

The Philips logo, consisting of the word "PHILIPS" in a bold, blue, sans-serif font, is positioned in the upper left corner of the page. It is set against a white background that is part of a larger graphic element with a blue curved bottom edge.

Policy

Policy on Anti-Bribery & Anti-Corruption

June 2014

General

Philips is subject to laws and regulations prohibiting domestic and foreign bribery and corruption. Those laws and regulations prohibit any act that can be perceived as or result in the violation of the trust or responsibility a person is given for personal or corporate gain. In order to act in full compliance with applicable anti-bribery and anti-corruption laws and regulations this translates into inter alia the following rules:

- **Bribery** is strictly prohibited. This means that any act in which something of value (either directly or indirectly), is offered or made to a person in order to improperly influence such person, for example in order to obtain or retain a business advantage, is strictly prohibited.
- **Books and records** must accurately and in a timely fashion reflect all transactions and other business engagements in conformity with applicable accounting standards.
- Any **gift and hospitality** offered or received should be reasonable, proportionate and appropriate in the circumstances and could not reasonably be misunderstood as a means or intention to improperly influence the recipient.
- **Facilitating payments** are not permissible and must be avoided at all times. Facilitation (or “facilitating”, “expediting” or “grease”) payments are small payments made to a government official designed to secure or speed routine governmental actions that involve no discretion on the government official’s part.
- Philips does not make any **political contribution**, in money or in kind, to political parties or organizations, or to individuals engaged in politics.

- **Charitable contributions** should only be made to bona fide and legitimate organizations. This means that charity contributions cannot be made if they secure, or could be perceived to secure, any improper advantages.
- **Conflicts of Interests** should be avoided. A Conflict of Interest arises when you have a private interest that could put your ability to act in the interest of Philips at risk.

Non-compliance by Philips of Anti-Bribery & Anti-Corruption laws can result in significant fines and severe reputational damage. In addition, companies violating such laws can be forced to repay profits resulting from the illegal conduct and may be suspended or excluded from doing business with the government.

Philips' commitment to comply with Anti-Bribery & Anti-Corruption laws

At Philips we do not tolerate any form of bribery or corruption anywhere in the world and it is our policy to comply with all applicable Anti-Bribery & Anti-Corruption laws and regulations. Under no circumstances shall we give or accept bribes or other corrupt advantages to or from any person, including government officials, private sector clients, business partners or customers.

Compliance with Anti-Bribery & Anti-Corruption laws is the responsibility of all Philips employees worldwide and the operating units and legal entities of the Philips Sectors, Business Groups, Functions and Markets. Philips expects the same from its business partners. Therefore Philips may require risk-based due diligence to be conducted in order to make an informed decision about the risks of doing business with our partners. This includes for instance applying the Philips mandatory Due Diligence Process for selecting distributors and agents.

Status of this policy and responsible functions

This Anti-Bribery and Anti-Corruption Policy is an integral part of our Philips General Business Principles. Our Philips General Business Principles set out our core principles on how we conduct business. This Policy sets out Philips' global minimum standards on Anti-Bribery and Anti-Corruption as further codified in the Philips Manual on Anti-Bribery & Anti-Corruption. Philips Manual on Anti-Bribery & Anti-Corruption provides further guidance on specific topics, such as gifts and hospitality, facilitation payments, political contributions, charitable contributions and Conflicts of Interest.

Local laws and regulations may set stricter requirements in which case these stricter local requirements need to be implemented by the local organization as well as ensure that there is no conflict with this policy or its underlying guidelines.

Consider your actions, seek Anti-Bribery & Anti-Corruption support

For any questions about Anti-Bribery & Anti-Corruption, employees should contact the local GBP Compliance Officer, local legal department or, alternatively, Group Legal Compliance – Anti-Bribery & Anti-Corruption.

Group Legal Compliance – Anti-Bribery & Anti-Corruption should always be involved promptly when a governmental authority or other third party contacts Philips with an Anti-Bribery & Anti-Corruption related allegation or request for information.

Contact: Group Legal Compliance –
Anti-Bribery & Anti-Corruption
www.compliance.philips.com



This policy is an integral part of the
Philips General Business Principles
www.gbp.philips.com

Royal Philips (Koninklijke Philips N.V.)
www.philips.com