplicht*), (b) the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act, and (c) at the time the act was performed both it and (unless the act was for no consideration (*om niet*)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced. In addition, in the case of a person's bankruptcy, the receiver in bankruptcy may nullify its performance of any due and payable obligation (including (without limitation) an obligation under a guarantee or to provide security for any of its or a third party's obligations) if (i) the recipient of the payment or performance knew, at the time of the payment or performance, that a request for bankruptcy had been filed, or (ii) the performance of the obligation was the result of a consultation between the debtor and the payee with a view to give preference to the latter over the debtor's other creditors.

***There is no limitation on issuing senior or pari passu securities.***

The Conditions will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date. The incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a Winding-up of KPN and/or may increase the likelihood of a deferral of interest payments under the Securities.

***The Issuer has the right to defer interest payments on the Securities.***

The Issuer may, at its discretion, elect to defer all or part of any payment of interest on the Securities. See "Terms and Conditions of the Securities — Optional Interest Deferral".

While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Securities and in such event, the Holders are not entitled to claim immediate payment of interest so deferred. While the deferral of payment of interest continues, the Holders are not entitled to claim immediate payment of interest so deferred either if the Issuer makes payments on instruments ranking *pari passu* with or junior to the Securities where the Issuer is obliged under the terms of such instruments to make such payments.

Any such deferral of interest payment shall not constitute a default for any purpose unless such payment is required in accordance with Condition 5(c).

Any deferral of interest payments will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Securities may not be redeemed unless and until all outstanding Arrears of Interest are satisfied in full, on or prior to the date set for the relevant redemption.

***The Securities contain limited Events of Default and remedies.***

The Conditions will provide that the Securities will be perpetual securities and there is therefore no obligation on the Issuer to repay principal on any given date. In addition, payments of

interest on the Securities may be deferred in accordance with Condition 5(a) and interest will not therefore be due other than in the limited circumstances described in Condition 5(c).

The only event of default in the Conditions is if a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, in each case in respect of the Securities and which is due.

Therefore, it will only be possible for the Holders to enforce claims for payment of principal or interest of the Securities when the same are due.

In addition, in the event of a Winding-up (except for the purposes of a merger, reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders), although the Securities will become immediately due and payable, the claims of Holders will be subordinated to the claims of holders of all Senior Obligations as further described in Condition 3(a). Accordingly, the claims of holders of all Senior Obligations will first have to be satisfied in any Winding-up or analogous proceedings before the Holders may expect to obtain any recovery in respect of their Securities and prior thereto Holders will have only limited ability to influence the conduct of such Winding-up or analogous proceedings.

***The Securities are subject to modification of certain Conditions, waiver of certain terms and substitution of the Issuer.***

The Conditions will contain provisions for calling meetings of Holders of a Tranche to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Holders of a Tranche including Holders who did not attend and vote at the relevant meetings and Holders who voted in a manner contrary to the majority.

The Conditions and the Trust Deed will also provide that the Trustee may, without the consent of Holders of a Tranche, agree to (i) any modification of the Conditions or of any other provisions of the Trust Deed or the Paying Agency Agreement which is, in each case, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the Issuer of, any of the Conditions or of the provisions of the Trust Deed or the Paying Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders of a Tranche (which will not include, for the avoidance of doubt, any provision entitling the Holders of a Tranche to institute proceedings for the winding-up of the Issuer which is more extensive than those set out in Condition 10), or (iii) the substitution on a subordinated basis equivalent to that referred to in Conditions 2 and 3 of certain other entities in place of the Issuer (or any previous Substituted Obligor (as defined in Condition 13)) as a new principal debtor under the Trust Deed and the Securities, Coupons and Talons, provided, *inter alia*, the Trustee is satisfied that the interests of Holders will not be materially prejudiced by the substitution. If the Issuer chooses to substitute another entity or entities in place of the Issuer according to the terms and conditions of the Securities, there is no assurance that the Securities would receive more favorable treatment from the relevant authorities in the Netherlands regarding the deductibility of interest payments or the requirement to withhold tax on such payments. As a result, any Tax Deduction Event or a Withholding Tax Event in effect may remain in effect upon the replacement of the Issuer by a Substituted Obligor, and the Issuer may consequently choose to redeem the Securities even if a Substituted Obligor is put in place. Furthermore, there can be no guarantee that any such substitution will improve, or not negatively impact, the tax position of any individual holder of the Securities and such a holder may have no recourse if the Issuer chooses to make any such substitution.



***Credit ratings may not reflect all risks.***

Credit ratings are expected to be assigned to the Securities by S&P and Fitch (see cover page of this Offering Circular for more information). Other independent credit rating agencies could decide to assign credit ratings to the Securities and such credit ratings may be higher than, the same as or lower than the credit rating provided by S&P and Fitch. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. A revision, suspension or withdrawal of a rating may adversely affect the market price of the Securities

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances.

Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non- EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

***Change of law may affect the terms and conditions, and other matters related to the Securities.***

The Securities will be governed by English law and, in respect of Condition 3 only, Dutch law. No assurance can be given as to the impact of any possible judicial decision or change to English law or, as the case may be, Dutch law or any administrative practice thereof after the Issue Date.

**Risks related to the market generally**

***There is no active trading market for the Securities, and if a market does develop, it may be volatile.***

Although application has been made for the Securities to be admitted to the Official List and to trading on the GEM, the Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been prepared to meet the investment requirements of limited categories of investors. These types of securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

Illiquidity may have a severely adverse effect on the market value of the Securities.

***Payment of principal and interest on the Securities is subject to exchange rate risks and exchange controls.***

The Issuer will pay principal and interest on the Securities in euro. This presents certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the Investor's Currency) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency equivalent yield on the Securities, (2) the Investor's Currency equivalent value of the principal payable on the Securities and (3) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Interest rate risks may affect the value of an investment in the Securities.***

Investment in the Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Securities. Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, fixed rate securities.

During periods of rising interest rates, the prices of fixed rate securities, such as the Securities, tend to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Securities involves the risk that changes in market interest rates may adversely affect the value of the Securities. Interest rate resets may result in a decline of yield.

***If Securities are issued in definitive form, Holders holding less than €100,000 of Securities may not be able to receive definitive Securities.***

The Securities have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000. It is possible that the Securities may be traded in amounts that are not integral multiples of €100,000. In the event that Securities are issued in definitive form, Holders who hold a principal amount of less than €100,000 may not be able to receive a definitive Security in respect of such holding, and may need to purchase a principal amount of Securities such that its holding amounts to a denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 in order to receive a definitive Security.

If definitive Securities are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

## OVERVIEW

*The following overview refers to certain provisions of the Terms and Conditions of the Securities and is qualified by the more detailed information contained elsewhere in this Offering Circular. Capitalised terms used herein have the meaning given to them in "Terms and Conditions of the Securities".*

<b>Issuer</b>	Koninklijke KPN N.V.
<b>Trustee</b>	Citicorp Trustee Company Limited
<b>Principal Paying Agent</b>	Citibank, N.A., London Branch
<b>Issue Size</b>	€500,000,000
<b>Issue Date</b>	21 September 2022
<b>Maturity</b>	The Securities will be perpetual securities in respect of which there is no fixed redemption date.
<b>Interest/Step-up</b>	<p>The Securities bear interest on their principal amount at the applicable Interest Rate from (and including) the Issue Date. Subject as described in "Optional Interest Deferral", interest shall be payable on the Securities annually in arrear on the Interest Payment Date in each year, except that the first payment of interest, to be made on 21 December 2022, will be in respect of the period from (and including) the Issue Date to (but excluding) 21 December 2022.</p> <p>The Securities will bear interest:</p> <ul style="list-style-type: none"><li>(i) from (and including) the Issue Date to (but excluding) 21 December 2027 (the <b>First Reset Date</b>) at a rate of 6.000 per cent. per annum, payable annually in arrear on 21 December in each year. The first payment of interest, to be made on 21 December 2022, will be in respect of the period from (and including) the Issue Date to (but excluding) 21 December 2022 and will amount to €14.96 per €1,000 in principal amount of the Securities;</li><li>(ii) thereafter, unless previously redeemed, the Securities will bear interest from (and including) the First Reset Date to (but excluding) 21 December 2032 at a rate per annum which shall be 3.769 per cent. above the euro 5 year swap rate (the <b>Reset Reference Rate</b>) for the relevant Reset Period, payable annually in arrear on 21 December in each year;</li><li>(iii) from (and including) 21 December 2032 to (but excluding) 21 December 2047 the Securities, will bear interest at a rate per annum which shall be 4.019 per cent. above the Reset Reference Rate for the relevant Reset Period, payable annually in arrear on 21</li></ul>

December in each year; and

- (iv) from (and including) 21 December 2047, the Securities will bear interest at a rate per annum which shall be 4.769 per cent. above the Reset Reference Rate for the relevant Reset Period payable annually in arrear on 21 December in each year;

all as more particularly described in "Terms and Conditions of the Securities — Interest Payments".

If a Change of Control Event occurs and the Issuer does not elect to redeem the relevant Securities, the then prevailing interest rate per annum (and each subsequent interest rate per annum) in respect of the relevant Securities shall be increased by 5 percentage points with effect from (and including) the date on which the Change of Control Event occurred.

**Status**

The Securities and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

**Subordination**

In the event of a Winding-up of the Issuer, the claims of the Holders (as provided in Condition 10(f)) will rank:

- (i) in priority to any distributions in respect of (A) any ordinary shares in the capital of the Issuer; (B) any preference shares in the capital of the Issuer; and (C) if there are any preference shares outstanding and any other instruments outstanding which by their terms are expressed to rank *pari passu* with the preference shares, such instruments (together, **Junior Securities**);
- (ii) *pari passu* with all Parity Obligations; and
- (iii) junior to the rights and claims of Senior Creditors,

so that in the event of a Winding-up, amounts due and payable in respect of the Securities shall be paid by the Issuer only after all of the Senior Creditors have been reimbursed or paid in full and the Holders irrevocably waive their right to be treated equally with all such Senior Creditors in such circumstances.

As used herein:

**Parity Obligations** means:

- (i) any obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Securities;
- (ii) any obligations of any subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Securities; and
- (iii) the Capital Securities;

**Senior Creditors** means all unsubordinated creditors, present and future, of the Issuer and all subordinated creditors of the Issuer other than those whose claims (whether only in the event of a Winding-up or otherwise) rank, or are expressed to rank, *pari passu* with or junior to the claims of the Holders of the Securities;

**Capital Securities** means the Issuer's €500,000,000 Perpetual Fixed Rate Resettable Capital Securities (ISIN: XS2069101868) and the Issuer's U.S.\$600,000,000 Capital Securities due 2073 (Restricted Global Certificate - ISIN: US50048VAA89, Unrestricted Global Certificate - ISIN: USN4297BBC74);

and

**Winding-up** means a situation where:

- (i) an order is made or a decree or resolution is passed for the winding-up, liquidation or dissolution of the Issuer; or
- (ii) a trustee (*curator*) is appointed by the competent District Court in the Netherlands in the event of bankruptcy (*faillissement*) affecting the whole or a substantial part of the undertaking or assets of the Issuer and such appointment is not discharged within 30 days.

See "Risk Factors – Risks related to the Securities generally – The Securities contain limited Events of Default and remedies".

### **Optional Interest Deferral**

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a **Deferred Interest Payment**) which is otherwise scheduled to be paid on an Interest Payment Date by giving a Deferral Notice of such election to the Holders. Subject as described in "Mandatory Settlement of Arrears of Interest", if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Event of Default of the Issuer or any other breach of its obligations under the Securities or for any other purpose.

Any Deferred Interest Payment (or part thereof) shall itself bear interest (such further interest together with the Deferred Interest Payment, being **Arrears of Interest**), at the Interest Rate applicable to the relevant Securities from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or, as appropriate, such other date on

which such Deferred Interest Payment is paid in accordance with Condition 5(c), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Securities or for any other purpose, unless such payment is required in accordance with Condition 5(c).

**Optional Settlement of Arrears of Interest** of Arrears of Interest may be satisfied at the option of the Issuer in whole or in part at any time (the **Optional Deferred Interest Settlement Date**) following delivery of a notice to such effect given by the Issuer to the Holders informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date.

**Mandatory Settlement of Arrears of Interest** of The Issuer may give a notice as described in "Optional Interest Deferral" with regard to any amount which would otherwise be due on an Interest Payment Date in its sole discretion and for any reason.

Notwithstanding the above and the provisions of "Optional Interest Deferral", the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which an Interest Payment was deferred.

**Optional Redemption** The Issuer may redeem all, but not some only, of the Securities at any time from (and including) the First Call Date to (and including) the First Reset Date, and thereafter on each Interest Payment Date at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

Following the exercise by the Issuer at any time other than during the period from (and including) the First Call Date to (and including) the First Reset Date or upon any subsequent Interest Payment Date, of the Make-whole Redemption, the Securities may be redeemed, in whole but not in part, at their Make-whole Redemption Amount.

**Special Event Redemption** If a Special Event has occurred and is continuing, then the Issuer may redeem (at its option) all, but not some only, of the Securities:

- (i) in the case of an Accounting Event, a Rating Event or a Tax Deduction Event, where the relevant date fixed for redemption falls prior to the First Call Date at any time, at 101 per cent. of their principal amount;
- (ii) in the case of an Accounting Event, a Rating Event or a Tax Deduction Event where the relevant date fixed for redemption falls on or after the First Call Date, at any time, at their principal amount; or

- (iii) in the case of a Substantial Repurchase Event or a Withholding Tax Event, at any time, at their principal amount,

in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

### **Change of Control**

If a Change of Control Event has occurred and is continuing, the Issuer may elect to redeem all, but not some only, of the Securities at any time at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

*At or around the Issue Date, the Issuer intends to undertake with and for the benefit of all holders of its Relevant Securities (as defined below) that, for so long as any of the Securities is outstanding, following the occurrence of a Change of Control Event in respect of which it intends to deliver a notice exercising its right to redeem the Securities under Condition 6(g), it will do so only after making a tender offer, directly or indirectly, to all holders of the Relevant Securities to repurchase their respective Relevant Securities at their respective aggregate nominal amounts together with any interest accrued until the day of completion of the repurchase. The Issuer will undertake to make such tender offer in such a way as to ensure that the repurchase of any such Relevant Securities tendered to it will be effected prior to any redemption of the Securities in accordance with Condition 6(g).*

**Relevant Securities** means any current or future indebtedness of the Issuer to Senior Creditors (as defined in Condition 3(a)) in the form of, or represented or evidenced by bonds, notes, debentures or other similar securities or instruments (or a guarantee thereof) which benefits from a solicited rating from an external rating agency recognised by EU or US regulations, and which does not include protection for the holders thereof in the event of a change of control of the Issuer (however defined).

### **Event of Default**

If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, and which is due, then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the relevant Securities and the Coupons, and the Trustee at its sole discretion may, or shall, if so requested by an Extraordinary Resolution of the Holders of the relevant Securities or in writing by the Holders of at least one-quarter in principal amount of the relevant Securities, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such

payment.

In the event of a Winding-up (except for the purposes of a merger, reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders), the Securities will become immediately due and payable at their outstanding principal amount, together with interest accrued thereon, including any Arrears of Interest, up to (but excluding) the redemption date, subject to the ranking provided in "Overview — Subordination" above.

#### **Additional Amounts**

Payments in respect of the Securities shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of the Netherlands, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer, subject to certain exceptions as are more fully described under "Terms and Conditions of the Securities — Taxation".

