

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS**

TODD RAMSEY, *et al.*,

Plaintiffs,

vs.

PHILIPS NORTH AMERICA LLC,

Defendant.

No. 3:18-cv-01099-NJR-RJD

NOTICE OF CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

Your legal rights might be affected if you are a member of the following class:

All persons who participated in the Philips North America 401(k) Plan (f/k/a Philips Electronics North America Corporation Employee Savings Plan) at any time during the Class Period, including any Beneficiary of a deceased person who participated in the Philips North America 401(k) Plan at any time during the Class Period, and/or, Alternate Payee, in the case of a person subject to a Qualified Domestic Relations Order who participated in the Philips North America 401(k) Plan at any time during the Class Period.

The Class Period is defined as December 4, 2009 through the date of the Final Order approving the Class Action Settlement. For purposes of this Notice, if not defined herein, capitalized terms have the Definitions in the Settlement Agreement, which is incorporated herein by reference.

PLEASE READ THIS SETTLEMENT NOTICE CAREFULLY.

- The Court has given its preliminary approval to a proposed settlement (the “Settlement”) of a class action lawsuit brought by certain participants in the Philips North America 401(k) Plan f/k/a Philips Electronics North America Corporation Employee Savings Plan (the “Plan”) against Philips North America LLC, alleging violations of the Employee Retirement Income Security Act (“ERISA”). The Settlement will provide for the allocation of monies directly into the individual accounts of Class Members who had accounts with a positive balance (an “Active Account”) in the Plan as of May 11, 2018 (“Current Participants”). Class Members who are entitled to a distribution but who no longer had Active Accounts as of May 11, 2018 (“Former Participants”) will receive their allocation in the form of a check mailed to their last known address or a rollover, if elected.
- The terms and conditions of the Settlement are set forth in the Settlement Agreement dated May 11, 2018. Capitalized terms used in this Settlement Notice but not defined in this Settlement Notice have the meanings assigned to them in the Settlement Agreement. The Settlement Agreement is available at philipnorthamerica401ksettlement.com.
- Any amendments to the Settlement Agreement or any other settlement documents will be posted on that website. You should visit that website if you would like more information about the Settlement and any possible amendments to the Settlement Agreement or other changes, including changes to the Plan of Allocation, the date, time, or location of the Fairness Hearing, or other Court orders concerning the Settlement.
- Your rights and options—and the deadlines to exercise them—are explained in this Settlement Notice.
- The Court still has to decide whether to give its final approval to the Settlement. Payments under the Settlement will be made only if the Court finally approves the Settlement and that final approval is upheld in the event of any appeal.
- A hearing on the final approval of the Settlement and for approval of the Class Representatives’ petition for Attorneys’ Fees and Costs and for Class Representatives’ Compensation will take place on October 12, 2018, at 10:00 a.m., before U.S. District Court Judge Nancy J. Rosenstengel in Courtroom 3, United States Courthouse, 750 Missouri Avenue, East St. Louis, IL 62201.
- Any objections to the Settlement, to the petition for Attorneys’ Fees and Costs or to Class Representatives’ Compensation, must be served in writing on Class Counsel and Defendant’s Counsel, as identified on page 5 of this Settlement Notice.

- Further information regarding the litigation, the Settlement, and this Settlement Notice, including any changes to the terms of the Settlement and all orders of the Court regarding the Settlement, may be obtained at philipsnorthamerica401ksettlement.com.

