

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS**

PHILIPS MEDICAL SYSTEMS
(CLEVELAND), INC., and PHILIPS MEDICAL
SYSTEMS DMC, GmbH,

Plaintiff,

v.

JOSE BUAN, GL LEADING TECHNOLOGIES,
INC., KUNSHAN YIYUAN MEDICAL
TECHNOLOGY CO., LTD., KUNSHAN GUOLI
ELECTRONIC TECHNOLOGY CO., LTD., and
SHERMAN JEN

Defendants.

Civil Action No. 1:19-cv-02648

SECOND AMENDED COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs, Philips Medical Systems (Cleveland), Inc. and Philips Medical Systems DMC, GmbH (collectively, “Philips” or “Plaintiffs”) by their attorneys, for their Second Amended Complaint against Defendants, Jose Buan (“Buan”), GL Leading Technologies, Inc. (“GL Leading”), Kunshan Yiyuan Medical Technology Co. (“Yiyuan”), Kunshan Guoli Electronic Technology Co., Ltd. (“GuoLi”) and Sherman Jen (“Jen”) (collectively, “Defendants”), allege as follows:

THE PARTIES

1. Plaintiff Philips Medical Systems (Cleveland), Inc. is a corporation organized and existing under the laws of the State of California with its principal place of business in Cleveland, Ohio.

2. Plaintiff Philips Medical Systems DMC, GmbH, is an entity existing under the

laws of the Federal Republic of Germany with its principal place of business in Hamburg, Germany.

3. Philips is engaged in the business of research, development, and commercialization of medical imaging technology, in addition to other, unrelated products and/or services.

4. On information and belief, Defendant Buan is a citizen of the State of Illinois.

5. On information and belief, Defendant GL Leading is an Illinois corporation with its headquarters and principal place of business in Aurora, Illinois.

6. On information and belief, GL Leading is in the business of designing replacement and OEM components for medical imaging equipment.

7. On information and belief, Yiyuan is a Chinese business entity with its principal place of business at ST28 Xihu Road, Kunshan, Jiangsu Province, China.

8. On information and belief, Yiyuan is engaged in research and development, manufacturing and selling products for medical imaging equipment, providing technical development, technical services and technical consultation in the field of medical imaging technology. Yiyuan also engages in import and export of goods and technologies.

9. On information and belief, GuoLi is a Chinese business entity with its principal place of business at ST28 Xihu Road, Kunshan, Jiangsu Province, China.

10. On information and belief, GuoLi is a stockholding enterprise specializing in developing and manufacturing electrical vacuum products, including X-ray tubes.

11. On information and belief, Defendant Jen regularly conducts business in the State of Illinois, as an employee (Principal Engineer) at defendant GL Leading Technologies, Inc., at 3565 Butterfield Road, Suite 121, Aurora, Illinois 60502.

12. On information and belief, Jen was an employee of Philips and is an employee of GL Leading in the State of Illinois and perpetrated at least a substantial component of the unlawful acts alleged herein in the State of Illinois.

JURISDICTION AND VENUE

13. The Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 in that a cause of action arises under federal law – the Defend Trade Secrets Act, 18 U.S.C. § 1836, *et seq.* This Court also has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because this action is between a citizen of this State and a citizen or subject of a foreign state, and the amount in controversy exceeds \$75,000, exclusive of interest and costs. This Court has supplemental jurisdiction over the Illinois state law claims asserted herein pursuant to 28 U.S.C. § 1367.

14. This Court has personal jurisdiction over Buan under 735 ILCS 5/2-209, at least because he is a natural person residing in and doing business in the State of Illinois.

15. This Court has personal jurisdiction over GL Leading under 735 ILCS 5/2-209, at least because GL Leading is a corporation incorporated, headquartered, and doing business in the State of Illinois.

16. This Court has personal jurisdiction over Yiyuan under 735 ILCS 5/2-209 because Yiyuan has purposely availed itself of the benefits and protections of this District, including, on information and belief, transacting business within this District, having entered into a contract with GL Leading where the performance of obligations under that contract are to take place, and have taken place, in this District and its exercise of control of GL Leading in this District. In addition, on information and belief, Yiyuan has shipped articles in furtherance of wrongdoing alleged herein to GL Leading in this District. In addition, on information and belief, at least certain officers, directors and/or managing agents of Yiyuan have engaged in business

activities in this District in connection with the wrongdoing alleged herein.

17. Alternatively, this Court has personal jurisdiction over Yiyuan under Fed. R. Civ. P. 4(k)(2).

18. This Court has personal jurisdiction over GuoLi under 735 ILCS 5/2-209 because GuoLi has purposely availed itself of the benefits and protections of this District, including, on information and belief, by transacting business within this District, undertaking activities related to the formation of GL Leading, and recruiting Buan and other former Philips' technical employees. In addition, on information and belief, GuoLi has shipped articles in furtherance of wrongdoing alleged herein to GL Leading in this District. In addition, on information and belief, at least certain officers, directors and/or managing agents of GuoLi have engaged in business activities in this District in connection with the wrongdoing alleged herein.

19. Alternatively, this Court has personal jurisdiction over GuoLi under Fed. R. Civ. P. 4(k)(2).

20. This Court has personal jurisdiction over Jen under 735 ILCS 5/2-209, at least because he regularly does business in the State of Illinois.

21. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(1) as Buan, GL Leading are residents of the State of Illinois.

22. Venue is also proper in this Court pursuant to 28 U.S.C. § 1391(b)(2) as a substantial part of the events giving rise to Philips' claims occurred in this district, including Defendants' acts and/or omissions constituting multiple breaches of contract and trade secret misappropriation, as further alleged below.

23. Venue is also proper in this Court pursuant to the forum selection clause contained in the Buan and Jen Termination Agreements described herein and attached hereto.

BACKGROUND

Jose Buan

24. On information and belief, from approximately October 1997 to August 2000, Buan worked for the Dunlee Corporation, a division of Picker International (“Dunlee”), a company with a facility in Aurora, Illinois that designed, manufactured, and distributed X-ray tubes for OEM and replacement applications, among other products. During this time, Buan worked as a Design Engineer, including extensive work on X-ray tubes.

25. In October 2001, Philips Medical Systems (Cleveland), Inc. acquired Dunlee, including Dunlee’s facility in Aurora, Illinois, at which at all pertinent times Buan remained an employee.

26. In September 2007, Buan began working as an Electrical Design Engineer/Project Manager at Philips’ Dunlee facility in Aurora, Illinois, again including extensive work on Philips X-ray tubes.

27. In or around November 2015, Buan became a manager of Electrical Engineering & Engineering Services at Philips, continuing to work at Philips’ Dunlee facility in Aurora, Illinois, and again including extensive work on Philips’ X-ray tubes.

28. On September 19, 2007, Buan signed a Philips Employee Ethics and Intellectual Property Agreement (“Buan Employment Agreement”), a true and correct copy of which is attached as Exhibit A.

29. In the Buan Employment Agreement, in “consideration of [his] accepting or continuing at will employment at Philips . . . and in consideration of the salary or wages paid to him, [Buan] agree[d],” *inter alia*, to the following terms:

- **“1. Not to use, publish or otherwise disclose (except as my job requires)**

either during or after my employment, any secret or confidential (proprietary) information or data of the company or its customers or any other third party received by the company in confidence.” (emphasis added)

- “2. Upon the termination of my employment, to deliver promptly to the company all written and other materials, that relate to the business of the company or its affiliates including, without limitation, computers, laptops, hand-held computers and cell phones.”
- “I have read and understand the Philips Electronics North America Corporation ‘Simply Right’ book. In consideration of my continuing at will employment with the company, I agree to abide by the ethical and legal principles of the company as they are incorporated in this book. I understand that failure to do so may result in the termination of my employment.”

30. Philips “Simply Right” Employee Handbook (the “Employee Handbook,” Exhibit B), which Buan acknowledged that he “read and understood,” and by which he “agree[d] to abide” in the Buan Employment Agreement, imposed additional obligations on Buan, including that he “[c]onduct business in strict compliance with applicable laws and according to company policies and guidelines.”

31. The Employee Handbook informed employees, “You are urged to read this book carefully, understand it completely, and agree to abide by its principles of ethical and business conduct.”

32. The Employee Handbook further reinforced Buan’s (and all Philips employees’) obligations of confidentiality and restrictions on the use of Philips electronic communications and information systems, stating:

- **“Confidential and proprietary information is information which gives the company a competitive advantage and is not generally known by outside individuals. This includes data about research, operations, products, plans, strategies, manufacturing, marketing, finances, employees, and customers, suppliers and business partners.”** (emphasis added)
- **“It is unethical and illegal for you to use Philips information for personal gain.** Do not discuss confidential company business with anyone outside the company, including family and friends. Limit the distribution of confidential material to those who must know about it. Keep important papers locked up and keep letters and memos out of view.” (emphasis added)
- **“Philips electronic mail (e-mail), electronic voice mail (phone), and inter/intranet systems are company assets and should be used for Philips business purposes only. . . .”** (emphasis added)
- “Access to the internet is not allowed for business or profit-making activities that are external to Philips.”
- “Employees cannot use Philips e-mail, intranet, internet or social media in any way that is illegal or might otherwise damage Philips’ reputation such as: . . . Using these resources for personal gain (e.g. through on-line gambling or non-Philips business activities).”
- “Good laptop and computer security practices are necessary to ensure that personal or sensitive data and Philips confidential information are protected.”

33. At all times relevant to this Complaint, Buan was bound by the terms of the Buan Employment Agreement and the Employee Handbook.

34. On or about November 12, 2017, Buan received an offer letter on behalf of GL Leading.

35. On or about December 2, 2017, Buan received a revised offer letter on behalf of GL Leading.

36. On or about December 4, 2017, Buan transmitted a signed offer letter to GL Leading.

37. On information and belief, at least as of December 12, 2017, Buan was actively trying to recruit Philips employees to GL Leading.

38. On or about December 20, 2017, Buan executed a Settlement and General Release Agreement, a true and correct copy of which is attached as Exhibit C (“Buan Termination Agreement”), with Buan’s employment by Philips terminating on December 29, 2017.

39. In the Buan Termination Agreement, in exchange for substantial severance payments, Buan agreed to several additional restrictions on his use of Philips information, including:

- “that **all information contained or possessed by you relative to the activities of the Philips Group which is of a secret or confidential nature**, which may include but is **not limited to customer lists, pricing, and technical and production know-how, developments, inventions, processes, or administrative procedures, is the property of the Philips Group** or its licensors, as the case may be, and **you shall not during the term of this agreement or thereafter, use for the benefit of others or disclose to others such information so long as its secret or confidential nature be preserved by the Philips Group . . .**” (emphasis added)

- “to return to Philips on or before December 29, 2017, any and all property of **Philips** currently in your possession, including, but not limited to, computers and credit cards.” (emphasis added)
- “that during the remainder of your employment and for a period of one year thereafter, you shall not, directly or indirectly, divert, entice away, solicit or in any other manner persuade or attempt to persuade (a ‘Solicitation’) any person who is, or was, at any time within the twelve (12)-month period prior to such Solicitation, an officer, director, manager, employee, agent, licensor, licensee, customer, or supplier of the Philips Group to discontinue, terminate or adversely alter its or their relationship with the Philips Group.”
- “to maintain a high level of professionalism with the organization and its associates upon your exit.”

