

Agenda for the Annual General Meeting of Shareholders 2022

To be held on **Tuesday, May 10, 2022, beginning at 2 p.m. CET.**

1. Speech of the President

2. Annual Report 2021

- a. Explanation of the policy on additions to reserves and dividends
- b. Proposal to adopt the financial statements *
- c. Proposal to adopt a dividend of EUR 0.85 per common share, in cash or in shares at the option of the shareholder, against the net income for 2021 *
- d. Remuneration Report 2021 (advisory vote) *
- e. Proposal to discharge the members of the Board of Management *
- f. Proposal to discharge the members of the Supervisory Board *

3. Composition of the Supervisory Board

- a. Proposal to re-appoint Dr. P.A.M. Stoffels as member of the Supervisory Board with effect from May 10, 2022 *
- b. Proposal to re-appoint Dr. A. Marc Harrison as member of the Supervisory Board with effect from May 10, 2022 *
- c. Proposal to appoint Mrs H.W.P.M.A. Verhagen as member of the Supervisory Board with effect from May 10, 2022 *
- d. Proposal to appoint Mr S.J. Poonen as member of the Supervisory Board with effect from May 10, 2022 *

4. Proposal to re-appoint Ernst & Young Accountants LLP as the company's auditor *

5. Authorization of the Board of Management to (i) issue shares or grant rights to acquire shares and (ii) restrict or exclude pre-emption rights

- a. Proposal to authorize the Board of Management for a period of 18 months, effective May 10, 2022, as the body which is authorized, with the approval of the Supervisory Board, to issue shares or grant rights to acquire shares within the limits laid down in the Articles of Association *
- b. Proposal to authorize the Board of Management for a period of 18 months, effective May 10, 2022, as the body which is authorized, with the approval of the Supervisory Board, to restrict or exclude the pre-emption rights accruing to shareholders *

The authorization referred to above under a. will be limited to a maximum of 10% of the number of issued shares as of May 10, 2022.

6. Authorization of the Board of Management to acquire shares in the company

Proposal to authorize the Board of Management for a period of 18 months, effective May 10, 2022, within the limits of Dutch law and the Articles of Association, to acquire, with the approval of the Supervisory Board, for valuable consideration, on the stock exchange or otherwise, shares in the company at a price between, on the one hand, an amount equal to the par value of the shares and, on the other hand, an amount equal to 110% of the market price of these shares on Euronext Amsterdam; the market price being the average of the highest price on each of the five days of trading prior to the date on which the agreement to acquire the shares is entered into, as shown in the Official Price List of Euronext Amsterdam *

The maximum number of shares the company may acquire and hold, will not exceed 10% of the issued share capital as of May 10, 2022, which number may be increased by 10% of the issued capital as of that same date in connection with the execution of share repurchase programs for capital reduction purposes.

7. Cancellation of shares

Proposal to cancel common shares in the share capital of the company held or to be acquired by the company. The number of shares that will be cancelled shall be determined by the Board of Management *

8. Any other business

Agenda items marked with an asterisk () are voting items. This agenda with explanatory notes, the Annual Report 2021 (including the financial statements), the binding nominations and other information relevant for the Annual General Meeting 2022 have been published on the company's website (www.philips.com/agm). The meeting documents are also available free of charge at the offices of the company, Amstelplein 2, 1096 BC Amsterdam or at ABN AMRO Bank N.V., Corporate Broking via email: ava@nl.abnamro.com and on www.abnamro.com/evoting.*

Explanatory notes to the agenda for the AGM 2022

1. Speech of the President

In his speech the President will look back on the financial year 2021, including the company's financial results.

2. Annual Report 2021

Agenda item 2.a is a recurring (non-voting) item: the explanation of the company's policy on additions to reserves and dividends.

Under agenda item 2.b it is proposed to adopt the financial statements 2021 (as included in the Annual Report 2021), and item 2.c is a proposal to adopt an optional dividend in cash or shares (see below for more details).

Under agenda item 2.d, the Remuneration Report 2021 is submitted to the General Meeting of Shareholders for an advisory vote. The Remuneration Report 2021 was drawn up by the Supervisory Board (as prepared by its Remuneration Committee) and included in the Annual Report 2021 (starting on page 102). It is proposed to approve the Remuneration Report 2021. The Supervisory Board engaged with several of the company's shareholders and institutional advisory organizations to solicit their support. During these engagements feedback was received on the partial correction related to external supply chain impact made for the 2021 Annual Incentive and Long-Term Incentive realization. The background of this correction has also been explained in the 'Letter from the Remuneration Committee Chair' (starting on page 100 of the Annual Report 2021). In this context, the Supervisory Board also notes that - mindful of correction of the 2021 realization - for the 2022 Annual Incentive, the on-target objective for comparable sales growth has been set above the mid-point of the public guidance for this metric.