#### **Substitution of the Issuer**

Provided the Trustee is satisfied that the interests of the relevant Holders will not be materially prejudiced, the Trustee may, without the consent of the Holders or Couponholders, agree to the substitution on a subordinated basis equivalent to that referred to in Conditions 2 and 3 of certain other entities in place of the Issuer as a new principal debtor under the relevant Securities, Coupons and Talons. See "Terms and Conditions of the Securities — Meetings of Holders, Modification, Waiver and Substitution".

#### **Replacement Intention**

*The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Securities only to the extent that the part of the aggregate principal amount of the Securities to be redeemed or repurchased which was assigned "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the Securities does not exceed such part of the net proceeds received by the Issuer or any subsidiary of the Issuer after the Issue Date but on or prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer or such subsidiary to third party purchasers (other than group entities of the Issuer) which are assigned by S&P "equity credit" (or such similar nomenclature used by S&P from time to time) (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities), unless:*

- (i) the long-term corporate credit rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least the same as or higher than the long-term corporate credit rating assigned to the Issuer on the date of the last additional hybrid issuance (excluding any refinancing transaction of the*



*hybrid securities which were assigned a similar "equity credit" by S&P (or such similar nomenclature then used by S&P) and the Issuer is of the view that such a rating would not fall below this level as a result of such redemption or repurchase, or*

- (ii) in the case of a repurchase or a redemption, such repurchase or redemption is, taken together with relevant repurchases or redemptions of other Hybrid Securities of the Issuer, (a) in any period of 12 consecutive months starting at the Relevant Time, of less than 10 per cent. of the Relevant Amount or (b) in any period of 10 consecutive years starting at the Relevant Time, of less than 25 per cent. of the Relevant Amount, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or*
- (iii) if, in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology, or*
- (iv) the Securities are redeemed pursuant to a Tax Deduction Event, a Withholding Tax Event, an Accounting Event, a Rating Event or a Substantial Repurchase Event, or*
- (v) the Securities are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase, or*
- (vi) such redemption or repurchase occurs on or after the Reset Date falling on 21 December 2047.*

*Whereby:*

**Hybrid Securities** means securities that at the time of their sale or issuance have been and are continuing to be assigned "equity credit" (or such other nomenclature used by S&P from time to time);

**Relevant Time** means the time of the first repurchase or redemption after the Issue Date or, if the aggregate principal amount of the Issuer's outstanding Hybrid Securities has increased after the Issue Date, the time of the first repurchase or redemption after the most recent increase;

**Relevant Amount** means, at any Relevant Time, the aggregate principal amount of the Issuer's outstanding Hybrid Securities at that time.

*This is a statement of the Issuer's intention as at the date of*

*this Offering Circular and does not impose any legal obligations on the Issuer. Accordingly, this statement does not form part of the Conditions.*

<b>Form</b>	The Securities will be in bearer form and each Tranche will initially be represented by a Temporary Global Security, without coupons or talons, which will be deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. The Temporary Global Security will be exchangeable for interests in the Permanent Global Security, without coupons or talons, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Security will be exchangeable for definitive Securities in bearer form only in the limited circumstances set out in it. See "Summary of Provisions relating to the Securities while in Global Form".
<b>Denomination</b>	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.
<b>Listing and Admission to Trading</b>	Application will be made for the Securities to be admitted to trading on the Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange plc trading as Euronext Dublin.
<b>Governing Law</b>	English law save for certain provisions relating to subordination and waiver of set-off which shall be governed by Dutch law.
<b>Ratings</b>	The Securities are expected to be rated BB+ by S&P and BB+ by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
<b>Use of Proceeds</b>	The Issuer intends to use an amount equal to the net proceeds of the Offering to finance and/or refinance a portfolio of eligible assets, investments and expenditures ( <b>Eligible Green Projects</b> ) that meet the requirements of the Issuer's Green Finance Framework (as defined in the "Use of Proceeds").
<b>Selling Restrictions</b>	The United States, the EEA, the UK and Japan. See "Subscription and Sale".
<b>Risk Factors</b>	Prospective investors should carefully consider the information set out in "Risk Factors" in conjunction with the other information contained or incorporated by reference in this Offering Circular.
<b>ISIN</b>	XS2486270858.
<b>Common Code</b>	248627085.
<b>CFI</b>	Available on the website of the Association of National Numbering Agencies (ANNA).
<b>FISN:</b>	Available on the website of ANNA.

## TERMS AND CONDITIONS OF THE SECURITIES

*The following, subject to alteration prior to 21 September 2022 and except for paragraphs in italics, are the terms and conditions of the Securities which will be endorsed on each Security in definitive form (if issued).*

The issue of the €500,000,000 Perpetual Fixed Rate Resettable Capital Securities (the **Securities**, which expression shall, unless the context otherwise requires, include any further securities issued pursuant to Condition 17 and forming a single series with the Securities) of Koninklijke KPN N.V. (the **Issuer**) was authorised by a resolution of the board of management of the Issuer passed on 8 June 2022 and a resolution of the supervisory board of the Issuer passed on 28 April 2022. The Securities are constituted by a trust deed (the **Trust Deed**) dated 21 September 2022 between the Issuer and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Securities (the **Holder**s). These terms and conditions (as amended from time to time) (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Securities and of the interest coupons relating thereto (the **Coupons**, which expression includes, where the context so permits, talons for further Coupons (the **Talons**)) and the Talons appertaining to Securities in definitive form. Copies of (i) the Trust Deed; and (ii) the paying agency agreement (the **Agency Agreement**) dated 21 September 2022 relating to the Securities between the Issuer, Citibank, N.A., London Branch as the initial principal paying agent (the **Principal Paying Agent**, which expression shall include any successor thereto, and the expression **Paying Agents** shall include the Principal Paying Agent and all persons for the time being the paying agent under the Agency Agreement), Citibank, N.A., London Branch as calculation agent (the **Calculation Agent**, which expression includes the Calculation Agent for the time being) and the Trustee and copies thereof may be obtained during usual business hours at the specified offices of each of the Paying Agents. The Holders and the holders of the Coupons (whether or not attached to the relevant Securities) (the **Couponholders**) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, and are deemed to have notice of those provisions applicable to them of the Agency Agreement..

### 1 Form, Denomination and Title

#### (a) Form and Denomination

The Securities are serially numbered and in bearer form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, each with Coupons and one Talon attached on issue.

#### (b) Title

Title to the Securities, Coupons and each Talon passes by delivery. The holder of any Security, Coupon or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

### 2 Status

The Securities and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders and the Couponholders are subordinated as described in Condition 3.

### 3 Subordination

#### (a) General

In the event of a Winding-up of the Issuer, the claims of the Holders (as provided in Condition 10(f)) will rank:

- (i) in priority to any distributions in respect of (A) any ordinary shares in the capital of the Issuer; (B) any preference shares in the capital of the Issuer; and (C) if there are any preference shares outstanding and any other instruments outstanding which by their terms are expressed to rank *pari passu* with the preference shares such instruments (together, **Junior Securities**);
- (ii) *pari passu* with all Parity Obligations; and
- (iii) junior to the rights and claims of Senior Creditors,

so that in the event of a Winding-up, amounts due and payable in respect of the Securities shall be paid by the Issuer only after all of the Senior Creditors have been reimbursed or paid in full and the Holders irrevocably waive their right to be treated equally with all such Senior Creditors in such circumstances.

As used herein:

**Parity Obligations** means:

- (i) any obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Securities;
- (ii) any obligations of any subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Securities; and
- (iii) the Capital Securities;

**Senior Creditors** means all unsubordinated creditors, present and future, of the Issuer and all subordinated creditors of the Issuer other than those whose claims (whether only in the event of a Winding-up or otherwise) rank, or are expressed to rank, *pari passu* with or junior to the claims of the Holders of the Securities.

#### (b) Set-off

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities or the Coupons and each Holder and Couponholder shall, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

### 4 Interest Payments

#### (a) Interest Rate

The Securities bear interest on their principal amount at the applicable Interest Rate from and including 21 September 2022 (the **Issue Date**) in accordance with the provisions of this Condition 4.

Subject to Condition 5, interest shall be payable on the Securities annually in arrear on each Interest Payment Date as provided in this Condition 4, except that the first

payment of interest, to be made on 21 December 2022, will be in respect of the period from (and including) the Issue Date to (but excluding) 21 December 2022.

**(b) Interest Accrual**

The Securities will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6, as the case may be, unless, upon due presentation, payment of all amounts due in respect of the Securities is not made, in which event interest shall continue to accrue in respect of unpaid amounts on the Securities, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Save as provided in Condition 4(c), where it is necessary to calculate an amount of interest in respect of any Security for a period which is less than a complete year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or first) scheduled Interest Payment Date.

Where it is necessary to calculate an amount of interest in respect of any Security for a period of more than one year, such interest shall be the aggregate of the interest payable in respect of a full year plus the interest payable in respect of the remaining period calculated in the manner as aforesaid.

Interest in respect of any Security shall be calculated per €1,000 in principal amount thereof (the **Calculation Amount**). The amount of interest payable per Calculation Amount for any period shall, save as provided in Condition 4(c), be equal to the product of the relevant Interest Rate, the Calculation Amount and an Actual/Actual day-count basis for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of each Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Security without any further rounding.

**(c) First Fixed Interest Rate**

For each Interest Period ending on or before the First Reset Date, the Securities bear interest at the rate of 6.000 per cent. per annum (the **First Fixed Interest Rate**), payable annually in arrear on the Interest Payment Date in each year, except that the first payment of interest, to be made on 21 December 2022, will be in respect of the period from (and including) the Issue Date to (but excluding) 21 December 2022 and will amount to €14.96 per Calculation Amount.

**(d) Subsequent Fixed Interest Rates**

For each Interest Period which commences on or after the First Reset Date, the Securities bear interest at the relevant Subsequent Fixed Interest Rate. Such interest shall be payable annually in arrear on the Interest Payment Date in each year and shall be calculated, except as provided in Condition 4(i) below, as follows:

**Subsequent Fixed Interest Rate** = Reset Reference Rate + Margin

all as determined by the Calculation Agent and where,

**Reset Reference Rate** means the mid-swap rate for euro interest rate swaps with a term of 5 (five) years as displayed on Reuters screen "ICESWAP2" as at 11:00 a.m. (Central European time) (the **Reset Screen Page**) on the day falling two Business Days prior to the first day of the relevant Reset Period (the **Reset Interest Determination Date**);

In the event that the Reset Reference Rate does not appear on the Reset Screen Page on the Reset Interest Determination Date, the Reset Reference Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date;

**Reset Reference Bank Rate** means the percentage rate determined on the basis of the Reset Reference Rate Quotations provided by the Reset Reference Banks to the Issuer at approximately 11:00 a.m. (Central European time), on such Reset Interest Determination Date (such quotations to be promptly provided by the Issuer). If at least three quotations are provided, the Reset Reference Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the Reset Reference Rate that appeared on the most recent Reset Screen Page that was available;

The **Reset Reference Rate Quotations** means, in respect of each Interest Period falling within a Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis) and;

**Margin** means in respect of (i) the Reset Period commencing on 21 December 2027 and ending on (but excluding) 21 December 2032, 3.769 per cent.; (ii) each Reset Period which falls in the period commencing on 21 December 2032 and ending on (but excluding) 21 December 2047, 4.019 per cent.; and (iii) each Reset Period which falls on or after 21 December 2047, 4.769 per cent.

The Subsequent Fixed Interest Rate shall be determined as provided above in respect of each Reset Period, provided that the Subsequent Fixed Interest Rate shall never be lower than 0 (zero) per cent., and, as so determined, such rate shall apply to each Interest Period falling within that Reset Period.

**(e) Determination of Subsequent Fixed Interest Rates**

The Calculation Agent will, as soon as practicable after 11.00 hours (Central European time) on each Reset Interest Determination Date, determine the Subsequent Fixed Interest Rate in respect of each Interest Period falling within the relevant Reset Period.

**(f) Publication of Subsequent Fixed Interest Rates**

The Issuer shall cause notice of each Subsequent Fixed Interest Rate determined in accordance with this Condition 4 in respect of each relevant Interest Period to be given to the Trustee, the Paying Agents, any stock exchange on which the Securities are for the time being listed or admitted to trading and, in accordance with Condition 16, the

Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

**(g) Calculation Agent and Reset Reference Banks**

With effect from the First Reset Date, the Issuer will maintain a Calculation Agent and Reset Reference Banks where the Interest Rate is to be calculated by reference to them. The name of the initial Calculation Agent and its initial specified office is set out at the end of these Conditions.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Calculation Agent or any Reset Reference Bank with another leading financial institution. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or fails duly to determine a Subsequent Fixed Interest Rate in respect of any Interest Period as provided in Condition 4(d), the Issuer shall forthwith appoint another leading financial institution approved in writing by the Trustee to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid.

**(h) Determinations of Calculation Agent Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Trustee, the Paying Agents and all Holders and Couponholders and (in the absence as aforesaid) no liability to the Holders, the Couponholders or the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

**(i) Step-up after Change of Control**

Notwithstanding any other provision of this Condition 4, if the Issuer does not elect to redeem the Securities in accordance with Condition 6(g) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4, on the Securities shall be increased by 5 percentage points with effect from (and including) the date on which the Change of Control Event occurred.

**(j) Benchmark discontinuation**

*(i) Independent Adviser*

(A) If a Benchmark Event occurs in relation to the Original Reference Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable (provided that such appointment need not be made earlier than with effect from 30 days prior to the first date on which the Original Reference Rate is to be used to determine any Interest Rate (or any component part thereof)), to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4(j)(iv)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(j) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of negligence, wilful default, bad faith or

fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Holders (or the holders of Receipts or Coupons or Talons) for any determination made by it and for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(j).

- (B) If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 4(j)(ii) prior to the relevant Reset Interest Determination Date, the Interest Rate applicable to the next succeeding Reset Period shall be equal to the Interest Rate last determined in relation to the Securities in respect of the immediately preceding Reset Period. If there has not been a first Reset Interest Determination Date, the Interest Rate shall be the Fixed Interest Rate. Where a different Margin is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the Margin relating to the relevant Reset Period shall be substituted in place of the Margin relating to that last preceding Reset Period. For the avoidance of doubt, this Condition 4(j)(i)(B) shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, Condition 4(j)(i)(A).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Securities (subject to the operation of this Condition 4(j)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Securities (subject to the operation of this Condition 4(j)).

(iii) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(j) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Paying Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark**



**Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer may, subject to giving notice thereof in accordance with Condition 4(j)(v), without any requirement for the consent or approval of Holders or Couponholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date of such amendments.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two managing directors of the Issuer pursuant to Condition 4(j)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Holders or the Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions, the Paying Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

Notwithstanding any other provision of this Condition, the Agents are not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition to which, in the sole opinion of the relevant Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the relevant Agent in the Paying Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4(j)(iv), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(j), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a Rating Event to occur.

(v) *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(j) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two managing directors of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(j); and

- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Holders.

Notwithstanding any other provision of this Condition, following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Agents' opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition, the relevant Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Agent in writing as to which alternative course of action to adopt. If the Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 4(j)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 4(d) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions*

As used in this Condition 4(j):

**Adjustment Spread** means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if

Independent Adviser determines that no such spread is customarily applied);

- (iii) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Independent Advisor determines that no such industry standard is recognised or acknowledged);
- (iv) the Independent Advisor determines to be appropriate.

