

# Invitation

## Annual General Meeting of Shareholders 2018



**PHILIPS** Lighting

## To the shareholders of Philips Lighting N.V.

The Board of Management is pleased to invite you to the company's  
Annual General Meeting on

**Tuesday May 15, 2018 at 14:00 CET**

at High Tech Campus 48, 5656 AE Eindhoven, the Netherlands

### Agenda

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1. **Presentation by CEO Eric Rondolat**
2. **Implementation of the remuneration policy in 2017**
3. **Explanation of the policy on additions to reserves and dividends**
4. **Implementation of the new Dutch Corporate Governance Code in the company's governance structure**
5. **Financial statements 2017**  
Proposal to adopt the financial statements for the financial year 2017 (voting item)
6. **Dividend**  
Proposal to adopt a cash dividend of EUR 1.25 per ordinary share over the financial year 2017 (voting item)
7. **Discharge members of the Board of Management and the Supervisory Board**
  - a. Proposal to discharge the members of the Board of Management in respect of their duties performed in 2017 (voting item)
  - b. Proposal to discharge the members of the Supervisory Board in respect of their duties performed in 2017 (voting item)
8. **Composition of the Supervisory Board**  
Proposal to appoint Eelco Blok as member of the Supervisory Board (voting item)
9. **Amendment of articles of association**  
Proposal to amend the company's articles of association – change of the company name of Philips Lighting N.V. (voting item)
10. **Authorizations of the Board of Management to (a) issue shares or grant rights to acquire shares, and (b) restrict or exclude pre-emptive rights**
  - a. Proposal to authorize the Board of Management to issue shares or grant rights to acquire shares (voting item)
  - b. Proposal to authorize the Board of Management to restrict or exclude pre-emption rights (voting item)
11. **Authorization of the Board of Management to acquire shares in the company**  
Proposal to authorize the Board of Management to acquire shares in the company (voting item)
12. **Cancellation of shares**  
Proposal to authorize the Board of Management to cancel shares (voting item)
13. **Any other business**

## Explanation agenda

### 1. Presentation by CEO Eric Rondolat

CEO Eric Rondolat will give a presentation on the performance of Philips Lighting in 2017.

### 2. Implementation of the remuneration policy in 2017

Explanation of the implementation of the remuneration policy for the Board of Management in 2017.

See also chapter 9 (Remuneration report) and notes 28 and 29 to the Consolidated financial statements of the Annual Report 2017.

### 3. Explanation of the policy on additions to reserves and dividends

CFO Stéphane Rougeot will explain Philips Lighting's policy on additions to reserves and dividends.

See also section 11.3 (Capital allocation) of the Annual Report 2017.

### 4. Implementation of the new Dutch Corporate Governance Code in the company's governance structure

Explanation of the implementation of the new Dutch Corporate Governance in the company's governance structure.

See also chapter 10 (Corporate governance) of the Annual Report 2017.

### 5. Financial statements 2017

Proposal to adopt Philips Lighting's financial statements for the financial year 2017.

### 6. Dividend

Proposal to adopt a cash dividend of EUR 1.25 per ordinary share, against the net income for 2017. This represents an increase of 14% compared with last year and a pay-out ratio of 45% of continuing net income, which is in accordance with the company's target of 40% to 50% of continuing net income.

If this dividend proposal is adopted by the General Meeting, the shares will be traded ex-dividend as of May 17, 2018 and the dividend record date will be May 18, 2018. The dividend payment date will be May 29, 2018.

A cash dividend is, in principle, subject to 15% Dutch dividend withholding tax, which will be deducted from the cash dividend paid to the shareholders. 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.



## 7. Discharge members of the Board of Management and the Supervisory Board

### a) Proposal to discharge the members of the Board of Management in respect of their duties performed in 2017

Proposal to discharge the members of the Board of Management in office during the financial year 2017 from liability in respect of the performance of their respective duties in the financial year 2017. The proposed discharge only extends to matters set forth in the Annual Report 2017 or otherwise disclosed to the General Meeting prior to the adoption of the resolution to discharge.

### b) Proposal to discharge the members of the Supervisory Board in respect of their duties performed in 2017

Proposal to discharge the members of the Supervisory Board in office during the financial year 2017 from liability in respect of the performance of their respective duties in the financial year 2017. The proposed discharge only extends to matters set forth in the Annual Report 2017 or otherwise disclosed to the General Meeting prior to the adoption of the resolution to discharge.

## 8. Composition of the Supervisory Board

In accordance with the company's articles of association, the Supervisory Board made a binding nomination regarding the appointment of a new member of the Supervisory Board. Therefore, the Supervisory Board proposes to appoint Eelco Blok as a member of the Supervisory Board from May 15, 2018. The term of the appointment will be until the end of the Annual General Meeting to be held in 2022.



**Eelco Blok (Dutch, 60)** has been Chief Executive Officer of Dutch telecommunications provider KPN since 2011, and served on its Board of Management from 2006.

He announced he will step down from this position in April 2018. Blok started his career at KPN in finance in 1983, before moving to marketing and sales. He then held a number of senior management positions at the telecommunications company.

