

## CAO PHILIPS

### Final offer

15 October 2026

This English translation is provided for convenience only. In the event of discrepancy, the Dutch version shall prevail.

#### Introduction

Over the past few months, we have held intensive discussions to reach a new CLA for Philips. While we have moved closer on many topics, differences remain on a limited number of issues. To reach a new CLA for Philips, we have presented a final offer.

Within the dynamic environment in which Philips operates, Philips has sought to put forward the furthest offer it can responsibly make, taking into account the interests of employees, a healthy future for Philips in the Netherlands, and alignment with our strategy (Our Plan).

#### **Philips proposes to conclude a CLA containing the following agreements.**

#### Duration

The new CLA will have a duration of 24 months. It will take effect on July 1, 2026, and remain in force through June 30, 2028.

#### Collective salary increases, Short Term Incentive (STI) increases and one-off payments

##### For employees in corporate grade 45 and below:

- A total salary increase of 6%:
  - 3,5% effective November 1, 2026<sup>1</sup>, 1,5% effective August 1, 2027 and 1,0% effective June 1, 2028.
- An increase in the STI on-target percentage of 2 percentage points:
  - from 3% to 4% effective January 1, 2027; and
  - from 4% to 5% effective January 1, 2028.
- One-off payments of €550 gross on November 1, 2026<sup>1</sup>, and €550 gross on June 1, 2027, on a full-time basis.

##### For employees in corporate grades 50 through 90:

- A total salary increase of 4%:
  - 1,5% effective November 1, 2026<sup>1</sup>, 1,5% effective August 1, 2027 and 1% effective June 1, 2028.
- An increase in the STI on-target percentage of 4 percentage points:
  - CG 50 through 70
    - from 3% to 5% effective January 1, 2027, and from 5% to 7% effective January 1, 2028.
  - CG 80 through 90
    - from 6% to 8% effective January 1, 2027, and from 8% to 10% effective January 1, 2028.

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<sup>1</sup> November 1, 2026, provided a CLA agreement is reached before that date. If an agreement is reached later, the salary increase and the one-off payment will be granted at the next possible opportunity.

- One-off payments of €550 gross on November 1, 2026<sup>1</sup>, and €550 gross on June 1, 2027, on a full-time basis.

The salary increases are calculated based on salary scale position 100 of the relevant corporate grade.

To make this compensation offer possible, part of the budget for individual salary increases, as described in article 2.1.4 of the 2024–2026 CLA, will be used for this purpose. As a result, the provisions concerning "collective guarantees" and subsection (a) of the "salary guarantee" in article 2.1.4 will be removed (see appendix).

### **Salary scales**

The salary scales will be increased by 1% in June 2028. The salary scales will not be indexed in 2026 and 2027.

### **Minimum salary scale position**

Effective January 1, 2027, the minimum salary scale position will be increased from SP60 to SP65. Employees whose salary is below SP65 at that time will have their salary increased to this level effective January 1, 2027.

Effective January 1, 2028, the minimum salary scale position will subsequently be increased from SP65 to SP70. Employees whose salary is below SP70 at that time will have their salary increased to this level effective January 1, 2028.

### **Line of Sight for corporate grade 50 and below**

Effective January 1, 2027, the Line of Sight methodology within STI for employees in corporate grade 50 and below will be aligned with the methodology applicable to employees in corporate grade 60 and above.

### **Demotion / Remotion**

Philips proposes a revised demotion/remotion arrangement with the following provisions.

When an employee moves to a position one corporate grade lower, their current salary will be retained as much as possible.

The salary will be capped at salary scale position 115 for corporate grade 45 and below, or salary scale position 120 for corporate grade 50 and above, within the lower corporate grade.

Any difference will temporarily be paid as a personal allowance.

For a demotion initiated by Philips, this allowance will be phased out over two years. For a demotion at the employee's own request (remotion), the allowance will be phased out over one year.

### **Personal Development Budget (POB)**

The Personal Development Budget will be continued for the duration of this CLA. A total budget of €1,000,000 will be available over the term of the agreement.

### **80-90-100 scheme**

Effective January 1, 2027, the arrangement for employees aged 60 and above will be changed from 80-87.5-100 to 80-90-100.

Existing participants will automatically be transferred to the 80-90-100 scheme on the effective date of the new arrangement.

Under this scheme, employees working 80% of their normal working hours will receive 90% of their salary and maintain 100% pension accrual.

### **Early Retirement Scheme (RVU)**

Effective January 1, 2027, an Early Retirement Scheme (RVU) will be introduced for employees in roles involving five-shift schedules with regular night work.

### **Bereavement and other significant life events**

Philips wants the CLA to better reflect the need for flexibility in situations involving bereavement or other significant life events.

