



B #:	0246-14
Date:	04/29/2014
To:	All Participants
Category:	Dividends
From:	Supervisor, Stock Dividend department
Attention:	Dividend Managers, Cashiers and Reorganization Managers
Subject:	Optional Dividend: Koninklijke Philips Electronics N.V. CUSIP: 500472303 Record Date: 05/07/14 Payable Date: 06/04/14 Rate: USD \$1.09808 (Approximate) DTC EDS Cut-Off: 05/29/14 8:00 P.M. New York time

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

Koninklijke Philips Electronics has announced an optional cash/stock dividend. Citibank acts as the Transfer Agent for the company's New York Registry Shares (NYRS) program. The Dividend will be paid on 06/04/14 to Holders of record at close of business on 05/07/14.

**Option #1 (Cash):** Holders may elect to receive the net dividend in cash at an approximate distribution rate of \$0.933368 per ADR. This option is subject to 15% withholding tax.

**Option #2 (Stock):** Holders may elect to receive their dividend in shares of Koninklijke Philips Electronics. The dividend in new shares, paid out of net income and retained earnings, is subject to 15% dividend withholding tax, but only in respect of the par value of the shares (which value amounts to EUR 0.20). The Dutch dividend withholding tax in case of a dividend will not be borne by the Company. Cash will be paid in lieu of fractional shares at DTC Participant Level. **(Default)**

**THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA), SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.**

**PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.**

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**B# 0246-14**

Participants not responding to the above options by 05/29/14, 8:00 P.M., New York time will receive shares with cash in lieu of fractions in accordance with Option #2.

If there are any questions regarding this Important Notice, or the processing of related instructions via EDS, participants should contact DTC's Customer Help Line at (888) 382-2721. If there are any questions regarding the Globe Tax Important Notice please contact Kasey Harbes of Globe Tax at 212-747-9100.

***Important Legal Information:*** *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that maybe imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

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**KONINKLIJKE PHILIPS ELECTRONICS** has announced an optional cash/stock dividend. Citibank acts as the Transfer Agent for the company's New York Registry Shares (NYRS) program.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to elect the **CASH** or **STOCK OPTION**. If no election is made during the election period (May 8 - May 29, 2014), the **STOCK OPTION** is the **DEFAULT**.

On NYRS Pay Date, all holders will receive this dividend net of the full Netherland statutory withholding tax of 15% with the possibility to reclaim as outlined in the below Eligibility Matrix:

DIVIDEND EVENT DETAILS	
COUNTRY OF ISSUANCE	NETHERLANDS
ISSUE	KONINKLIJKE PHILIPS ELECTRONICS
CUSIP#	500472303
TRANSFER AGENT	CITIBANK
NYRS RECORD DATE	MAY 7, 2014
NYRS PAY DATE	JUNE 4, 2014
NYRS GROSS DIVIDEND RATE ON PAY DATE	TBD
ORD GROSS DIVIDEND RATE ON PAY DATE	€ 0.80
RATIO	1 ORD : 1 NYRS
STATUTORY WHT RATE	15%

CHARGES & DEADLINES					
FILING METHOD	BATCH	PAYMENT METHOD	TRANSFER AGENT SERVICE CHARGE	MINIMUM SERVICE CHARGE PER BENEFICIAL OWNER	FINAL SUBMISSION DEADLINE (8:00PM EST)
<b>CASH OPTION QUICK RECLAIM</b>	PRIMARY LONG-FORM BATCH	CHECK	\$0.010 per NYRS	\$25	JUNE 24, 2014
<b>CASH OPTION LONG-FORM</b>	POST-EDS PROCESS; ONGOING	CHECK	\$0.010 per NYRS	\$25	OCTOBER 31, 2019
<b>STOCK OPTION LONG-FORM</b>	POST-EDS PROCESS; ONGOING	CHECK	\$0.010 per NYRS	\$25	OCTOBER 31, 2019