According to the Plan’s records, you are a Current Participant. You do not need to do anything to participate in the settlement. If you believe that you meet the definition of a Former Participant, please contact the Settlement Administrator. Current Participants include both participants currently employed at Philips North America and participants who are no longer employed by Philips North America but continue to have an account balance in the Plan.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT:	
OUR RECORDS INDICATE THAT YOU ARE A CURRENT PARTICIPANT. YOU DO NOT NEED TO DO ANYTHING TO PARTICIPATE IN THE SETTLEMENT.	<p><u>Our records indicate that you are a Current Participant.</u> You do not need to do anything to participate in the settlement. If, however, you are a “Former Participant” who participated in the Plan during the Class Period and on May 11, 2018 did not have an Active Account the Plan, or are the beneficiary, alternate payee, or attorney-in-fact of such a person, then, unlike a Current Participant, you must return a Former Participant Claim Form that is postmarked by October 7, 2018 to receive a check for your share of the Net Settlement Amount. If you are a Former Participant, and you do not return the Former Participant Claim Form that is postmarked by October 7, 2018 you will forfeit your share of the Net Settlement Amount. We have not included a claim form in your notice because Current Participants do not need to submit a claim form, and our records indicate that you are a Current Participant. However, if you believe you are a Former Participant, a claim form may be obtained by accessing philipsnorthamerica401ksettlement.com.</p>
YOU CAN OBJECT (NO LATER THAN SEPTEMBER 12, 2018)	<p>If you wish to object to any part of the Settlement, you may (as discussed below) write to the Court and counsel about why you object to the Settlement. The Court has authorized the parties to seek discovery, including the production of documents and appearance at a deposition, from any person who files an objection.</p>
YOU CAN ATTEND A HEARING ON OCTOBER 12, 2018	<p>If you submit a written objection to the Settlement to the Court and counsel before the deadline, you may attend the hearing about the Settlement and present your objections to the Court. You may attend the hearing even if you do not file a written objection, but you will not be permitted to address the Court at the hearing if you do not notify the Court and counsel of your intention to appear at the hearing by October 2, 2018.</p>

The Class Action

The case is called *Ramsey, et al. v. Philips North America LLC*, Case No. 3:18-cv-01099-NJR-RJD (the “Class Action”). The Court supervising the case is the United States District Court for the Southern District of Illinois. The individuals who brought this suit are called Class Representatives, and the entity they sued is called Defendant. The Class Representatives are current and former participants in the Plan. The Defendant is Philips North America LLC. The Class Representatives’ claims are described below, and additional information about them is available at philipsnorthamerica401ksettlement.com.

The Settlement

The Settlement was reached on May 11, 2018. Class Counsel filed this action on May 10, 2018. Over two years prior to the filing of this action, Class Counsel and Defendant's Counsel conducted an adversarial informal discovery process. Class Counsel reviewed and analyzed thousands of pages of documents provided by Defendant and also reviewed many other documents, including U.S. Department of Labor Forms 5500 and other publicly available documents. The Parties participated in mediation before a nationally recognized mediator who has extensive experience in resolving similar claims involving other 401(k) plans. Only after six months of extensive arm's length negotiation following the mediation were the parties able to agree to the terms of the Settlement.

As part of the Settlement, a Qualified Settlement Fund of \$17,000,000 will be established to resolve the Class Action. The Net Settlement Amount is \$17,000,000 minus any Administrative Expenses, taxes, tax expenses, Court-approved Attorneys' Fees and Costs, Class Representatives' Compensation, and other approved expenses of the litigation. The Net Settlement Amount will be allocated to Class Members according to a Plan of Allocation to be approved by the Court.

In addition to the monetary component of the Settlement, the Parties to the Settlement have agreed to certain additional terms: (1) During the first eighteen months (18) following the final approval of the Settlement, Defendant has agreed that the Plan's fiduciaries will conduct a Request for Proposal ("RFP") process for recordkeeping services to the Plan; (2) Within the first year following final approval of the Settlement, Defendant has agreed to publish a communication to then current Plan participants explaining the risks and benefits of the Plan's money market fund investment option; (3) Defendant also will use an independent consultant familiar with fixed income investment options in defined contribution plans who will review the investment lineup and make recommendations to the Plan's fiduciaries regarding whether to retain the money market fund and whether to add a stable value or comparable fund; (4) In addition, during the three-year Settlement period, Defendant has agreed to provide Class Counsel a list of the Plan's investment options and fees; and (5) In considering investment options for the Plan, Defendant has agreed that the Plan's fiduciaries will consider: (a) the lowest-cost share class available for any particular mutual fund considered for inclusion in the Plan as well as other criteria applicable to different share classes; (b) the availability of revenue sharing rebates on any share class available for any particular mutual fund considered for inclusion in the Plan; and (c) the availability of collective trusts, to the extent such investments are permissible and are otherwise identical to a particular mutual fund considered for inclusion in the Plan.