### **Pension contribution threshold**

The threshold above which part of the employee's own contribution to the new NexT pension scheme may be paid out will be indexed by 1.5% effective January 1, 2027 (to €91,477), and subsequently by another 1.5% effective January 1, 2028 (to €92,849).

### **Joint study**

During the term of this CLA, Philips and the trade unions will conduct a joint study into workload.

### **Artificial Intelligence (AI) and employment**

Philips and the trade unions acknowledge that the development and application of Artificial Intelligence (AI) may affect the nature and organization of work within the company. The trade unions will receive periodic updates on AI developments within Philips.

### **Continuation of the tax arrangement for trade union membership fees**

The current arrangement, as laid down in article 4.5.1 of the 2024–2026 CLA, will be extended for the duration of this CLA.

### **Final provisions**

Once the parties reach a CLA agreement, they will, as is customary, jointly review the complete CLA text to establish the final wording of the new agreement. In doing so, the parties will discuss and incorporate the amendments required in connection with, among other things, the pension transition, the new and amended provisions agreed upon, and any other editorial, technical or necessary adjustments. On this basis, the parties will jointly establish the definitive CLA text. The guiding principle is that this drafting process will not constitute a reopening of the substantive agreements recorded in the CLA agreement.

*The above sets out Philips' final offer. The appendix contains the detailed wording of several relevant CLA provisions and amendments to the Central Social Plan. The appendix forms an integral part of this offer.*

Eindhoven, October 15, 2026

Philips Electronics Nederland B.V.

## **Appendix to Philips' final CLA offer**

### **2.1.2 Collective salary increases**

If you are employed by Philips in the Netherlands on the effective date of a collective salary increase, Philips will increase your salary as follows.

#### **Corporate grades 20 through 45**

If you are in corporate grade 20 through 45, your salary will be increased by an amount equal to:

- 3.5% of the reference salary for your corporate grade effective November 1, 2026;
- 1.5% of the reference salary for your corporate grade effective August 1, 2027; and
- 1.0% of the reference salary for your corporate grade effective June 1, 2028.

#### **Corporate grades 50 through 90**

If you are in corporate grade 50 through 90, your salary will be increased by an amount equal to:

- 1.5% of the reference salary for your corporate grade effective November 1, 2026;
- 1.5% of the reference salary for your corporate grade effective August 1, 2027; and
- 1.0% of the reference salary for your corporate grade effective June 1, 2028.

The salary increases are calculated based on salary scale position 100, which is the reference salary of the corporate grade to which you belong on the effective date of the relevant salary increase. The salary scales themselves will not be increased by these percentages.

#### **BBL employees**

If you are a BBL employee (work-based vocational training), the collective salary increases mentioned above do not apply to you. Your salary follows the statutory indexation of BBL youth wages.

### **2.1.3 One-off payment**

If you are employed by Philips in the Netherlands on November 1, 2026, you will receive a one-off gross payment of €550 in November 2026.

If you are employed by Philips in the Netherlands on June 1, 2027, you will receive a one-off gross payment of €550 in June 2027.

If you work part-time, these amounts will be calculated on a pro-rata basis according to your contractual working hours.

The one-off payments are non-recurring and do not result in a permanent increase in your salary.

## **2.2 Variabele compensation**

Under certain conditions, you may be eligible for variable compensation. Further details are provided below.

### **2.2.1 Variable pay**

#### **Composition**

Variable pay consists of a financial component and an individual component.

#### **Financial component**

Financial performance, expressed through Line of Sight, accounts for 70% of your variable pay.

At least 25% of your variable pay is determined by the financial performance of Philips Group.

The achievement of financial objectives is subject to a maximum.

### Individual component (PPM)

Your individual performance, expressed through a PPM score, accounts for 30% of your variable pay. Based on the performance assessment methodology, the following ranges apply to the portion of the variable pay on-target percentage that depends on the PPM score:

| Hoe             | Wat            |                 |           |           |
|-----------------|----------------|-----------------|-----------|-----------|
|                 | Presteert niet | Presteert deels | Presteert | Exceleert |
| Exceleert       | 0-50%          | 50-100%         | 100-125%  | 125-175%  |
| Presteert       | 0-25%          | 25-75%          | 75-125%   | 100-125%  |
| Presteert deels | 0%             | 0-50%           | 25-75%    | 50-100%   |

If the performance assessment system changes during the term of this CLA and, as a result, the table can no longer be applied, Philips will consult the trade unions regarding amendments to the table.

