

## Binding **recommendations**

- President and Chairman of the Board of Management
- Members of the Board of Management
- Members of the Supervisory Board

In relation to the Annual General Meeting of Shareholders of Koninklijke Philips N.V. (Royal Philips) to be held on May 7, 2015

Binding **recommendation** President and Chairman of the Board of Management

In accordance with article 10, paragraph 2 of the Articles of Association of Koninklijke Philips N.V., the Supervisory Board has drawn-up the following binding recommendation of a nominee for the position as President and Chairman of the Board of Management of the company, being proposed for re-appointment at the 2015 Annual General Meeting of Shareholders:

### **Nomination Mr F.A. van Houten (1960, Dutch)**

Mr Van Houten has held the positions of President/Chief Executive Officer and Chairman of the Board of Management since April 1, 2011.

The Supervisory Board recommends to the shareholders to re-appoint Mr Van Houten as President/Chief Executive Officer and member of the Board of Management with effect from May 7, 2015.

The re-appointment of Mr Van Houten is recommended in view of his performance and the importance of continuity in the ongoing transformation process of the company and the proposed separation of the Lighting business from Royal Philips.

## Binding **recommendations** members of the Board of Management

In accordance with article 10, paragraph 2 of the Articles of Association of the company, the Supervisory Board has drawn-up the following binding recommendations of nominees for the position of member of the Board of Management of the company, being proposed for re-appointment at the 2015 Annual General Meeting of Shareholders:

### **Nomination Mr R.H. Wirahadiraksa (1960, Dutch)**

Mr Wirahadiraksa has held the positions of Executive Vice President/Chief Financial Officer and member of the Board of Management since April 1, 2011.

The Supervisory Board recommends to the shareholders to re-appoint Mr Wirahadiraksa as member of the Board of Management with effect from May 7, 2015.

### **Nomination Mr P.A.J. Nota (1964, Dutch)**

Mr Nota has held the positions of Executive Vice President and member of the Board of Management since April 1, 2011, Chief Executive Officer of Philips Consumer Lifestyle until December 31, 2014 and Chief Business Leader for Personal Health Businesses since January 1, 2015.

The Supervisory Board recommends to the shareholders to re-appoint Mr Nota as member of the Board of Management with effect from May 7, 2015.

The re-appointment of Mr Wirahadiraksa and Mr Nota is recommended in view of their performance and the importance of continuity in the ongoing transformation process of the company and the proposed separation of the Lighting business from Royal Philips.

## Binding **recommendations** members of the Supervisory Board

In accordance with Article 19, paragraph 2 of the Articles of Association of the Company, the Supervisory Board has drawn-up the following binding recommendations of nominees for the position of member of the Supervisory Board of the company, being proposed for (re-)appointment at the 2015 Annual General Meeting of Shareholders.

### **Nomination Mr J.P. Tai (1950, American)**

Mr Tai has been a member of the Supervisory Board since 2011. He is also member of the Boards of Directors of Bank of China Limited, MasterCard Incorporated and Eli Lilly and Company, and Non-Executive Director of privately held Russell Reynolds Associates and of Vapor Stream.

Mr Tai is recommended to be re-appointed in view of his knowledge and experience in financial and economic aspects of international businesses, and the way he fulfils his role as a member of the Supervisory Board and of the Audit Committee. The Supervisory Board proposes to re-appoint Mr Tai, in line with the Dutch Corporate Governance Code, for the term of four years (effectively until the end of the annual general meeting of shareholders to be held in 2019).

### **Nomination Mr H. von Prondzynski (1949, German)**

Mr Von Prondzynski has been a member of the Supervisory Board since 2007. He is also Chairman of the Supervisory Boards of HTL Strefa and Epigenomics AG, and member of the Boards of Directors of Hospira, Inc. and Quotient Ltd.

Mr Von Prondzynski is recommended to be re-appointed in view of his experience in the medical business, and the way he fulfils his role as a member of the Supervisory Board, of the Audit Committee, of the Remuneration Committee and of the Corporate Governance and Nomination & Selection Committee. The Supervisory Board proposes to re-appoint

Mr Von Prondzynski, in line with the Dutch Corporate Governance Code, for the term of four years (effectively until the end of the annual general meeting of shareholders to be held in 2019).

### **Nomination Mr C.J.A. van Lede (1942, Dutch)**

Mr Van Lede has been a member of the Supervisory Board since 2003. He is also chairman of the Supervisory Boards of Royal Imtech N.V., and member of the Supervisory Boards of Air France-KLM and Air Liquide.

The Supervisory Board notes that the adoption of this proposal would extend Mr Van Lede's consecutive (re-)appointments beyond the expiry of his third term in 2015. In line with the company's Articles of Association, the Supervisory Board considers the re-appointment of Mr Van Lede to be in the best interest of Philips, particularly in view of his experience within the company and strong knowledge of corporate governance which will be of particular benefit as the company goes through a period of transition. The Supervisory Board therefore proposes to re-appoint Mr Van Lede for the term of two years (effectively until the end of the annual general meeting of shareholders to be held in 2017).

### **Nomination Mr D.E.I. Pyott (1953, British)**

Mr Pyott was born in England and has British nationality. He is former Chairman and Chief Executive Officer of Allergan, Inc. (from 2001 and 1998 until 2015, respectively). He is also a Director of Avery Dennison Corporation and its Lead Independent Director (since 1999 and 2010, respectively).

Mr Pyott is recognized as one of America's best-rated CEO's, and acclaimed for refocussing Allergan's strategy and turning it from a relatively small eye care business into a global specialty pharmaceutical and medical device company. In his career Mr Pyott has gathered in-depth knowledge of the pharmaceutical and healthcare industries, in North America as well as globally. His expertise will be invaluable in view of Philips' transition into a company focused on HealthTech. The Supervisory Board therefore proposes to appoint Mr Pyott as a member of the Supervisory Board, in line with the Dutch Corporate Governance Code, for the term of four years (effectively until the end of the annual general meeting of shareholders to be held in 2019).

Mr Pyott is Vice-Chairman of the Board of Trustees of Chapman University, member of the Governing Board of the London Business School, President of the International Council of Ophthalmology Foundation and member of the Advisory Board of the Foundation of the American Academy of Ophthalmology.

Before joining Allergan, Mr Pyott served as the Head of the Novartis Nutrition Division and as a member of the Executive Committee of the Switzerland based Novartis AG, working over 17 years in several positions in strategic planning, marketing and general management in Switzerland, Austria, Spain, Malaysia and the United States.

Mr Pyott also formerly served on the Board, on the Executive Committee and as Board Secretary of the Biotechnology Industry Organization as well as a member of the Board of Edwards Lifesciences Corporation.

Mr Pyott holds no shares in Royal Philips.

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