40. The Buan Termination Agreement provided generous consideration for Buan’s agreement to its terms, including:

- a lump sum severance payment of \$54,204.44;
- a retention bonus in the amount of \$34,238.60; and
- continued coverage under the Philips medical, dental, vision and/or basic life benefit programs for a period of three months after termination.

41. The Buan Termination Agreement also provided that “the laws of the State of Illinois shall govern this Agreement without regard to its conflicts of laws and that any litigation concerning this Agreement shall be brought in the state or federal courts of Illinois.”

42. On information and belief, throughout his employment by Philips, including at the end of that employment in December 2017, Buan had access to Philips’ secret, confidential,

proprietary, and trade secret information, including such information related to the development, manufacturing, improvement, and support of Philips' X-ray tube products.

43. At all times since on or about December 20, 2017, Buan was bound by the terms of the Buan Termination Agreement.

Sherman Jen

44. In or around July 2006, Jen began working as a Senior Mechanical Engineer at Philips Dunlee facility in Aurora, Illinois. In this role, Jen was extensively involved in the design and manufacturing of Philips' X-ray tubes, involving simulating, prototyping, testing, validating, supplier qualification, manufacturing process development, and new product introduction.

45. On March 24, 2013, Jen signed a Philips Employee Ethics and Intellectual Property Agreement ("Jen Employment Agreement"), a true and correct copy of which is attached as Exhibit D.

46. In the Jen Employment Agreement, in "consideration of [his] accepting or continuing at will employment at Philips . . . and in consideration of the salary or wages paid to him, [Jen] agree[d]," *inter alia*, to the following terms:

- "1. **Not to use, publish or otherwise disclose (except as my job requires) either during or after my employment, any secret or confidential (proprietary) information or data of the company** or its customers or any other third party received by the company in confidence." (emphasis added)
- "2. Upon the termination of my employment, to deliver promptly to the company all written and other materials, that relate to the business of the company or its affiliates including, without limitation, computers, laptops, hand-held computers and cell phones."

- “I have read and understand the Philips Electronics North America Corporation ‘Simply Right’ book. In consideration of my continuing at will employment with the company, I agree to abide by the ethical and legal principles of the company as they are incorporated in this book. I understand that failure to do so may result in the termination of my employment.”

47. Philips “Simply Right” Employee Handbook (the “Employee Handbook,” Exhibit B, referred to in paragraph 30 above), which Jen acknowledged that he “read and underst[oo]d,” and by which he “agree[d] to abide” in the Jen Employment Agreement, imposed additional obligations on Jen, including that he “[c]onduct business in strict compliance with applicable laws and according to company policies and guidelines.”

48. The Employee Handbook informed employees, “You are urged to read this book carefully, understand it completely, and agree to abide by its principles of ethical and business conduct.”

49. The Employee Handbook further reinforced Jen’s (and all Philips employees’) obligations of confidentiality and restrictions on the use of Philips electronic communications and information systems, stating:

- **“Confidential and proprietary information is information which gives the company a competitive advantage and is not generally known by outside individuals. This includes data about research, operations, products, plans, strategies, manufacturing, marketing, finances, employees, and customers, suppliers and business partners.”** (emphasis added)
- **“It is unethical and illegal for you to use Philips information for personal gain.** Do not discuss confidential company business with anyone outside the

company, including family and friends. Limit the distribution of confidential material to those who must know about it. Keep important papers locked up and keep letters and memos out of view.” (emphasis added)

- **“Philips electronic mail (e-mail), electronic voice mail (phone), and inter/intranet systems are company assets and should be used for Philips business purposes only. . . .”** (emphasis added)
- “Access to the internet is not allowed for business or profit-making activities that are external to Philips.”
- “Employees cannot use Philips e-mail, intranet, internet or social media in any way that is illegal or might otherwise damage Philips’ reputation such as: . . . Using these resources for personal gain (e.g. through on-line gambling or non-Philips business activities).”
- “Good laptop and computer security practices are necessary to ensure that personal or sensitive data and Philips confidential information are protected.”
- **“It is your responsibility to be fully dedicated to your job and to Philips and not allow your loyalties to be divided by any outside influence. It is also important to avoid any appearance of a conflict of interest. Use common sense and good judgment to avoid all conflicts of interest or potential conflicts of interest. Always ask yourself what is best for the company when you make business decisions. Any actual or potential conflicts of interest must be immediately disclosed in writing to your manager and Ethics Officer. This includes any outside employment or business activity, as discussed in the ‘Financial Interest’ section of this booklet.”** (emphasis added)

- **“Neither you nor any immediate family member should have a financial interest in any outside company or activity if the interest could influence, or seem to influence, your actions or conflicts with Philips’ interest. This includes having a financial interest in our competitors, suppliers of products and services, and/or customers. Financial interest exists when you and/or a member of your family own or control all or part of the business or property of the person or company, or have a financial stake in its performance. Your interest might stem from your role as an employee, agent, representative, officer, director, consultant, creditor or debtor.”** (emphasis added)

50. At all times relevant to this Complaint, Jen was bound by the terms of the Jen Employment Agreement and the Employee Handbook.

51. At least as of August 2017, Jen was in communication with GuoLi regarding the formation of GL Leading, and on information and belief, Jen was actively involved in trying to recruit Philips employees to GuoLi/GL Leading and in sending Philips confidential information and trade secrets to GuoLi/GL Leading, between at least August 2017 and December 2017.

52. On or about December 15, 2017, Jen executed a Settlement and General Release Agreement, a true and correct copy of which is attached as Exhibit E (“Jen Termination Agreement”), with Jen’s employment by Philips terminating on December 29, 2017.

53. In the Jen Termination Agreement, in exchange for substantial severance payments, Jen agreed to several additional restrictions on his use of Philips information, including:

- **“that all information contained or possessed by you relative to the activities of the Philips Group which is of a secret or confidential nature, which may**

include but is **not limited to customer lists, pricing, and technical and production know-how, developments, inventions, processes, or administrative procedures, is the property of the Philips Group** or its licensors, as the case may be, and **you shall not during the term of this agreement or thereafter, use for the benefit of others or disclose to others such information so long as its secret or confidential nature be preserved by the Philips Group**” (emphasis added)

- “**to return to Philips on or before December 29, 2017, any and all property of Philips** currently in your possession, including, but not limited to, computers and credit cards.” (emphasis added)
- “that during the remainder of your employment and for a period of one year thereafter, you shall not, directly or indirectly, divert, entice away, solicit or in any other manner persuade or attempt to persuade (a ‘Solicitation’) any person who is, or was, at any time within the twelve (12)-month period prior to such Solicitation, an officer, director, manager, employee, agent, licensor, licensee, customer, or supplier of the Philips Group to discontinue, terminate or adversely alter its or their relationship with the Philips Group.”
- “to maintain a high level of professionalism with the organization and its associates upon your exit.”

54. The Jen Termination Agreement provided generous consideration for Jen’s agreement to its terms, including:

- a lump sum severance payment of \$55,117.48;
- continued coverage under the Philips medical, dental, vision and/or basic life

benefit programs for a period of three months after termination.

55. The Jen Termination Agreement also provided that “the laws of the State of Illinois shall govern this Agreement without regard to its conflicts of laws and that any litigation concerning this Agreement shall be brought in the state or federal courts of Illinois.”

56. On information and belief, throughout his employment by Philips, including at the end of that employment in December, 2017, Jen had access to Philips’ secret, confidential, proprietary and trade secret information, including information related to the development, manufacturing, improvement, commercialization and support of Philips X-ray tube products.

57. At all times since on or about December 15, 2017, Jen was bound by the terms of the Jen Termination Agreement.

Confidential and Trade Secret Information Related to Philips 2XXX X-Ray Tubes

58. During his time as a Design Engineer, Electrical Design Engineer/Project Manager and Manager of Electrical Engineering & Engineering Services at Philips, Buan worked extensively on Philips 2XXX family of X-ray tubes, including the CTR2150 and CTR2280 X-ray Tubes (the “Philips 2XXX X-Ray Tubes”).

59. During his time as a Senior Mechanical Engineer, Jen worked extensively on Philips 2XXX X-Ray Tubes.

60. Philips 2XXX X-ray Tubes are a critical component used in the production of certain Philips computed tomography (CT or CAT) imaging machines; and are also sold to external customers (OEM) for initial and replacement usage. The Philips 2XXX X-ray Tubes are the result of years and millions of dollars of research and development work to optimize product design and manufacturing specifications and techniques.

61. One would not be able to reverse engineer the internal workings, the logic behind

their electrical and physical workings, and other features that differentiate the Philips 2XXX X-ray Tubes in the market.

62. As employees working and then managing CTR2150 X-ray tube projects, Buan and Jen had unfettered access to myriad documentation of Philips' trade secret and confidential business information relating to all aspects of the 2XXX project X-Ray Tube, including design, design history, specifications, manufacturing techniques, quality systems, and process improvement. Buan's and Jen's log-on credentials provided Buan and Jen with access to the entire design, manufacturing, quality and marketing files related to the Philips 2XXX X-ray Tubes in addition to other Philips products.

63. For example, on information and belief, Jen led the design of a many mechanical and electrical components of Philips' X-ray tubes, including the 2XXX X-ray tubes. Jen also designed numerous fixtures and tooling for manufacturing and testing of Philips' X-ray tubes, including the 2XXX X-ray tubes. For example, Jen lead the design of a SmartID system for use in Philips' X-ray tubes, and had access to design schematics and other confidential technical documents related to the SmartID system. Jen had access to (and drafted many) technical specifications and reports regarding the design specifications and manufacturing processes of Philips' X-ray tubes, including the 2XXX X-ray tubes. Jen also had access to Philips 6-sigma documentation.

64. The Philips 2XXX X-ray Tubes were designed, and at least until Buan's and Jen's termination in December 2017, were manufactured at the Dunlee facility in Aurora, Illinois for Philips Medical Systems DMC, GmbH.

65. Buan's and, on information and belief, Jen's access to Philips' trade secret and confidential business information also included access to information concerning the design and

manufacture of certain other Philips' X-ray tubes, including the design, design history, specifications, manufacturing techniques, quality systems, and process improvement documentation for Philips' iMRC X-ray Tubes. The iMRC Tubes are vitally important to Philips' medical imaging business. They are one-of-a-kind in the market, and the result of many years of research and development at great expense to Philips. One would not be able to reverse engineer the internal workings, the logic behind their electrical and physical workings, and other features that differentiate the Philips iMRC X-ray Tubes in the market.