### Percentage and calculation base

The variable pay (STI) on-target percentages are:

- CG20 through CG45: 3% in 2026 – 4% in 2027 – 5% in 2028
- CG50 through CG70: 3% in 2026 – 5% in 2027 – 7% in 2028.
- CG80 through CG90: 6% in 2026 – 8% in 2027 – 10% in 2028.

These percentages apply from the moment you are assigned to the relevant corporate grade.

The percentages are calculated based on your income in the relevant calendar year.

This income includes your monthly salary, shift allowance, fixed overtime allowance and fixed special-hours allowance.

### Payment of variable pay

You will receive your variable pay in March of the year following the year to which the arrangement applies.

When determining the variable pay amount, Philips takes into account: The duration of your employment during the relevant year; Your part-time employment percentage; Any unpaid leave taken; and any incapacity for work, if you were incapacitated for work for more than six months in total.

### Why are you not eligible for variable pay?

You will not receive variable pay if you receive a "Does not perform" rating on the What axis combined with a "Partially performs" rating on the How axis, or following dismissal with immediate effect.

You will also not be entitled to variable pay under this article if you voluntarily terminate your employment during the year with a termination date before December 31, or if you are covered by a Sales Incentive plan.

### [Request to work part-time under the 80-90-100 scheme \(effective January 1, 2027\)](#)

If you are aged 60 or above, you have the option to work part-time while retaining 90% of your salary and 100% pension accrual.

When you participate in this scheme, your working hours are reduced by 20%.

If you work full-time, your employment percentage will therefore be reduced to 80%. If you work part-time, the arrangement will be applied proportionally.

Your part-time employment percentage must not have increased during the 12 months preceding the effective date of your participation.

The employee pension contribution you pay will be based on the part-time employment percentage that applied before you entered the scheme.

You may participate in the scheme for a maximum of eight years.

After participating for one year in either of the arrangements described in articles 4.4.2 or 4.4.3, you may discontinue that arrangement and, if applicable, participate in the other arrangement.

Your part-time employment percentage will not automatically be increased.

#### **4.4.1 Early Retirement Scheme (RVU)**

If you have been working in a five-shift schedule involving regular night work since at least January 1, 2026, and your job profile is listed in Appendix X of this CLA, you may stop working up to three years before reaching your Dutch state pension (AOW) age, provided you have completed ten years of service with Philips on the intended effective date.

You will then receive a monthly payment equivalent to the AOW benefit.

This arrangement takes effect on January 1, 2027, and the latest possible application date is June 30, 2028.

You may indicate your intention to participate six months before your desired start date, provided you are not on long-term sick leave.

You and Philips will agree on the effective date.

This arrangement is subject to validation by TNO and is further detailed in Appendix X of this CLA.

#### **Appendix X to the CLA: Early Retirement Scheme (RVU)**

Effective January 1, 2027, Philips will introduce a temporary Early Retirement Scheme (RVU) for the duration of this CLA.

Applications to participate in the scheme may be submitted up to and including June 30, 2028.

Participation in the scheme is voluntary.

The scheme applies to employees performing physically demanding work in the following job profiles: Production Operator, corporate grades 20 through 40; Warehouse Operator, corporate grades 20 through 30; Production Operations Supervisor, corporate grade 40.

For the purposes of this scheme, physically demanding work is defined as work performed in a five-shift schedule involving regular night work.

The following conditions apply:

- On the intended start date of the RVU payment, the employee must be no more than 36 months away from reaching their AOW age.
- On the intended start date of the RVU payment, the employee must have completed at least ten years of service with Philips.
- The employee must have been working in a five-shift schedule involving regular night work since at least January 1, 2026.
- The employee must actually be performing night work.
- The employee must not be on long-term sick leave.
- The employee must voluntarily terminate their employment agreement with Philips on their own initiative, effective on the date the RVU payment begins. The RVU arrangements will be recorded in a settlement agreement between the parties.

The gross monthly RVU payment will equal the tax-exempt RVU threshold amount applicable at the time of payment.

The payment will be provided from the agreed termination date of the employment agreement until the employee reaches AOW age, for a maximum period of 36 months.

The application period is six months.

Further details will be included in the Health & Well-being employment conditions brochure.

This CLA provision is subject to an important condition. The CLA parties will submit the substantiated definition of the eligible target group described above to TNO's Expertise Centre for Heavy Work for validation. The scheme may take effect before this validation has been completed.

If TNO's advice gives reason to do so, the CLA parties will amend the scheme for future applications. If it proves impossible to amend the proposed scheme in a way that allows it to be validated by TNO, the option to participate will be discontinued.

Rights that have already been definitively granted will remain in place, unless this conflicts with mandatory law.

The nature of roles or activities may change over time as a result of technological or organizational developments. To ensure the scheme continues to reflect these developments, the CLA parties will periodically review the definition of the RVU target group.