Agenda items 2.e and 2.f are proposals to discharge the members of the Board of Management and the Supervisory Board, in accordance with Dutch law, for the performance of their respective duties in the financial year 2021. The proposed discharge will take place on the basis of information provided to the General Meeting of Shareholders and other information publicly available when the resolution to discharge is adopted.

It is proposed to distribute a dividend of EUR 0.85 per common share, in cash or shares at the option of the shareholder, against the net income for 2021, in accordance with the company's dividend policy.

If the above dividend proposal is adopted, the shares will be traded ex-dividend as of May 12, 2022 at Euronext Amsterdam and the New York Stock Exchange. In compliance with the listing requirements of Euronext Amsterdam and the New York Stock Exchange, the dividend record date will be May 13, 2022. Shareholders will be given the opportunity to make their choice between cash and new shares between May 16 and June 3, 2022. If no choice is made during this election period, the dividend will be paid in cash. The number of share dividend rights entitled to one new common share will be determined based on the volume-weighted average price of all traded common shares Koninklijke Philips N.V. at Euronext Amsterdam on June 1, 2 and 3, 2022. The company will calculate the number of share dividend rights entitled to one new common share (the ratio), such that the gross dividend in shares will be approximately equal to the gross dividend in cash. The ratio and the number of shares to be issued will be announced on June 7, 2022. Payment of the dividend (up to EUR 744 million) and delivery of new common shares, with settlement of fractions in cash, if required, will take place from June 8, 2022. The distribution of dividend in cash to holders of New York Registry shares will be made in USD at the USD/EUR rate as per WM/Reuters FX Benchmark 2 PM CET fixing of June 6, 2022.

The newly issued common shares will rank for the dividend for the 2022 financial year and following financial years.

Dividend in cash is in principle subject to 15% Dutch dividend withholding tax, which will be deducted from the dividend in cash paid to the shareholders. Dividend in shares paid out of net income is in principle subject to 15% dividend withholding tax, but only in respect of the par value of the shares (which value amounts to EUR 0.20 per share).

Some shareholders may be eligible to claim a tax credit for or a refund of the tax withheld, if certain conditions are met. Shareholders are advised to consult their tax advisor on the applicable situation both with respect to withholding tax and the possibility to claim a tax credit for or a refund of the tax withheld, as well as the tax due (such as corporate income tax, personal income tax) on the dividend received.

3. Composition of the Supervisory Board

The following persons are proposed for (re-)appointment as members of the Supervisory Board:

a. **Dr. P.A.M. Stoffels (Belgian, 1962)**

Paul Stoffels has been a member of the Supervisory Board since 2018. Until January 2022, Dr. Stoffels was the Chief Scientific Officer of Johnson & Johnson where he was also a member of the Executive Committee. With effect from April 1, 2022, he will be the Chief Executive Officer of Galapagos NV.

Dr. Stoffels is recommended to be re-appointed in view of his in-depth knowledge of the pharmaceutical, biotechnology and medical device industries, his extensive R&D experience, and the way he fulfils his current role as a member and Vice-Chairman and Secretary of the Supervisory Board, as Chairman of the Remuneration Committee and as member of the Corporate Governance, Nomination and Selection Committee.

Dr. Stoffels holds 17,000 shares in Royal Philips and is considered an independent member of the Supervisory Board under the Dutch Corporate Governance Code.

b. **Dr. A. Marc Harrison (American, 1964)**

Marc Harrison has been a member of the Supervisory Board since 2018. He is President and Chief Executive Officer of Intermountain Healthcare.

Dr. Harrison is recommended to be re-appointed in view of his knowledge of and experience in health systems and the overall healthcare industry, in particular in North America, and the way he fulfils his current role as a member of the Supervisory Board and the Quality & Regulatory Committee.

Dr. Harrison holds 1,500 shares in Royal Philips and is considered an independent member of the Supervisory Board under the Dutch Corporate Governance Code.

c. **Mrs H.W.P.M.A. Verhagen (Dutch, 1966)**

Herna Verhagen is currently CEO and Chair of the Board of Management of PostNL. Under her leadership, PostNL executed a strategic transformation from a mail delivery company into a growing postal and e-commerce logistic solutions provider. Prior to her role as CEO, Mrs Verhagen served as a member of the Management Board of PostNL and was Managing Director Parcels and International PostNL.

Mrs Verhagen holds no shares in Royal Philips and will be considered an independent member of the Supervisory Board under the Dutch Corporate Governance Code.

d. **Mr S.J. Poonen (American, 1969)**

Sanjay Poonen has held various executive leadership positions in the software industry, including most recently as Chief Operating Officer for cloud computing company VMware. In this role he was responsible for all business functions, including sales, services, support, marketing and alliances including strategic agreements with Amazon, Microsoft and Google. Prior to VMware, he was President at SAP, where he led analytics, data management and vertical industry solutions.

Mr Poonen holds 3,000 shares in Royal Philips and will be considered an independent member of the Supervisory Board under the Dutch Corporate Governance Code.