Buan Downloaded Philips' Trade Secret and Other Confidential Business Information After Executing the Buan Termination Agreement

66. Over the course of his employment, Buan was issued one or more Philips computers, including a Hewlett Packard Z230 Workstation, serial number 2UAQ5211SNM, (the "Company Workstation") including a 512 GB Micron HDD hard drive, Model MTFDDAK512MBF-1AN1ZABHA, serial number 14450F69D01A (the "Micron HDD 14450F69D01A").

67. Buan's Company Workstation, its contents, and the contents of Philips' computer networks, including files, applications, and contents of Philips' OneDrive locations, are Philips' "materials" as that term is used in paragraph 2 of the Buan Employment Agreement and are Philips' "information" as that term is used in paragraph 2 of the Buan Termination Agreement.

68. On information and belief, on or about December 18, 2017, several weeks *after* Buan signed an offer letter from GL Leading, Buan deleted over 4900 electronic files, and "double deleted" (viz. he deleted a file and then deleted it again from within the Company Workstation's "recycle bin") about 80 additional electronic files from the Company Workstation.

69. On information and belief, on or about December 26, 2017 at or around 08:09:39 (all times provided herein are in Central Time, unless stated otherwise), Buan used the Company

Workstation and Philips log-on credentials to log on to the Company Workstation using the user profile “usd28232.”

70. On information and belief, on or about December 26, 2017 at or around 08:11:27, Buan accessed Philips’ secured OneDrive for Business cloud storage system where Philips stored, among other information, certain trade secret and other confidential business information used in, and valuable to, Philips’ business.

71. On information and belief, on or about December 26, 2017 at or around 14:29:58, Buan created a new folder on the Desktop of the user profile “usd28232” on the Company Workstation.

72. On information and belief, on or about December 26, 2017, at or around 14:30:10 and 14:32:32, Buan copied over 740 Philips’ files, including trade secret and other confidential business information (the “First Tranche of Proprietary Philips Files”) from Philips’ OneDrive for Business to the “temp” folder on the Desktop of the user profile “usd28232” on the Company Workstation.

73. On information and belief, the First Tranche of Philips Proprietary Files copied from the Philips secured OneDrive for Business cloud storage system to the Company Workstation included at least a series of presentations and supporting data, fully documenting Philips’ confidential six sigma¹ process improvement projects to critically analyze and improve reliability of its Philips 2XXX X-ray Tubes and other X-ray tube products. The presentations included files named “DMAIC_A-Team_final.pptx,” “DMAIC_A-Team_review_board.pptx,” “DMAIC-DragonReview-Final.pdf,” and numerous similar files, copied, on information and

¹ “Six sigma” is a process improvement methodology and toolset for improving the quality of the output of a process (e.g., manufacturing X-ray tube and components) by systematically identifying and eliminating causes of defects and minimizing process variability. Philips developed its proprietary six sigma processes and trained its employees in their implementation over a course of many years.

belief, by Buan to the “temp” folder on the desktop of his Company Workstation at or around 14:32:10 on December 26, 2017, and clearly marked “Confidential” throughout. These presentations contain trade secret information, including knowhow and details regarding Philips’ proprietary product/process performance, improvement methodology, findings, and recommended product changes that resulted from years of work collecting and analyzing data from thousands of products by over a dozen Philips employees across the globe, including, for example, reducing the arcing rate of the X-ray tube by altering the orientation of the cathode and shielding.

74. On information and belief, after downloading the First Tranche of Proprietary Philips Files to the “temp” folder on the desktop of this Company Workstation, on or about December 26, 2017 at or around 14:52:29, Buan connected at least one high-capacity USB storage device: a Western Digital Technologies, Inc. “My Passport Ultra,” USB mass storage device, serial number 57584A3141413732524E4E46 (“Buan’s ‘E4E46 High Capacity USB Drive”) to the Company Workstation.

75. On information and belief, Buan’s ‘E4E46 High Capacity USB Drive was connected to the Company Workstation for at least six hours.

76. On information and belief, those six hours were a sufficient amount of time to transfer all of the First Tranche of Proprietary Philips Files in the “temp” folder on the Desktop of the user profile “usd28232” on the Company Workstation to Buan’s ‘E4E46 High Capacity USB Drive.

77. On information and belief, Buan copied at least the First Tranche of Proprietary Philips Files to Buan’s ‘E4E46 High Capacity USB Drive, such that at least some of the file structure of the “temp” folder was replicated on the Buan’s ‘E4E46 High Capacity USB Drive.

78. On information and belief, on or around December 27, 2017, at or around 8:21:43 and 11:20:48, Buan copied over 70 Philips files (comprising over 300 MB of data), including trade secret and other confidential business information (the “Second Tranche of Proprietary Philips Files”) from Philips’ OneDrive for Business to the “temp” folder on the Desktop of the user profile “usd28232” on the Company Workstation.

79. On information and belief, the Second Tranche of Philips Proprietary Files copied from the Philips’ secured OneDrive for Business cloud storage system to the Company Workstation included at least the following:

- Philips’ confidential electron optics simulation models used to simulate the focal spot size of an X-ray tube. These models contain trade secret information regarding the function and design of X-ray tubes that Philips developed over a period of many years. These simulation models include files named “ELOP_Toolbox.zip” and “ELOP_Toolbox_Overview_engl.pptx,” and numerous similar files, copied, on information and belief, by Buan to the “temp” folder on the desktop of this Company Workstation, at or around 08:21:43 on December 27, 2017, and at least the latter of which is clearly marked “Confidential” throughout.
- Philips confidential Opera Simulation Software simulations created to make electric and/or magnetic field simulations related to Philips CTR2150 and similar X-ray tubes, including 3D model information that could be used to recreate drawings of key X-ray tube components. These simulations include files named “2185_Assem_00.opc,” “2185_Assem_01.opc,” “2185_Assem_02.opc,” “2185_Assem_03.opc,” “2185_Assem_04.opc,” and “2185_Assem_dialaStep.opc,” copied, on information and belief, by Buan to the

“temp” folder on the desktop of this Company Workstation at or around 08:23:31 on December 27, 2017.

80. On information and belief, on or about December 29, 2017 at or around 08:11:46, Buan connected a second high-capacity USB storage device: a Western Digital Technologies, Inc. “My Passport Ultra,” USB mass storage device, serial number 57583131453434554E303433 (“Buan’s ‘03433 High Capacity USB Drive”) to the Company Workstation.

81. On information and belief, Buan’s ‘03433 High Capacity USB Drive was connected to the Company Workstation for up to six hours.

82. On information and belief, those six hours were a sufficient amount of time to transfer all of the First Tranche of Proprietary Philips Files and Second Tranche of Proprietary Philips Files in the “temp” folder on the Desktop of user profile “usd28232” on the Company Workstation to Buan’s ‘03433 High Capacity USB Drive.

83. On information and belief, on or about December 29, 2017, Buan copied files from the “temp” folder and subfolders therein, including files in the First Tranche of Proprietary Philips Files and/or Second Tranche of Proprietary Philips Files, to Buan’s ‘03433 High Capacity USB Drive.

84. On information and belief, on or about December 29, 2017 at or around 14:44:38, Buan shut down the Company Workstation, and placed one or more high powered magnets around the outer case of the Company Workstation in the area of the Workstation’s hard drive.

85. On information and belief, Buan placed one more high powered magnets around the area of the Micron HDD 14450F69D01A to destroy all data on the Micron HDD 14450F69D01A.

86. On information and belief, Buan attempted to destroy the data on the Company

Workstation to conceal and/or destroy evidence of his misappropriation of Philips' trade secret and other confidential business information.

87. After Buan's termination, a forensic examination of the Company Workstation and Micron HDD 14450F69D01A recovered at least a substantial portion of the data on the Micron HDD 14450F69D01A.

88. On information and belief, Buan removed Buan's '03433 High Capacity USB Drive and Buan's 'E4E46 High Capacity USB Drive, and Philips Proprietary Files deposited thereon, from Philips' premises, and retained those media after his final departure from Philips' premises on December 29, 2017.

89. Since the filing of the Original Complaint, Defendants produced a forensic image of the '03433 High Capacity USB Drive. A forensic analysis of that forensic image revealed a trove of additional Philips documents containing Philips trade secret information taken from Philips and retained by Buan following his departure from Philips, including thousands of additional files comprising Philips' confidential and trade secret technical and business information pertaining to the 2XXX series X-ray tubes, and other important Philips X-ray technologies, including Philips iMRC X-ray tubes.

90. Forensic analysis of Buan's '03433 High Capacity USB Drive shows that numerous trade secret and/or confidential files containing Philips' trade secret information were downloaded to Buan's '03433 High Capacity USB Drive from Buan's Company Workstation on December 29, 2017, the last day of Buan's employment at Philips, and on November 20, 2017, and April 12, 2017.

91. Further, Philips was informed by GL Leading that the '03433 High Capacity USB Drive containing Philips' trade secret information was connected to Buan's work computer at GL

Leading and that files were actually accessed from the '03433 High Capacity USB Drive on Buan's GL Leading work computer, and thus, on information and belief, accessed on and/or copied to GuoLi, Yiyuan and GL Leading's computer network.

92. Additionally, on information and belief, additional USB devices that had been connected to Buan's Philips Company Workstation prior to Buan's departure from Philips have also been connected to Buan's work computer at GL Leading.

93. Given that Buan has connected at least the '03433 High Capacity USB Drive containing Philips' trade secret information to Buan's work computer at GL Leading and that certain Philips files were at least accessed from the '03433 High Capacity USB Drive on Buan's GL Leading work computer, it is clear that GL Leading has not put in place safeguards to prevent use of Philips' trade secrets collected by former Philips' employees from being used during their current employment at competing GuoLi, Yiyuan and GL Leading.

**Jen Unlawfully Possessed Philips' Trade Secret and
Other Confidential Business Information**

94. Over the course of his employment by Philips, Jen was issued one or more Philips computers, and had access to files, applications, networks, servers and/or OneDrive data repositories containing Philips trade secrets and other confidential business information.

95. Jen's Philips-issued computers, contents, and the contents of Philips' computer networks, including files, applications, and contents of Philips' OneDrive locations, are Philips' "materials" as that term is used in paragraph 2 of the Jen Employment Agreement

96. On information and belief, Jen possessed more than **three thousand** electronic files constituting Philips "materials," as that term is used under paragraph 2 of the Jen Employment Agreement following his termination from Philips.