Statement Of Attorneys' Fees and Costs Sought in the Class Action

Since mid-2015, Class Counsel have devoted many hours investigating potential claims and bringing this case. Class Counsel reviewed thousands of pages of documents produced in this case prior to filing of this action and thousands of publicly filed documents with the Department of Labor to support their claims. Class Counsel took the risk of litigation and has not been paid for any of their time or for any of their costs incurred in bringing this action. Class Counsel has agreed: (1) to undertake the additional risk of paying half of the costs of the settlement process if the Settlement is not approved; (2) monitor for three years compliance with the Settlement Agreement; (3) bring an enforcement action in court, if necessary, to insure compliance with the Settlement Agreement; and (4) do each of these without pay.

Class Counsel will apply to the Court for payment of Attorneys' Fees and Costs for their work in the case. The amount of fees (not including costs) that Class Counsel will request will not exceed one-third of the Settlement Amount, \$5,666,666, in addition to no more than \$35,000 in litigation costs. Class Counsel will not seek to receive any interest earned by the Qualified Settlement Fund, which will be added to the amount received by the Class. Any Attorneys' Fees and Costs awarded by the Court to Class Counsel will be paid from the Qualified Settlement Fund.

As is customary in class action cases, in which the Class Representatives have spent time and effort on the litigation, Class Counsel also will ask the Court to approve payments, not to exceed \$15,000 each for seven Class Representatives who took on the risk of litigation, devoted considerable time, and committed to spend the time necessary to bring the case to conclusion. Their activities also included assisting in the factual investigation of the case by Class Counsel and giving overall support to the case. Any Class Representatives' Compensation awarded by the Court will be paid from the Qualified Settlement Fund.

A full application for Attorneys' Fees and Costs and for Class Representatives' Compensation will be filed with the Court and made available on the Settlement Website, philipnorthamerica401ksettlement.com.

1. Why Did I Receive This Settlement Notice?

The Court caused this Settlement Notice to be sent to you because Philips' records indicate that you may be a Class Member. If you fall within the definition of the Class, you have a right to know about the Settlement and about all of the options available to you before the Court decides whether to give its final approval to the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, the Net Settlement Amount will be allocated among Class Members according to a Court-approved Plan of Allocation.

2. What Is The Class Action About?

In the Class Action, Class Representatives claim that, during the Class Period, Defendant violated 29 U.S.C. § 1104 by causing the Plan to pay excessive investment management and administrative fees, and that the Plan's fiduciaries should have made different investment option choices with regard to certain funds in the Plan's investment lineup.

Defendant has denied and continues to deny the claims and contentions of the Class Representatives, that it is liable at all to the Class, and that the Class or the Plan have suffered any harm or damage for which Defendant could or should be held responsible, as Defendant contends that it acted prudently and in keeping with its fiduciary responsibilities under ERISA by monitoring, reviewing and evaluating the Plan's investment options, by monitoring, reviewing and evaluating the administrative fees paid by the Plan, by eliminating or adding investment options when appropriate and by negotiating fees for administrative services for the Plan to ensure that the Plan paid reasonable fees for the services provided.

3. Why Is There A Settlement?

The Court has not reached a final decision as to the Class Representatives' claims. Instead, the Class Representatives and Defendant have agreed to the Settlement. The Settlement is the product of extensive negotiations between Class Counsel and Defendant's counsel, an all-day session with a private mediator, and six months of additional arm's length negotiations. The parties to the Settlement have taken into account the uncertainty and risks of litigation and have concluded that it is desirable to settle on the terms and conditions set forth in the Settlement Agreement. The Class Representatives and Class Counsel, who are highly experienced in this kind of matter, believe that the Settlement is best for all Class Members.

