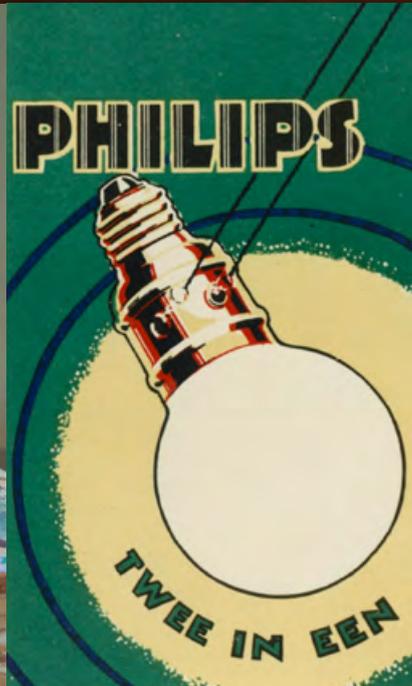


Invitation

Annual General Meeting of Shareholders 2017



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 9, 2017 at 14:00 CET

at Hotel Pullman Eindhoven Cocagne, Vestdijk 47, 5611 CA Eindhoven, the Netherlands

Agenda

1. **Presentation by CEO Eric Rondolat**
2. **Implementation of the remuneration policy in 2016**
3. **Explanation of the policy on additions to reserves and dividends**
4. **Financial statements 2016**
Proposal to adopt the financial statements for the financial year 2016 (voting item)
5. **Dividend**
Proposal to adopt a cash dividend of EUR 1.10 per ordinary share over the financial year 2016 (voting item)
6. **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 2016 (voting item)
 - b. Proposal to discharge the members of the Supervisory Board in respect of their duties performed in 2016 (voting item)
7. **Composition of the Board of Management**
Proposal to appoint Stéphane Rougeot as member of the Board of Management (voting item)
8. **Composition of the Supervisory Board**
 - a. Proposal to appoint Jill Lee as member of the Supervisory Board (voting item)
 - b. Proposal to appoint Gerard van de Aast as member of the Supervisory Board (voting item)
9. **Remuneration of the Board of Management**
 - a. Proposal to amend the annual cash incentive as included in the remuneration policy (voting item)
 - b. Proposal to approve the long-term incentive plan for the Board of Management (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 2016.

2. Implementation of the remuneration policy in 2016

Explanation of the implementation of the remuneration policy for the Board of Management in 2016.

See also chapter 9, Remuneration report, and notes 30 and 31 to the Consolidated financial statements, of the Annual Report 2016.

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 11.2, Capital allocation, of the Annual Report 2016.

4. Financial statements 2016

Proposal to adopt Philips Lighting's financial statements for the financial year 2016.

5. Dividend

Proposal to adopt a cash dividend of EUR 1.10 per ordinary share, against the net income for 2016 and free distributable reserves. This represents a pay-out ratio of 52% of continuing net income and is just above 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 11, 2017 and the dividend record date will be May 12, 2017. The dividend payment date will be May 18, 2017.

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.

6. 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 2016

Proposal to discharge the members of the Board of Management in office during the financial year 2016 from liability in respect of the performance of their respective duties in the financial year 2016. The proposed discharge only extends to matters set forth in the Annual Report 2016 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 2016

Proposal to discharge the members of the Supervisory Board in office during the financial year 2016 from liability in respect of the performance of their respective duties in the financial year 2016. The proposed discharge only extends to matters set forth in the Annual Report 2016 or otherwise disclosed to the General Meeting prior to the adoption of the resolution to discharge.

7. Composition of the Board of Management

A key priority in 2016 was to expand the Board of Management with another member, who would take the chief financial officer role. On September 1, 2016 Stéphane Rougeot joined the company as chief financial officer of Philips Lighting.

In accordance with the articles of association of the company, the Supervisory Board has made a binding nomination regarding the appointment of a member of the Board of Management. Therefore, the Supervisory Board proposes to appoint Stéphane Rougeot as member of the Board of Management as from May 9, 2017, which appointment will end at the closing of the Annual General Meeting to be held in 2021. The service agreement of Stéphane Rougeot (which agreement is subject to his appointment) has been published on the company's website.



Stéphane Rougeot (French, 48)

Stéphane Rougeot held financial leadership positions with international technology companies, including Technicolor (formerly known as Thompson) and France Telecom – Orange. He has also held various senior financial positions, as well as roles in investor relations and corporate communications.