97. Philips materials possessed by Jen following his termination include the

following:

- A document entitled, “Hardware Requirements Specification for an 80KW High Voltage Power Supply, Doc. ERM Id.: CXRH-0125” (“Philips CXRH-0125 Specification”) marked with the following legend on its cover page:

THIS DOCUMENT CONTAINS PROPRIETARY AND CONFIDENTIAL INFORMATION OF PHILIPS MEDICAL SYSTEMS (CLEVELAND), INC. AND THE CONTENT IS INTENDED FOR EXCLUSIVE USE BY AUTHORIZED, CURRENT PERSONNEL OF PHILIPS MEDICAL SYSTEMS. COPYING, DISCLOSURE TO OTHERS, OR OTHER USE IS PROHIBITED WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF PHILIPS MEDICAL SYSTEMS' LAW DEPARTMENT. REPORT VIOLATIONS OF THIS REQUIREMENT TO THE PHILIPS MEDICAL SYSTEMS' LAW DEPARTMENT, HIGHLAND HEIGHTS, OHIO.
All rights reserved

- A schematic for cathode “WIRES WITH SPARK GAP,” Part No. 459801162121 (“Philips Cathode Wiring Schematic”), marked with the legend, “**CONFIDENTIAL PROPERTY** THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HEREWITH IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”
- A 52-page World Wide Product Plan for Philips’ CT Engineering business (“Philips CT WWPP”), with each slide containing a footer stating, “CONFIDENTIAL.”
- A schematic for a Head Stock Universal Engine Stand, Part No. 459800653511 (“Philips Engine Stand Schematic”), each page marked with the legend, “**CONFIDENTIAL PROPERTY** THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HEREWITH IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”
- A schematic for an Engine Stand Universal, Part No. 459800654031 (“Philips Engine

Stand Universal Schematic”), each page marked with the legend, “**CONFIDENTIAL PROPERTY** THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HEREWITH IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”

- A schematic for a Cathode End Cap Sub-Assembly, Document No. 45357 1216400 (“Philips Cathode End Cap Sub-Assembly”), each page marked with the legend, “**CONFIDENTIAL PROPERTY** THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HEREWITH IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”
- A schematic for an Anode End Cap, Part No. 453579550500 (“Philips Anode End Cap Schematic”), each page marked with the legend, “**CONFIDENTIAL PROPERTY** THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HEREWITH IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”
- A schematic for an Extrusion for Bellow Chamber, Part No. 459800417401 (“Philips Extrusion for Bellow Chamber Schematic”), marked with the legend, “**CONFIDENTIAL PROPERTY** THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HEREWITH IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”

- A schematic for an Extruded Bellow Chamber, Part No. 459800267051 (“Philips Extruded Bellow Chamber Schematic”), each page marked with the legend, **“CONFIDENTIAL PROPERTY THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HERewith IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”**
- A Part Classification due to Safety Risk form for medical device manufacturing (“Philips Part Classification due to Safety Risk Form”), each page marked “Restricted (Internal Use only).”
- Layouts for a SMART ID, Part No. 453571251600, Rev. D (marked with a revision date of 1/8/2019 by S. Jen) and Rev. D+ (marked with a revision date 2017 by S. Jen) (collectively, “Philips Smart ID Layout”), each page marked **“CONFIDENTIAL PROPERTY THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HERewith IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”**
- Schematics for a SMART ID, Part No. 453574056600, Rev. B (marked with a revision date of 1/8/2019 by S. Jen) and Rev. B (marked with a revision date of 4/24/2014 by S. Jen (collectively, “Philips Smart ID Schematic”), each page marked **“CONFIDENTIAL PROPERTY THIS DOCUMENT AND DATA DISCLOSED HEREIN OR HERewith IS NOT TO BE REPRODUCED, USED, OR DISCLOSED IN WHOLE OR IN PART TO ANYONE WITHOUT THE WRITTEN PERMISSION OF PHILIPS-AURORA.”**

- A document entitled DX240 Insert Weld Assembly: Anode-Frame Weld Procedure, Document No. A_453575204096_01 (“Philips Anode-Frame Weld Procedure”), each page marked “Restricted (Internal use only).”
- A document entitled CTR2250/51/80/2250A Final Inspection Checklist (“Philips CTR2250 Final Inspection Checklist”), each page marked “Restricted (Internal use only).”
- A bill of materials for the Philips CTR2150 X-Ray tube, dated August 24, 2017, showing user JENS (viz. Sherman Jen) (“Philips CTR2150 BOM”), maintained as confidential by Philips.
- A document entitled Philips-Aurora Auxiliary Materials & Processes Specification for Fabrication of X-ray Tube Parts (“Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts”), each page marked “Restricted (Internal use only).”

**Defendants Unlawfully Use
Philips’ Trade Secret and Other Confidential Business Information**

98. On information and belief, GL Leading was established in December “2017 as a company to consult in the design of replacement and OEM components for medical imaging.”

99. On information and belief, GL Leading’s LinkedIn profile identifies GL Leading as “a tech startup in the medical imaging field” with “over 100 years of experience in designing and manufacturing x-ray tubes.”

100. On information and belief, Buan signed an offer letter with GL Leading on or about December 4, 2017 and began full time employment with GL Leading in Aurora, Illinois almost immediately after he left Philips’ Dunlee facility. He was hired as the Director of Engineering and his title later changed to Senior Manager for Product Engineering. In that

position, Buan acts as a general manager in charge of GL Leading's facility and he is tasked with, among other things, project management. Buan's responsibilities at GL Leading are comparable to the responsibilities he had while employed at Philips in that, according to Buan's LinkedIn page, while at Philips he was engaged in project management, advanced development, and process development & process improvement all with respect to designing and developing X-ray tubes for CT imaging machines. Buan's LinkedIn profile also revealed that at GL Leading Buan "lead[s] a team of 15 engineers and technicians in a medical device design and prototype startup" and is "[b]uilding on decades of engineering experience in medical devices," which on information and belief, includes information obtained from Philips.

101. On information and belief, Jen began working with GuoLi prior to the formation of GL Leading, at least as of August 2017. Jen was working with GuoLi and/or GL Leading while still employed by Philips (and thus bound by the terms of the Jen Employment Agreement and the Employee Handbook), both before and after execution of the Jen Termination Agreement. Further, on information and belief, while affirmatively acknowledging that he was prohibited from working for GuoLi and/or forming or operating GL Leading, Jen worked all the while – in his words – “under the table” while he was “still working at Philips.” This “under the table” work with GuoLi while “still working at Philips” included R&D planning; visiting GuoLi's manufacturing site in Kunshan, China in or around the summer of 2017; preparing equipment lists; instructing the copying of a Philips' bill of materials, worldwide product plan and parts blueprints and schematics; preparation of equipment lists based on the equipment he maintained access to at Philips' Aurora facility; soliciting Philips employees, and as detailed *infra*, using and sending Philips' trade secrets and confidential technical and business information for his personal benefit and for the benefit of GuoLi.

102. On information and belief, Jen works as the Principal Engineer at GL Leading. Jen's responsibilities at GL Leading are comparable to the responsibilities he had while employed at Philips in connection with the design and development of X-ray tubes for CT imaging machines.

103. Notably, the team of fifteen engineers that Buan and Jen manage have been lifted directly from the team at Philips that designed, manufactured and commercialized Philip's X-Ray tubes embodying Philips trade secret and confidential design and manufacturing specifications and techniques. These fifteen individuals (collectively, the "X-ray Tube Design and Engineering Group") include individuals who had, on information and belief, access to confidential and trade secret Philips information, and on information and belief all have similar job responsibilities at GL Leading as they did at Philips.

104. GL Leading, GuoLi and Yiyuan are competitors of Philips. On information and belief, two of their products, X-ray tubes GL Leading identified as GLA2153 and YY8019, are products that are meant to replace, operate similarly to, or be interchangeable with X-ray tubes sold by Philips and thus to compete in the marketplace with Philips' products.

105. On information and belief, Jen and GuoLi were directly involved in the formation of GL Leading and hiring of Buan and the X-ray Tube Design and Engineering Group.

106. On information and belief, Jen and Buan were hired to start at GL Leading in a similar, if not identical, positions to the position they previously held at Philips. On information and belief, GL Leading, under the control of and/or acting in concert with Jen, GuoLi and/or Yiyuan, is a competitor of Philips, at which Buan and Jen are now engaged in the research, development, and manufacture of competing X-ray tube products and through which activities Buan and Jen will at least inevitably disclose Philips' trade secrets and confidential information.

107. On information and belief, the members of the X-ray Tube Design and Engineering Group were hired to work at GL Leading in similar, if not identical, positions to the positions previously held at Philips. On information and belief, GL Leading, under the control of and/or acting in concert with GuoLi and/or Yiyuan, is a competitor of Philips, at which the X-ray Tube Design and Engineering Group is now engaged in the research, development, and manufacture of competing X-ray tube products and through which activities the X-ray Tube Design and Engineering Group will at least inevitably disclose Philips' trade secrets and confidential information

108. On information and belief, Yiyuan is a subsidiary of GuoLi.

109. On information and belief, GuoLi and/or Yiyuan control GL Leading and have been acting in concert with GL Leading with respect to the unlawful use of Philips' trade secrets and confidential information in the development and commercialization of at least the GLA2153 X-ray tube.

110. On information and belief, GuoLi, Yiyuan and GL Leading share common directors and/or management, including at least one individual who is both a director of Yiyuan and the founding President of GL Leading. On information and belief, that individual is currently a director of GL Leading and is the registered agent for GL Leading.

111. On information and belief, GuoLi, Yiyuan and GL Leading share certain information technology, electronic data storage and/or communication infrastructure.

112. On information and belief, GuoLi and/or Yiyuan exercise significant financial control over GL Leading.

113. On information and belief, GL Leading even uses an identical logo to that used by GuoLi:

GL Leading	GuoLi
 <p data-bbox="259 451 568 546"> GL Leading Technologies, Inc. 3565 Butterfield Road Suite 121 Aurora, IL 60502 </p>	 <p data-bbox="803 346 1404 430"> 昆山国力电子科技股份有限公司 Kunshan GuoLi Electronic Technology Co., Ltd. </p>

114. On information and belief, GL Leading worked on and/or designed the GLA2153 X-ray tube for manufacture and commercialization by GuoLi and/or Yiyuan.

115. On information, Buan managed, and Jen was a lead engineer for, the design of the GLA2153 X-ray tube, and Buan, Jen, and the X-ray Tube Design and Engineering Group and/or GL Leading used Philips' trade secret and confidential information, at least through Buan's, Jen's and the X-ray Tube Design and Engineering Group's inevitable disclosure of Philips' trade secret and confidential information including in tube design, manufacturing and production specifications and methods and process development.

116. On information and belief, Buan, Jen and GuoLi, Yiyuan and GL Leading have used and are using unlawfully misappropriated Philips' trade secret and other confidential business information to develop, manufacture and commercialize a knock-off of at least some models of the Philips 2XXX X-ray Tubes, including the GLA2153.

117. On information and belief, Buan, through his employment at GL Leading, disclosed Philips' trade secret, confidential, and proprietary information to GL Leading, including by having at least accessed and/or copied certain Philips' trade secret, confidential, and proprietary files on his '03433 High Capacity USB Drive using his GL Leading work computer to develop competing products for GuoLi and/or Yiyuan, including the GLA2153.