4. What Does The Settlement Provide?

The Net Settlement Amount will be allocated to Class Members according to a Plan of Allocation to be approved by the Court. Class Members fall into two categories: Current Participants and Former Participants. Allocations to Current Participants who are entitled to a distribution under the Plan of Allocation will be made into their existing Plan accounts. Former Participants who are entitled to a distribution will receive their distribution as a check mailed to their last known address or, if they elect, as a rollover to a qualified retirement account.

In addition to the monetary component of the Settlement, as discussed above, Defendant agreed that the Plan's fiduciaries will conduct a RFP process for recordkeeping services to the Plan. Within the first year following final approval of the Settlement, Defendant has agreed to publish a communication to then current Plan participants explaining the risks and benefits of the Plan's money market fund investment option. Defendant also will use an independent consultant familiar with fixed income investment options in such plans who will review the investment lineup and make recommendations to the Plan's fiduciaries regarding whether to retain the money market fund and whether to add a stable value or comparable fund. In addition, during the three-year Settlement period, Defendant has agreed to provide Class Counsel a list of the Plan's investment options and fees. In considering investment options for the Plan, Defendant has agreed that the Plan's fiduciaries will consider: (1) the lowest-cost share class available for any mutual fund considered for inclusion in the Plan as well as other criteria applicable to different share classes; (2) the availability of revenue sharing rebates on any share class available for any mutual fund considered for inclusion in the Plan; and (3) the availability of collective trusts, to the extent such investments are permissible and are otherwise identical to a particular mutual fund considered for inclusion in the Plan.

All Class Members and anyone claiming through them will fully release the Plan as well as Defendant and its "Released Parties" from "Released Claims." The Released Parties include (a) Defendant and its insurers, (b) Defendant's past, present, and future parent corporation(s), Philips Electronics North America Corporation, Philips Lighting North

America Corporation, Lumileds LLC, and Koninklijke Philips N.V., (c) affiliates, subsidiaries, divisions, joint ventures, predecessors, successors, successors-in-interest, and assigns of Defendant, Philips Electronics North America Corporation, Philips Lighting North America Corporation, Lumileds LLC and Koninklijke Philips N.V., (d) with respect to (a) through (c) above, each of their respective boards of directors and managers, past, present and future members of the boards of directors, officers, trustees, partners, agents, managers, members, shareholders (in their capacity as such), employees, independent contractors, representatives, attorneys, administrators, fiduciaries, insurers, co-insurers, reinsurers, accountants, auditors, advisors, consultants, personal representatives, spouses, heirs, executors, administrators, associates, employee benefit plan fiduciaries (with the exception of the Independent Fiduciary), employee benefit plan administrators, employee benefit plan service providers (including their owners and employees), members of their immediate families, consultants, subcontractors, and all persons acting under, by, through, or in concert with any of them, (e) the Plan and its predecessors and successors, and (f) each of the Plan's fiduciaries, service providers, parties in interest, and investment consultants, including but not limited to Jeffrey R. Slocum & Associates and Pavilion Advisory Group, and each of their respective owners, officers, directors, managers, members, partners, employees, advisors, attorneys, agents, contractors, subcontractors and consultants. Released Parties are intended third party beneficiaries of this Settlement Agreement and are entitled to enforce its terms.

The Released Claims include all claims that were asserted or might have been asserted in the Class Action or would be barred by the principle of res judicata had the claims asserted been fully litigated and resulted in final judgment; and all claims relating to the implementation of the Settlement.

This is only a summary of the Released Claims and not a binding description of the Released Claims. The actual governing release is found within the Settlement Agreement at philipsnorthamerica401ksettlement.com. Generally, the release means that Class Members will not have the right to sue the Defendant, the Plan, or the Released Parties for conduct during the Class Period arising out of or relating to the allegations in the Class Action.