**Alternative Rate** means an alternative to the Original Reference Rate which the Independent Adviser determines in accordance with Condition 4(j)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same currency as the Securities;

**Benchmark Amendments** has the meaning given to it in Condition 4(j)(iv);

**Benchmark Event** means:

- (1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (2) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (4) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Securities; or
- (5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative or may no longer be used; or
- (6) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Holder using the Original Reference Rate;

provided that in the case of sub-paragraphs (2), (3), (4) and (5), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, the prohibition of use of the Original Reference Rate or the Original Reference Rate no longer being representative or no longer being allowed to be used, as the case may be, and not the date of the relevant public statement;

**Independent Adviser** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(j)(i);

**Original Reference Rate** means the originally-specified Reset Reference Rate used to determine the Interest Rate (or any component part thereof) on the Securities;

**Relevant Nominating Body** means, in respect of the Reset Reference Rate:

- (i) the central bank for the currency to which the Reset Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reset Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reset Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reset Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 5 Optional Interest Deferral

### (a) Deferral of Payments

Notwithstanding the provisions of Condition 4(a), the Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a **Deferred Interest Payment**) which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (a **Deferral Notice**) of such election to the Holders in accordance with Condition 16, the Trustee and the Principal Paying Agent not more than 14 nor less than 7 Business Days prior to the relevant Interest Payment Date. Subject to Condition 5(c), if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Event of Default or any other breach of its obligations under the Securities or for any other purpose.

### (b) Optional Settlement

Arrears of Interest (as defined below) may be satisfied at the option of the Issuer in whole or in part at any time (the **Optional Deferred Interest Settlement Date**) following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 16, the Trustee and the Principal Paying Agent not more than 14 nor less than 7 Business Days prior to the relevant Optional Deferred Interest Settlement Date informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being **Arrears of Interest**), at the Interest Rate applicable to the Securities from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or,

as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 5(c), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Securities or for any other purpose, unless such payment is required in accordance with Condition 5(c).

**(c) Mandatory Settlement**

Notwithstanding the provisions of Condition 5(a), the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

**6 Redemption**

**(a) No Fixed Redemption Date**

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3(a) and without prejudice to the provisions of Condition 12) only have the right to repay them in accordance with the following provisions of this Condition 6.

**(b) Issuer's Call Option**

The Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable), redeem all, but not some only, of the Securities at any time from (and including) the First Call Date to (and including) the First Reset Date, and thereafter on each Interest Payment Date, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

**(c) Redemption for Taxation Reasons**

(i) If, immediately prior to the giving of the notice referred to below, a Tax Deduction Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) and subject to Condition 7, redeem in accordance with these Conditions at any time all, but not some only, of the Securities at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date) or (ii) their principal amount (where such redemption occurs on or after the First Call Date), together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(ii) If, immediately prior to the giving of the notice referred to below, a Withholding Tax Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) and subject to Condition 7, redeem in accordance with these Conditions at any time all, but not some only, of the Securities at their principal amount, together, with any accrued and unpaid

interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(d) Redemption for Rating Reasons**

If, immediately prior to the giving of the notice referred to below, a Rating Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) and subject to Condition 7, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date) or (ii) their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(e) Redemption for Accounting Reasons**

If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) and subject to Condition 7, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date) or (ii) their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

The period during which the Issuer may notify the redemption of the Securities as a result of the occurrence of an Accounting Event shall start on the Accounting Event Adoption Date. For the avoidance of doubt such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

**(f) Redemption for Substantial Repurchase**

If, immediately prior to the giving of the notice referred to below, a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) and subject to Condition 7, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(g) Redemption for Change of Control**

If, immediately prior to the giving of the notice referred to below, a Change of Control Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent

and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

*At or around the Issue Date, the Issuer intends to undertake with and for the benefit of all holders of its Relevant Securities (as defined below) that, for so long as any of the Securities is outstanding, following the occurrence of a Change of Control Event in respect of which it intends to deliver a notice exercising its right to redeem the Securities in accordance with this Condition 6(g) it will do so only after making a tender offer, directly or indirectly, to all holders of the Relevant Securities to repurchase their respective securities at their respective aggregate nominal amounts together with any interest accrued until the day of completion of the repurchase. The Issuer will undertake to make such tender offer in such a way as to ensure that the repurchase of any such Relevant Securities tendered to it will be effected prior to any redemption of the Securities in accordance with this Condition 6(g).*

**Relevant Securities** means any current or future indebtedness of the Issuer to Senior Creditors (as defined in Condition 3(a)) in the form of, or represented or evidenced by bonds, notes, debentures or other similar securities or instruments (or a guarantee thereof) which benefits from a solicited rating from an external rating agency recognised by EU or US regulations, and which does not include protection for the holders thereof in the event of a change of control of the Issuer (however defined).

**(h) Make-whole redemption by the Issuer**

The Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) and subject to Condition 7, redeem in accordance with these Conditions all, but not some only, of the Securities at any time (A) from the Issue Date to, but excluding, the First Call Date and (B) from, and excluding, the First Reset Date on any date that is not an Interest Payment Date (the **Make-whole Redemption Date**) at the Make-whole Redemption Amount (the **Make-whole Redemption**). Upon the expiry of such notice, the Issuer shall redeem the Securities.

**7 Preconditions to Redemption**

Prior to the publication of any notice of redemption pursuant to Condition 6 (other than redemption pursuant to Condition 6(b) or Condition 6(h)), the Issuer shall deliver to the Trustee a certificate signed by two managing directors of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied, and where the relevant Special Event or Change of Control Event requires measures reasonably available to the Issuer to be taken, the relevant Special Event or Change of Control Event cannot be avoided by the Issuer taking such measures. In relation to a redemption pursuant to Condition 6(c), such certificate shall also include a copy of an opinion to the Issuer of an independent recognised law firm or other tax adviser experienced in such matters of international standing stating that a Tax Deduction Event or Withholding Tax Event has occurred.

The Trustee may rely absolutely upon and shall be entitled to accept such certificate without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out in such

paragraphs in which event it shall be conclusive and binding on the Holders and the Couponholders.

Any redemption of the Securities in accordance with Condition 6(b), 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 5(c) on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption date.

The Trustee and the Agents are under no obligation to ascertain whether any Special Event or Change of Control or Change of Control Event or any event which could lead to the occurrence of, or could constitute, any such Special Event, Change of Control or Change of Control Event, has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee and the Agents may assume that no such Special Event, Change of Control or Change of Control Event or such other event has occurred.

## **8 Purchases and Cancellation**

### **(a) Purchases**

The Issuer or any of its subsidiaries may at any time purchase or procure others to purchase beneficially for its account Securities in any manner and at any price. In each case, purchases will be made together with all unmatured Coupons and Talons appertaining thereto. The Securities so purchased, while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 13.

### **(b) Cancellation**

All Securities redeemed by the Issuer pursuant to Condition 6 (together with all unmatured Coupons and unexchanged Talons relating thereto) will forthwith be cancelled. All Securities purchased by the Issuer or any of its subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation (together with all unmatured Coupons and all unexchanged Talons) to the Principal Paying Agent. Securities so surrendered, shall be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached). Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

## **9 Payments**

### **(a) Method of Payment**

(i) Payments of principal, premium and interest will be made against presentation and surrender of Securities or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Securities. Such payments will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(ii) Each Security should be presented for redemption together with all unmatured Coupons relating to it in respect of the Interest Periods which fall prior to the



First Reset Date, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than five years after the due date for the relevant payment of principal.

- (iii) Upon the due date for redemption of any Security, unmatured Coupons relating to such Security in respect of any Interest Period commencing on or after the First Reset Date (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Security is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (iv) On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Securities, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 12).

**(b) Payments Subject to Fiscal Laws**

Without prejudice to the terms of Condition 11, all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Holders or Couponholders in respect of such payments.

**(c) Payments on Business Days**

A Security or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a euro account, a day which is a Business Day). No further interest or other payment will be made as a consequence of the day on which the relevant Security or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition, "business day" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

**10 Event of Default**

**(a) Proceedings**

If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, in each case in respect of the Securities and which is due (an **Event of Default**), then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Securities and the Coupons and the Trustee at its sole discretion may, notwithstanding the provisions of Condition 10(b) but subject to Condition 10(c), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment and/or give notice to the Issuer that the Securities are, and they shall immediately thereby become, due and payable at their principal amount together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest.

**(b) Enforcement**

The Trustee may at its discretion (subject to Condition 10(c)) and without further notice institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Securities or the Coupons but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. In no event shall the Issuer, by virtue of the institution of any such proceedings, steps or actions, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

**(c) Entitlement of Trustee**

The Trustee shall not be bound to take any of the actions referred to in Condition 10(a) or 10(b) above against the Issuer to enforce the terms of the Trust Deed, the Securities or the Coupons or any other action or step under or pursuant to the Trust Deed or the Conditions unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

**(d) Right of Holders**

No Holder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 10.

**(e) Extent of Holders' remedy**

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Trustee or the Holders or Couponholders, whether for the recovery of amounts owing in respect of the Securities or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities, Coupons or under the Trust Deed.

**(f) Winding-up**

In the event of a Winding-up (except for the purposes of a merger, reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders), the Securities will become immediately due and payable at their outstanding principal amount, together with interest accrued thereon, including any Arrears of Interest, subject to the ranking provided in Condition 3.

**11 Taxation**

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Securities and the Coupons shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or within the Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or

deduction is required by law. In that event, the Issuer shall pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Holders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Security or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a Holder or Couponholder who is liable to such Taxes in respect of such Security or Coupon by reason of his having some connection with the Netherlands other than a mere holding of such Security or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented for payment more than 30 days after the Relevant Date except to the extent that the Holder or Couponholder thereof would have been entitled to such Additional Amounts on presenting it for payment on the thirtieth day; or
- (c) **Payment by another Paying Agent:** presented for payment by or on behalf of a Holder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Security or Coupon to another Paying Agent in a Member State of the European Union or making any other claim or filing for exemption to which it is entitled to the relevant tax authority or Paying Agent; or
- (d) **Dutch Withholding Tax Act 2021:** as a result of a withholding or deduction pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

References in these Conditions to principal, premium, Interest Payments, Deferred Interest Payments, Arrears of Interest and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 12 Prescription

Claims in respect of Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within a period of 10 years in the case of Securities and five years in the case of Coupons from the Relevant Date relating thereto. Subject to Condition 9, there shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 12 or Condition 9(a)(iii).

## 13 Meetings of Holders, Modification, Waiver and Substitution

### (a) Meetings of Holders

The Trust Deed contains provisions for convening both physical and virtual meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Holders holding not less than 10 per cent. in principal amount of the Securities for the time being outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more

persons being or representing Holders whatever the principal amount of the Securities so held or represented, except that at any meeting the business of which includes the modification of certain of these Conditions (including the provisions regarding subordination referred to in Condition 3, the terms concerning currency and due dates for payment of principal, any applicable premium or Interest Payments in respect of the Securities and reducing or cancelling the principal amount of any Securities, any applicable premium or the Interest Rate) and/or certain other matters as set out in the Trust Deed, the quorum shall be two or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Securities for the time being outstanding.

An Extraordinary Resolution passed at any meeting of Holders will be binding on all Holders, whether or not they are present at the meeting, and on all Couponholders.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Securities outstanding (a **Written Resolution**), or (ii) where the Securities are held on or behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in principal amount of the Securities outstanding (**Electronic Consent**), shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a Written Resolution and/or Electronic Consent will be binding on all Holders whether or not they participated in such Written Resolution and/or Electronic Consent. A Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

**(b) Modification and Waiver**

The Trustee may agree, without the consent of the Holders or Couponholders, to (i) any modification of these Conditions or of any other provisions of the Trust Deed or the Agency Agreement which is in each case following, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the Issuer of any of these Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders (which will not include, for the avoidance of doubt, any provision entitling the Holders to institute proceedings for the winding-up of the Issuer which is more extensive than those set out in Condition 10).

The consent or approval of the Holders or Couponholders shall not be required in the case of amendments to the Conditions pursuant to Condition 4(j) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any interest amount in respect of the Securities or for any other variation of these Conditions and/or the Trust Deed and/or the Agency Agreement required to be made in the circumstances described in Condition 4(j), where the Issuer has delivered to the Trustee a certificate pursuant to Condition 4(j)(v).

**(c) Substitution**

The Trust Deed contains provisions permitting the Trustee to agree, subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced

by the substitution and to such amendment of the Trust Deed and such other conditions as the Trustee may require but without the consent of the Holders or Couponholders, to the substitution on a subordinated basis equivalent to that referred to in Conditions 2 and 3 of certain other entities (any such entity, a **Substituted Obligor**) in place of the Issuer (or any previous Substituted Obligor under this Condition) as a new principal debtor under the Trust Deed, the Securities, the Coupons and the Talons.

In connection with any proposed substitution as aforesaid and in connection with the exercise of its trusts, powers, authorities and discretions (including but not limited to those referred to in this Condition 13), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to the consequences of such substitution or such exercise for individual Holders or Couponholders. In connection with any substitution or such exercise as aforesaid, no Holder or Couponholder shall be entitled to claim, whether from the Issuer, the Substituted Obligor or the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or any such exercise upon any individual Holders or Couponholders except to the extent already provided in Condition 11 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

**(d) General**

Any such modification, waiver, authorisation or substitution shall be binding on all Holders and all Couponholders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Holders in accordance with Condition 16 as soon as practicable thereafter.

**14 Replacement of the Securities, Coupons and Talons**

If any Security, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Security, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Securities, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Securities, Coupons or Talons must be surrendered before any replacement Securities, Coupons or Talons will be issued.

**15 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of, and/or provision of security and/or prefunding for, the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to Holders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Holders.

## **16 Notices**

Notices to Holders will be valid if published in the English language in a daily newspaper having general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*) or, if in the opinion of the Trustee such publication shall not be practicable, in another leading daily English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition.

## **17 Further Issues**

The Issuer may from time to time without the consent of the Holders or the Couponholders create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Securities) and so that such further issue shall be consolidated and form a single series with the outstanding Securities. Any such Securities shall be constituted by a deed supplemental to the Trust Deed.

## **18 Agents**

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that it will:

- (a) at all times maintain a Principal Paying Agent;
- (b) at all times maintain a Paying Agent having specified offices in Europe approved by the Trustee; and
- (c) whenever a function expressed in these Conditions to be performed by the Calculation Agent or by the Reset Reference Banks falls to be performed, appoint and (for so long as such function is required to be performed) maintain a Calculation Agent and/or, as appropriate, Reset Reference Banks.

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 16. If any of the Calculation Agent or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Calculation Agent or the Principal Paying Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Holders and the Couponholders.

## **19 Governing Law and Jurisdiction**

### **(a) Governing Law**

The Trust Deed, the Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England save for the provisions contained in

Condition 3(a) and Condition 3(b) which shall be governed by the laws of the Netherlands.

**(b) Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Securities, the Coupons or the Talons (**Proceedings**) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Trustee and shall not limit the right of any of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**(c) Agent for Service of Process**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited of 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on any of the Securities or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**20 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Securities by virtue of the Contracts (Rights of Third Parties) Act 1999.