## ELIGIBILITY MATRIX

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
<b>UNFAVORABLE - 15%</b>	0%	Non-Treaty Countries	NONE
<b>FAVORABLE - 10% POST-PAY DATE LONG FORM ONLY</b>	5%	Azerbaijan, Bahrain, China, Czech Republic, Hong Kong, India, Indonesia, Kuwait, Oman, Portugal, Qatar, Saudi Arabia, Slovak Republic, South Africa, Taiwan, United Arab Emirates, Venezuela	1. COVER LETTER (EXHIBIT A) 2. IB 92 UNIVERSEEL
<b>FAVORABLE - 10% POST-PAY DATE LONG FORM ONLY</b>	5%	Ghana, Japan, United Kingdom	1. COVER LETTER (EXHIBIT A) 2. IB 93 UNIVERSEEL
<b>EXEMPT - 0% POST PAY-DATE</b>	15%	US ARTICLE 36—CHARITIES under 501(a), 501(c)(3), 509(a)(1), 509(a)(2), 509(a)(3), 17-(b)	1. ESP SUBMISSION <b>OR</b> COVER LETTER (EXHIBIT A)
<b>EXEMPT - 0% POST-PAY DATE</b>	15%	US ARTICLE 35 - PENSIONS and IRAs under 401(a), 401(k), 457(b), 403(b), 408, 408(a), 501(a)	1. ESP SUBMISSION <b>OR</b> COVER LETTER (EXHIBIT A)
<b>EXEMPT - 0% (FOREIGN TAX EX- EMPT) POST-PAY DATE LONG FORM ONLY</b>	15%	Any entity domiciled in a state in which it is not subject to tax on profits, as long as that state has an Exchange of Tax Information Agreement in place with the Netherlands, & that entity would not be subject to profits tax in the Netherlands if it were based therein.	1. COVER LETTER (EXHIBIT A) 2. DIV 16 FORM 3. STAND ALONE CERTIFICATE OF RESIDENCY 4. ARTICLES OF ASSOCIATION

## DESCRIPTION OF VARIOUS DOCUMENTATION

DOCUMENT NAME	DESCRIPTION	ORIGINAL / COPY	SIGNATURE REQUIREMENT
<b>IRS FORM 6166</b>	ISSUED BY THE INTERNAL REVENUE SERVICE, STATING THE NAME AND TAX PAYER IDENTIFICATION NUMBER OF THE BENEFICIAL OWNER. IT MUST BE FOR THE CURRENT TAX YEAR.	ORIGINAL PREFERRED / COPY ACCEPTED	IRS REPRESENTATIVE
<b>IB 92 UNIVERSEEL</b>	DUTCH TAX FORM REQUIRED FOR ANY BENEFICIAL OWNER, DOMICILED IN <b>NON-REMITTANCE-BASED</b> JURISDICTIONS, ATTEMPTING TO RECLAIM THE 5% ENTITLEMENT; THIS FORM MUST BE CERTIFIED BY THE BENEFICIAL OWNER'S LOCAL TAX OFFICE.	ORIGINAL	BENEFICIAL OWNER & MUST BEAR THE STAMP OF LOCAL TAX AUTHORITY
<b>IB 93 UNIVERSEEL</b>	DUTCH TAX FORM REQUIRED FOR ANY BENEFICIAL OWNER, DOMICILED IN <b>REMITTANCE-BASED</b> JURISDICTIONS, ATTEMPTING TO RECLAIM THE 5% ENTITLEMENT; THIS FORM MUST BE CERTIFIED BY THE BENEFICIAL OWNER'S LOCAL TAX OFFICE.	ORIGINAL	BENEFICIAL OWNER & MUST BEAR THE STAMP OF LOCAL TAX AUTHORITY
<b>DIV 16</b>	THIS FORM IS USED TO APPLY FOR A "REFUND FOR FOREIGN BODIES NOT SUBJECT TO ANY TAX ON PROFITS." (SEE ELIGIBILITY MATRIX)	ORIGINAL	BENEFICIAL OWNER
<b>COVER LETTER (EXHIBIT A)</b>	<p>A LISTING OF THE BENEFICIAL OWNERS NAMES, TAXPAYER ID NUMBERS, NUMBER OF SHARES, AND ENTITY TYPE (CHARITY OR PENSION).</p> <p>THE CLIENT LISTING IS PROVIDED TO CITIBANK / GLOBETAX, BY THE PARTICIPANT, EITHER THROUGH ESP SUBMISSION, OR THROUGH TRADITIONAL HARD COPY RECLAIM REQUEST LETTER.</p> <p>IF NOT SUBMITTING YOUR CLAIM VIA ESP, PLEASE CONTACT <a href="mailto:DUTCHESP@GLOBETAX.COM">DUTCHESP@GLOBETAX.COM</a> TO PROCURE A RECLAIM REQUEST LETTER TEMPLATE.</p>	ORIGINAL	DTC PARTICIPANT
<b>ARTICLES OF ASSOCIATION</b>	A DOCUMENT SPECIFYING THE REGULATIONS FOR THE OPERATIONS OF A LEGAL ENTITY. THE ARTICLES OF ASSOCIATION DEFINE THE ENTITY'S PURPOSE, ORGANIZATIONAL STRUCTURE, AND HOW FINANCIAL RECORDS ARE MAINTAINED.	COPY ACCEPTED	PROVIDED BY BENEFICIAL OWNER