This is only a summary of the Settlement. The entire Settlement Agreement is at philipsnorthamerica401ksettlement.com.

5. How Much Will My Distribution Be?

The amount, if any, that will be allocated to you will be based upon records maintained by the Plan's recordkeeper, or, if on May 11, 2018 you either no longer had a Plan account or had a Plan account with no money in it, based upon your Former Participant Claim Form. Calculations regarding the individual distributions will be performed by the Settlement Administrator, whose determinations will be final and binding, pursuant to the Court-approved Plan of Allocation.

To be eligible for a distribution from the Net Settlement Amount, you must either be a (1) "Current Participant" as defined on page 1 or (2) an "Authorized Former Participant" (a "Former Participant" as defined on page 1 who submitted a completed, satisfactory Former Participant Claim Form that is postmarked by the deadline), or (3) a beneficiary, alternate payee, or attorney-in-fact of persons identified in (1) or (2).

The Net Settlement Amount will be divided into three portions based on the alleged damages: (1) 47% to the Money Market Fund Portion ("MMF Portion"); (2) 47% to the Recordkeeping and Investment Fee Portion ("Fee Portion"); and (3) 6% to the Principal Diversified Real Asset Fund Portion ("Principal Fund Portion"). The MMF Portion will be allocated among Class Members during the Class Period as follows: a percentage of the MMF Portion that is the product of the sum of the participant's quarter-ending account balances invested in the MMF for each quarter during the Class Period divided by the sum of quarter-ending net asset value of the MMF for each quarter during the Class Period. The Fee Allocation will be allocated among Class Members during the Class Period as follows: a percentage of Fee Portion that is the product of the sum of the participant's quarter-ending total account balances for each quarter during the Class Period divided by the sum of the quarter-ending net asset value of the Plan for each quarter during the Class Period. The Principal Fund Portion will be allocated among Class Members during the Class Period as follows: a percentage of the Principal Fund Portion that is the product of the sum of the participant's quarter-ending account balances invested in the Principal Fund for each quarter during the Class Period divided by the sum of the quarter- ending net asset value of the Principal Fund for each quarter during the Class Period.

No amount shall be distributed to a Class Member that is five dollars (\$5.00) or less, because such an amount is de minimis and would cost more in processing than its value. The method of making these calculations is described in the Plan of Allocation, found in Article 6 of the Settlement Agreement and available at philipsnorthamerica401ksettlement.com.

There are approximately 50,000 Class Members.

Note that if you are an alternate payee pursuant to a Qualified Domestic Relations Order, you will receive a check if and to the extent you are entitled to receive a portion of a Current Participant's or Authorized Former Participant's allocation under the Settlement Agreement in accordance with the plan of allocation as if you are a Current Participant or Authorized Former Participant.

6. How Can I Receive My Distribution?

Whether you need to submit a claim form to receive your distribution depends on whether you are considered a "Current Participant" or a "Former Participant." **According to Philips' records, you are a Current Participant. Therefore, you do not need to do anything to receive your share of the Settlement.**

If you had an account balance of \$0 after May 11, 2018 and before the settlement payments are made, you will receive a check with your distribution from the Settlement Administrator.

7. When Will I Receive My Distribution?

The timing of the distribution of the Net Settlement Amount is conditioned on several matters, including the Court's final approval of the Settlement and that approval becoming final and no longer subject to any appeals in any court. An appeal of the final approval may take several years. If the Settlement is approved by the Court, and there are no appeals, the Settlement distribution likely will occur during the first quarter of 2019.

There Will Be No Payments Under The Settlement If The Settlement Agreement Is Terminated.

8. Can I Get Out Of The Settlement?

No. The Class was certified under Federal Rule of Civil Procedure 23(b)(1). Therefore, as a Class Member, you are bound by any judgments or orders that are entered in the Class Action for all claims that were asserted in the Class Action or are otherwise included as Released Claims under the Settlement.