**21 Definitions**

In these Conditions:

an **Accounting Event** shall be deemed to occur if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that, as a result of a change in accounting principles or methodology (or the application thereof) which have been officially adopted after the Issue Date (such date, the **Accounting Event Adoption Date**), the Securities may not or may no longer be recorded as "equity" in full in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS; the Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date;

**Additional Amounts** has the meaning given to it in Condition 11;

**Adjustment Spread** has the meaning given to it in Condition 4(j);

**Agency Agreement** has the meaning given to it in the preamble to these Conditions;

**Alternative Rate** has the meaning given to it in Condition 4(j);

**Arrears of Interest** has the meaning given to it in Condition 5(b);

**Benchmark Amendments** has the meaning given to it in Condition 4(j);

**Benchmark Event** has the meaning given to it in Condition 4(j);

**Business Day** means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and the TARGET System is operating;

**Calculation Agent** has the meaning given to it in the preamble to these Conditions;

**Calculation Amount** has the meaning given to it in Condition 4(b);

**Calculation Date** means the third business day preceding the Make-whole Redemption Date;

**Capital Securities** means the Issuer's €500,000,000 Perpetual Fixed Rate Resetable Capital Securities (ISIN: XS2069101868) and the Issuer's U.S.\$600,000,000 Capital Securities due 2073 (Restricted Global Certificate - ISIN: US50048VAA89, Unrestricted Global Certificate - ISIN: USN4297BBC74);

a **Change of Control Event** shall be deemed to have occurred if there occurs a Change of Control and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs.

For the purposes of the definition of a Change of Control Event:

a **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the board of management or the supervisory board of the Issuer) that any person or persons (**Relevant Person(s)**) acting in concert or any person or persons acting on behalf of any such Relevant Person(s), directly or indirectly acquire(s) or come(s) to own (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer.

**Change of Control Period** means the period ending 90 days after the occurrence of the Change of Control.

a **Compulsory Arrears of Interest Settlement Event** shall have occurred if:

- (i) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Obligations, except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes of the Issuer or (y) such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities or Parity Obligations; or
- (ii) the Issuer or any subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (x) such repurchase, purchase, redemption or acquisition was undertaken in connection with the satisfaction by the Issuer or any subsidiary of the Issuer of its respective obligations under any share buyback program in force and duly approved by its shareholders' general meeting or any stock option plan or free share allocation plan reserved, in all cases, for directors, officers and/or employees of the Issuer's group or any associated hedging transaction or the hedging of



convertible securities or other equity-linked securities or (y) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

- (iii) the Issuer or any subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Parity Obligations or any Securities, except where (x) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Obligations or (y) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value;

**Conditions** means these terms and conditions of the Securities, as amended from time to time;

**Coupon** has the meaning given to it in the preamble to these Conditions;

**Couponholder** has the meaning given to it in the preamble to these Conditions;

**Deferral Notice** has the meaning given to it in Condition 5(a);

**Deferred Interest Payment** has the meaning given to it in Condition 5(a);

**euro** or € means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

**Event of Default** has the meaning given to it in Condition 10(a);

**First Call Date** means 21 September 2027;

**First Reset Date** means 21 December 2027;

**First Fixed Interest Rate** has the meaning given to it in Condition 4(c);

**Holder** has the meaning given to it in the preamble to these Conditions;

**Independent Adviser** has the meaning given to it in Condition 4(j);

**Interest Payment** means, in respect of an interest payment on an Interest Payment Date, the amount of interest payable on the presentation and surrender of such Coupon for the relevant Interest Period in accordance with Condition 4;

**Interest Payment Date** means 21 December in each year, commencing on (and including) 21 December 2022;

**Interest Period** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

**Interest Rate** means the First Fixed Interest Rate and/or each Subsequent Fixed Interest Rate, as the case may be;

**Issue Date** has the meaning given to it in Condition 4(a);

**Issuer** means Koninklijke KPN N.V.;

**Junior Securities** has the meaning given to it in Condition 3(a);

**Make-whole Redemption** has the meaning ascribed thereto in Condition 6(h);

**Make-whole Redemption Amount** means the sum of:

- (i) means the sum of: (i) the greater of (x) the principal amount of the Securities so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Securities (A) to the First Call Date, if the relevant Make-whole Redemption Date occurs prior to the First Call Date, or (B) to the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date, discounted, in each case, to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Securities to, but excluding, the Make-whole Redemption Date, as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer and the Principal Paying Agent;

**Make-whole Redemption Date** has the meaning ascribed thereto in Condition 6(h);

**Make-whole Redemption Margin** means 0.50 per cent.;

**Make-whole Redemption Rate** means (i) the mid-market yield to maturity of the Reference Security which appears on the Relevant Make-whole Screen Page on the Calculation Date at 11:00 hours (Central European time) or (ii) to the extent that the mid-market yield to maturity does not appear on the Relevant Make-whole Screen Page at such time, the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the Calculation Date at or around 11:00 hours (Central European time);

**Mandatory Settlement Date** means the earlier of:

- (i) the 10<sup>th</sup> Business Day following the date on which a Compulsory Arrears of Interest Settlement Event occurs; or
- (ii) an Interest Payment Date in respect of which the Issuer has not elected to defer in whole payment of the relevant scheduled Interest Payment; or
- (iii) the date on which the Securities are redeemed or repaid in accordance with Condition 6 or Condition 10 or repurchased (whether by the Issuer or any subsidiary of the Issuer) in accordance with Condition 8; or
- (iv) the liquidation of the Issuer.

**Margin** has the meaning given to it in Condition 4(d);

**Optional Deferred Interest Settlement Date** has the meaning given to it in Condition 5(b);

**Original Reference Rate** has the meaning given to it in Condition 4(j);

**Parity Obligations** has the meaning given to it in Condition 3(a);

**Paying Agents** has the meaning given to it in the preamble to these Conditions;

**Principal Paying Agent** has the meaning given to it in the preamble to these Conditions;

**Proceedings** has the meaning given to it in Condition 19(b);

**Quotation Agent** means the agent to be appointed by the Issuer if required for the determination of the Make-whole Redemption Amount;

**Rating Agency** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any of its subsidiaries or affiliates including S&P Global Ratings Europe Limited and their successors or Moody's Investors Service, Inc. or any of its subsidiaries or affiliates including Moody's Investors Service España S.A. and their successors or Fitch Ratings Limited or any of its subsidiaries or affiliates including Fitch Ratings Ireland Limited and their successors or any rating agency of equivalent international standing substituted for any of them (or any permitted substitute of them) by the Issuer or specified by the Issuer from time to time with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of the Holders);

a **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control (i) if within the Change of Control Period any rating previously assigned to the Issuer by any two Rating Agencies (if three Rating Agencies have assigned a rating to the Issuer) or by any Rating Agency (if only one or two Rating Agencies have assigned a rating to the Issuer) is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Issuer by any two Rating Agencies shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lower or equivalent rating), or (ii) if at the time of the Change of Control there is no rating assigned to the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating (as described above) to the Issuer (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control) provided, in each case, that a Rating Downgrade otherwise arising by virtue of a particular change in rating, or failure to obtain an investment grade rating (as described above) shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in or withdrawing the rating, or failing to award an investment grade rating (as described above), to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer that the withdrawal, reduction or such failure was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control;

a **Rating Event** shall be deemed to occur if the Issuer has confirmed in writing to the Trustee and certifies in a notice to the Holders that any Rating Agency, which has assigned a sponsored rating to the Issuer, has either published or confirmed to the Issuer an amendment, clarification or change in the "equity credit" criteria of any Rating Agency (or the application thereof), which amendment, clarification or change has occurred after the Issue Date, results in (i) all or any of the Securities being assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Securities by such Rating Agency on the Issue Date (or if the Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit in part or in full as a result, the Securities would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation had they not been re-financed), or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time or (ii) the length of time the Securities are assigned a level of "equity credit" by such

Rating Agency is shortened as compared to the length of time they were assigned that level of "equity credit" by such Rating Agency under its "equity credit" criteria on the Issue Date or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time;

**Reference Dealers** means each of the four banks selected by the Quotation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

**Reference Security** means DBR 0% due 11/15/27 (ISIN: DE0001102523). If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 hours (Central European time) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and notified to the Holders in accordance with Condition 16 (*Notices*);

**Relevant Make-whole Screen Page** means Bloomberg screen page "PXGE" (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Security;

**Relevant Date** means (i) in respect of any payment other than a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 16, and (ii) in respect of a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

**Relevant Nominating Body** has the meaning given to it in Condition 4(j);

**Relevant Securities** has the meaning given to it in Condition 6(g);

**Reset Date** means the First Reset Date and each date falling on the fifth anniversary of the First Reset Date;

**Reset Interest Determination Date** has the meaning given to it in Condition 4(d);

**Reset Period** means the period from one Reset Date to the next following Reset Date;

**Reset Reference Bank Rate** has the meaning given to it in Condition 4(d);

**Reset Reference Banks** means five leading swap dealers in the interbank market as selected by the Issuer;

**Reset Reference Rate** has the meaning given to it in Condition 4(d);

**Reset Reference Rate Quotations** has the meaning given to it in Condition 4(d);

**Reset Screen Page** has the meaning given to it in Condition 4(d);

**Securities** has the meaning given to it in the preamble to these Conditions;

**Senior Creditors** has the meaning given to it in Condition 3(a);

**Similar Security** means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Securities that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities;

**Special Event** means any of an Accounting Event, a Rating Event, a Substantial Repurchase Event, a Tax Deduction Event or a Withholding Tax Event or any combination of the foregoing;

**Subsequent Fixed Interest Rate** has the meaning given to it in Condition 4(d);

**Substantial Repurchase Event** shall be deemed to occur if prior to the giving of the relevant notice of redemption the Issuer or any of its subsidiaries repurchases (and effects corresponding cancellations) or the Issuer redeems Securities in respect of 75 per cent. or more in the principal amount of the Securities initially issued (which shall for this purpose include any further Securities issued pursuant to Condition 17);

**Successor Rate** has the meaning given to it in Condition 4(j);

**Talons** has the meaning given to it in the preamble to these Conditions;

**TARGET System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

a **Tax Deduction Event** shall be deemed to have occurred if, as a result of a Tax Law Change, in respect of the Issuer's obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in the Netherlands, or such entitlement is reduced, and the Issuer cannot avoid the foregoing in connection with the Securities by taking measures reasonably available to it;

**Tax Law Change** means a change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 19 September 2022;

**Taxes** has the meaning given to it in Condition 11;

**Trust Deed** has the meaning given to it in the preamble to these Conditions;

**Trustee** has the meaning given to it in the preamble to these Conditions;

**Winding-up** means a situation where (i) an order is made or a decree or resolution is passed for the winding-up, liquidation or dissolution of the Issuer or (ii) a trustee (*curator*) is appointed by the competent District Court in the Netherlands in the event of bankruptcy (*faillissement*) affecting the whole or a substantial part of the undertaking or assets of the Issuer and such appointment is not discharged within 30 days; and

a **Withholding Tax Event** shall be deemed to occur if, as a result of a Tax Law Change, the Issuer would on the occasion of the next payment in respect of the Securities be prevented by Dutch law from making payment to the Holders of the full amount then due and payable, notwithstanding the undertaking to pay Additional

Amounts on the Securities and the Issuer cannot avoid the foregoing in connection with the Securities by taking measures reasonably available to it.

***Replacement intention***

*The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Securities only to the extent that the part of the aggregate principal amount of the Securities to be redeemed or repurchased which was assigned “equity credit” (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the Securities does not exceed such part of the net proceeds received by the Issuer or any subsidiary of the Issuer after the Issue Date but on or prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer or such subsidiary to third party purchasers (other than group entities of the Issuer) which are assigned by S&P “equity credit” (or such similar nomenclature used by S&P from time to time) (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities), unless:*

- (i) the long-term corporate credit rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least the same as or higher than the long-term corporate credit rating assigned to the Issuer on the date of the last additional hybrid issuance (excluding any refinancing transaction of the hybrid securities which were assigned a similar "equity credit" by S&P (or such similar nomenclature then used by S&P) and the Issuer is of the view that such a rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of a repurchase or a redemption, such repurchase or redemption is, taken together with relevant repurchases or redemptions of other Hybrid Securities of the Issuer, (a) in any period of 12 consecutive months starting at the Relevant Time, of less than 10 per cent. of the Relevant Amount or (b) in any period of 10 consecutive years starting at the Relevant Time, of less than 25 per cent. of the Relevant Amount, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or*
- (iii) if, in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology, or*
- (iv) the Securities are redeemed pursuant to a Tax Deduction Event, a Withholding Tax Event, an Accounting Event, a Rating Event or a Substantial Repurchase Event, or*
- (v) the Securities are not assigned an “equity credit” by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase, or*
- (vi) such redemption or repurchase occurs on or after the Reset Date falling on 21 December 2047.*

*Whereby:*

**Hybrid Securities** means securities that at the time of their sale or issuance have been and are continuing to be assigned “equity credit” (or such other nomenclature used by S&P from time to time);

**Relevant Time** means the time of the first repurchase or redemption after the Issue Date or, if the aggregate principal amount of the Issuer's outstanding Hybrid Securities has increased after the Issue Date, the time of the first repurchase or redemption after the most recent increase;

**Relevant Amount** means, at any Relevant Time, the aggregate principal amount of the Issuer's outstanding Hybrid Securities at that time.

*This is a statement of the Issuer's intention as at the date of this Offering Circular and does not impose any legal obligations on the Issuer. Accordingly, this statement does not form part of the Conditions.*

## SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

The Temporary Global Security and the Permanent Global Security will contain provisions which apply to the Securities while they are in global form, some of which modify the effect of the Conditions of the Securities. The following is a summary of certain of those provisions as they relate to the Securities:

### 1 EXCHANGE

The Temporary Global Security is exchangeable in whole or in part for interests in the Permanent Global Security on or after a date which is expected to be 31 October 2022, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security. The Permanent Global Security is exchangeable in whole but not in part (free of charge to the relevant Holders) for the definitive Securities described below if the Permanent Global Security is held on behalf of a clearing system and that clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon, the Holder may give notice to the Principal Paying Agent of its intention to exchange the Permanent Global Security for definitive Securities on or after the Exchange Date specified in the notice.

On or after the Exchange Date (as defined below) the Holder of the Permanent Global Security may surrender the Permanent Global Security to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Security, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Securities (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Security and a Talon for further Coupons), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Permanent Global Security, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the Holder together with any definitive Securities.

**Exchange Date** means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the cities in which the relevant clearing system is located.

### 2 PAYMENTS

No payment will be made on the Temporary Global Security unless exchange for an interest in the Permanent Global Security is improperly withheld or refused. Payments of principal, premium and interest in respect of the Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of such Global Security to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Holders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Security, which endorsement will be prima facie evidence that such payment has been made in respect of the Securities. For the purpose of any payments made in respect of a Global Security, Condition 9(c) shall not apply, and all such payments shall be made on a day on which the TARGET 2 system is operating and on which commercial banks and foreign exchange markets are open in London.



### **3 NOTICES**

So long as the Securities are represented by the Permanent Global Security and the Permanent Global Security is held on behalf of a clearing system, notices to Holders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Any such notice shall be deemed to have been given to the Holders of the Securities on the day on which the said notice was given to the clearing systems.

### **4 PRESCRIPTION**

Claims against the Issuer in respect of principal, premium and interest on the Securities while the Securities are represented by the Permanent Global Security will become void unless it is presented for payment within a period of 10 years (in the case of principal and premium) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).

### **5 MEETINGS**

The Holder of the Permanent Global Security shall (unless the Permanent Global Security represents only one Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, as having one vote in respect of each €1,000 in principal amount of the Securities.

### **6 PURCHASE AND CANCELLATION**

Cancellation of any Security required by the Conditions following its purchase will be effected by reduction in the principal amount of the relevant Global Security.

### **7 TRUSTEE'S POWERS**

Notwithstanding anything in the Trust Deed, in considering the interests of Holders while the Permanent Global Security is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Permanent Global Security and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Permanent Global Security.

## USE OF PROCEEDS

The net proceeds from the sale of the Securities offered will be approximately €493,800,000.

