

**AGREEMENT FOR THE ESTABLISHMENT OF KPN Mobile's
- EUROPEAN WORKS COUNCIL -**

This Agreement (hereinafter: "the Agreement") is made and entered into on May 13th, 2003, by and between

1. the Central Management of KPN Mobile located in the Netherlands, represented by the CEO of KPN Mobile, G.J.M. Demuynck, in its own right and on behalf of all companies of KPN Mobile within the geographical scope of the Agreement,

AND

2. the Special Negotiating Body (hereinafter: "SNB") representing on behalf of the KPN Mobile employees in Europe, represented by H. Oostinga,

Have agreed, with the consent of the relevant national employee participation bodies, upon the establishment of a European Works Council (hereinafter: "EWC"). The negotiations have reached the following outcome:

I. GENERAL

Article 1. Guiding principles

Objective

The objective of the Agreement is to establish a EWC for the purpose of informing and consulting the KPN Mobile employees within the geographical scope of the Agreement.

The EWC will strengthen the flexible operations of KPN Mobile and the harmonious development of her activities.

Communication

This process at European level should support and enhance existing communication processes within KPN Mobile.

Scope

The management of KPN Mobile (hereinafter: "the Management") and members of the EWC will discuss matters of a strategic and general character, concerning KPN Mobile as a whole at transnational level, as laid down in Article 5 of the Agreement.

The information and consultation mainly concerns transnational matters on financial and social development, which are relevant for all employees of KPN Mobile or for the employees of at least 2 different countries within the scope of the Agreement.

The EWC will be established at the level of KPN Mobile (see Attachment 1 for the letter of mandate by CEO Koninklijke KPN NV). If, however, other parts of Koninklijke KPN NV (hereinafter: "KPN") will meet the thresholds for the composition of an EWC, the establishment of an EWC at another level will be discussed. The Agreement will terminate once a new EWC or another procedure for European employee participation is established.

Legislation

KPN Mobile in the Netherlands shall take on the obligations under Directive 94/45/EC as central management, and Dutch implementing legislation (Act of 23 January 1997) shall govern the present Agreement.

Prerogatives

The Agreement shall not affect the prerogatives of the central and local managements, which remain exclusively responsible for their business, financial, commercial and technological decisions. It shall furthermore not affect the national employee participation regulations and practices.

Article 2. Definitions

- a) The European Works Council (EWC): is a body composed of KPN Mobile employees representing the workforce within the geographical scope of the Agreement;
- b) Information: involves the exchange of oral and written data and the provision of oral explanations on such data;
- c) Consultation: involves oral or written exchanges of views and the establishment of a dialogue between the Management and members of the EWC;
- d) Companies: are all companies in which KPN Mobile has a majority control, according to the legislation covering the Agreement;
- e) Transnational matters: the matters concern KPN Mobile in Europe as a whole, as well as those matters affecting KPN Mobile companies in two or more countries covered by the Agreement and worldwide matters that affect the business and its employees within the geographical scope of the Agreement.
- f) Members of the EWC: employees of the companies, duly (s)electd as representatives of the KPN Mobile employees out of the national employee participation bodies within the geographical scope of the Agreement.
- g) Plenary meeting: meeting between the EWC and the Management.
- h) Select Committee: the EWC elects from amongst its number a select committee consisting of three members originating from each of the three participating countries.

Article 3. Geographical scope

The Agreement covers the entire KPN Mobile workforce in the European Union or the European Economic Area. This currently means Belgium, Germany and The Netherlands.

If KPN Mobile acquires new companies within the geographical scope of the Agreement, the existing member(s) of the EWC will also be considered to represent the newly acquired company, until the next term of office. If KPN Mobile acquires new companies in other countries, the Management and EWC will decide on the steps to be taken, as described in article 6.2 (b).

II. COMPOSITION OF THE EUROPEAN WORKS COUNCIL**Article 4.1. Composition of the EWC**

The EWC shall comprise of employee representatives selected under the procedure referred to under Articles 4.1 to 4.4.