The Supervisory Board is very pleased that Stéphane Rougeot has joined the company as CFO and is available to be appointed as member of the Board of Management.

Stéphane Rougeot holds 5,000 shares in the capital of the company.

8. Composition of the Supervisory Board

In accordance with the articles of association of the company, the Supervisory Board has made a binding nomination regarding the appointment of two members of the Supervisory Board. Therefore, the Supervisory Board proposes to appoint Jill Lee and Gerard van de Aast as members of the Supervisory Board as from May 9, 2017, which term will end at the closing of the Annual General Meeting to be held in 2021.

a) Proposal to appoint Jill Lee as member of the Supervisory Board



Jill Lee (Singaporean, 53)

Jill Lee has been a non-executive director on the Board of industrial company Sulzer since 2011, and she presently serves as the chairwoman of the Audit Committee. Lee also holds an executive role in industrial company ABB as the Group Senior Vice-President and Head of Next Level Program Management. Prior, Lee held a number of executive positions at industrial company Siemens. Lee spent several years heading CFO functions in China, followed by global strategic positions in Germany and Switzerland. She is a member on the advisory board of Nanyang Business School in Singapore.

In view of her experience in financial and economic aspects of international businesses, in particular in a large Asian market such as China, the Supervisory Board proposes to appoint Jill Lee as a member of the Supervisory Board.

Jill Lee holds no shares in the capital of the company.

b) Proposal to appoint Gerard van de Aast as member of the Supervisory Board



Gerard van de Aast (Dutch, 59)

Gerard van de Aast is currently the chairman of the Supervisory Board of Nederlandse Spoorwegen (Dutch Railways) and a member of the Supervisory Board of engineering and consulting agency Witteveen+Bos and of Heisterkamp Transportation Solutions. Prior, Van de Aast was CEO on the Management Boards of technical services provider Imtech and of construction services business VolkerWessels. He also held executive positions with Reed Elsevier and Compaq, and a non-executive position at Océ N.V.

The Supervisory Board recommends Gerard van de Aast to be appointed in view of his extensive managerial experience in technical services providers and construction services businesses which will be invaluable in helping the company to achieve its ambitions in the Professional Systems & Services business.

Gerard van de Aast holds no shares in the capital of the company.

9. Remuneration of the Board of Management

In connection with the amendments to the remuneration policy for the Board of Management, the following is proposed.

Introduction

The objective of the company's remuneration policy applicable to members of the Board of Management is to attract, motivate and retain qualified senior executives of the highest caliber with an international mindset and the professional background essential for the successful leadership and effective management of a large global company that is cost effective and is in line with market practices.

The targeted total direct compensation of members of the Board of Management (base salary, annual cash incentive and long-term equity based component) is around the median level of various reference groups, indexes and markets. These reference groups are established based on industry, ownership type, geographical presence, business characteristics and scope parameters.

As expected at the time of the IPO, the remuneration policy was reconsidered by the Remuneration Committee of the Supervisory Board since, to further align the policy with the Philips Lighting strategy and market developments. As part of the evaluation, the Remuneration Committee consulted multiple stakeholders, both internal and external, took account of various benchmark studies, consulted independent advisors and tested initial views and thoughts with various shareholders and shareholder representative groups.

The Supervisory Board now presents the proposals described under item a) and b) below to the General Meeting, and proposes to amend the remuneration policy for the Board of Management accordingly. If the General Meeting adopts these proposals, an amended remuneration policy will be published on the company's website.

a) Proposal to amend the annual cash incentive as included in the remuneration policy

Members of the Board of Management are eligible for an annual cash incentive. The objective of the annual cash incentive is to create focus and drive performance.

It is proposed that the CEO will be eligible for an at target annual incentive of 80% of his base salary (currently a scale of 80-120%), while the other members of the Board of Management will be eligible for an at target annual incentive of 60% of their base salary (currently a scale of 60-100%). For each member, the maximum annual incentive is capped at twice the target amount. 80% of the annual cash incentive will be related to financial performance measures and 20% to team and individual non-financial performance measures.