9. Do I Have A Lawyer In The Case?

The Court has appointed the law firm Schlichter, Bogard & Denton, in St. Louis, Missouri, as Class Counsel in the Class Action. If you want to be represented by your own lawyer, you may hire one at your own expense.

10. How Will The Lawyers Be Paid?

Class Counsel will file a petition for the award of Attorneys' Fees and Costs. This petition will be considered at the Fairness Hearing. Class Counsel has agreed to limit their application for an award of Attorneys' Fees and Costs to not more than \$5,666,666 in fees and \$35,000 in costs. The Court will determine what fees and costs will be approved.

11. How Do I Tell The Court If I Don't Like The Settlement?

If you are a Class Member, you can tell the Court that you do not agree with the Settlement or some part of it. To object, you must send the Court a written statement that you object to the Settlement in *Ramsey, et al. v. Philips North America LLC*, Case No. 3:18-cv-01099-NJR-RJD. Be sure to include your name, address, telephone number, signature, and a full explanation of why you object to the Settlement. Your written objection must be received by the Court **no later than September 12, 2018**. The Court's address is Clerk of the Court, United States District Court, Southern District of Illinois, 750 Missouri Avenue, East St. Louis, IL 62201. Your written objection also must be mailed to the lawyers listed below, **no later than September 12, 2018**. Please note that the Court's Order Granting Preliminary Approval of this Settlement provides that any party to the litigation may, but is not required to, serve discovery requests, including requests for documents and notice of deposition not to exceed two hours in length, on any objector. Any responses to discovery, or any depositions, must be completed within ten days of the request being served on the objector.

CLASS COUNSEL	DEFENDANT'S COUNSEL
SCHLICHTER, BOGARD & DENTON Attn: Philips North America 401(k) Settlement 100 S. Fourth St., Suite 1200 St. Louis, MO 63102 philips401ksettlement@uselaws.com Tel: (314) 621-6115 Fax: (314) 621-5934	Jeremy Blumenfeld MORGAN, LEWIS & BOCKIUS LLP 1701 Market Street Philadelphia, PA 19103 jeremy.blumenfeld@morganlewis.com Tel: (215) 963-5000 Fax: (215) 963-5001

12. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold a Fairness Hearing at 10:00 a.m. on October 12, 2018, at the United States District Court for the Southern District of Illinois, Courtroom 3, 750 Missouri Avenue, East St. Louis, IL 62201.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to give its final approval to the Settlement. The Court also will consider the petition for Class Counsel's Attorneys' Fees and Costs and any Class Representatives' Compensation.

13. Do I Have To Attend The Fairness Hearing?

No, but you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection on time, the Court will consider it when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You also may pay your own lawyer to attend the Fairness Hearing, but such attendance is not necessary.

14. May I Speak At The Fairness Hearing?

If you are a Class Member, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *Ramsey, et al. v. Philips North America LLC*, Case No. 3:18-cv-01099-NJR-RJD." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be mailed to the attorneys and filed with the Clerk of the Court, at the addresses listed in the Answer to Question No. 11, **no later than October 2, 2018**.

15. What Happens If I Do Nothing At All?

If you are a "Current Participant" as defined on page 1, and do nothing, you will participate in the Settlement of the Class Action as described above in this Settlement Notice if the Settlement is approved.

If you are a "Former Participant" as defined on page 1, and you do nothing, you will be bound by the Settlement of the Class Action as described above in this Settlement Notice if the Settlement is finally approved, **BUT YOU WILL NOT RECEIVE ANY MONEY.**

If you have general questions regarding the Settlement, you can visit this website: philipnorthamerica401ksettlement.com, call 1-888-245-2748, or write to the Settlement Administrator at Philips North America 401(k) Settlement Administrator, P.O. Box 2004, Chanhassen, MN 55317-2004.

Philips North America 401(k) Settlement Administrator

P.O. Box 2004

Chanhassen, MN 55317-2004

ABC1234567890 - Claim Number 1111111



JOHN Q CLASSMEMBER

123 MAIN ST

ANYTOWN, ST 12345