



# Information Regarding **Optional Dividend** Koninklijke Philips N.V. (Royal Philips)

The **General Meeting of Shareholders** approved the **distribution of EUR 0.85 per common share**, at its annual meeting held on May 6, 2021.

The distribution will be payable in cash or in shares, at the option of the shareholder, against the net income for 2020.

The shares will trade ex-dividend as of May 10, 2021 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 11, 2021. The number of share dividend rights entitled to one new common share (the ratio) will be determined based on the volume-weighted average price of all traded common shares Koninklijke Philips N.V. at Euronext Amsterdam on June 2, 3 and 4, 2021. The company will calculate 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 8, 2021.

You are given the opportunity to indicate your choice between cash and new shares, as of Wednesday, May 12, 2021, until:

- (1) Thursday June 3, 2021 (10.00 a.m. EST) if you are a holder of New York Registry Shares traded on the New York Stock Exchange; and
- (2) Friday June 4, 2021 (03.00 p.m. CET) if you are a holder of shares that are traded on the stock market of Euronext Amsterdam or a holder of registered shares included in the company's shareholder register.

If no choice is made during this election period, the dividend will be paid in cash.

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 and retained earnings 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). By distributing an optional dividend, the company allows its shareholders to choose between receiving cash or shares.

The newly issued common shares rank for dividend for the financial year 2021 and following years.

The following timetable applies:

May 10, 2021	:	Ex-dividend date
May 11, 2021	:	Dividend record date
May 12 – June 3, 2021 (10.00 a.m. EST)	:	Election period: cash or share dividend for <u>holders of New York Registry Shares traded on the New York Stock Exchange</u>
May 12 – June 4 (03.00 p.m. CET)	:	Election period: cash or share dividend for <u>holders of shares traded on Euronext Amsterdam and holders of registered shares</u>
June 8, 2021	:	Announcement of Exchange Ratio & number of shares to be issued
From June 9, 2021	:	Dividend payment in cash & delivery of new shares

The dividend rights will be made available to you via the bank or broker where your shares are administered at the close of trading on May 11, 2021. You are requested to indicate your choice within the election period set forth above, through your bank or broker to ABN AMRO N.V. (ABN AMRO), Corporate Broking (HQ7212), P.O. Box 283, 1000 EA Amsterdam, the Netherlands. Your bank or broker may process the dividend in the default option as agreed upon in the contractual arrangements between you and them. Please contact your bank or broker to check your default option.

Payment of the cash dividend and delivery of new shares, with settlement of fractions in cash, if required, will take place from June 9, 2021 onwards on the basis of share entitlements on the dividend record date. The distribution of dividend in cash to holders of New York Registry Shares will be made in USD at the USD/EUR as per WM/Reuters FX Benchmark 2 PM CET fixing of June 7, 2021.

Holders of ordinary shares in the form of K-shares (*K-stukken*) who wish to collect their dividend after June 8, 2021, will receive the value of such dividend in cash.

This document is made available by publication on the company's website and is the document referred to in article 1 paragraph 4 sub h and article 1 paragraph 5 sub g of the EU Prospectus Regulation (2017/1129). The new common shares to be issued as stock dividend will be offered and admitted to trading without a prospectus. More information on the rights attached to the shares can be found [here](#) and more information about Koninklijke Philips N.V. can be found [here](#).

For the fractions price, the opening price of June 9, 2021 should be taken as a reference.

It will not be possible to convert New York Registry Shares into Euronext shares and vice versa on June 10 and 11, 2021. No dividend rights will be traded on Euronext Amsterdam.

#### **Registered shares**

Holders of registered shares, included in the register of holders of common shares, will be notified separately of the final dividend to which they are entitled.

*Amsterdam, May 2021*

*The Board of Management*