118. For example, on information and belief, Buan, Jen, GL Leading, Yiyuan and/or GuoLi have used and are using Philips' trade secret and confidential information regarding tube design, manufacturing and production specifications and methods and process development, at least through Buan's, Jen's and the X-ray Tube Design and Engineering Group's inevitable disclosure of Philips' trade secrets and confidential information.

119. On information and belief, certain GuoLi and Yiyuan manufacturing specifications are directly copied from Philips manufacturing specifications. On information and belief, at least certain GuoLi and/or Yiyuan specifications show direct copying by carrying over text artifacts, including, for example, Philips' email addresses and contact information copied directly from the original Philips source materials.

120. On information and belief, Buan, Jen, GuoLi, Yiyuan and/or GL Leading have provided third party OEM component suppliers with manufacturing specifications for at least certain components of a knock-off of Philips 2XXX X-ray Tubes.

121. On information and belief, the trade secret specifications, design, design history, know-how, and manufacturing techniques in the documents Buan and Jen misappropriated from Philips, including but not limited to the six sigma documentation and presentations, Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist would provide GL Leading, GuoLi and Yiyuan with

a decades-long head start in commercializing a knock-off of the Philips 2XXX X-ray Tubes and other X-ray tubes.

122. On information and belief, GL Leading, GuoLi, and Yiyuan acquired, without authorization, Philips' confidential and trade secret information, including, for example, the specifications and manufacturing methods for the Philips "Plastic Drain Plug," part number 453579793200 (the "Philips Drain Plug"), a critical component of certain Philips 2XXX X-ray Tubes.

123. On information and belief, GL Leading provided a supplier (who Buan knew to be a Philips supplier, subject to his obligations of confidentiality to Philips) with a part manufacturing order from GL Leading for an "Oil Plug" part (the "GL Oil Plug") that was a copy of the Philips Drain Plug for the CTR2150 X-ray Tubes.

124. On information and belief, GuoLi, Yiyuan, and GL Leading's specifications and manufacturing methods for the GL Oil Plug, part number GSFK8.657.000 are substantially identical to those Philips had implemented for the Philips Drain Plug.

125. For example, the machining tolerance specified on GuoLi, Yiyuan, and GL Leading's blueprints for the GL Oil Plug are substantially identical to the default tolerance specified on the Philips Drain Plug. The GuoLi, Yiyuan, and GL Leading manufacturing specifications and blueprints specify substantively identical manufacturing methods for the GL Oil Plug as specified in the Philips Drain Plug blueprints, to which Buan and the X-ray Tube Design and Engineering Group had access at Philips, including a substantively identical annealing step, including identical temperatures, ramp up and ramp down times, and coolant specifications ("Philips Oil Plug Specifications, Tolerances and Manufacturing Methods").

126. On information and belief, these tolerances and specifications supplied by GuoLi,

Yiyuan, and GL Leading for the GL Oil Plug could not have been derived by lawful means, and were unlawfully obtained from Philips' trade secret and other confidential business information.

127. On information and belief, on or about August 29, 2017 and while an employee of Philips, Jen sent the Philips Engine Stand Schematic and Philips Engine Stand Universal Schematic, attached as "459800653511.pdf; 459800654031.pdf," via e-mail to Xiaoqin Du at GuoLi (xiaoqin.du@glvac.cn), stating "[h]ere are the drawings, should explain very clear."

128. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Engine Stand Schematic and Philips Engine Stand Universal Schematic in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

129. On information and belief, on or about September 3, 2017 and while an employee of Philips, Jen sent the Philips CT WWPP, attached as "CT-WWPP-05-22-08.ppt," via email to, among others, GuoLi's and Yiyuan's Chairman, Mr. Yin Jianping (yjp@glvac.cn), stating, "[w]hat we need are the business plan (which you are working on now), WWPP (world wide product planning), and contract. Attached was the [Philips] WWPP we had many years ago. Take a look and see how they did it before, and give us some guide line [sic] to plan our future. We can talk about it when you have chance [sic]. . . . See you soon."

130. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips CT WWPP in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

131. On information and belief, on or about November 2, 2017 and while an employee of Philips, Jen send the Philips CTR2150 BOM, attached as "(JENS) IN0043301.pdf" via email to individuals at GuoLi, stating to GuoLi, "[t]he very first thing I need you to complete in the next

few days is the BOM. Once this is done, more things will be followed.[sic] All these need to be done before end of year. Attached is the sample listing with level indicator. The upper level is the assembly, the very lower level is the parts level. You should have all the P# or Assembly # for all of them. . . . Take a look at this sheet, call me if you need more help to understand it. Thanks.”

132. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips CTR2150 BOM in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

133. On information and belief, on or about December 27, 2017 and while an employee of Philips, Jen sent the Philips CXRH-0125 Specification, attached as “cxrh-0125_rev_I.pdf,” via email to, among others, individuals at GuoLi, stating to GuoLi, “[i]f you insist to use the scanner manufacturer’s spec to process the tube, it will not work at all. . . . See the attached spec we used for [Philips’ High Voltage Generator].”

134. On information and belief, GL Leading, GuoLi and/or Yiyuan use the same high voltage generator for testing and seasoning cathodes as used by Philips and described in the Philips CXRH-0125 Specification.

135. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips CXRH-0125 Specification in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

136. On information and belief, on or about March 20, 2018, Jen sent the Philips Cathode End Cap Sub-Assembly Schematic, the Philips Anode End Cap Schematic, the Philips Extrusion for Bellow Chamber Schematic, and the Philips Extruded Bellow Chamber Schematic,, attached as “1216400 End Cap.pdf; 453579550500 - Sheet1.pdf; 459800417401- Extrusion.pdf;

459800267051 - Assembly.pdf,” via email to a GL Leading employee, with the subject “drawings.”

137. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Cathode End Cap Sub-Assembly Schematic, the Philips Anode End Cap Schematic, the Philips Extrusion for Bellow Chamber Schematic, and the Philips Extruded Bellow Chamber Schematic in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

138. On information and belief, on or about March 8, 2018, Jen sent a document derived from the Philips Part Classification due to Safety Risk Form, attached as “Part-WXYZ.doc.” via email to a GL Leading employee, stating “[h]ere is the document that I am working on now.”

139. On information and belief, on or about March 26, 2018, Jen sent a document derived from the Philips Part Classification due to Safety Risk Form, attached as “P10007_Part-WXYZ.doc.” via email to individuals at GuoLi, stating “[t]his is the guide line for the parts classification base on the risk that may happened [sic].”

140. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Part Classification due to Safety Risk Form in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

141. On information and belief, on or about March 23, 2018, Jen sent the Philips Cathode Wiring Schematic, attached as “459801162121 07 20 2016.pdf,” to an employee at GL Leading, with the subject “wires.”

142. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Cathode Wiring Schematic in the design, development, improvement, manufacturing and/or

commercialization of the GLA2153 and/or YY8019.

143. For example, on information and belief, significant portions of the Schematic for GL Leading's "Cathode Wires" was copied *verbatim* from the Philips Cathode Wiring Schematic.

Clear evidence of direct copying includes:

- The "NOTES" section of the GL Leading Cathode Wires Schematic is copied *verbatim* from the Philips Cathode Wiring Schematic, including the statement **in the GL Leading Wires Schematic** that "AT THE TIME PARTS ARE SHIPPED, SUPPLIER SHALL SEND ALL CERTIFICATIONS REQUIRED IN THIS SPECIFICATION TO **PHILIPS-AURORA** INCOMING QUALITY INSPECTION AREA (IQA). SEND TO INCOMING.INSP.**AURORA@PHILIPS.COM** . . ." (emphasis added);
- The specification for certain heat shrink tubing copied a typographical error from the Philips Cathode Wiring Schematic, stating "DOESN'T SHOWN;"
- The "WIRES SCHEMATIC" diagram is copied directly from the Philips Cathode Wiring Schematic; and
- Additional component parts and assembly instructions are copied *verbatim*.

144. On information and belief, on or about April 26, 2018, Jen sent the Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts, attached as "5100044.doc" via email to a GL Leading employee, with the subject "5100044.doc."

145. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

146. On information and belief, in connection with obtaining a quotation for the supply of SmartID PCB board, on or about January 8, 2019, Jen sent a third party vendor the Philips Smart ID Layout and the Philips Smart ID Schematic (with revision dates of 1/8/2019), stating:

To: [REDACTED]
From: Sherman Jen[Sherman.Jen@gleading.com]
Sent: Tue 1/8/2019 5:42:41 PM (UTC)
Subject: RE: Quote Request for Tube ID Board Project
[453571251600revD.pdf](#)
[453574056600.pdf](#)

Hello Brian,
Here they are. The entire layout of the board and all the document for these project. If you look into the last page of the 1251600 drawing, DMR174503 will describe how the firmware works. I will send it later, after I get the quotation and approved PO. I am leaving to China tomorrow, and I have all the information you need for the project. E-mail me what you need, I will reply to you.
Thanks
Sherman

147. On information and belief, on or about February 15, 2019, and after GuoLi and/or Yiyuan’s approval of the “PO,” referenced in Jen’s January 8, 2019 correspondence, in an email written from a location within the People’s Republic of China with Philips’ confidential and trade secret information in his possession, Jen sent the Philips Smart ID Layout and the Philips Smart ID Schematic (with revision dates of 2017 and 4/24/2014, respectively), attached as “453571251600RevD+.pdf” and “453574056600 REV 01(B)Markup.pdf,” to that third party vendor in connection with a quotation for the supply of a Smart ID for GL Leading’s GLA2513 and/or YY8019 X-ray tube(s), stating “[h]ere is the PCB layout and schematic. Take a look and let me know what you think about the hardware. . . . I am still in China and will return to US next Friday. Let me know if you have any more questions.”

148. On information and belief, Jen’s development of a SmartID based on the Philips Smart ID Layout and the Philips Smart ID Schematic for GL Leading, was expressly authorized by GuoLi and/or Yiyuan by the Chairman, Jiangpin Yin.

149. On information and belief, on or about February 17, 2019, in an email written from a location within the People’s Republic of China, Jen again sent the Philips Smart ID Layout

and the Philips Smart ID Schematic to that third party vendor, stating “[h]ere is the PCB design and schematic of the SmartID,” *instructing that third party vendor to copy the Philips’ Smart ID Layout and the Philips Smart ID Schematic* (with revision dates of 2017 and 4/24/2014, respectively):

From: Sherman Jen
Sent: Sunday, February 17, 2019 7:45 AM
To: [REDACTED]
Subject: RE: FW: Quote Request for Tube ID Board Project

Hello Brian,
Here is the PCB design and schematic of the SmartID. What you need is to re-arrange the PCB design and change the Part # from 1251600 to something else (will give you the new P# later). Once the new PCB design done, you need to get Gerber file and prototype boards from ExpressPCB. Also I need you to create the new excel file that has the location of each components’ location. This excel file will use for the PCB manufacturer to locate the components. If you need some sample, I can send you some after my return next week.
Let me know if you have any more question.
Thanks
Sherman

150. On information and belief, on or about February 20, 2019, that third party vendor responded to Mr. Jen, asking, “[d]o you want me to *exactly copy the provided schematic?*” (emphasis added):

From: [REDACTED]
Sent: Wednesday, February 20, 2019 9:39 AM
To: Sherman Jen <Sherman.Jen@glleading.com>
Subject: Re: FW: Quote Request for Tube ID Board Project

Sherman,
Do you want me to exactly copy the provided schematic?
Thanks,
Brian

151. On information and belief, on or about February 20, 2019, Jen responded to that third party vendor, “yes,” he should “exactly copy” the Philips schematic:

On 2/20/2019 5:01 PM, Sherman Jen wrote:

Yes, unless you have better idea or reason.