The Supervisory Board wishes to specify the financial performance measures for the annual cash incentive in the remuneration policy. To ensure continuous alignment of the performance measures with the company's strategy and financial objectives for the mid-term, a certain level of flexibility is desired for the

Supervisory Board in determining the applicable financial performance measures for a particular year, so that the Supervisory Board can respond adequately and without delay to changed circumstances. Therefore, the Supervisory Board proposes that it can choose annually two or three financial performance measures (and determine the relative weightings) from the following list:

- Comparable Sales Growth (CSG)
- Adjusted Earnings before Interest Taxes and Amortizations (EBITA)
- Average Working Capital (WoCa)
- Free Cash Flow (FCF)
- Return on Capital Employed (RoCE)
- Net Income

all as used or defined in the company's annual report from time to time, subject to minor adjustments if required in order to provide a better indicator of the performance of the Board of Management. Adjusted EBITA, average WoCa and Net Income are measured as a percentage of sales.

The financial performance measures will link remuneration with focus on the company's financial priorities and will, together with the weighting, be published in the annual report. Annual targets may qualify as sensitive information and will, therefore, not be published.

b) Proposal to approve the long-term incentive plan for the Board of Management

The Supervisory Board proposes to adopt a long-term incentive plan (LTI Plan) for the members of the Board of Management. The main rationale of this particular element of the Board of Management's total direct compensation is the desire to link pay with long-term value creation more closely. The new LTI Plan aligns better with the overall Philips Lighting strategy, market practice in the, for Philips Lighting, relevant markets and the Philips Lighting pay for performance philosophy.

Similar long-term incentive plans will apply to senior management and other key employees. It is estimated that approximately 750 employees globally will become eligible for participation in such plans.

The main characteristics of the proposed new LTI Plan for the Board of Management are as follows.

Type of plan

For the Board of Management (and certain members of senior management), the LTI Plan consists of performance shares only.

Size of awards

The performance shares will be conditionally granted each year. The annual at target grant value is based on a multiple of the base salary. The CEO will be entitled to an at target grant equaling 100% of his annual base salary, while the other members of the Board of Management will be entitled to an at target grant equaling 80% of their annual base salary.

The actual number of performance shares to be awarded is determined by reference to the average of the closing prices of the company's ordinary shares on Euronext Amsterdam in the three months preceding the grant date, rounded up to the next whole number.

Performance conditions

Vesting of these shares is conditional on the achievement of performance conditions measured over a period of three financial years. The three performance measures are Relative Total Shareholder Return (TSR) (40%), Free Cash Flow (40%) and Sustainability (20%), as discussed in more detail below. The pay-out can vary between 0% and 200% of the number of performance shares initially granted.

The Supervisory Board will determine the extent to which the performance conditions are achieved and the number of performance shares that vest for the relevant period.

1) Relative TSR

The vesting of 40% of the shares granted is subject to a TSR performance condition. The pay-out under this component can vary between 0% and 80% of the number of performance shares initially granted.

Relative TSR measures the share price growth plus dividends paid over the three-year performance period. This performance is expressed as a percentage. This percentage is compared to the TSR performance of companies included in a peer group specifically compiled for this purpose (see table below). All the TSR performance of the companies in the peer group are ranked top to bottom and after that ranking, the position in the peer group and the pay-out curve determines the pay-out level.

Philips Lighting
TSR Group

ABB	Hitachi	Panasonic
Acuity Brands	Honeywell Int.	Philips Lighting
Cree	Hubbel	Schneider Electric
Eaton Corporation	Johnson Controls	Toshiba
Fagerhult	Legrand	Zumtobel Group

The peer group is reviewed on a regular basis to ensure that the companies in the group remain appropriate peers. Occasionally, changes need to be made, particularly if one or more of the companies in the peer group is subject to a major corporate event such as a change of control, delisting or spin-off. The Supervisory Board will ensure that the adjusted peer group will align with the strategic objectives, the geographical spread and the business characteristics of Philips Lighting. The performance incentive zone for TSR in percentage is outlined in the table below:

Philips Lighting
Performance-incentive zone for TSR in %

Ranking	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
Pay-out	0	0	0	0	0	60	80	100	120	140	160	180	200	200	200

2) *Free cash flow*

The vesting of another 40% of the annual long-term incentive grant is linked to performance measured by a free cash flow target over the three-year performance period. The pay-out under this component can vary between 0% and 80% of the number of performance shares initially granted.

3) *Sustainability*

The vesting of the remaining 20% of the annual long-term incentive grant is dependent on how well Philips Lighting performs against the targets set with respect to the sustainability condition. The pay-out under this component can vary between 0% and 40% of the number of performance shares initially granted.