He currently also serves as vice-chair of the Supervisory Board of PostNL and will join the executive board of privately-held investment company Reggeborgh from May 2018.

Eelco Blok will also serve as member of the Supervisory Board of Varo Energy (a participation of Reggeborgh) as from the settlement of its intended initial public offering.

In view of the extensive experience with business transformation processes as well as networks and services, which are particularly relevant to further shape the company's profile both as the world leader in lighting and as the lighting company for the Internet of Things, the Supervisory Board proposes to appoint Eelco Blok as its member.

Eelco Blok holds no shares in the capital of the company.

## 9. Amendment of articles of association

On March 16, 2018, the company announced its intention to change its name from Philips Lighting to Signify. The choice of the new company name originates from the fact that light has become an intelligent language, which connects and conveys meaning.

The company will continue to use the Philips brand, the most trusted lighting brand in the world, under the existing licensing agreement with Koninklijke Philips N.V. ("Royal Philips").

In view of the renaming of the company, the Board of Management proposes to amend the articles of association of Philips Lighting N.V. as follows.

<b>Current text</b>	<b>Proposed text</b>
<b>Name. Corporate Seat</b> <b>Article 2.1</b> 2.1.1 The name of the Company is Philips Lighting N.V. 2.1.2 Its corporate seat is in Eindhoven.	<b>Name. Corporate Seat</b> <b>Article 2.1</b> 2.1.1 The name of the Company is Signify N.V. 2.1.2 Its corporate seat is in Eindhoven.

The proposal to amend the articles of association includes the proposal to authorize each lawyer and (candidate) civil-law notary of De Brauw Blackstone Westbroek N.V. to execute the notarial deed to effectuate the amendment.

The Philips Lighting N.V. stock exchange ticker will remain LIGHT.

The new company name satisfies the company's contractual requirements under the Company Name License Agreement with Royal Philips, which requires that it changes less than 18 months after Royal Philips no longer has a controlling interest.

## **10. Authorizations of the Board of Management to (a) issue shares or grant rights to acquire shares, and (b) restrict or exclude pre-emption rights**

### **a) Proposal to authorize the Board of Management to issue shares or grant rights to acquire shares**

Proposal to authorize the Board of Management for a period of 18 months, effective as from May 15, 2018, to issue ordinary shares or grant rights to acquire ordinary shares, subject to the approval of the Supervisory Board, up to a maximum of 10% of the issued capital as at May 15, 2018.

### **b) Proposal to authorize the Board of Management to restrict or exclude pre-emptive rights**

Proposal to authorize the Board of Management for a period of 18 months, effective as from May 15, 2018, to restrict or exclude pre-emptive rights accruing to shareholders, subject to the approval of the Supervisory Board, in connection with ordinary share issues pursuant to the authorization described under a) of this agenda item above.

The proposals under a) and b) are intended to give the Board of Management flexibility in financing the company in the most efficient manner, in covering obligations arising from the company's long-term incentive performance share plan and other employee share plans, and in the context of mergers, acquisitions and/or strategic alliances.

Adoption of these proposals by the General Meeting will replace the current authorizations of the Board of Management to (i) issue ordinary shares or grant rights to acquire ordinary shares, and (ii) restrict or exclude pre-emption rights, which were granted by the General Meeting on May 9, 2017.

## **11. 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 as from May 15, 2018, to cause the company to acquire ordinary shares on the stock exchange or otherwise, subject to the approval of the Supervisory Board, at a price between the nominal value of the ordinary shares and 110% of the market price of the ordinary 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 of acquisition, as shown in the Official Price List of Euronext Amsterdam), provided that the maximum number of ordinary shares the company may acquire and hold, does not exceed 10% of the issued share capital as at May 15, 2018, plus an additional 10% of the issued capital as of that same date in connection with the execution of share repurchases for capital reduction purposes.

The purpose of this proposal is to give the Board of Management flexibility in repurchasing of ordinary shares in the company for amongst others the return of capital to its shareholders and/or, to the extent such authorization is required, to fulfill the company's obligations under its long-term incentive performance share plan and other employee share plans.

Adoption of this proposal by the General Meeting will replace the current authorization of the Board of Management to repurchase shares which was granted by the General Meeting on May 9, 2017.

## 12. Cancellation of shares

Proposal to cancel any or all ordinary shares in the share capital of the company held or to be acquired by the company under the authorization referred to under agenda item 11, resulting in a reduction of the company's issued ordinary shares. The cancellation may be executed in one or more tranches. The number of shares that will be cancelled shall be determined by the Board of Management, with a maximum of the number of shares that may be acquired in accordance with the authorization referred to under agenda item 11. Pursuant to the relevant statutory provisions, cancellation may not be effected until two months after the resolution to cancel shares is adopted and publicly announced; this will apply for each tranche.

The purpose of this proposal is cancellation of ordinary shares held by the company or that will be acquired in accordance with the authorization referred to under agenda item 11, to the extent that such shares shall not be used to cover obligations under share-based remuneration or other obligations.