CONTACT DETAILS	
PRIMARY CONTACT	KASEY HARBES
DOMESTIC PHONE (U.S.)	1-800-628-4646
DOMESTIC FAX (U.S.)	1-800-633-4646
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	DUTCHESP@GLOBETAX.COM
COMPANY	CITIBANK / GLOBETAX
STREET ADDRESS	90 BROAD STREET 16 <sup>TH</sup> FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	STEPHANIE URUGUTIA
	JENNY LIN

**ESP Electronic Submission Portal** powered by **GLOBETAX**

Citibank, offers ESP powered by GlobeTax, a paperless withholding tax reclaim process, for Exempt Organizations (qualified under Article 36 of the Tax Convention) and Exempt Pension Trusts (qualified under Article 35 of the Tax Convention) to participants holding NYRSs and New York Shares.

These claims should be submitted through the following website.  
(Requires a one-time registration)

<https://esp.globetax.com>

Please contact Ms. Kasey Harbes at 1-800-628-4646 or via email at [DUTCHESP@GLOBETAX.COM](mailto:DUTCHESP@GLOBETAX.COM) if you have any questions about this process.

## DISCLAIMER

### **All Post-Electronic Reclaims filing Long-Form:**

U.S. residents and non-U.S. residents who have missed the Relief at Source and Quick Reclaim Process deadlines may file for a “long-form” refund by submitting a claim via either ESP or traditional methods to Citibank / GlobeTax prior to the expiry of the right to claim. Based on their county, that period generally expires five (5) years from the end of the year in which the dividend was paid in the local market. Claims received after the long form deadline will be filed on a best effort basis at the discretion of Citibank / GlobeTax.

**All tax information contained in this Important Notice is based on a good faith compilation of information obtained from multiple sources. The information is subject to change. Actual deadlines frequently vary from the statutory deadlines because of local market conditions and advanced deadlines set by local agents. To mitigate risk it is strongly advised that DTC Participants file their claims as soon as possible as the depository and/or their agents will not be liable for claims filed less than six months before the specified deadline. In the event that local market rules, whether implemented by a local agent or a Tax Authority, conflict with the information provided in the important notice, either prior to or after publication, the local market rules will prevail.**