Thanks

Sherman

152. On information and belief, at Jen's instruction on behalf of GL Leading, GuoLi and/or Yiyuan, that third party vendor copied the Philips Smart ID Layout and the Philips Smart ID Schematic in developing and testing a prototype.

153. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Smart ID Layout and the Philips Smart ID Schematic, in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

154. On information and belief, at Jen's instruction on behalf of GL Leading, GuoLi and/or Yiyuan, continued efforts to commercialize the prototype made by copying the Philips Smart ID Layout and the Philips Smart ID Schematic at least until after the service of a subpoena on that third party vendor on or about February 29, 2020, when that vendor asked Jen "Sherman, do you have permission to use the Philips documents?", to which Jen responded on or about March 2, 2020, "[s]poke with Joe [Buan] about this project, we like to put this project on hold first and wait for lawyer's response."

155. On information and belief, on or about May 17, 2018, Jen sent the Philips Anode-Frame Weld Procedure, attached as "5104096.doc," via e-mail to Thomas Maloy at GL Leading (Thomas.Maloy@glleading.com).

156. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Anode-Frame Weld Procedure in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

157. On information and belief, on or about March 26, 2018, Jen sent the Philips

CTR2250 Final Inspection Checklist, attached as “5788049.pdf,” via e-mail to Fince Tendian at GL Leading (Fince.Tendian@glleading.com).

158. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips CTR2250 Final Inspection Checklist in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

159. On information and belief, GL Leading, GuoLi and/or Yiyuan used the Philips Smart ID Layout and the Philips Smart ID Schematic in the design, development, improvement, manufacturing and/or commercialization of the GLA2153 and/or YY8019.

160. On information and belief, GuoLi, Yiyuan, and GL Leading and/or Jen and/or Buan are using other Philips’ trade secrets and other confidential business information unlawfully misappropriated from Philips to rapidly advance the commercialization of their knock-off of Philips 2XXX X-ray Tubes.

161. Information on Philips designs, design history, specifications, and manufacturing techniques cannot be reverse engineered from a sample Philips 2XXX X-ray Tube. For example, the materials, circuitry, controls, and other features of the design were refined over years of development and commercial use. On information and belief, without having misappropriated such trade secrets and other confidential business information relating to aspects of design, design logic, and process controls, GuoLi, Yiyuan, and GL Leading would not have been able to so rapidly progress in their development of a commercial knock-off embodied in its GLA2153 and YY8019 X-ray tubes.

**COUNT I – MISAPPROPRIATION OF TRADE SECRETS UNDER THE
DEFEND TRADE SECRETS ACT (18 U.S.C. § 1836) AGAINST ALL DEFENDANTS**

162. Philips repeats and realleges the allegations of each of the foregoing paragraphs as if fully set forth herein.

163. The First Tranche of Proprietary Philips Files, the Second Tranche of Proprietary Philips Files, and Philips Oil Plug Specifications, Tolerances and Manufacturing Methods and other Philips information taken by Buan, in addition to the Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist and other Philips information taken by Jen (the “Philips Trade Secrets”) are trade secrets under the Defend Trade Secrets Act (“DTSA”), 18 U.S.C. § 1836.

164. The Philips Trade Secrets, were not known to anyone outside of Philips, except persons or entities bound to stringent confidentiality obligations.

165. On information and belief, Buan and Jen obtained the Philips Trade Secrets while employees of Philips, and were and are at all times bound to obligations of confidentiality and non-use for such information.

166. If even possible without the disclosure of the First Tranche of Proprietary Philips Files, the Second Tranche of Proprietary Philips Files, Philips Oil Plug Specifications, Tolerances and Manufacturing Methods, Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips

Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist, it would take a competitor a considerable amount of time, effort, expense, and expertise to duplicate the Philips Trade Secrets, and it is unlikely that the Philips Trade Secrets could be duplicated at all without access to Philips trade secret and other confidential business information.

167. The Philips Trade Secrets relate to medical imaging and technology products used, sold, shipped, and/or ordered in, or intended to be used, sold, shipped, and/or ordered in, interstate or foreign commerce.

168. The Philips Trade Secrets are not generally known to the public or generally known in the industry, and their value is derived from the fact that they are kept secret.

169. Philips spent considerable time and resources developing, refining and/or compiling the Philips Trade Secrets.

170. Philips has taken reasonable measures to maintain the secrecy of its trade secrets and other confidential business information, and has not granted permission to reproduce, use, or disclose, in whole or in part, such trade secret and other confidential business information.

171. Philips made considerable efforts to maintain the secrecy of the Philips Trade Secrets, including but not limited to: (1) password protection to access Philips' systems containing the Philips Trade Secrets; (2) requiring employees, including Buan and Jen, to be bound to strict confidentiality obligations, including those as set forth in the Buan and Jen Employment Agreements and Employee Handbook; (3) requiring departing employees, including Buan and Jen, to reaffirm strict post-termination confidentiality obligations, including those as set

forth in the Buan and Jen Termination Agreements prior to departure; and (4) requiring employees, including Buan and Jen, to return all materials relating to Philips' business – including trade secret, proprietary, and/or confidential materials – upon termination, as set forth in the Buan and Jen Employment Agreements, Employee Handbook, and Buan and Jen Termination Agreements.

172. Despite Buan's and Jen's duty to maintain the confidentiality of material received from Philips, on information and belief, Buan and Jen knowingly and willfully disclosed the Philips Trade Secrets to GL Leading, GuoLi, and/or Yiyuan.

173. Buan, Jen, GuoLi, Yiyuan, and/or GL Leading further misappropriated at least some of the Philips Trade Secrets by using such information to provide specifications to third-party manufacturers, and by attempting to commercially exploit the Philips Trade Secrets in competition with Philips, including for example, on information and belief, by working on the development of the GLA2153 X-ray tube for GuoLi and/or Yiyuan.

174. Defendants further acquired and exploited the Philips Trade Secrets by improper means via Defendants' breach of their duty to maintain the confidentiality of the Philips Trade Secrets. Defendants used the improperly acquired Philips Trade Secrets to their own commercial benefit and to compete with Philips, including for example, on information and belief, by working on the development of the GLA2153 X-ray tube for GuoLi and/or Yiyuan.

175. It is inevitable that Defendants will continue to disclose Philips' Trade Secrets in violation of the DTSA. Buan holds a similar, if not identical, position at Philips competitors GuoLi, Yiyuan, and GL Leading where he is engaged in the research, development, and manufacture of competing X-ray tube products. Before leaving Philips, Buan downloaded trade secret files related to the Philips iMRC X-ray Tube products that he had not worked on in years.

After leaving Philips, Buan attempted to erase the contents of his Work Computer to cover his tracks by placing magnets on the hard drive upon his departure from Philips. After Buan left Philips for GL Leading, he recruited the X-ray Tube Design and Engineering Group shortly thereafter. As set forth above, on information and belief, Buan has already disclosed certain Philips Trade Secrets related to X-ray tube technology to his new employers, GuoLi, Yiyuan, and GL Leading, and GL Leading has further informed Philips that Buan's '03433 High Capacity USB Drive was connected to Buan's work computer at GL Leading and that Philips files were accessed on Buan's GL Leading computer, and by extension, accessed on and/or copied to the GuoLi, Yiyuan, and GL Leading computer network. On information and belief, the X-ray Tube Design and Engineering Group, Buan, GuoLi, Yiyuan, and GL Leading are already using certain Philips trade secrets to develop knock-offs of certain Philips X-ray tubes. As such, it is clear that there are insufficient safeguards in place at GuoLi, Yiyuan, and GL Leading to prevent disclosure of Philips' Trade Secrets within GuoLi, Yiyuan and GL Leading by former Philips employees, such as Buan and the X-ray Tube Design and Engineering Group. Without intervention by the Court, additional Philips trade secrets will inevitably be disclosed by Buan, the X-ray Tube Design and Engineering Group, GuoLi, Yiyuan and GL Leading.

176. It is inevitable that Defendants will continue to disclose Philips' Trade Secrets in violation of the DTSA. Jen holds similar, if not identical, positions at Philips competitors GuoLi, Yiyuan, and GL Leading where he is engaged in the research, development, and manufacture of competing X-ray tube products. On information and belief, before leaving Philips, Jen downloaded trade secret files related to Philips X-ray Tube products, including Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly,

Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist. Before and after Jen left Philips for GL Leading, he recruited the X-ray Tube Design and Engineering Group. As set forth above, on information and belief, Jen has already disclosed certain Philips Trade Secrets related to X-ray tube technology to his new employers, GuoLi, Yiyuan, and GL Leading. On information and belief, the X-ray Tube Design and Engineering Group, Buan, GuoLi, Yiyuan, and GL Leading are already using certain Philips trade secrets to develop knock-offs of certain Philips X-ray tubes. As such, it is clear that there are insufficient safeguards in place at GuoLi, Yiyuan, and GL Leading to prevent disclosure of Philips' Trade Secrets within GuoLi, Yiyuan and GL Leading by former Philips employees, such as Jen and the X-ray Tube Design and Engineering Group. Without intervention by the Court, additional Philips trade secrets will inevitably be disclosed by Jen, the X-ray Tube Design and Engineering Group, GuoLi, Yiyuan and GL Leading.

177. Defendants' acts identified herein, as well as other acts yet to be discovered, constitute misappropriation of trade secrets under the DTSA.

178. As a direct result of Defendants' wrongdoing, Philips was damaged in an amount to be determined at trial, but which cannot be compensated by money alone.

179. Defendants knowingly, willfully, and maliciously misappropriated the Philips Trade Secrets in a conscious disregard for Philips' rights in a deliberate attempt to injure Philips' business and improve Defendants' business. Accordingly, Philips is entitled to recover attorney's fees, actual, and exemplary damages in an amount to be determined at trial.

180. The business advantage, value, and goodwill earned by Philips through the development and lawful exploitation of the Philips Trade Secrets will be lost forever by way of the continuing misappropriation by Defendants, and such harm will continue absent an injunction requiring Buan, Jen, GuoLi, Yiyuan, and GL Leading to return and cease and desist from any use of the Philips Trade Secrets. Philips is thus entitled to injunctive relief against Defendants pursuant to 18 U.S.C. § 1836(b)(3)(A).