## Attending the meeting and voting

The procedures for registration, representation and voting at the Annual General Meeting of Shareholders of Philips Lighting N.V. on Tuesday May 15, 2018 (the "AGM") are described below. The AGM will be held at High Tech Campus 48, 5656 AE Eindhoven, the Netherlands.

### AGM documents

The following meeting documents are available on the company's website:

- The AGM agenda and the explanatory notes to the agenda, including information on the nominated member of the Supervisory Board and the proposed amendment to the articles of association of Philips Lighting N.V.
- A document containing instructions on attending the AGM and voting
- Philips Lighting N.V.'s Annual Report 2017, including the financial statements for the financial year 2017, other information required by the Dutch Civil Code and the reports of the Board of Management and the Supervisory Board
- A form of power of attorney to vote shares in the company's share capital in respect of the items on the agenda for the AGM

These documents are also available for inspection and can be obtained free of charge at the office of the company, Herikerbergweg 102, 1101 CM Amsterdam and at the office of ING Bank N.V., Foppingadreef 7, 1102 BD Amsterdam ("ING").

Questions on the agenda items may be submitted via e-mail to the company at [investor.lighting@philips.com](mailto:investor.lighting@philips.com).

### Record Date

Persons will be entitled to attend and vote at the AGM, provided they (1) are registered as a shareholder of Philips Lighting N.V. on Tuesday April 17, 2018, after processing of all settlements of that date (the "Record Date") in one of the registers mentioned below, and (2) have submitted their application to attend the AGM in accordance with the procedure as set out below (the "Shareholders").

The Board of Management has designated as registers: (a) for shares held through Euroclear: the administrations at the Record Date of the banks and brokers which are intermediaries (*intermediairs*) of Euroclear Nederland within the meaning of the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*), and (b) for shares held directly in the company's shareholders register: the company's shareholders register at the company's office in Eindhoven at the Record Date.

## Registration for attending the AGM

Shareholders who either in person or by proxy wish to attend the AGM have to register for the meeting from Wednesday April 18, 2018 up to and including Tuesday May 8, 2018 before 17:00 CET as follows.

Shareholders can register via <https://ing.evo-platform.com/light> or via the intermediary where their shares are administered. The intermediaries must provide ING no later than Tuesday May 8, 2018 at 17:00 CET with an electronic statement that includes the number of shares held by the relevant Shareholder on the Record Date and the number of shares which have been applied for registration. Upon registration, ING will issue a registration certificate for each Shareholder via the relevant intermediaries that serves as admission ticket for the AGM. Shareholders registered in the company's shareholders register directly have to register in the manner communicated with them.

### Voting by proxy

Shareholders registered in accordance with the procedure stated above, who wish to have themselves represented at the AGM may give voting instructions electronically to civil-law notary Cindy Smid or her substitute from Zuidbroek Corporate Law Notaries. Shareholders can do so via <https://ing.evo-platform.com/light> (available as of April 18, 2018) no later than Tuesday May 8, 2018 before 17:00 CET.

Shareholders registered in accordance with the procedure stated above, who wish to have themselves represented at the AGM by another person may for that purpose also use a physical form of power of attorney which can be found on the company's website. The duly completed and executed power of attorney must be received by ING for the attention of Issuer Services, location TRC 02.039, Foppingadreef 7, 1102 BD Amsterdam (e-mail: [iss.pas@ing.nl](mailto:iss.pas@ing.nl), fax: +31 20 5636959) no later than Tuesday May 8, 2018 before 17:00 CET.

### Admission to the AGM

Registration for admission to the AGM will take place on the day of the meeting from 12:30 CET until the start of the AGM at 14:00 CET. After this time, registration for admission is no longer possible. Persons entitled to attend the AGM must present a valid admission ticket for the AGM and may be asked for identification prior to being admitted and are therefore requested to carry a valid identity document.

### March 29, 2018

[Philips Lighting N.V.](#)  
[Board of Management](#)

### Visit to the Lighting Application Center

Before the meeting registered shareholders can visit the Lighting Application Center (“LAC”) where the latest professional indoor lighting developments and insights are demonstrated real-time. A complete replica of a shop, an office area and even a real production hall have been produced. The LAC is situated at HTC 48 behind the registration desk and will be open from 12:30 CET until 13:45 CET.

### Philips Lighting

High Tech Campus, building 48

5656 AE Eindhoven

The Netherlands

#### How to get there by train?

As of 12:15 CET until 13:30 CET dedicated shuttle buses are waiting at the city center side of the Eindhoven train station to take you to High Tech Campus 48 Eindhoven. These mini vans can be recognized by the Philips Lighting logo behind the windshield. Alternatively, you can take the direct bus connection line 407, which is located on the other side of the station, to High Tech Campus Eindhoven and walk to building 48.

#### How to get there by car?

Use the address ‘High Tech Campus 1’ Eindhoven in your route planner or navigation system. Not all route planners and navigation systems have updated software. You may find the Campus under its former address ‘Professor Holstlaan 4’ Eindhoven.

#### Where to park your car?

On High Tech Campus Eindhoven please follow the sign ‘P4 Zuid’. The parking is located behind Philips Lighting building HTC 48.

#### Contact Philips Lighting Investor Relations

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