

Agenda and explanatory notes for the Extraordinary General Meeting of Shareholders 2017

To be held at the Hilton Amsterdam hotel, Apollolaan 138,
Amsterdam on **Friday, October 20, 2017 beginning at
9.30 hours CET**

Agenda items

1. Proposal to appoint Mr M.J. van Ginneken as member of the Board of Management with effect from November 1, 2017
2. Proposal to amend the Articles of Association of the company to the effect that the Supervisory Board determines the required minimum number of members of the Board of Management.

Explanatory notes

1. The Supervisory Board is very pleased that Mr Van Ginneken is available as member of the Board of Management.

The appointment of Mr Van Ginneken is recommended in view of the important role he has played in the Executive Committee since 2014, providing valuable contributions on a wide array of subjects. Mr Van Ginneken's broad knowledge about Philips and his vast international corporate governance expertise make him an excellent candidate to complement the Board of Management.

Mr Van Ginneken (Dutch/American, 1973) joined Philips in 2007, having worked with AkzoNobel and in private practice before. After his role as Head of Group Legal, he became Philips' Chief Legal Officer and member of the company's Executive Committee in 2014. Mr Van Ginneken holds a law degree from the University of Utrecht and is professor of international corporate governance at the Erasmus University Rotterdam.

In accordance with the Articles of Association of the company, the Supervisory Board has made a binding recommendation regarding his appointment as member of the Board of Management. In line with the Dutch Corporate Governance Code, members of the Board of Management are (re-)appointed for the term of four years as laid down in the Articles of Association. This effectively means that Mr Van Ginneken's term of appointment

will expire at the end of the Annual General Meeting to be held in 2021. The services agreement (overeenkomst van opdracht) between the company and Mr Van Ginneken (which is subject to his appointment), has been published on the company's website.

2. The Articles of Association currently provide that whenever the number of members of the Board of Management falls below three, a general meeting of shareholders shall be held at the earliest opportunity to fill the vacancies on the Board of Management. It is proposed by the Supervisory Board and Board of Management to amend paragraphs 1 and 7 of article 10 of the Articles of Association to allow for the Supervisory Board to determine the required minimum number of members of the Board of Management. This provides more flexibility in circumstances where a member of the Board of Management steps down.

The agenda items are voting items.

This agenda and explanatory notes, the binding recommendation, the services agreement, the proposed amendment of the articles of association and other documents relevant for the Extraordinary General Meeting 2017 have been published on the company's website (www.philips.com/egm). The meeting documents are also available at the offices of the company (Amstelplein 2, 1096 BC Amsterdam), at ABN AMRO Bank N.V., Corporate Broking (Gustav Mahlerlaan 10 (HQ 7050), 1082 PP Amsterdam, tel +31 20 344 2000 and email: corporate.broking@nl.abnamro.com), and will be available at the meeting.