An amount equal to the net proceeds from this offering will be used to to finance and/or refinance a portfolio of eligible assets, investments and expenditures in the eligible project categories defined by the ICMA Green Bond Principles 2021 and the UN Sustainable Development Goals (the **Eligible Green Projects**) that meet the requirements of the Issuer’s Green Finance Framework dated 1 July 2022 (the **Green Finance Framework**).

ICMA GBP Category	KPN’s intended Eligible Projects		UN SDG target
Energy Efficiency	<b>Network Transformation</b>  Projects reducing energy demand	Roll out and operation of a Fiber-to-the-Home (FTTH) network in The Netherlands.	7: Affordable and clean energy  8: Decent work and economic growth  9: Industry, Innovation and Infrastructure  11: Sustainable Cities and Communities
		Modernization of the mobile network to increase its capacity and enable 5G	7: Affordable and clean energy  8: Decent work and economic growth  9: Industry, Innovation and Infrastructure  11: Sustainable Cities and Communities
Circular Economy	<b>Extend product life and reduce waste</b>	Expenditures and investments in equipment takeback programs and refurbishment aiming at extending the lifespan of equipment	12: Responsible consumption and production
		Expenditures to recycle equipment to reduce the impact of (electronic) waste on the environment	
Clean Transportation	<b>Fleet electrification</b>  Reducing CO <sub>2</sub> eqv-emissions by shifting from leased internal combustion engine vehicles to leased electric vehicles.		11: Sustainable Cities and Communities  12: Responsible consumption and production

### Project Evaluation and Selection Process

Projects to which the proceeds of the offerings of financial instruments issued under this Framework (the **Green Finance Instruments**) are allocated are assessed by the Issuer’s Green

Finance Committee (the **Green Finance Committee**). The Green Finance Committee is composed of representatives from the Issuer's treasury, finance, corporate social responsibility and energy & environment departments and is jointly responsible for the evaluation and selection of projects in line with the eligibility criteria.

The Green Finance Committee is responsible for:

- Designating, reviewing and updating the Eligible Green Project Portfolio;
- On a best efforts basis, excluding or replacing assets, investments and expenditures that no longer comply with the Eligibility Criteria or for which the Green Finance Committee has otherwise determined should not be funded under this Framework;
- On a best efforts basis, reviewing and updating the content of the Green Finance Framework and managing any future updates of this document to reflect relevant changes in the Group's corporate strategy, technology and market developments;
- As Green Finance Instruments mature, remove the oldest assets from the Eligible Green Asset Portfolio to ensure that Green Finance Instruments continue to fund new assets;
- Validate annual reporting for investors.

The Green Finance Committee will meet at least annually.

The Issuer takes care that all selected assets, investments and expenditures comply with official national and international environmental and social standards, local laws and regulations on a best efforts basis.

Furthermore, the Issuer's Sustainability Guidelines and Policies define minimum standards for business processes, including those financed with the proceeds of Green Finance Instruments issued under this Framework.

### **Management of Proceeds**

The proceeds from Green Finance Instruments will be allocated and managed by the Issuer's Treasury department on a portfolio basis. Proceeds will be tracked using a dedicated green registry. Proceeds from Green Finance Instruments will be allocated to the Eligible Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. The Issuer' will strive, over time, to achieve a level of allocation for the Eligible Green Project Portfolio which, after adjustments for intervening circumstances, including but not limited to, sales and repayments, matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments. Refinancing of Eligible Green Projects, both capital and operational expenditures, will have a look-back period of no longer than 24 months prior to issuance or borrowing of all Green Finance Instruments. The Issuer' commits on a best effort basis to achieve full allocation for all Green Finance Instruments within 36 months of the issuance or borrowing. Whilst any proceeds from Green Finance Instruments remain unallocated, the Issuer' will hold and/or invest the balance of net proceeds not yet allocated, at its own discretion, in its Treasury liquidity portfolio.

### **Reporting**

Reporting will be available to investors within one year from the date of the issuance of Green Finance Instruments and annually thereafter until the proceeds have been fully allocated. The

reporting, which will include updates on the allocation of proceeds and an impact evaluation of the funded assets, investments and expenditures, will be published on the Issuer’s website.

### Allocation reporting

Allocation reporting will be available to investors within one year from the date of a Green Finance Instrument issuance and annually thereafter, until the proceeds have been fully allocated. The Issuer will report on the percentage of proceeds allocated, the outstanding volume of Green Finance Instruments, the balance of unallocated proceeds and the share of new financing/refinancing. A look-back period of 24 months for all expenditures is permitted.

### Impact reporting

In order to give a comprehensive view on the impact of the investments, impact reporting varies for each Use of Proceeds category. Per Use of Proceeds category, the Issuer’ will provide relevant metrics (listed below) on a best-efforts basis. The impact reporting occurs on portfolio basis, but certain projects may be highlighted to provide examples.

ICMA Category	GBP	Potential Impact Indicators
Energy Efficiency		Energy Efficiency in GWh per Gb/s Avoided energy consumption in PJ
Circular Economy		Percentage collected customer premises equipment Percentage of Modems and TV set-top boxes reused Percentage of Modems and TV set-top boxes recycled
Clean Transportation		Electricity consumption for electric lease vehicle fleet in MWh

### External review

#### Second party opinion

Sustainalytics has reviewed the Issuer’s Green Finance Framework and has issued a Second Party Opinion. The Second Party Opinion as well as the Green Finance Framework is available to investors on the Issuer’s Investor Relations website at <http://ir.kpn.com/>. The Issuer’s Green Finance Framework and the Second Party Opinion are not incorporated in and do not form part of this Offering Circular.

#### Verification

The Issuer intends to request, annually after issuance or after full allocation, a verification by its external auditor of a management statement on the allocation of the Green Finance Instruments proceeds to the Eligible Green Portfolio.

## DESCRIPTION OF THE ISSUER

Certain references in the section below (included in the form of footnotes) have been made to information published by third parties. The relevant publications that have been prepared and published are sources that the Issuer believes to be reliable, but neither the Issuer nor any Joint Lead Manager takes any responsibility for the accuracy thereof. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## INFORMATION ABOUT THE ISSUER

### BUSINESS OVERVIEW

KPN is a leading telecommunications and IT services provider in the Netherlands. KPN offers retail customers a range of services including fixed and mobile internet, TV and telephony through single and multi-play offerings. KPN offers small-, medium-, and large-size corporate business customers a portfolio of services including fixed and mobile telephony and internet and a range of end-to-end solutions in core connectivity and close to core IT services such as cloud, security and workspace. KPN also provides connectivity solutions to wholesale partners on its fixed and mobile networks.

### Consumer

Consumer provides retail customers in the Netherlands with a broad range of services in the areas of communication, information, entertainment and commercial services through single play and multi-play offerings. The offered services include fixed and mobile telephony, mobile data, internet and TV.

The shift from copper connections to the fast fiber network supports KPN's ambition to eventually phase out the digital subscriber line (DSL) network, which will lead to quality improvements, lower energy usage and spend savings. In 2021, demand for SuperWifi, KPN's proposition to strengthen in-home Wi-Fi networks was higher than in 2020. Even more than before the pandemic, the success of the SuperWifi proposition demonstrates the necessity of stable, top-quality wireless internet access at home. With KPN's digital access position driven by accelerating fiber, combined with the KPN SuperWifi proposition, KPN aims to offer its customers high speeds and reliable connections throughout their homes. To this end, KPN swapped old equipment for newer versions for tens of thousands of customers. Several thousands of customers are still to be migrated, and KPN plans to continue replacing old modems and set-top boxes in 2022.

As at 31 December 2021, KPN provided broadband internet service to approximately 2.78 million subscribers. The number of converged households increased to 1,496k, representing 54% of Broadband customers. In mobile, the converged postpaid customer base grew to 2,508k, representing 69% of postpaid customers.

### *Products and services*

In 2021, KPN continued to improve its brand portfolio by adding content products and services, such as Spotify and Netflix, to the KPN Hussel bundle at a discounted rate. These products and services were previously offered as separate additional products. Also a first gaming product, an Xbox offering, was added to the KPN Hussel bundle, with demand for this gaming product rising fast. KPN Hussel is KPN's modular proposition that enables consumers and small

businesses to combine products and services of their choice in a single subscription. In 2021, KPN also continued to focus on the strong Flagship KPN brand. After acquiring the broadband base of energy company Oxxio, their customer base was integrated under the KPN brand within months.

## **Business**

In Business, KPN has a clear segmented customer focus for SME, LCE and Tailored Solutions. In SME, KPN inflected service revenues in H2 2021 through finalizing migrations and cross-sell opportunities from the KPN EEN platform. The LCE strategy is fully aligned with its Smart Combinations portfolio, but transformation is lagging SME by 1-2 years. For its largest - Tailored Solutions - customers KPN offers the full range of B2B services and focuses on sustainable customer relationships and value. In 2021, KPN continued migrating customers from legacy products to propositions such as KPN Small Business, KPN ÉÉN, KPN Smart Combinations and KPN Smart Integration. These migrations improve customer loyalty and provide better opportunities to offer additional products and services to meet customer needs. By the end of 2021, 98% of SME customers and 83% of large enterprise customers eligible for migration had migrated from traditional fixed-voice or legacy broadband services.

As at 31 December 2021, KPN's Business segment customer base included approximately 2.0 million mobile SIM's, approximately 0.4 million fixed access lines (voice and broadband) and approximately 0.7 million VoIP subscriptions.

### *Security*

Main segments addressed by KPN Security are medium to large companies and local and central governments. KPN added multiple services to this modular offering. For small businesses, KPN Security offers mainly off-the-shelf services like E-herkenning and Extra Veilig Internet. Medium-sized companies that want to outsource their security can acquire managed security services from KPN Security, ranging from protection and detection to response and prevention. Security solutions for large companies and the government are offered as part of an integrated package of services within a Smart Integration offering.

## **Wholesale**

KPN's Wholesale segment gives third-party telecom providers access to its widespread fixed and mobile networks. KPN applies an open wholesale policy, offering access to its fixed networks on reasonable and non-discriminatory terms and based on its voluntary offer for Optical Distribution Frame (ODF) access, Wholesale Broadband Access (WBA) and Virtual Unbundled Local Access (VULA).

Third-party use of both KPN's broadband and mobile networks grew in 2021. KPN's fixed and mobile access business continued to grow to 1.1 million broadband connections and 659 thousand postpaid connections, respectively. KPN's fiber portfolio continued to grow in the fixed access domain, offsetting the continuing decline in legacy services on copper. One driver of this growth was the further roll-out of KPN's fiber network, which has enabled wholesale customers to provide better and faster connections to their end-consumers. In 2021, KPN launched Elastic Interconnect, an innovative product that provides so-called multi-cloud solutions to B2B customers, in collaboration with NL-ix. Elastic Interconnect offers companies and their employees stable, low latency and secure connections to all the workload and applications in the cloud they use, such as Microsoft Teams.

## **Fiber roll-out**

At the end of 2021, KPN reached 3.22 million homes passed with FttH, connecting a record of 433 thousand households in 2021. Fiber networks are fast, reliable and sustainable. The roll-out of fiber creates the opportunity to phase out less energy efficient legacy infrastructure and thereby contributes to KPN's energy savings.

KPN is installing two PON technologies, G-PON technology, which enables 1 Gbps connections, and XGS-PON technology, which allows for 10 Gbps connections to homes. The 10 Gbps connections are not yet in use, but installing the required equipment prepares the network for future demand. In 2021, 1 Gbps PON connections were installed for approximately 332 thousand FttH households, compared to 188 thousand in 2020 and 7 thousand in 2019. The average maximum download speed for broadband fixed increased to 446 Mbps at the end of 2021 from 377 Mbps at year-end 2020. By the end of 2021, about 73% of mobile sites that support KPN's mobile network were upgraded to 10 Gbps.

In 2021, KPN signed an agreement with APG to participate in a joint venture, Glaspoort, to further accelerate the roll-out of fiber. Glaspoort is a network company, pursuing an open access wholesale strategy, and will roll out approximately 1.1 million fiber connections by approximately 2026. At the end of 2021 KPN reached more than 40% of the households in the Netherlands with FttH and together with Glaspoort, KPN aims to deliver 80% fiber coverage of Dutch households by 2026.

## **Mobile network modernization**

In 2021, KPN continued modernizing its mobile network and making it ready for 5G. KPN upgraded 1,064 sites by fitting the latest mobile equipment, reaching approximately 4,000 sites modernized by the end of 2021. The modernized network already improves KPN's service to 4G users, giving them faster speeds and more capacity. At the same time, this renewed mobile network uses less energy. KPN intends to shut down the 3G network in large parts of the Netherlands in 2022 to create extra capacity for 4G/5G.

## **Environmental performance**

KPN's own operations are climate-neutral. KPN uses 100% green electricity generated by local and European wind farms. Other CO<sub>2e</sub> emissions (6%) from gas (buildings), gasoline and petrol (cars) and emergency power are compensated by REDD+ forest compensation projects. If KPN would not have been climate-neutral, its gross scope 1<sup>1</sup> and scope 2<sup>2</sup> location-based CO<sub>2e</sub> emissions would be 229kTon CO<sub>2e</sub> for the year ending 31 December 2021 compared to 291kTon CO<sub>2e</sub> for the prior year.

KPN's scope 3<sup>3</sup> CO<sub>2e</sub> emissions in the value chain amounted to 793kTon for the year ending 31 December 2021, compared to 822kTon for the prior year.

All KPN's services are low-carbon services. By using KPN's cloud services, video conferencing and audio conferencing, KPN's business customers can meet online, reducing the need to commute or use office space. Furthermore, KPN collaborates with energy grid operators in an initiative to strengthen biodiversity near its assets.

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<sup>1</sup> Direct gross emissions, mainly relating to KPN's fleet; KPN's net emissions are zero with compensation of fossil fuel cars.

<sup>2</sup> Electricity location based emissions, relating to the company's usage of electricity; KPN's market based emissions are zero.

<sup>3</sup> Upstream and downstream emissions in KPN's value chain

Through its approach to sustainability, KPN aims to influence the environmental impact of its total supply chain, from suppliers to customers. This includes procurement process, operations, and the impact of KPN's products and services before, during and after use.

KPN's long-term ambition is for zero waste, with a goal to be close to 100% circular by 2025. KPN has set intermediate targets and uses a roadmap to track its progress in reducing the impact of its products and materials.

For inflow of materials, KPN designs new and redesigned products such as network equipment and in-home equipment like modems and set-top boxes for circularity for example by using recycled material.

For outflow of waste and materials, KPN aims to maximize reuse and recycling, and avoid incineration and landfill. For KPN owned customer equipment, KPN's circular ambition is a closed-loop supply chain.

KPN will reduce CO<sub>2</sub>e emissions from its company-car fleet by gradually introducing fossil fuel free vehicles. From 2025, all the vehicles KPN adds to its fleet will be fossil fuel free.

### **Climate and energy**

By 2030, KPN aims to reduce its energy consumption by 55% compared to 2010. KPN commits to reduce scope 1 and scope 2 CO<sub>2</sub>e emissions by 100% by 2030 from a 2010 base year and the Company's long-term target is to maintain yearly zero emissions from 2030 to 2050 without compensation for car fuels. Furthermore, KPN aims to reduce its scope 3 emissions by 25% by 2025 and by 30% by 2030 compared to 2014, and to become "net zero" in the chain by 2040. These targets covering CO<sub>2</sub>e emissions as approved by the Science Based Targets initiative are consistent with reductions required to keep global warming to 1.5°C, in line with the Paris Agreement.