## FREQUENTLY ASKED QUESTIONS (FAQs)

### GENERAL QUESTIONS

QUESTION	ANSWER
DO I NEED TO SUBMIT A SPLIT-LETTER IF I SELECT THE <b>CASH DIVIDEND</b> ?	<b>NO</b> , IF YOU SELECT THE <b>CASH DIVIDEND</b> YOUR EDS ELECTIONS WILL BE USED IN PLACE OF THE TRADITIONAL "SPLIT-LETTER."
DO I NEED TO SUBMIT A SPLIT-LETTER IF I SELECT THE <b>STOCK DIVIDEND</b> ?	<b>NO</b> , IF YOU SELECT THE <b>STOCK DIVIDEND</b> YOUR EDS ELECTIONS WILL BE USED IN PLACE OF THE TRADITIONAL "SPLIT-LETTER."
WILL I RECEIVE A DECLARATION IN LIEU OF DIVIDEND NOTE ("DLD" or "CERT") FOR MY ARTICLE 35 OR ARTICLE 36 POSITIONS?	NO, GOING FORWARD, ALL DECLARATION IN LIEU OF DIVIDEND NOTES WILL BE MAINTAINED BY THE TRANSFER AGENT, TO BE RELEASED ONLY UPON WRITTEN REQUEST BY THE PARTICIPANT.
AM I REQUIRED TO FILE THROUGH ESP?	NO, YOU MAY SUBMIT A TRADITIONAL CLAIM THROUGH THE MAIL IF YOU CANNOT SUBMIT CLIENT DATA THROUGH ESP. WE STRONGLY SUGGEST LOGGING IN TO ESP TO DOWNLOAD THE TEMPLATE PROVIDED WHEN PREPARING YOUR CLAIM, REGARDLESS OF YOUR ULTIMATE SUBMISSION METHOD.
IS THERE A RELIEF AT SOURCE PROCESS FOR THIS EVENT?	NO, RELIEF AT SOURCE IS NOT AVAILABLE FOR THIS EVENT.
IS THERE ANY CASE IN WHICH A U.S. RESIDENT 401(a), 401(K), 457(b), 403(b), IRA, ROTH IRA, EMPLOYEE PENSION PLANS OR SIMPLE RETIREMENT ACCOUNT WOULD NOT QUALIFY FOR TREATY BENEFITS UNDER ARTICLE 35 OF THE TREATY?	THESE ACCOUNT TYPES <b>WILL NOT</b> BE CONSIDERED ELIGIBLE FOR TREATY BENEFITS UNDER ARTICLE 35 OF THE TREATY IN ANY TAXABLE YEAR IF <b>LESS THAN 70%</b> OF THE TOTAL AMOUNT OF WITHDRAWALS FROM SUCH U.S. TRUST DURING THAT YEAR IS USED TO PROVIDE PENSION, RETIREMENT OR OTHER EMPLOYEE BENEFITS AS MEANT IN ARTICLE 35 OF THE TREATY.

### QUICK RECLAIM QUESTIONS

QUESTION	ANSWER
DO I NEED TO PHYSICALLY SEND ANY DOCUMENTS TO CITIBANK / GLOBETAX IN ORDER TO PARTICIPATE IN THE QUICK RECLAIM PROCESS?	NO, YOU MUST ONLY PROVIDE THE BENEFICIAL OWNER BREAKDOWN VIA ESP.
WILL I BE PAID THROUGH DTC FOR CLAIMS SUBMITTED THROUGH THE QUICK RECLAIM PROCESS?	NO, FOR THIS DIVIDEND THE QUICK RECLAIM WILL PAY OUT VIA CHECK.
ONCE I SUBMIT A QUICK REFUND CLAIM VIA ESP, HOW LONG WILL IT TAKE TO BE PAID?	WE ESTIMATE PAYMENT WITHIN APPROXIMATELY 2 MONTHS OF PAY DATE.
DOES THE QUICK RECLAIM PROCESS HAVE A MINIMUM POSITION PER BENEFICIAL OWNER REQUIREMENT?	NO, BECAUSE THIS QUICK RECLAIM WILL PAY VIA CHECK, THERE IS NO MINIMUM POSITION REQUIREMENT. SEE LONG FORM FAQ FOR DETAILS ON MINIMUM CHARGES & RECLAIMS LESS THAN \$50.