The members of the EWC are to be selected (elected or appointed) among the eligible employees on a country basis. Each country elects or appoints three members.

The EWC shall contain not more than 9 members. There are no substitutes. The composition and maximum will be evaluated in the fourth year of the first term of the EWC.

Article 4.2. Selection of members of the EWC

Members of the EWC shall be selected according to the legislation or practice in their respective countries covered by the Agreement.

Article 4.3. Eligibility

Candidates and members of the EWC must be regular employees of KPN Mobile, as defined by the laws and/or practices of the country of employment, and normally must have at least 12 months company service. In order to have efficient communication, it is preferred that candidates speak and understand English.

Article 4.4. Term of office

Members of the EWC shall serve on the EWC for a renewable period of four years, to ensure continuity and understanding. However, if within that period the member of the EWC loses his/her mandate based on national customs and (EWC) legislation and/or in case the member leaves the company, a new selection can take place in the country concerned, to be decided at national level.

Article 4.5. Select committee

The EWC may elect from amongst its number a select committee consisting of three members originating from each of the three participating countries. The select committee takes care of the preparation of the preparatory meetings and is responsible for the day-to-day matters of the EWC. The chairman of the Board of KPN Mobile appoints a secretary who takes care of the drafting of an agenda for the plenary meeting and the taking of the minutes. The management secretary and the EWC secretary will prepare the agenda for the plenary meeting. Because of the necessity of efficiency and direct communication, either the chairman or the secretary should be employee of KPN Mobile in the Netherlands.

III. FUNCTIONING OF THE EUROPEAN WORKS COUNCIL

Article 5.1. Scope of EWC

The EWC discusses general policy issues of a strategic and general character that concern KPN Mobile as a whole at transnational level, which means: affecting employees in its companies in at least two countries within the geographical scope of the Agreement. These issues will in particular relate to:

- economic and financial situation of the company and the probable development of activities;
- substantial changes in the organisation of the company and the introduction of new technologies that have consequences on employability;
- environmental care, equal opportunities and employability;

- reorganisations, such as relocations, cutbacks or closures of companies;
- mergers and acquisitions;
- the employment situation and trends therein;
- major investments;
- international HR policies;
- new developments in the world of mobile telecommunication as part of strategic issues with major impact on KPN Mobile.

Issues such as collective labour agreements, compensation, salaries or benefits, and individual matters which are principally related to a specific country or company, will be excluded from the scope of the EWC.

Article 5.2. Meetings

Regular

The EWC meets twice a year with the Management in a plenary meeting. A preparatory meeting of the EWC precedes the plenary meeting. The required education, as described in article 5.7, will be followed on the day of the preparatory meeting. One of the meetings takes place in the Netherlands (The Hague). The other meeting will take place in Germany (Dusseldorf) or Belgium (Brussels). The CEO of KPN Mobile will chair the meeting in the Netherlands.

Exceptional circumstances

The Management informs the Select Committee as soon as possible about all particular circumstances or planned decisions affecting the employees' interest to a considerable extent in at least two companies of KPN Mobile in two countries within the geographical scope of the Agreement. This pertains in particular to the transfer or closure of any place of business, mass redundancy, a merger with another company or the acquisition of or by another company.

On request of the select committee, it shall meet with the Management or another more appropriate level of management within KPN Mobile, to obtain further information and to be consulted. The meeting shall be held in such a time that the information and consultation is still meaningful. The Management and the Select Committee have to decide if there are exceptional circumstances that justify an additional meeting of the complete EWC. The EWC and the Management will draft a protocol with criteria to define these exceptional circumstances. This protocol will be part of the Agreement and will be evaluated every year.

The meeting shall neither prejudice the powers of central management, nor the national employee participation or the rights of employees under national law.

Article 5.3. Experts

An expert, preferably internal, may be consulted by the EWC during preparatory meetings of the EWC. External experts will not be admitted at plenary meetings, unless mutually agreed beforehand by both parties. KPN Mobile will bear the reasonable costs of the engagement by the EWC of experts, as far as such engagement is necessary for the proper performances of its tasks. The Management will have to approve in advance of the engagement of an expert.

