PHILIPS

To: Suppliers

Subject: Updated payment terms policy Date: September 15, 2023

Dear Supplier,

First, let me take the opportunity to thank you for your continued support to Philips, and our customers. We are on our way to improve the lives of 2.5 billion people by 2030, together with our suppliers.

I am writing to inform you that Philips has reviewed its payment policy and practice.
Philips has benchmarked its payment terms policy and concluded that it is appropriate to update it, bringing it in line with industry peers. In addition, Philips is aligning its payment practice with the payment terms agreed with its suppliers.

The key points of our updated payment terms policy are:

- Payment term of 95 days after the end of the month of receipt of a correct invoice in the APAC, LATAM or NAM regions
- Compliance with local statutory payment terms where these conflict with the above payment terms

Your Supplier Account Manager will contact you to review and update the contract accordingly.

Thanks for your support. We look forward to the next opportunity to interact with you.

With kind regards,



Wim Appelo
Chief Operations Officer



Scott Schwartz
Chief Procurement Officer

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