The sustainability targets are always set at aspirational level, but will be set and fixed per vesting cycle. However, it is not always feasible to calculate the exact performance and therefore it is to the Supervisory Board's discretion to determine (based on measured performance) an appropriate pay-out level. As input to this discretionary decision, the Supervisory Board will use performance against targets as defined in Philips Lighting's sustainability ambition.

Philips Lighting
Sustainability targets

Program	2016 result	2020 target
Sustainable revenues	78% of revenues	80% of revenues
LED lamps	628 million	> 2 billion LED lamps delivered cumulatively
Carbon neutral	406 kt CO ₂	0 kt CO ₂
Zero waste to landfill	26% of sites	100% of sites
Safe & Healthy Workplace	Total recordable injury rate = 0.50	Total recordable injury rate = <0.35
Sustainable Supply Chain	100% of risk suppliers audited, minimum performance rate of 90%	100% of risk suppliers audited, minimum performance rate of 90%

Grant and vesting dates

The main grant date will be once a year, on the fourth business day following the publication of the company's first quarter results. Performance shares can also be granted on the fourth business day

following the publication of the company's third quarter results. In 2017, as an exception the grant will be made on May 10, 2017 subject to and after approval of the LTI Plan by the General Meeting.

Vesting will take place on the first business day after the (first) publication of the company's annual financial results in the third anniversary year of the grant date.

Claw back

Long-term incentives are subject to claw back provisions pursuant to the Dutch Corporate Governance Code and Dutch law.

Change of control

In the event of a change of control of the company, the Supervisory Board at its sole discretion can decide to accelerate the vesting of any unvested awards, subject to the achievement of the performance conditions up to the date of completion of the change of control.

Pool size

The number of shares to be granted on a yearly basis in aggregate to all employees under LTI Plans will be approximately 1.5 million of which slightly under 5% will be granted to the members of the Board of Management. The first vesting of Philips Lighting shares under the new LTI Plan for the Board of Management is expected to occur in 2020. The number of shares to be granted will depend on the eligible population, the overall at target value and the share price (as the at target value is divided by the average of the closing prices in the three months preceding the grant date to determine the number of shares to be granted).

Scenario analyses are prepared regularly to estimate future pay-out levels as input to determine the IFRS costs and any hedging strategy that might be employed. Furthermore, estimated future remuneration levels are assessed against the potential achievement of strategic objectives.

Changes to the plan

Substantial changes to the LTI Plan for the Board of Management will be submitted to the General Meeting for approval.

Share ownership guidelines and holding requirement

Simultaneously with the introduction of the proposed LTI Plan and the proposed amendments to the remuneration policy as described above, the Supervisory Board will introduce guidelines for members of the Board of Management to hold a certain number of shares in the company, i.e. 300 % of base salary for the CEO and 200% of base salary for other members of the Board of Management. These guidelines require that all after-tax shares be retained until share ownership guidelines are met, after which time shares may be sold (subject to the conditions of relevant insider trading rules). Any changes to these guidelines will be disclosed in the annual report. In addition, holding requirements under the Corporate Governance Code apply (currently five years after grant date).

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 9, 2017, 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 9, 2017, plus an additional 10% of the issued capital as at that same date in connection with or on the occasion of mergers, acquisitions and/or strategic alliances.

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 9, 2017, to restrict or exclude pre-emption rights accruing to shareholders, subject to the approval of the Supervisory Board, in connection with ordinary share issues pursuant to the authorization described above under a) of this agenda item.

These proposals are intended to give the Board of Management flexibility in financing the company in the most efficient manner 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 13, 2016.

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 9, 2017, 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 highest price of the ordinary shares on the 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 NYSE 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 9, 2017, plus an additional 10% of the issued capital as of that same date in connection with the execution of share repurchase programs 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 fulfill the company's obligations under the LTI Plan or any 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 13, 2016.

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 Philips Lighting N.V. on Tuesday May 9, 2017 (the "AGM") are described below. The AGM will be held at the Pullman Hotel Eindhoven Cocagne, Vestdijk 47, 5611 CA 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 members of the Board of Management and the Supervisory Board
- This document on attending the AGM and voting
- Service contract of Stéphane Rougeot
- Philips Lighting N.V.'s Annual Report 2016, including the financial statements for the financial year 2016, other information required by the Dutch Civil Code and the reports of the Board of Management and the Supervisory Board

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.