Article 5.4. Languages

The EWC and plenary meeting shall be held in English. The agenda, minutes and any additional information mentioned on the agenda shall be produced in English. To ensure that there is meaningful exchange of views, the knowledge of the English language is preferred to participate in the EWC.

Article 5.5. Confidentiality

The EWC and plenary meetings will be deemed “open” unless a topic is identified as “confidential” by management. In this case, the members of the EWC and any advisers/experts shall be bound by a duty of confidentiality. This obligation shall continue to apply, even after their term of office has expired if the information concerned has not yet become public. The Management will indicate the reasons for the confidentiality and indicate the length of the confidentiality period. In case of extraordinary circumstances, the Management can ask the members of the EWC not to share the given information with the national employee representatives from their respective countries, unless both parties agree otherwise beforehand.

Article 5.6. Withholding of information

The Management shall not be bound, under the conditions and limits laid down by the legislation covering the Agreement, to disclose confidential information, when such disclosure would be prejudicial to KPN Mobile or the business interests of KPN.

Article 5.7. Training

It is the intention of KPN Mobile that the members of the EWC are properly trained to take an effective part in the EWC and plenary meetings. Therefore, the necessary and relevant training will be provided.

Article 5.8. Facilities

The parties to the Agreement agree that the EWC should operate in the most cost effective and efficient manner. The members of the EWC can use the existing technical facilities and will receive reasonable other facilities to carry out their duties and responsibilities as member of the EWC, with regard to the following:

- Communication with the employees or their representatives of the different countries.
- Travel and accommodation for effectively operating the EWC.
- Necessary and relevant training for the functioning of the EWC.

Article 5.9. EWC Regulation

Once the EWC has been put in place, it will establish its own internal regulation, to be approved by central management. The regulation is only binding for the members of the EWC.

V. FINAL PROVISIONS

Article 6.1. Applicable law

The Agreement shall be governed and interpreted in accordance with Dutch law. Any possible dispute concerning the clauses of the Agreement will be submitted to the select committee. If no solution is reached, an arbitration committee will be appointed.

The English text is the only binding text.

Article 6.2. Duration of the Agreement

- a) The Agreement is concluded for an initial period of four years. In the fourth year the Management and the EWC will evaluate the Agreement. On the basis of this evaluation a renewal

for the same period or a re-negotiation will take place. In the case of such re-negotiation, the Agreement shall remain valid until a new agreement has entered into force.

- b) KPN Mobile, together with a majority of the EWC members, may at any time amend the provisions of the Agreement, without affecting the whole of the Agreement or its validity. However, both parties already agree to amend those specific provisions directly concerned in the cases of changes in the structure or workforce size of KPN Mobile within the geographical scope of the Agreement.
- c) Should any clause or annex to the Agreement prove to be invalid for any reason, it shall not affect the validity of the Agreement in total. Such invalid part shall be treated as separate from the Agreement and may be updated/amended/deleted without affecting the whole of the Agreement or its validity.

VI. DATE AND SIGNATURES:

On behalf of KPN MOBILE NV on:

G.J.M. Demuynck

On behalf of the SNB on:

H. Oostinga

Attachment 1: Mandate letter

To B. Romkes	From CEO KPN N.V.	Date 16 October 2002
	Department RvB	Subject EOR KPN Mobile
	Location TP5/8.01	Reference 02-00975-VD
	Phone (070) 45 10100	Copy E. Kraaijenzank R.A. Nieuwenhoven D.M. van der Wel Mw V.C. Dekker

Herewith, I would like to inform you on the mandate I gave to the management of KPN Mobile to establish a European Works Council at the level of KPN Mobile. This meets with the request of November 2001 of the Works Councils of KPN Mobile in the Netherlands, Germany and Belgium to establish a European Works Council. The consultation of and information to the European Works Council concerns KPN Mobile at a transnational level only.

With kind regards,

A.J. Scheepbouwer