## LONG-FORM QUESTIONS

QUESTION	ANSWER
HOW LONG DOES IT TAKE FOR PAYMENT ON LONG-FORM CLAIMS?	APPROXIMATELY 4-6 MONTHS.
DOES THE LONG-FORM PROCESS HAVE A MINIMUM POSITION REQUIREMENT PER BENEFICIAL OWNER?	NO, ALL CLAIMS WILL BE PROCESSEED THOUGH THERE IS A MINIMUM FEE OF \$25 PER BENEFICIAL OWNER.
WHAT WILL THE FEE BE IF A BENEFICIAL OWNER'S CLAIM IS FOR LESS THAN \$50?	CITIBANK / GLOBETAX IS WILLING TO WAIVE THE \$25 MINIMUM ON AN EXCEPTIONAL BASIS IN FAVOR OF A SPLIT OF THE RECLAIMED FUNDS OF 50/50 FOR ANY BENEFICIAL OWNER RECLAIMING LESS THAN \$50.
WILL I BE PAID THROUGH DTC FOR CLAIMS SUBMITTED THROUGH THE LONG-FORM PROCESS?	NO, YOU WILL BE PAID BY CHECK.

## STOCK OPTION QUESTIONS

QUESTION	ANSWER
CAN I RECLAIM THE WITHHOLDING TAX IF I HAVE ELECTED STOCK INSTEAD OF CASH?	YES, PHILIPS WILL BE WITHHOLDING 15% ON THE NOMINAL VALUE (EUR 0.20) OF THIS DIVIDEND. ELIGIBLE ENTITIES CAN RECLAIM THIS 15%.
WHAT ENTITIES ARE ELIGIBLE TO RECLAIM THE 15% STOCK OPTION?	THE STOCK OPTION HAS THE SAME ELIGIBILITY AS THE CASH OPTION. PLEASE SEE ELIGIBILITY MATRIX.
CAN I RECLAIM MY STOCK THROUGH EDS?	NO, YOU WILL NEED TO CLAIM VIA ESP OR TRADITIONAL LONG FORM
WHAT DOCUMENTS DO I NEED TO SEND TO CITIBANK / GLOBETAX IN ORDER TO RECLAIM ON MY STOCK ELECTION?	YOU WILL ONLY NEED TO SUBMIT A BREAKDOWN OF YOUR BENEFICIAL OWNERS VIA ESP.
WILL THE PER NYRS RECLAIM CHARGE BE DIFFERENT ON STOCK POSITION?	NO, THE PRICING IS THE SAME FOR RECLAIMS ON STOCK OR CASH POSITIONS.

**EXHIBIT A — COVER LETTER** *(Please place on your Company Letterhead)*

**Tax Relief Request Form**

ISSUE: KONINKLIJKE PHILIPS ELECTRONICS  
CUSIP: 500472303  
RECORD DATE: MAY 07, 2014  
PAY DATE: JUNE 04, 2014

**Name of Beneficial Owner**    **Taxpayer I.D. #**    **Type of Account**    **# of Shares**    **Reclaim %**

1)

2)

3) etc.

**(NOTE:** For more than 5 Beneficial Owners, provide an excel breakdown of shareholder information)

**TOTAL SHARES:** \_\_\_\_\_

We ask that GlobeTax, file these withholding tax relief requests for the above-mentioned beneficial owner(s). Please contact the undersigned should you have any questions.

**INDEMNIFICATION**

I/We have determined that the beneficial owner(s) of the shares (individual or legal entity) is eligible for the preferential rates as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these beneficial owners.

I/ We hereby certify that I/We will indemnify Citibank, N.A., (and its agents) for any liability Citibank, N.A. may incur as a result of reliance upon information provided by such Participant in connection with an EDS election, a claim for refund, or a failure to provide information requested by the Dutch Tax Authorities. Citibank, N.A. shall not be liable for failure to secure the refund. The Participant shall be liable for any loss due to foreign exchange fluctuation. The Participant agrees to immediately return to Citibank, N.A. any funds erroneously received as a result of an improper EDS election or refund claim. In addition, The Participant agrees to pay any interest, additions to tax or penalties thereon. This is not tax advice. Please consult your tax advisor.

Sincerely,

Title:

Address:

DTC Participant #:

Completed claims should be sent to:

**GlobeTax Services, Inc.  
90 Broad Street, 16th Floor  
New York, NY 10004  
Attn: Dutch Reclaim Team**