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 11, 2017, 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 12, 2017 up to and

including Tuesday May 2, 2017 before 17:00 CET as follows.

Shareholders can register via <https://ing.evo-platform.com/light> or via their intermediary where their shares are administered. The intermediaries must provide ING no later than Wednesday May 3, 2017 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 via <https://ing.evo-platform.com/light> available as of April 12, 2017, no later than Tuesday May 2, 2017 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, fax: +31 20 5636959) no later than Tuesday May 2, 2017 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 administration ticket for the AGM and may be asked for identification prior to being admitted and are therefore requested to carry a valid identity document.

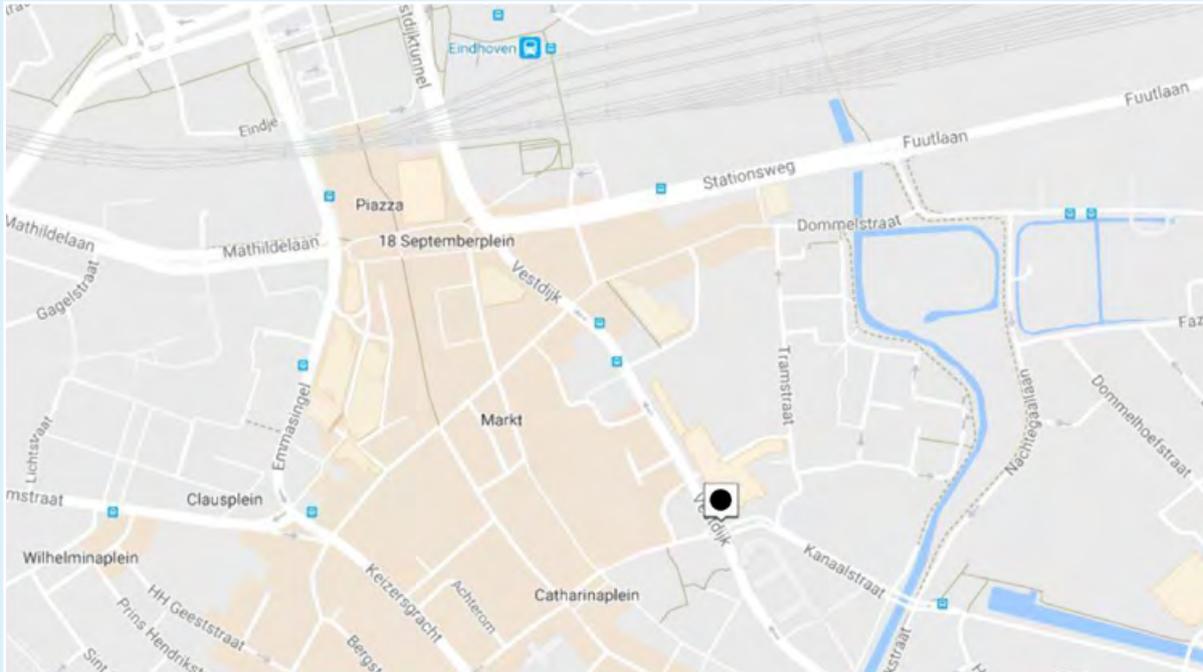
March 24, 2017
Philips Lighting N.V.
The Board of Management

Hotel Pullman Eindhoven Cocagne

Entrance Zuidhal

Vestdijk 47, 5611 CA Eindhoven

The Netherlands



**Route from Central Station
(5 minutes walking distance)**

Walk to the exit 'Centrum' and cross the street to 'Stationsplein' (square with cafés). Walk straight to café the Movies (located under the 'Groene Toren') and pass this building. You stay on the left side of the road and after 300 meters you find the Pullman Eindhoven Cocagne on your left hand side. Please use the Entrance Zuidhal.

Where to park your car?

Parking garage Pullman Eindhoven Cocagne, entrance next to the main entrance of the hotel (Vestdijk): 71 parking places, open 24 hours a day. An additional 65 parking places are at the backside of the hotel in a fenced parking lot. Follow P1 and P2. Parking based on availability. Parking vouchers for the parking garage Pullman Eindhoven Cocagne will be provided at the registration desk. Please use the Entrance Zuidhal.

Contact Philips Lighting Investor Relations

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