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## Procedures on the receipt, retention and treatment of accounting and auditing complaints

### 1. Introduction

These procedures set out the rules for the receipt, retention and treatment of complaints received by Koninklijke Philips N.V. (“Philips”), regarding accounting, internal accounting controls or auditing matters of Philips (“Complaints”), and the confidential, anonymous submission by employees of the Philips Group of concerns regarding questionable accounting or auditing matters. Capitalized terms will have the same meaning as set forth in the Rules of Procedure of the Supervisory Board of Philips unless stated differently. These procedures are in no way intended to limit the rights of employees of the Philips Group to report alleged violations relating to accounting or auditing matters to proper governmental and regulatory authorities.

### 2. Complaints: general

The Audit Committee recognizes that Philips has implemented reasonable and appropriate procedures for the reporting of concerns and Complaints regarding alleged accounting or auditing improprieties or inadequacies, and that such concerns and complaints may be sent to the GBP Compliance Officers and the Chief Legal Officer as reflected in the Philips General Business Principles and the Financial Code of Ethics.

### 3. Complaints submitted to the Audit Committee

If someone wishes to make a Complaint he or she may, if he or she so chooses, submit his or her concerns to the Audit Committee by sending a written report outlining his or her concerns to the Chairman of the Audit Committee, HBT-14, Amstelplein 2, 1096 BC Amsterdam, The Netherlands, marked as “strictly confidential”. Upon the receipt of a Complaint by an employee, the secretary of the Audit Committee will send a confirmation of receipt to the employee, unless the Complaint is submitted on an anonymous basis. All Complaints shall be properly recorded.

### 4. Content of Complaints

To assist Philips in the response to or investigation of a Complaint, the Complaint should be factual rather than speculative, and contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of the matter that is the subject of the Complaint. It is less likely that Philips will be able to conduct an investigation based on

a Complaint that contains unspecified wrongdoing or broad allegations without verifiable evidentiary support. Without limiting the foregoing, the Complaint should, to the extent possible, contain the following information:

- the alleged event, matter or issue that is the subject of the Complaint;
- the name of each person involved;
- if the Complaint involves a specific event or events, the approximate date and location of each event; and
- any additional information, documentation or other evidence available to support the Complaint.

## **5. Investigation**

When a Complaint is filed with the Audit Committee, the Audit Committee will arrange for an investigation, either by the Internal Audit department or an external auditor. The Audit Committee may take advice from internal and external experts at the expense of Philips. The Audit Committee may discuss the investigation and the potential actions to be taken with the President, the Chief Financial Officer, the Internal Audit department and the external auditor. If a Complaint is submitted by an employee that has disclosed his/her identity to the Audit Committee, the Audit Committee will inform the employee in short on the action that has been taken.

## **6. Confidentiality**

Philips shall maintain the confidentiality or anonymity of the person making the Complaint to the fullest extent reasonably practicable within the legitimate needs of law and of any ensuing evaluation or investigation. Legal or business requirements may not allow for complete anonymity. Also, in some cases it may not be possible to proceed with or properly conduct an investigation unless the person making the Complaint identifies himself or herself. The identity of other persons subject to or participating in any inquiry or investigation relating to a Complaint shall be maintained in confidence subject to the same limitations.

## **7. No reprisals**

Employees are entitled to protection from retaliation for having, in good faith, made a Complaint, disclosed information relating to a Complaint or otherwise participated in an investigation relating to a Complaint. Philips shall not discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of Complaints or participation in a related investigation. An employee's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the Complaint or an ensuing investigation.

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