**COUNT II – MISAPPROPRIATION TRADE SECRETS UNDER THE
ILLINOIS TRADE SECRETS ACT (765 ILCS 1065) AGAINST ALL DEFENDANTS**

181. Philips repeats and realleges the allegations of each of the foregoing paragraphs as if fully set forth herein.

182. The Philips Trade Secrets are trade secrets under the Illinois Trade Secrets Act (“ITSA”), 765 ILCS 1065.

183. The Philips Trade Secrets, were not known to anyone outside of Philips, except persons or entities bound to stringent confidentiality obligations.

184. On information and belief, Buan and Jen obtained the Philips Trade Secrets while employees of Philips, and were and are at all times bound to obligations of confidentiality and non-use for such information.

185. If even possible without the disclosure of the First Tranche of Proprietary Philips Files, the Second Tranche of Proprietary Philips Files, and Philips Oil Plug Specifications, Tolerances and Manufacturing Methods, Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips

Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist, it would take a competitor a considerable amount of time, effort, expense, and expertise to duplicate the Philips Trade Secrets, and it is unlikely that the Philips Trade Secrets could be duplicated at all without access to Philips' trade secret and other confidential business information.

186. The Philips Trade Secrets relate to medical imaging and technology products use, sold, shipped, and/or ordered in, or intended to be used, sold, shipped, and/or ordered in, interstate or foreign commerce.

187. The Philips Trade Secrets are not generally known to the public or generally known in the industry, and their value is derived from the fact that they are kept secret.

188. Philips spent considerable time and resources developing, refining, and/or compiling the Philips Trade Secrets.

189. Philips has taken reasonable measures to maintain the secrecy of its trade secrets and other confidential business information, and has not granted permission to reproduce, use, or disclose, in whole or in part, such trade secret and other confidential business information.

190. Philips made considerable efforts to maintain the secrecy of the Philips Trade Secrets, including but not limited to: (1) password protection to access Philips' systems containing the Philips Trade Secrets; (2) requiring employees, including Buan and Jen, to be bound to strict confidentiality obligations, including those as set forth in the Buan and Jen Employment Agreements and Employee Handbook; (3) requiring departing employees, including Buan and Jen, to reaffirm strict post-termination confidentiality obligations, including those as set forth in the Buan and Jen Termination Agreements prior to departure; and (4) requiring

employees, including Buan and Jen, to return all materials relating to Philips' business – including trade secret, proprietary, and/or confidential materials – upon termination, as set forth in the Buan and Jen Employment Agreements, Employee Handbook, and Buan and Jen Termination Agreements.

191. Despite Buan's and Jen's duty to maintain the confidentiality of material received from Philips, on information and belief, Buan and Jen knowingly and willfully disclosed the Philips Trade Secrets to GuoLi, Yiyuan, and GL Leading.

192. Buan, Jen, GuoLi, Yiyuan, and/or GL Leading further misappropriated at least some of the Philips Trade Secrets by using such information to provide specifications to third party manufacturers, and by attempting to commercially exploit the Philips Trade Secrets in competition with Philips, including for example, on information and belief, by working on the development of the GLA2153 X-ray tube for GuoLi and Yiyuan.

193. Defendants further acquired and exploited the Philips Trade Secrets by improper means via Defendants' breach of their duty to maintain the confidentiality of the Philips Trade Secrets. Defendants used the improperly acquired Philips Trade Secrets to their own commercial benefit and to compete with Philips, including for example, on information and belief, by working on the development of the GLA2153 X-ray tube for GuoLi and/or Yiyuan.

194. It is inevitable that Defendants will continue to disclose Philips' Trade Secrets in violation of the ITSA. Buan holds a similar, if not identical, position at Philips competitors GuoLi, Yiyuan, and GL Leading where he is engaged in the research, development, and manufacture of competing X-ray tube products. Before leaving Philips, Buan downloaded trade secret files related to the Philips iMRC X-ray Tube products that he had not worked on in years. After leaving Philips, Buan attempted to erase the contents of his Work Computer to cover his

tracks by placing magnets on the hard drive upon his departure from Philips. After Buan left Philips for GL Leading, he recruited the X-ray Tube Design and Engineering Group shortly thereafter. As set forth above, on information and belief, Buan has already disclosed certain Philips Trade Secrets related to X-ray tube technology to his new employers, GuoLi, Yiyuan, and GL Leading, and GL Leading has further informed Philips that Buan's '03433 High Capacity USB Drive was connected to Buan's work computer at GL Leading and that Philips files were accessed on Buan's GL Leading computer, and by extension, accessed on and/or copied to the GuoLi, Yiyuan, and GL Leading computer network. On information and belief, the X-ray Tube Design and Engineering Group, Buan, GuoLi, Yiyuan, and GL Leading are already using certain Philips trade secrets to develop knock-offs of certain Philips X-ray tubes. As such, it is clear that there are insufficient safeguards in place at GuoLi, Yiyuan, and GL Leading to prevent disclosure of Philips' Trade Secrets within GuoLi, Yiyuan, and GL Leading by former Philips employees, such as Buan and the X-ray Tube Design and Engineering Group. Without intervention by the Court, additional Philips trade secrets will inevitably be disclosed by Buan, the X-ray Tube Design and Engineering Group, GuoLi, Yiyuan, and GL Leading.

195. It is inevitable that Defendants will continue to disclose Philips' Trade Secrets in violation of the ITSA. Jen holds similar, if not identical, positions at Philips competitors GuoLi, Yiyuan, and GL Leading where he is engaged in the research, development, and manufacture of competing X-ray tube products. On information and belief, before leaving Philips, Jen downloaded trade secret files related to Philips X-ray Tube products, including Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips

Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist. Before and after Jen left Philips for GL Leading, he recruited the X-ray Tube Design and Engineering Group. As set forth above, on information and belief, Jen has already disclosed certain Philips Trade Secrets related to X-ray tube technology to his new employers, GuoLi, Yiyuan, and GL Leading. On information and belief, the X-ray Tube Design and Engineering Group, Buan, GuoLi, Yiyuan, and GL Leading are already using certain Philips trade secrets to develop knock-offs of certain Philips X-ray tubes. As such, it is clear that there are insufficient safeguards in place at GuoLi, Yiyuan, and GL Leading to prevent disclosure of Philips' Trade Secrets within GuoLi, Yiyuan and GL Leading by former Philips employees, such as Jen and the X-ray Tube Design and Engineering Group. Without intervention by the Court, additional Philips trade secrets will inevitably be disclosed by Jen, the X-ray Tube Design and Engineering Group, GuoLi, Yiyuan and GL Leading.

196. As a direct result of Defendants' wrongdoing, Philips was damaged in an amount to be determined at trial, but which cannot be compensated by money alone.

197. Defendants knowingly, willfully, and maliciously misappropriated the Philips Trade Secrets in a conscious disregard for Philips' rights in a deliberate attempt to injure Philips business and improve Defendants' business. Accordingly, Philips is entitled to recover attorney's fees, actual, and exemplary damages in an amount to be determined at trial.

198. The business advantage, value and goodwill earned by Philips through the development and lawful exploitation of the Philips Trade Secrets will be lost forever by way of the continuing misappropriation by Defendants, and such harm will continue absent an injunction

requiring Buan, Jen, GuoLi, Yiyuan, and GL Leading to return and cease and desist from any use of the Philips Trade Secrets. Philips is thus entitled to injunctive relief against Defendants pursuant to 765 ILCS 1065/3.

COUNT III – BREACH OF CONTRACT AGAINST BUAN

199. Philips repeats and realleges the allegations of each of the foregoing paragraphs as if fully set forth herein.

200. On September 19, 2007, Philips and Buan entered into the Buan Employment Agreement. The Buan Employment Agreement included a confidentiality provision whereby Buan agreed, in part, “[n]ot to use, publish or otherwise disclose (except as my job requires) either during or after my employment, any secret or confidential (proprietary) information or data of the company”

201. The Buan Employment Agreement also included a provision whereby Buan agreed, in part, that “[u]pon termination of my employment, to deliver promptly to the company all written and other materials that relate to the business of the company or its affiliates”

202. The Buan Employment Agreement also included a provision whereby Buan agreed, in part, that “I have read and understand the Philips Electronics North America Corporation ‘Simply Right’ book. In consideration of my continuing at will employment with the company. I agree to abide by the ethical and legal principles of the company as they are incorporated in this book.” The “Simply Right” book, i.e., the Employee Handbook, further obligated Buan and all Philips employees to not use Philips information for personal gain, to “limit the distribution of confidential material to those who must know about it,” and to “[]not use Philips e-mail, intranet, internet or social media . . . for personal gain (e.g. . . . non-Philips business activities).”

203. On December 20, 2017, Philips and Buan entered into the Buan Termination Agreement. The Buan Termination Agreement included a confidentiality provision whereby Buan agreed, in part, “that all information contained or possessed by [Buan] relative to the activities of the Philips Group which is of a secret or confidential nature, which may include but is not limited to customer lists, pricing, and technical and production know-how, developments, inventions, processes, or administrative procedures, is the property of the Philips Group or its licensors, as the case may be, and [Buan] shall not during the term of this agreement or thereafter, use for the benefit of others or disclose to others such information so long as its secret or confidential nature be preserved by the Philips Group”

204. The Buan Termination Agreement also included a provision whereby Buan agreed, *inter alia*, “to return to Philips on or before December 29, 2017, any and all property of Philips currently in your possession, including, but not limited to, computers and credit cards.”

205. The Buan Employment Agreement and Buan Termination Agreement are valid contracts, supported by sufficient consideration.

206. Buan materially breached paragraph 1 of the Buan Employment Agreement and paragraph 2 of the Buan Termination Agreement by disclosing Philips confidential, proprietary, and/or trade secret information, including information related to the Philips Trade Secrets.

207. Buan materially breached paragraph 2 of the Buan Employment Agreement and paragraph 5 of the Buan Termination Agreement by failing to return Philips’ property in his possession, including the confidential, proprietary, and/or trade secret information that he copied from Philips’ network and OneDrive onto his USB storage devices in the final days of his employment and within days of agreeing to the Buan Termination Agreement.

208. Buan’s material breach of the Buan Employment Agreement and Buan

Termination Agreement proximately and irreparably harmed Philips and caused Philips to suffer monetary damages in an amount to be determined at trial but at least including the \$88,443.01 paid as consideration to Buan under the Buan Termination Agreement.

209. Philips also seeks specific enforcement of paragraph 2 of the Buan Employment Agreement and paragraph 5 of the Buan Termination Agreement, requiring the return of all Philips' property and information obtained by Buan from Philips in violation of the terms of the Buan Employment Agreement and Buan Termination Agreement.