### **Spectrum licenses**

The 700, 1400 (L-band) and 2100 megahertz (MHz) bands were auctioned in 2020. The auction of the 3.5 GHz band has been postponed until Q2 2023. At the request of the user of the spectrum (Inmarsat), the courts have suspended the necessary reallocation of the spectrum. An advisory committee has proposed a solution in May 2022 that protects Inmarsat's emergency communications and allows the 3.5 GHz to be deployed for 5G in an effective and efficient manner. A new band plan for the 3.5 GHz is currently under consultation, with the intention to finalise the band plan in October 2022.

The timing of the 26 GHz band allocation has not been finalized yet. The government intends to proceed with the assignment of this band after the 3.5 GHz auction, while also taking into consideration advice from the Dutch Health Council (*Gezondheidsraad*) for further research to be done.

### **Market analysis decisions in the Netherlands**

Ex-ante regulations have been lifted on almost all telecom markets. This includes the market for so-called 'Wholesale Dedicated Capacity' following a decision to de-regulate by ACM, and the wholesale broadband local fixed access market analysis following an annulment in court in March 2020. On 26 August 2022 ACM decided on a (revised) proposal from KPN to improve access to KPN's P2P and PON fiber networks. These commitments are binding for a period of 8 years based on a decision as referred to in Section 12h of the Establishment Act of the Netherlands Authority for Consumers and Markets (*Instellingswet Autoriteit Consument en*



*Markt*). Furthermore, ACM announced that it will finalise investigations into the broadband access market for local access in the fall of 2022. Considering the improved access tariffs and conditions to which KPN is bound for the next eight years ACM will, for now, use the working hypothesis that further regulation of KPN and Glaspoort is no longer needed.

Fixed and mobile call termination services are still regulated, e.g. the maximum tariffs have been regulated at an EU level since July 2021. European regulation also holds for roaming services.

## **LEGAL STRUCTURE AND CORPORATE GOVERNANCE**

### **General**

Koninklijke KPN N.V. is a public limited liability company (*naamloze vennootschap*) and was incorporated under Dutch law by a notarial deed dated 1 January 1989. KPN has its statutory seat in Rotterdam, the Netherlands, with its registered office at Wilhelminakade 123, 3072 AP Rotterdam, the Netherlands. KPN is registered with the Dutch Trade Register under number 02045200. The telephone number of KPN is +31 (0)70 343 43 43. KPN trades under the name KPN. The Articles of Association were most recently amended on 20 April 2018.

### **Corporate objects**

KPN's corporate objects, as set out in article 4 of the Articles of Association, are to participate in and to manage other enterprises and companies, among such, companies that operate in the field of the transmitting, storing and converting of information, as well as to manage and dispose of information, to manage and finance subsidiaries, group companies, dependent companies and participations, among which to guarantee the debts of those companies and participations, and further to engage in any activity which may be related or conducive to the aforementioned objects.

### **Share capital**

#### ***Authorised and issued share capital***

At the date of this Offering Circular, KPN's authorised share capital amounts to EUR 720,000,000 divided into:

- (a) 9,000,000,000 Ordinary Shares with a nominal value of EUR 0.04 each, of which 4,129,160,247 Ordinary Shares are issued<sup>4</sup>; and
- (b) 9,000,000,000 Preference Shares B with a nominal value of EUR 0.04 each, of which none has been issued.

All issued Ordinary Shares are paid up.

All Ordinary Shares are in registered form.

Shareholders may request the Issuer to convert their registered shares to bearer shares, but not vice versa.

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<sup>4</sup> The number of issued Ordinary Shares will be marked down as a result of a share buy back by KPN as further described in this paragraph in due course, upon the fulfilment of the requirements for the buy back of the Ordinary Shares as set out in Book 2 of the Dutch Civil Code.

On 12 August 2022, KPN announced that its €300 million share buyback that started on 17 February 2022 has been completed on 11 August 2022. KPN repurchased 92,840,654 Ordinary Shares via the share buyback, of which it intends to cancel 91,840,654 Ordinary Shares to reduce its capital, and the remaining 1,000,000 repurchased Ordinary Shares will be retained to cover employee share plans.

Please see also “Foundation Preference Shares B KPN” below.

### Material subsidiaries

KPN is the holding company of a group that includes the following material subsidiaries and other principal interests (held directly or indirectly by KPN), as per 31 December 2021, all of which are engaged in KPN’s business:

Name	Country of incorporation	Percentage of capital and voting rights held by KPN (directly or indirectly)
<b>KPN B.V.:</b>	The Netherlands	100
• Broadband Hosting B.V.	The Netherlands	100
• CAM IT Solutions B.V.	The Netherlands	100
• E-Zorg B.V.	The Netherlands	100
• Glaspoot B.V.	The Netherlands	50
• GroupIT B.V.	The Netherlands	100
• InSpark Holding B.V.	The Netherlands	100
• KPN Finance B.V.	The Netherlands	100
• Reggefiber Group B.V.	The Netherlands	100
• Solcon Internetdiensten B.V.	The Netherlands	100
• Telfort Zakelijk B.V.	The Netherlands	100
• XS4ALL Internet B.V.	The Netherlands	100
• Yes Telecom Netherlands B.V.	The Netherlands	100
<b>KPN Mobile N.V.:</b>	The Netherlands	100
• KPN Mobile International B.V.	The Netherlands	100
<b>KPN Ventures B.V.</b>	The Netherlands	100
<b>Getronics B.V.:</b>	The Netherlands	100
• Getronics Finance Holdings	The Netherlands	100

B.V.

• Getronics Pensions UK Ltd.	United Kingdom	100
• Getronics US Operations, Inc.	United States of America	100
<b>KPN Insurance Company DAC</b>	Ireland	100

On 9 June 2021, KPN sold 50% of the shares of its subsidiary Glaspoort B.V. and entered into a joint venture agreement with APG.

### **Foundation Preference Shares B KPN**

The Foundation Preference Shares B KPN (*Stichting Preferente Aandelen B KPN*) (the **Foundation**) was established in 1994 under the laws of the Netherlands. The Foundation has its statutory seat in The Hague, the Netherlands, with its head office at Wilhelminakade 123, 3072 AP Rotterdam, the Netherlands. The Foundation is registered with the Dutch Trade Register under the number 41012966. The website of the Foundation is [www.prefs-kpn.nl](http://www.prefs-kpn.nl).

The Foundation's objects are to "protect KPN's interests (which includes the interests of stakeholders, such as customers, shareholders and employees), by, amongst others, protecting KPN from influences that may threaten the continuity, independence and identity". Consequently, in the event of any circumstances where KPN is subject to influences as described above and taking public security considerations into account, the board of the Foundation may decide to exercise the call option (as described below) and thereby acquiring Preference Shares B, and by exercising the rights attaching to those Preference Shares B, with a view to enabling KPN to determine its position in relation to the circumstances as referred to above, and seek alternatives.

KPN and the Foundation entered into a call option agreement and a put option agreement both dated 3 June 1994. Under the call option agreement, which is not limited in time, the Foundation is entitled to subscribe for Preference Shares B up to a maximum corresponding to 100% of the issued and outstanding share capital in the form of Ordinary Shares, as outstanding immediately prior to the exercise of the call option, less one Preference Share B and any Shares already issued to the Foundation. Upon exercise of the call option, the Foundation is required to pay 25% of the nominal value (currently, EUR 0.04 per Preference Share B). The Board of Management can decide to request the Foundation to pay the remainder. Such decision is subject to the approval of the Supervisory Board.

Under the put option agreement, KPN is entitled to issue and sell Preference Shares B to the Foundation up to a maximum number corresponding to 100% of the issued share capital, as outstanding immediately prior to the exercise of the put option, or as many Preference Shares B as KPN and the Foundation agree on. However, on 11 April 2006 the General Meeting did not renew the Board of Management's authority to issue Preference Shares B. As a result, KPN is currently not able to exercise the put option.

The Foundation has credit facilities to enable it to pay the amount to be paid up on the Preference Shares B. The Preference Shares B must be paid up for at least 25% of the nominal value. If Preference Shares B are issued, KPN must convene a General Meeting, to be held not later than two years after the date on which the Preference Shares B were issued for the first time. The agenda for that General Meeting must include a resolution to repurchase or cancel the Preference Shares B. If this resolution is not adopted, KPN must convene another General Meeting, held in each case within two years of the previous meeting. The agenda of that

meeting must include a resolution to repurchase or cancel the Preference Shares B. This must be repeated until no Preference Shares B remain outstanding. This obligation does not apply if the Preference Shares B are issued pursuant to a resolution of, or with cooperation by, the General Meeting. The members of the Board of the Foundation are Ms. A.P. Aris (Chairwoman), Mr. P.N. Wakkie, Mr. F. van der Wel and Mr. C.F.H. Vogelzang. The Board of Management has concluded that the board of the Foundation is independent from KPN in accordance with parts c and d of the first subsection of article 5:71 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

### **Corporate governance**

The corporate governance framework of KPN is in line with the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code and applicable laws and regulations, including securities laws. KPN complies with all best practices of the Dutch Corporate Governance Code. KPN is also governed by its Articles of Association and internal procedures, such as the by-laws of the Board of Management and the by-laws of the Supervisory Board.

### **ESG**

ESG criteria are embedded in KPN's strategy and organizational structure. ESG themes are defined and approved by the Board of Management, including their ambitions and KPIs. Every ESG theme is assigned to a member of the senior management who, as theme owner, is responsible for stakeholder dialogue, targets, progress and results. Each theme owner heads a committee, consisting of management of the key departments involved in this theme. The theme owners report to KPN's CSR Manager, who is responsible for the overall reporting, approach and cohesion. The CSR Manager reports to the Director of Corporate Communication & CSR, who in turn reports to the CEO. Four times a year, ESG data is included in the overall set of business KPIs that is reported to and discussed with the Board of Management. In order to obtain sufficient outside reflection, stakeholder dialogues are held with external experts to advise KPN on its approach to ESG in general and more in-depth on the ESG themes. Climate-related risks and opportunities are considered integral to the governance of operations and ESG themes.

### **ESG Ratings**

KPN's exposure to ESG risks, and the related management arrangements established to mitigate those risks has been assessed by sustainability and societal impact has been measured by several agencies through ESG ratings. KPN has been assigned with several ESG ratings. KPN is ranked as one of the top-five most sustainable telecom companies in the world according to the Dow Jones Sustainability Index, with a strong score on climate strategy. KPN is the only telecommunications company with a ranking in the DJSI world index for ten consecutive years. KPN has been included in Carbon Disclosure Project list in 2021 with a score of A-. KPN has been awarded the number one spot in the telecom sector on the Dutch Sustainable Brand Index, a perception-based ranking that reflects the public's view of how sustainable they believe a company is. KPN's sustainability efforts have been rewarded with a Platinum sustainability rating by Ecovadis. In addition, MSCI has assigned an ESG rating of AAA to KPN.

## **BOARD OF MANAGEMENT AND SUPERVISORY BOARD**

### ***Introduction***

Set out below is a summary of relevant information as well as a brief summary of certain significant provisions of the Articles of Association and Dutch corporate law in force on the date of this Offering Circular concerning the Board of Management and the Supervisory Board.

## ***Management structure***

KPN has a two-tier management structure with a Board of Management and a Supervisory Board. KPN qualifies as a ‘large company’ (*structuurvennootschap*) within the meaning of the Dutch Civil Code and applies the relevant rules of Dutch corporate law.

### **Board of Management**

#### ***Powers, responsibilities and functioning***

The Board of Management is responsible for setting KPN’s strategy and for managing KPN’s strategic, commercial, financial, operational, ESG and organizational matters. The Board of Management is accountable for its performance to the Supervisory Board and to the shareholders of the company. In performing their duties, the Board of Management focusses on long-term value creation for the company and the enterprise connected with it, taking into account stakeholder interests.

The members of the Board of Management are appointed and dismissed by the Supervisory Board. Members of the Board of Management are appointed for a four-year term, which ends at the first Annual General Meeting of Shareholders after that term expires. The by-laws of the Board of Management contain, among other things, rules regarding the members’ duties, powers, working methods, decision-making and conflict-handling. The by-laws are available on KPN’s website.

#### ***Members of the Board of Management***

The Board of Management currently consists of six members:

<b>Name</b>	<b>Position</b>	<b>Year of birth</b>	<b>of Start of term</b>	<b>End of current term</b>
J.F.E. Farwerck	Chairman of the Board of Management and Chief Executive Officer	1965	April 2013/ April 2017*/ December 2019	2024
H.C. Figeë	Board member and Chief Financial Officer	1972	February 2020	2024
J.P. Overbeke	Van Board member and Chief Consumer Market	1965	December 2019	2024
M.W.M. Snoep	Board member and Chief Business Market	1971	December 2019	2024
B. Fouladi	Board member and Chief Technology and Digital Officer	1969	December 2019	2024
H. Garssen	Board member and Chief People Officer	1973	December 2019	2024

\* Reappointment

KPN's registered address serves as the business address for all members of the Board of Management, being Wilhelminakade 123, 3072 AP, Rotterdam, the Netherlands.

*Joost Farwerck*

Mr. Farwerck was appointed as Chairman of the Board of Management and Chief Executive Officer on 1 October 2019. He has been a member of the Board of Management since 10 April 2013. Mr. Farwerck started working at KPN in 1994 and has held senior management positions in various divisions. Mr. Farwerck is a member of the board of FME, a member of the Cyber Security Council, a member of the Supervisory Board of De Nieuwe Kerk Amsterdam and a member of the Supervisory Board of Stichting Het Nationale theater. Mr. Farwerck is a Dutch citizen.

*Chris Figee*

Mr. Figee has been a member of the Board of Management and Chief Financial Officer since 1 February 2020. Prior to his appointment at KPN, Mr. Figee was CFO of ASR Nederland. Before joining ASR, Mr. Figee worked at Achmea for five years, as a member of the Achmea Group Committee and Director of Group Finance. In 1999, he joined McKinsey, where he rose to the role of partner in 2006, a role he fulfilled until he joined Achmea in 2009. Mr. Figee started his career at Aegon, where he held various positions, including that of Senior Portfolio Manager. Mr. Figee is currently a member of the Supervisory Board of Azerion, a member of the Supervisory board of UNICEF Netherlands and a member of the Economic Board Zuid-Holland. Mr. Figee is a Dutch citizen.

*Marieke Snoep*

Ms. Snoep has been a member of the Board of Management since 1 December 2019. She was appointed as Chief Business Market effective on 1 February 2019. As Chief Business Market, Ms. Snoep oversees the day-to-day operations of KPN's Business activities. She has more than 25 years of strategic and commercial experience in the Dutch telecommunications market. Prior to joining KPN, Ms. Snoep was a member of the Board of T-Mobile Netherlands from 2012. In her earlier career, she held consultancy roles with Solvision (currently Ordina) and Atos Origin. Ms. Snoep is an active member of topvrouwen.nl and a member of the board of KPN Mooiste Contact Fonds. Ms. Snoep is a Dutch citizen.

*Babak Fouladi*

Mr. Fouladi has been a member of the Board of Management since 1 December 2019. He was appointed as Chief Technology & Digital Officer on 4 December 2018. In this role, he is responsible for KPN's network technologies and the digitalization of processes and services. Prior to joining KPN, Mr. Fouladi served as Group Chief Technology and Information Officer at MTN Group (South Africa) from 2016. Before that, he formed part of the executive team as Chief Technology Officer of Vodafone Spain and Vodafone Romania. He was also Director for IT Development and Vice President for Multimedia and System Integration in the UK and later Vice President, Systems Integration in Russia for Ericsson. Mr. Fouladi is a British citizen.