The Supervisory Board considers the expertise and experience in healthcare innovation of Paul Stoffels and Marc Harrison extremely valuable as Philips aims to support the transformation of healthcare with new health technology solutions along the health continuum. In respect of the newly nominated Herna Verhagen, the Supervisory Board notes that she, with her proven track record in driving a customer-first company culture and a background in e-commerce logistics, will bring valued and new perspectives to the Board. The newly nominated Sanjay Poonen has extensive experience in enterprise IT which will further strengthen the Supervisory Board's digital competencies.

The Supervisory Board is therefore very pleased that Messrs Stoffels and Harrison remain, and that Mrs Verhagen and Mr Poonen will be available as members of the Supervisory Board. The Supervisory Board proposes to (re-)appoint each of them for a period of four years. In line with the Dutch Corporate Governance Code and the Articles of Association of the company, the term of appointment of each of them will expire at the end of the Annual General Meeting to be held in 2026.

In accordance with the Articles of Association of the company, the Supervisory Board has made binding nominations regarding the (re-)appointment of each of Mrs Verhagen and Messrs Stoffels, Harrison and Poonen. Upon the proposed (re-)appointments (and the expiry of the third term of appointment of Mrs Neelam Dhawan), the Supervisory Board will consist of ten members, four women and six men, with seven nationalities.

4. Proposal to re-appoint Ernst & Young Accountants LLP as the company's external auditor

Ernst & Young Accountants LLP was appointed as the external auditor of the Company at the Annual General Meeting of Shareholders 2015 for a term of four years starting January 1, 2016, and re-appointed at the Annual General Meeting of Shareholders 2019 for a term of three years starting January 1, 2020. The second term of appointment of the external auditor will therefore expire at the end of the financial year 2022.

The Supervisory Board now proposes to re-appoint Ernst & Young Accountants LLP for a term of one year starting January 1, 2023. This proposal follows the recommendation of the Audit Committee of the Supervisory Board, after having assessed the functioning of, and the development in the relationship with the external auditor, whereby it gave due consideration to the observations of the Board of Management that supports this proposal.

5. Authorization of the Board of Management to (i) issue shares or grant rights to acquire shares and (ii) restrict or exclude pre-emption rights

The proposals to authorize the Board of Management to (i) issue shares or grant rights to acquire shares in the share capital of the company and (ii) restrict or exclude pre-emption rights, are intended to give the Board of Management flexibility: (a) in financing the company in the most efficient manner, (b) in covering the company's obligations related to share-based remuneration, such as those under the long-term incentive plans and any employee stock purchase plan under which employees may acquire Philips securities and (c) in the context of mergers, acquisitions and/or strategic alliances.

Adoption of these proposals by the General Meeting of Shareholders will replace the current authorization of the Board of Management to (i) issue shares or grant rights to acquire shares in the share capital of the company and (ii) restrict or exclude pre-emption rights, which was granted by the General Meeting of Shareholders on May 6, 2021.

6. Authorization of the Board of Management to acquire shares in the company

The proposal to authorize the Board of Management (to the extent such authorization is required under Dutch law and the Articles of Association and without prejudice to article 2:98 paragraph 5 of the Dutch Civil Code) to repurchase shares in the share capital of the company intends to allow the Board of Management to cover the company's obligations related to share-based remuneration, such as those under the long-term incentive plans and any employee stock purchase plan under which employees may acquire Philips securities, and other obligations the company may have. Furthermore, the proposal intends to allow the Board of Management to repurchase shares for capital reduction purposes.

The maximum number of shares the company may acquire and hold, equals 10% of the issued share capital per May 10, 2022. In case of repurchase for capital reduction purposes, the number of shares that the company may acquire and hold will be increased with an additional 10% of such issued share capital. This higher maximum of shares that may be held is intended to allow the Board of Management to execute such share repurchase programs in an efficient and expedited manner.

Adoption of this proposal by the General Meeting of Shareholders will replace the current authorization of the Board of Management to repurchase shares which was granted by the General Meeting of Shareholders on May 6, 2021.

7. Cancellation of shares

It is proposed to the General Meeting of Shareholders to cancel any or all common shares in the share capital of the company held on May 10, 2022 or to be acquired by the company under the authorization referred to under agenda item 6 resulting in a reduction of the company's issued common shares. The cancellation may be executed in one or more tranches.

The number of shares that will be cancelled (whether or not in several tranches) shall be determined by the Board of Management, with a maximum of the number of shares held by the company on May 10, 2022 plus the number of shares that may be acquired in accordance with the authorization referred to under agenda item 6. Pursuant to the relevant statutory provisions, cancellation may not be effected earlier than two months after a resolution to cancel shares is adopted and publicly announced; this will apply for each tranche.

The purpose of this proposal is cancellation of common shares held by the company or that will be acquired in accordance with the authorization referred to under agenda item 6, to the extent that such shares shall not be used to cover obligations under share-based remuneration or other obligations.