Philips will link the RVU scheme to targeted measures supporting sustainable employability.

### **Demotion / Remotion**

Effective January 1, 2027, in the event of a demotion or remotion (a demotion at the employee's own request) to a position one corporate grade lower, the starting point will be a horizontal transfer of salary to the lower corporate grade. The salary will be capped at salary scale position 120 of the lower corporate grade for employees in corporate grade 50 and above, and at salary scale position 115 of the lower corporate grade for employees in corporate grade 45 and below.

#### *Personal allowance*

If, after determining the salary following a demotion or remotion, a difference arises between the salary before and after the change, this difference will be granted as a personal allowance.

The personal allowance is pensionable and forms part of the calculation base for the Short Term Incentive (STI).

For a demotion initiated by Philips, including demotion due to underperformance, the personal allowance will be phased out over two years.

The allowance will amount to 100% of the original amount during the first year; and 50% of the original amount during the second year.

For a remotion (demotion at the employee's own request), the personal allowance will be phased out over one year. The allowance will amount to 100% of the original amount during the first six months; and 50% of the original amount during the following six months.

In the event of a demotion due to underperformance, no personal allowance will be granted if the employee has been employed by Philips for less than three years on the effective date of the demotion.

Any internship or WGP periods will not count towards this three-year period.

### **Amendment to the Central Social Plan 2025-2028**

5.3 When a suitable position is offered at a level one corporate grade lower, the following applies to the salary:

The current salary will be retained as much as possible. The salary will be capped at salary scale position 115 for corporate grade 45 and below, or salary scale position 120 for corporate grade 50 and above, within the lower corporate grade. Any difference will temporarily be paid as a personal allowance. This allowance will be phased out over two years (First year: 100%; Second year: 50%).

The personal allowance is pensionable and is included in the calculation base for variable pay.

This personal allowance will be paid in 12 monthly installments.

### **Artificial Intelligence (AI) and employment**

Philips and the trade unions acknowledge that the development and application of Artificial Intelligence (AI) may affect the nature and organization of work within the company.

Philips will periodically inform the trade unions about relevant developments concerning the application of AI within the company.

Particular attention will be paid to the anticipated consequences for the nature and content of work, the knowledge and skills required, and employment.

The parties will discuss these developments periodically, also addressing opportunities to prepare employees for changes in their work in a timely manner, including through training, development and sustainable employability.

#### Bereavement and other significant life events

##### **4.1.7 Paid leave**

##### **Participation in or attendance at events**

You may be absent from work with continued pay to participate in or attend the following events if you would otherwise be unable to attend:

- a. A ceremony marking your 25th or 40th service anniversary: one working day.
- b. During the three years preceding your retirement age, to attend a retirement preparation course: a maximum of five working days.
- c. Following the birth of your child, as the partner: twice your weekly working hours, to be taken within a four-week period starting on the day of birth.
- d. Your marriage or registered partnership, and your 25th or 40th wedding anniversary: one day per event.

[...]

##### **Death, bereavement leave and special circumstances**

In the event of the death of your spouse or partner, child, parent, grandparent, brother, sister, daughter-in-law, son-in-law or grandchild, the day of death and the day of the funeral will be considered paid leave if they fall on a working day.

In the event of the death of your spouse or partner, a child living in your household, or a parent living in your household, the working days between the death and the funeral will also be considered paid leave.

Philips recognizes that situations may arise in which the periods specified above in the event of a death are not appropriate, or where circumstances arise that are not fully covered by the situations described in this section.

Therefore, where the circumstances justify it, Philips may also grant leave with continued salary in the event of other significant life events, or for a longer period than provided for in this section.

#### Provisions to be removed from the CLA

##### **Salary guarantee**

- a. ~~If you have not yet reached the minimum final salary applicable to your corporate grade, Philips may refrain from granting you a salary increase for a maximum of two consecutive years, unless a job change or dismissal procedure is ongoing.~~
- b. Philips may only reduce a salary you have already attained if your performance in your role gives reason to do so. If we are considering a reduction, we will inform you in writing. You will then have six months to improve your performance. Two months before the end of this period, Philips will issue a further warning. Only after this process may we proceed with a salary reduction.

##### **Collective guarantees**

- a. ~~Effective April 1, Philips guarantees, for each corporate grade with at least 50 employees:~~
  - ~~For employees who have not yet reached the minimum final salary:~~
  - ~~An average salary increase of at least 2.4% of the reference salary for these employees, excluding BBL employees.~~

- ~~No salary increase for no more than 10% of these employees.~~
- b. ~~For employees who have reached at least the minimum final salary, Philips guarantees that the average of their salaries will be brought to at least 97% of the reference salary.~~