*Jean-Pascal Van Overbeke*

Mr. Van Overbeke has been a member of the Board of Management since 1 December 2019 and Chief Consumer Market since 1 September 2018. In this role, he oversees the day-to-day operations of KPN's Consumer activities. Prior to joining KPN, Mr. Van Overbeke served as Executive Director of SFR from 2016 to 2018. Before that, he was Deputy Group CEO of Lebara, Group Chief Operating Officer at Maxis Communications Group, and Chief Marketing

Officer and Chief Commercial Officer at Orange. In his earlier career, he was Head of Trade Marketing, Director Marketing Residential Market and Director Strategy & Transformation Programs at Mobistar. Mr. Van Overbeke is a Belgian citizen.

#### *Hilde Garssen*

Ms. Garssen has been a member of the Board of Management since 1 December 2019. She was appointed as Chief People Officer effective on 10 December 2018. Prior to joining KPN, Ms. Garssen served as Senior Managing Director Business Services at ABN AMRO Bank for over two years. Since 1998, she has held numerous HR roles at ABN AMRO Bank, including Chief Human Resources Officer and Managing Director Change, Integration and Management Group Coordination & Reward. Ms. Garssen is a member of the Board of VNO-NCW, a member of the Supervisory Board of the KWF Dutch Cancer Society, a member of the Supervisory Board of TBI Holdings B.V. and a member of the Board at KPN Mooiste Contact Fonds. Ms. Garssen is a Dutch citizen.

### **Supervisory Board**

#### ***Powers, responsibilities and functioning***

The Supervisory Board supervises and advises the Board of Management, guided by the interests of the company and the enterprise connected therewith and taking into account the interests of the stakeholders. It is closely involved in setting the strategy - including any ESG related items - and monitors the implementation of that strategy, including the operational and financial results thereof. Major investments, acquisitions and various corporate matters are subject to Supervisory Board approval.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders upon binding nomination by the Supervisory Board. The Central Works Council has an enhanced right to recommend persons for nomination to the Supervisory Board for up to one-third of its members. The Supervisory Board must nominate the recommended persons unless it is of the opinion that any such person would be unsuitable to fulfil the duties of a Supervisory Board member or such appointment would cause the Supervisory Board to be improperly constituted. Pursuant to a specific arrangement with América Móvil, América Móvil is entitled, as long as it holds more than 10% of the shares in KPN, to designate one person to be nominated by the Supervisory Board for appointment as a member of the Supervisory Board. According to the Articles of Association, the Supervisory Board must comprise of at least five and not more than nine members. The by-laws of the Supervisory Board comprise, among other things, rules regarding the members' duties, powers, working methods and decision-making, what decisions by the Board of Management it must approve, training and conflict handling. The by-laws are available on KPN's website.

#### ***Members of the Supervisory Board***

The Supervisory Board is composed of the following members:

<b>Name</b>	<b>Year of birth</b>	<b>Position</b>	<b>Member since</b>	<b>(Re-) appointed</b>	<b>End of current term</b>
G.J.A. van de Aast	1957	Chairman	April 2021	first seat	2025

C.R.A. Guillouard	1957	Member	April 2020	first seat	2024
P.F. Hartman	1949	Member	April 2015	April 2019	2023
K. Koelemeijer	1963	Member	April 2022	first seat	2026
E.J.C. Overbeek	1967	Member	September 2017	April 2021	2025
A.D. Plater	1967	Member	September 2020	first seat	2025
J.C.M. Sap	1963	Member	April 2015	April 2019	2023
C. Vergouw	1976	Member	April 2022	first seat	2026

All members of the Supervisory Board comply with clause 2:142a of the Dutch Civil Code, which limits the number of positions on a supervisory or management board that a director may hold. As he was nominated for this position by América Móvil, Mr. Plater is not considered independent within the meaning of the Dutch Corporate Governance Code.

As of 1 January 2022 a binding gender quorum will apply to the Supervisory Board, requiring at least 1/3 female and 1/3 male members. Mr. Spanbroek, General Counsel and Company Secretary, acts as secretary to the Supervisory Board.

The business address of the members of the Supervisory Board is KPN's registered address: Wilhelminakade 123, 3072 AP, Rotterdam, the Netherlands.

#### *G.J.A. Van de Aast*

Mr. Van de Aast was appointed as a member of the Supervisory Board on 14 April 2021 and has chaired the Supervisory Board since 13 April 2022. His current (first) term of office ends in 2025. Mr. Van de Aast is currently Chairman of the Supervisory Board of NS Group, vice-chairman of the Supervisory Board of Signify NV and member of the Supervisory Board of Witteveen+Bos, the consultancy and engineering firm where he started his professional career in 1979. Mr. Van de Aast is a seasoned executive with a recognized track record at board level in various sectors ranging from construction to software engineering, both in the Netherlands and abroad. His executive experience includes CEO positions at Reed Business, VolkerWessels and Imtech NV. Mr. van de Aast is a Dutch citizen.

#### *C.R.A. Guillouard*

Ms. Guillouard was appointed as a member of the Supervisory Board on 15 April 2020. Her current (first) term of office ends in 2024. Ms. Guillouard is Chief Executive Officer of RATP Group. Her previous roles include various positions at Air France, including that of CFO, the position of CFO at satellite company Eutelsat Communications and the position of CFO and Deputy CEO of the electrical parts distribution company Rexel. In addition to her role at RATP Group, Ms Guillouard is also a non-executive director at Airbus SE. Ms. Guillouard is a French



citizen.

*K. Koelemeijer*

Ms. Koelemeijer was appointed as a member of the Supervisory Board on 13 April 2022. Her current (first) term of office ends in 2026. Ms. Koelemeijer is a member of the Remuneration Committee. Ms. Koelemeijer is a full professor of Marketing at Nyenrode Business University. She has a strong background in marketing, supply chain management, innovation, digital transformation, retailing and digital commerce. Ms. Koelemeijer combines her academic work with several supervisory board roles at both listed and non-listed companies, advocacy groups and charities. She is a member of the supervisory boards of Brunel, B&S Group and Intergamma, and holds supervisory roles at NLinBusiness, Vereniging Eigen Huis and Fonds Gehandicaptensport. Ms. Koelemeijer is a Dutch citizen.

*A.D. Plater*

Mr. Plater was appointed as a member of the Supervisory Board on 10 September 2020. His current (first) term of office ends in 2025. Mr. Plater is Group COO at A1 Telekom Austria Group, where he has been working since 2015. Prior to joining A1 Telekom Austria Group, Mr. Plater worked for 18 years for Ericsson in Mexico, Sweden and Argentina. Earlier in his career, Mr. Plater worked at insurance companies Sud América Seguras and Chubb & Son. As part of his position at A1 Telekom Austria Group, Mr. Plater is the chairman or a member of the supervisory board of various subsidiaries of this group. Mr. Plater is an Argentinian and a Swedish citizen.

*P.F. Hartman*

Mr. Hartman was reappointed as a member of the Supervisory Board on 10 April 2019 and his current (second) term ends in 2023. Mr. Hartman is the chairman of the Supervisory Board of Texel Airport, a member of the Advisory Board of AviationGlass & Technology and a member of the Advisory Board of Mainblades Inspections. He was the Vice-Chairman of the Supervisory Board of Air France/KLM Group from 2013 to 2017. Before that, he spent 40 years working for KLM, the last seven of those as CEO. Mr. Hartman is a Dutch citizen.

*E.J.C. Overbeek*

Mr. Overbeek was reappointed as a member of the Supervisory Board on 14 April 2021. His current (second) term ends in 2025. Mr. Overbeek is CEO of HERE technologies. Having spent nearly 30 years in the ICT industry, Mr. Overbeek has gained extensive experience in the global digital and communication industry. Prior to joining HERE Technologies, he held several management roles at Cisco, including leading the global services organization and the Asia-Pacific, Japan & China region. Mr. Overbeek is a Dutch citizen.

*J.C.M. Sap*

Ms. Sap was reappointed as a member of the Supervisory Board on 10 April 2019 and her current (second) term ends in 2023. Ms. Sap holds several supervisory and other board-level posts, including member of the Supervisory Board of KPMG Netherlands, chair of the Supervisory Boards of Arkin, non-executive director of Renewi plc. and Board member of the Dutch Emissions Authority. Between 2008 and 2012, Ms. Sap represented the Dutch green party, GroenLinks, in the lower house of the Dutch parliament, during the last two years of which she was party leader. Before that she worked as an economist in the fields of science, policy and business. Ms. Sap is a Dutch citizen.

### *C. Vergouw*

Ms. Vergouw was appointed as a member of the Supervisory Board on 13 April 2022. Her current (first) term of office ends in 2026. Ms. Vergouw is a member of the Nominating & Corporate Governance Committee. Ms. Vergouw is the CEO of Dutch insurer Interpolis (part of Achmea). Prior to joining Interpolis in 2016, she held various management positions at ING. Ms. Vergouw brings extensive experience in the banking and insurance sector, most notably in areas such as digitalization, customer service, operations, marketing, branding and omnichannel sales towards B2C and B2B markets. She is also the chair of the Supervisory Board of the Animal Protection Association in the Netherlands. Ms. Vergouw is a Dutch citizen.

### ***Committees of the Supervisory Board***

The Supervisory Board has established four Committees that prepare deliberation and decision making in the full board: the Audit Committee, the Remuneration Committee, the Nominating and Corporate Governance Committee and the Strategy & Organization Committee. The main considerations and conclusions of each Committee are shared with the full Supervisory Board, which takes the final decision in all matters. The tasks of these committees are laid down in charters, which are available on KPN's website.

#### *Audit Committee*

The Audit Committee currently consists of four Supervisory Board members: Ms. Guillouard (Chairwoman), Ms. Sap, Mr. Plater and Mr. Van de Aast. Ms. Guillouard is considered a financial expert within the meaning of the Dutch Corporate Governance Code.

In line with its tasks, the Audit Committee reviews and discusses all financially relevant matters that are presented to the Supervisory Board, most notably the quarterly and annual financial results and reports and (the financial and risk-related aspects of) the business plan. The Audit committee has a specific focus on the effectiveness and outcome of the company's internal control framework and the risk management systems, for which it receives and reviews reports by the internal auditor, the Compliance Office and the external reporting review committee.

Each quarter, the Audit Committee also reviews the conclusions of the external auditor, as included in its board report. The Audit Committee annually reviews the audit plans, both for the internal and external auditor, and subsequently submits them to the full Supervisory Board for its approval.

The Audit Committee also monitors KPN's financing policy and profile. The Committee, on behalf of the Supervisory Board, continues to monitor the actual risk management and realization of the strategic plan of the company, as well as Capex deployment, throughout the year.

The Audit Committee furthermore discusses other topics that are within its scope, such as compliance, health and safety, fraud management, tax, and cyber-security. Also, the Audit Committee reviews the performance evaluation of the Issuer's independent external auditor Ernst & Young Accountants LLP.

### **Potential conflicts of interest**

No member of the Board of Management or Supervisory Board has any actual or potential conflict of interest in respect of their duties to the Issuer and their private interests and/or other duties. Please refer to "Insider transactions" on page 73 of the 2021 Integrated Annual Report for details of the material transactions between the Issuer and members of the Board of

Management and the Supervisory Board.

### **Major shareholders**

On 2 June 2022, The Income Fund of America notified the Dutch Authority Financial Markets (the **AFM**) that it held 4.97% of the shares and 4.97% of the voting rights related to KPN's ordinary share capital.

On 12 July 2022, América Móvil, S.A.B. de C.V. published that it held 19.4% of the shares related to KPN's ordinary share capital as at 30 June 2022.

On 2 August 2022, Capital Research and Management Company notified the AFM that it held 9.70% of the voting rights related to KPN's ordinary share capital.

On 15 August 2022, BlackRock, Inc. notified the AFM that it held 4.61% of the shares and 5.66% of the voting rights related to KPN's ordinary share capital.

Pursuant to the Dutch Financial Supervision Act, legal entities as well as natural persons must immediately notify the AFM when a shareholding reaches, exceeds or falls below certain thresholds of the issued capital. To KPN's knowledge, no other shareholder owned 3% or more of KPN's issued share capital as of the date of this Offering Circular.

KPN is not aware of any party, or any parties acting in concert, that directly or indirectly control the vote at any General Meeting, nor is KPN aware of any arrangement the operation of which may result in a change of control of KPN.

## TAXATION

### General

The following summary outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Dutch tax considerations in relation thereto. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Offering Circular, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for corporate holders of Securities which in addition to the Securities (i) own a share interest in the Issuer of 5% or more of the nominal paid-up share capital of the Issuer or (ii) holders of Securities of whom a certain related entity owns a share interest in the Issuer of 5% or more of the nominal paid-up share capital of the Issuer.

### Withholding Tax

All payments made by the Issuer under the Securities may - except in certain specific cases as described below - be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that (i) the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, subparagraph d of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) and (ii) the Securities are not requalified as equity instruments for Dutch tax purposes.

Dutch withholding tax may apply on certain (deemed) interest due and payable to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoelinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a participant that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that participant would have been taxable based on one (or more) of the items in (i)-(v) above had the interest been due to him directly, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

If the Securities function as equity of the Issuer within the meaning of article 10, paragraph 1, subparagraph d of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) of the Issuer or qualify as equity instruments for Dutch tax purposes, the Issuer is required to withhold 15% Dutch dividend withholding tax in respect of interest paid on the Securities and on repayments of the Securities, insofar as such repayments exceed the issue price of the Securities.

### ***Residents of the Netherlands***

If a holder of Securities is a resident or deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, Dutch dividend withholding tax which is withheld with respect to payments on the Securities will generally be creditable for Dutch corporate income tax or Dutch individual income tax purposes.

Such holder of Securities subject to Dutch corporate income tax is only allowed to credit the Dutch dividend withholding tax incurred in that year against the Dutch corporate income tax due in that same year. Insofar as the Dutch dividend withholding tax exceeds the Dutch corporate income tax due, the excess dividend tax can be carried forward indefinitely and is generally available to be offset against a positive balance of Dutch corporate income tax payable in future years.

### ***Non-residents of the Netherlands***

If a holder of Securities is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend withholding tax.

A refund of Dutch dividend withholding tax may be available to entities resident in another EU or EEA member state provided (i) these entities are not subject to corporate income tax there and (ii) these entities would not be subject to Dutch corporate income tax, if these entities would be tax resident in the Netherlands for corporate income tax purposes and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to entities resident in other countries, under the additional condition that (i) the Securities are considered portfolio investments and (ii) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

A refund of Dutch dividend withholding tax may also be available to (individual and corporate) holders of Securities resident in another EU or EEA member state insofar the amount of Dutch dividend withholding tax withheld is higher than the Dutch corporate income tax or personal income tax would have been in respect of the Securities had the holder of the Securities been tax resident of the Netherlands. Furthermore, a similar refund of Dutch dividend withholding tax may be available to holders of Securities resident in other countries, under the additional conditions that (i) the Securities are considered portfolio investments for Dutch tax purposes and (ii) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

### **Corporate and Individual Income Tax**

This summary does not address the Dutch corporate and individual income tax consequences for:

- (i) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (1) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of

the Issuer, (2) rights to acquire, directly or indirectly, such interest or (3) certain profit sharing rights in the Issuer;

- (ii) investment institutions (*fiscale beleggingsinstellingen*);
- (iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;
- (iv) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Securities are attributable;
- (v) holders of Securities which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Securities or of the benefits derived from or realised in respect of these Securities;
- (vi) persons to whom the Securities and the income from the Securities are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Dutch Gift and Inheritance Tax Act 1956 (*Successiewet 1956*); and
- (vii) individuals to whom the Securities or the income from the Securities are attributable to employment activities which are taxed as employment income in the Netherlands.

### ***Residents of the Netherlands***

If a holder is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25.8%).

If an individual is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 49.50%) under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance by the individual of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies, an individual that holds the Securities, must determine taxable income with regard to the Securities on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised.

This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the

individual's yield exceeds a statutory threshold (*heffingvrije vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the individual's yield basis. . The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31 %. Based on a decision of the Dutch Supreme Court (*Hoge Raad*) of 24 December 2021 (ECLI:NL:HR:2021:1963), the current system of taxation based on a deemed return may under specific circumstances contravene with Section 1 of the First Protocol to the European Convention on Human Rights in combination with Section 14 of the European Convention on Human Rights. In reaction to this case law, the Dutch State Secretary for Tax Affairs and Tax Administration announced that if the deemed return based on the actual composition of the yield basis (with separate deemed return percentages for savings, debts and investments) in 2022 is lower than the deemed return based on current legislation as described above, the lower deemed return based on the actual composition of the yield basis will be used to determine taxable income from savings and investments.

### ***Non-residents of the Netherlands***

If a person is not a resident nor is deemed to be a resident of the Netherlands for Dutch tax purposes, such person is not liable for Dutch income tax in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

- (i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Securities are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25.8%.

- (ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Securities which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 49.50%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Dutch yield basis.

### **Gift and Inheritance Tax**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Security by way of gift by, or on the death of, a holder of a Security, unless:

- (i) the holder of a Security is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

### **Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

### **Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.



## SUBSCRIPTION AND SALE

Banco Santander, S.A., Barclays Bank Ireland PLC (the **Structuring Adviser**), Coöperatieve Rabobank U.A., Credit Suisse Bank (Europe), S.A. and UniCredit Bank AG (together, the **Joint Lead Managers**) have, pursuant to a Subscription Agreement dated 19 September 2022, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Securities at a purchase price of 99.160 per cent. of their principal amount. The Issuer has agreed to pay to the Joint Lead Managers a combined management and underwriting commission and selling concession and to the Structuring Adviser a fee in relation to the structuring advice provided to the Issuer. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Securities. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment in respect of the Securities being made to the Issuer.

Neither the Issuer nor any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Securities, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Securities (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Offering Circular comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Securities or have in their possession or distribute such offering material, in all cases at their own expense.

Each Joint Lead Manager has agreed that it will, to the best of its knowledge, comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession or distributes this Offering Circular (in preliminary, proof or final form) or any such other material, in all cases at its own expense.

## SELLING AND TRANSFER RESTRICTIONS

### *United States*

The Securities have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. The Securities may not be offered, sold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and other securities laws of the United States. There will be no public offer of the Securities in the United States. The Securities are being offered and sold in offshore transactions in compliance with Regulation S.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this section have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each purchaser of Securities must be able to and will be deemed to have represented and agreed as follows:

1. It is acquiring the Securities in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act and that it is not a U.S. person.

2. It understands that such Securities are being offered only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and that the Securities offered hereby have not been and will not be registered under the Securities Act and may not be offered, resold, pledged or transferred within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from registration under the Securities Act.
3. It agrees that it will deliver to each person to whom it transfers the Securities notice of any restrictions on transfer of such Securities.
4. It acknowledges that the Issuer, the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of the Securities are no longer accurate, it shall promptly notify the Issuer and the Joint Lead Managers. If it is acquiring any Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Securities constituting part of its allotment within the United States or to, or for the account or benefit of U.S. persons except in accordance with Rule 903 of Regulation S and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or other notice setting forth restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### ***Prohibition of sales to EEA Retail Investors***

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Securities to any retail investor in the EEA. For the purposes of this provision

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

## **UK**

### **Prohibition of sales to UK Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

### **Other regulatory restrictions**

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the UK.

## **Japan**

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**). Accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws, regulations and ministerial guidelines of Japan.

## **General**

In addition to the specific restrictions set out above, the Joint Lead Managers have agreed that they will (to the best of their knowledge) comply with all applicable laws and material regulations relating to the distribution of securities in each jurisdiction in which they acquire, offer, sell or deliver Securities or have in their possession or distribute the Offering Circular or any such other material.

The offering of the Securities to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional advisers as to whether the investor requires any governmental or any other consent or needs to observe any other formalities to enable the investor to purchase the Securities.

## GENERAL INFORMATION

### **Listing**

This Offering Circular has been approved by Euronext Dublin as listing particulars. Application has been made to Euronext Dublin for the Securities to be admitted to the Official List and trading on the GEM which is the exchange regulated market of Euronext Dublin. The GEM is not a regulated market in the EEA for the purposes of Directive 2014/65/EU.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to trading on the Global Exchange Market of Euronext Dublin.

### **Authorisation**

The Issuer has obtained all necessary consents, approvals and authorisation in the Netherlands in connection with the issue and performance of the Securities. The issue of the Securities was authorised by resolutions of the management board and the supervisory board of the Issuer passed on 8 June 2022 and 28 April 2022, respectively.

### **Significant or material change**

There has been no significant change in the financial or trading position of the Issuer, including its subsidiaries and consolidated joint ventures, since 30 June 2022 up to the date of this Offering Circular and there has been no material adverse change in the prospects of the Issuer, including its subsidiaries and consolidated joint ventures since 31 December 2021.

### **Litigation**

KPN is involved in a number of legal proceedings that have arisen in the ordinary course of its business.

Save as discussed in "Description of the Issuer - Legal and tax proceedings" above, there are no governmental, legal or arbitration proceedings which may have, or which have had in the previous twelve months, a significant effect on the financial position or profitability of KPN, including its subsidiaries and consolidated joint ventures. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and KPN can offer no assurances in this regard.

### **Legal entity identifier (LEI)**

The Issuer's LEI is 549300YO0JZHAL7FVP81.

### **Clearing Systems**

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The International Securities Identification Number (ISIN) is XS2486270858 and the Common Code is 248627085.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

## Documents Available

Copies of the following documents will be available in electronic form free of charge, from the registered office of the Issuer and from the specified office of the Paying Agents for as long as the Securities are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market:

- (a) this Offering Circular;
- (b) the Documents Incorporated by Reference; and
- (c) the Trust Deed dated the Issue Date between the Issuer and the Trustee and the Paying Agency Agreement dated the Issue Date between the Issuer, the Trustee and the agents named therein.

A copy of this Offering Circular is also available at <http://ir.kpn.com/>.

## Auditors

The consolidated financial statements as of and for the years ended 31 December 2021, and 2020, in each case incorporated by reference into this Offering Circular, were audited by Ernst & Young Accountants LLP, independent auditors, as stated in their unqualified combined independent auditor's reports thereon incorporated by reference into this Offering Circular.

The principal place of business of Ernst & Young Accountants LLP is Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered at the Chamber of Commerce of Rotterdam in the Netherlands under number 24432944. The office address of the current independent auditor of KPN, Ernst & Young Accountants LLP, is Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands. The independent auditor, who signs on behalf of Ernst & Young Accountants LLP, is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

Ernst & Young Accountants LLP has given, and has not withdrawn, its consent to the incorporation by reference of its reports in this Offering Circular in the form and context in which they are incorporated.

## Yield

For the period from the Issue Date to the First Reset Date, the yield will be 6.200 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## Credit Rating Agencies

The Securities are expected to be rated BB+ by S&P and BB+ by Fitch. The Securities are expected to be assigned 50% equity credit (until the First Reset Date) from S&P, 50% (Basket C) equity credit from Moody's and 50% equity credit from Fitch.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

## U.S. Tax

The following legend will appear on all Securities (other than the Temporary Global Security) and on all Coupons and Talons relating to such Securities:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

### **Joint Lead Managers transacting with the Issuer**

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business for which they have received or will receive customary fees and expenses.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities. Any such short positions could adversely affect future trading prices of the Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## GLOSSARY OF SELECTED TERMS

<b>3G</b>	Third Generation Mobile System, which is based on the UMTS universal standard.
<b>4G</b>	Fourth Generation Mobile System, which is based on the LTE universal standard.
<b>5G</b>	Fifth Generation Mobile System, for which there is no universally accepted standard yet.
<b>ACM</b> ( <i>Autoriteit Consument &amp; Markt</i> )	The Netherlands Authority for Consumers & Markets, which is the result of merger of the Netherlands Consumer Authority, the NMa and OPTA on 1 April 2013.
<b>AON</b>	AON refers to active optical network.
<b>ADSL</b>	ADSL refers to asymmetric digital subscriber line.
<b>Average Revenue Per User (ARPU)</b>	The sum of connection fees, monthly fixed subscription revenues, traffic revenues and gross service provider revenue less related discounts during a one-month period, divided by the average number of customers during that month.
<b>Broadband</b>	Broadband refers to telecommunication that provides multiple channels of data over a single communications medium, typically using some form of frequency or wave division multiplexing.
<b>Churn</b>	A term common to the telecommunications industry, referring to the frequency with which customers of a given telecommunications provider disconnect from that provider's services, generally in favour of competitors, over a given period of time.
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent, is a standard unit for measuring carbon footprints that expresses the impact of each different greenhouse gas in terms of the amount of CO <sub>2</sub> that would create the same amount of warming. That way, a carbon footprint consisting of different greenhouse gases can be expressed as a single number.
<b>Customer base</b>	KPN defines customer base as the total number of connections or subscribers.
<b>DSL (Digital Subscriber Line)</b>	DSL is a data communication technology for bringing high-bandwidth information to homes and small businesses over ordinary copper PSTN lines.
<b>eSIM</b>	Embedded Subscriber Identity Module.
<b>FtH (Fiber-to-the-Home)</b>	FtH refers to Fiber to the Home.



<b>FttO (Fiber-to-the-Office)</b>	FttO is a fiber connection for business customers to the customers' office.
<b>HDTV (High-Definition Television)</b>	HDTV is high definition TV, which is a TV format requiring higher bandwidths.
<b>IP (Internet Protocol)</b>	Internet Protocol is a protocol used for communicating data across a packet-switched network. It is used for transmitting data over the internet and other similar networks. The data is broken down into data packets, each data packet is assigned an individual address, then the data packets are transmitted independently and finally reassembled at the destination.
<b>IPTV (Internet Protocol Television)</b>	IPTV is a system through which TV services are delivered using the internet protocol suite over a packet-switched network such as the internet.
<b>ISDN (Integrated Services Digital Network)</b>	ISDN is a worldwide digital communications network evolving from existing telephone services. A standard ISDN connection consists of three channels, i.e., two B channels to carry data and voice at a speed of 64 Kbps and one D channel to carry control information at a speed of 16 Kbps.
<b>IT</b>	IT refers to information technology.
<b>LTE (Long Term Evolution)</b>	LTE refers to a new mobile telephony technology that succeeds 3G. 3GPP (Third Generation Partnership Project) Long Term Evolution, is a new high performance air interface for cellular mobile communication systems. LTE is the last step toward the fourth generation (4G) of radio technologies designed to increase the capacity and speed of mobile telephone networks.
<b>Market share</b>	Market share is the percentage or proportion of the total available market that is being serviced by KPN.
<b>Multi-play</b>	Propositions combining more than one product and / or type of service is considered a mutli-play proposition. Triple-play and quad-play propositions are types of multi-play propositions.
<b>Mbps (Megabits per second)</b>	Mbps is a unit of data transfer rate equal to 1,000,000 bits per second. The bandwidths of broadband networks are often indicated in Mbps.
<b>MVNO (Mobile Virtual Network Operator)</b>	An MVNO is a mobile operator that does not have its own spectrum or its own network infrastructure. Instead, MVNOs have business arrangements with traditional mobile operators to buy minutes of use to sell to their own customers.
<b>NMa (Nederlandse Mededingingsautoriteit)</b>	NMa was the Dutch anti-trust authority responsible for monitoring compliance with anti-trust rules until it was merged with the Netherlands Consumer Authority and OPTA

to form the ACM on 1 April 2013.

<b>NPS</b>	NPS is a tool for measuring customer loyalty, based on whether customers would recommend KPN to someone else.
<b>ODF</b>	ODF refers to optical distribution frame.
<b>OPTA</b> ( <i>Onafhankelijke Post en Telecommunicatie Autoriteit</i> )	OPTA, or The Independent Post and Telecommunications Authority, was the telecommunications regulator in the Netherlands until it was merged with the Netherlands Consumer Authority and the NMa to form the ACM on 1 April 2013.
<b>OTT (over-the-top)</b>	In broadcasting, over-the-top content (OTT) refers to the delivery of audio, video, and other media over the internet for which no subscription to a traditional cable or satellite operator is required. A famous example is WhatsApp, which is replacing text messaging.
<b>P2P</b>	Point-to-point connection.
<b>PON</b>	PON refers to passive optical network.
<b>PSTN (Public Switched Telephone Network)</b>	PSTN is the traditional telephone system that runs through copper cables (voice up to 64 Kbps, data up to 56 Kbps).
<b>REDD+</b>	Reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries.
<b>Roaming</b>	Roaming is the transfer of mobile traffic from one network to another, referring to the exchange of mobile international traffic.
<b>Smartphone</b>	A smartphone is a mobile phone built on a mobile computing platform and includes high-resolution (touch) screens, web browsers that can access and properly display standard web pages and high-speed data access via Wi-Fi and mobile broadband.
<b>SOC (Security Operations Centre)</b>	The SOC monitors the high-risk systems of KPN in order to act quickly in case of security risks or incidents.
<b>Subscribers</b>	KPN calculates subscribers as an end-user with a connection to its mobile or fixed network and/or service platform. A subscriber is included in the subscriber base if there is a direct or indirect billing relationship, either prepaid or postpaid, unless the connection is owned by an MVNOs or through fixed-line access parties or if the connection has been inactive for a specific time period (prepaid or postpaid without contract).
<b>Triple-play</b>	Triple-play is the bundling of telephone, internet and TV

products into one contract.

**ULL (Unbundled local loop)**

Regulated unbundled local loop wholesale service.

**UMTS (Universal Mobile Telecommunications System)**

UMTS is one of the major third generation mobile communications systems being developed. UMTS is suited to deliver voice, text, music and animated images. Data can be sent via UMTS at approximately 6 times the speed of ISDN.

**VDSL (Very-high-bitrate Digital Subscriber Line)**

VDSL is a DSL technology providing faster data transmission over a single flat untwisted or twisted pair of copper wires. VDSL is capable of supporting high bandwidth applications such as HDTV, as well as telephony services (Voice over IP) and general internet access, over a single connection.

**VULA (Virtual unbundled local access)**

Commercially agreed virtual unbundled local access wholesale offering.

**VPN (Virtual Private Network)**

A VPN is a virtual network constructed from logic connections that are separated from other users.

**VoIP (Voice over IP)**

VoIP is voice traffic transported over an IP-based data network. It enables new ways of communicating, such as combinations of telephony, messaging and videoconferencing.

**WBA (Wholesale broadband access)**

Commercially agreed wholesale broadband offering enabling providers to deliver broadband products to their customers.

**Wi-Fi**

Wi-Fi is a technology that allows an electronic device to exchange data wirelessly over a computer network, including broadband internet connections. Wi-Fi is a trademark of the Wi-Fi Alliance.

**XGS-PON**

A fixed wavelength symmetrical 10 Gbps passive optical network technology.

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