**COUNT IV – UNJUST ENRICHMENT AGAINST GL LEADING,
GUOLI, AND YIYUAN**

210. Philips repeats and realleges the allegations of paragraphs 1-27, 42, 44, 56 and 58-161 as if fully set forth herein.

211. GuoLi, Yiyuan, and GL Leading's misappropriation has conferred a significant benefit on GuoLi, Yiyuan, and GL Leading. Among other things, GuoLi, Yiyuan, and GL Leading have saved a considerable amount of effort, time, expense, and expertise by misappropriating Philips' confidential, proprietary, and/or trade secret information, and were at least more quickly able to develop and commercialize the GLA 2153 X-ray tube.

212. On information and belief, GuoLi, Yiyuan, and GL Leading received Philips Trade Secrets and other Philips' confidential business information.

213. On information and belief, GuoLi, Yiyuan, and GL Leading have unjustly retained, used, exploited, and/or otherwise benefitted from the Philips Trade Secrets and other Philips confidential business information.

214. The Philips Trade Secrets unjustly retained, used, and/or exploited, on information and belief, by GuoLi, Yiyuan, and GL Leading have unjustly conferred a valuable benefit on GuoLi, Yiyuan, and GL Leading to the detriment of the Plaintiffs.

215. Retaining, using, exploiting, and/or otherwise benefitting from the Philips Trade Secrets and other Philips' confidential business information by GuoLi, Yiyuan, and GL Leading would violate the fundamental principles of justice, equity, and good conscience.

216. Philips is thus entitled to damages for GuoLi, Yiyuan, and GL Leading's unjust enrichment, including but not limited to, monetary damages.

COUNT V – UNJUST ENRICHMENT AGAINST BUAN

217. Philips repeats and realleges the allegations of paragraphs 1-24, 42, and 58-161 as if fully set forth herein.

218. This count is pled in the alternative to Plaintiffs' breach of contract count against Buan.

219. Buan's misappropriation and breach of duty of confidentiality to Philips has conferred a significant benefit on Buan. Among other things, Buan has saved a considerable amount of effort, time, expense, and expertise by misappropriating Philips' confidential, proprietary, and/or trade secret information, and was at least more quickly able to develop the GLA 2153 X-ray tube for GuoLi, Yiyuan, and GL Leading.

220. On information and belief, Buan received Philips Trade Secrets and other Philips' confidential business information.

221. On information and belief, Buan has unjustly retained, used, exploited, and/or otherwise benefitted from the Philips Trade Secrets and other Philips confidential business information.

222. The Philips Trade Secrets unjustly retained, used, and/or exploited, on information and belief, by Buan have unjustly conferred a valuable benefit on Buan to the detriment of the Plaintiffs.

223. Retaining, using, exploiting, and/or otherwise benefitting from the Philips Trade Secrets and other Philips' confidential business information by Buan would violate the fundamental principles of justice, equity, and good conscience.

224. Philips is thus entitled to damages for Buan's unjust enrichment, including but not limited to, monetary damages.

COUNT VI – BREACH OF CONTRACT AGAINST JEN

225. Philips repeats and realleges the allegations of each of the foregoing paragraphs as if fully set forth herein.

226. On March 24, 2013, Philips and Jen entered into the Jen Employment Agreement. The Jen Employment Agreement included a confidentiality provision whereby Jen agreed, in part, “[n]ot to use, publish or otherwise disclose (except as my job requires) either during or after my employment, any secret or confidential (proprietary) information or data of the company”

227. The Jen Employment Agreement also included a provision whereby Jen agreed, in part, that “[u]pon termination of my employment, to deliver promptly to the company all written and other materials that relate to the business of the company or its affiliates”

228. The Jen Employment Agreement also included a provision whereby Jen agreed, in part, that “I have read and understand the Philips Electronics North America Corporation ‘Simply Right’ book. In consideration of my continuing at will employment with the company. I agree to abide by the ethical and legal principles of the company as they are incorporated in this book.” The “Simply Right” book, i.e., the Employee Handbook, further obligated Jen and all Philips employees to not use Philips information for personal gain, to “limit the distribution of confidential material to those who must know about it,” and to “[n]ot use Philips e-mail, intranet, internet or social media . . . for personal gain (e.g. . . . non-Philips business activities).” The

Employee Handbook further obligated Jen “to be fully dedicated to [his] job and to Philips and not allow [his] loyalties to be divided by any outside influence. . . , to avoid all conflicts of interest or potential conflicts of interest. . . ,” and to refrain from “hav[ing] a financial interest in any outside company or activity if the interest could influence, or seem to influence, your actions or conflicts with Philips’ interests. This includes having a financial interest in [Philips’] competitors. . . .”

229. On December 15, 2017, Philips and Jen entered into the Jen Termination Agreement. The Jen Termination Agreement included a confidentiality provision whereby Jen agreed, in part, “that all information contained or possessed by [Jen] relative to the activities of the Philips Group which is of a secret or confidential nature, which may include but is not limited to customer lists, pricing, and technical and production know-how, developments, inventions, processes, or administrative procedures, is the property of the Philips Group or its licensors, as the case may be, and [Jen] shall not during the term of this agreement or thereafter, use for the benefit of others or disclose to others such information so long as its secret or confidential nature be preserved by the Philips Group”

230. The Jen Termination Agreement also included a provision whereby Jen agreed, *inter alia*, “to return to Philips on or before December 29, 2017, any and all property of Philips currently in your possession, including, but not limited to, computers and credit cards.”

231. The Jen Termination Agreement also included a provision whereby Jen agreed “that during the remainder of your employment and for a period of one year thereafter, you shall not, directly or indirectly, divert, entice away, solicit or in any other manner persuade or attempt to persuade (a ‘Solicitation’) any person who is, or was, at any time within the twelve (12)-month period prior to such Solicitation, an officer, director, manager, employee, agent, licensor,

licensee, customer, or supplier of the Philips Group to discontinue, terminate or adversely alter its or their relationship with the Philips Group.”

232. The Jen Employment Agreement and Jen Termination Agreement are valid contracts, supported by sufficient consideration.

233. Jen materially breached paragraph 1 of the Jen Employment Agreement and paragraph 2 of the Jen Termination Agreement by disclosing Philips confidential, proprietary, and/or trade secret information, including information related to the Philips Trade Secrets, and specifically including but not limited to the Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist.

234. Jen materially breached the Jen Employment Agreement by failing to “abide by the ethical and legal principles of the company as they are incorporated in [the Employee Handbook],” including by providing Philips’ confidential, proprietary, and/or trade secret information to GuoLi and/or other third parties during the term of his employment at Philips, by engaging in outside employment or business activity with GuoLi and/or other third parties during the term of his employment by Philips, and on information and belief, having a financial interest in GuoLi and/or other third parties during the term of his employment at Philips, and by failing to disclose his divided loyalties and conflicts of interests by virtue of his engagement with and/or

disclosures to GuoLi and/or other third parties during the term of his employment by Philips.

235. Jen materially breached paragraph 2 of the Jen Employment Agreement paragraph 5 of the Jen Termination Agreement by failing to return Philips' property in his possession, including the confidential, proprietary, and/or trade secret information.

236. Jen's material breach of the Jen Employment Agreement and Jen Termination Agreement proximately and irreparably harmed Philips and caused Philips to suffer monetary damages in an amount to be determined at trial but at least including the \$55,117.48 paid as consideration to Jen under the Jen Termination Agreement.

237. Philips also seeks specific enforcement of paragraph 2 of the Jen Employment Agreement and paragraph 5 of the Jen Termination Agreement, requiring the return of all Philips' property and information obtained by Jen from Philips in violation of the terms of the Jen Employment Agreement and Jen Termination Agreement.

COUNT VII UNJUST ENRICHMENT AGAINST JEN

238. Philips repeats and realleges the allegations of paragraphs 1-23, 44, 56 and 58-161 as if fully set forth herein.

239. This count is pled in the alternative to Plaintiffs' breach of contract count against Jen.

240. Jen's misappropriation and breach of duty of confidentiality to Philips has conferred a significant benefit on Jen. Among other things, Jen has saved a considerable amount of effort, time, expense, and expertise by misappropriating Philips' confidential, proprietary, and/or trade secret information, and was at least more quickly able to develop the GLA 2153 X-ray tube for GuoLi, Yiyuan, and GL Leading.

241. On information and belief, Jen received Philips Trade Secrets and other Philips'

confidential business information, specifically including but not limited to the Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist .

242. On information and belief, Jen has unjustly retained, used, exploited, and/or otherwise benefitted from the Philips Trade Secrets and other Philips confidential business information, specifically including but not limited to the Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist .

243. The Philips Trade Secrets and other Philips confidential business information, specifically including but not limited to the Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber

Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist , unjustly retained, used, and/or exploited, on information and belief, by Jen have unjustly conferred a valuable benefit on Jen to the detriment of the Plaintiffs.

244. Retaining, using, exploiting, and/or otherwise benefitting from the Philips Trade Secrets and other Philips' confidential business information, and other Philips confidential business information, specifically including but not limited to the Philips CXRH-0125 Specification, Philips Cathode Wiring Schematic, Philips CT WWPP, Philips Engine Stand Schematic, Philips Engine Stand Universal Schematic, Philips Cathode End Cap Sub-Assembly, Philips Anode End Cap Schematic, Philips Extrusion for Bellow Chamber Schematic, Philips Extruded Bellow Chamber Schematic, Philips Part Classification due to Safety Risk Form, Philips Smart ID Layout, Philips Smart ID Schematic, Philips Anode-Frame Weld Procedure, Philips CTR2150 BOM, Philips Materials and Processes Specification for Fabrication of X-ray Tube Parts and Philips CTR2250 Final Inspection Checklist, by Jen would violate the fundamental principles of justice, equity, and good conscience.

245. Philips is thus entitled to damages for Jen's unjust enrichment, including but not limited to, monetary damages.

PRAYER FOR RELIEF

WHEREFORE, Philips respectfully prays that this Court:

- (a) Enter judgment on all counts in favor of Philips;
- (b) Enter a preliminary and permanent injunction against Defendants from using, accessing,

- disclosing, or distributing any Philips' confidential or proprietary information and/or trade secrets;
- (c) Enter a preliminary and permanent injunction against Defendants to return all documents, files, programs, data, metadata, and other information of any kind preserved, without alteration, deletion, or spoliation, together with any and all copies of any of the foregoing in any medium or format including but not limited to their personal computers, drop box accounts, and the like;
 - (d) Enter a preliminary and permanent injunction against Defendants requiring them to return all Philips' confidential or proprietary information and/or trade secrets, and Philips' property in their possession, custody, or control;
 - (e) Enter a preliminary and permanent injunction against Buan from breaching the Buan Employment Agreement and Buan Termination Agreement;
 - (f) Enter a preliminary and permanent injunction against Jen from breaching the Jen Employment Agreement and Jen Termination Agreement;
 - (g) Award money damages to Philips in an amount to be determined at trial, plus interest, costs, and disbursements;
 - (h) Award Philips exemplary damages of twice the amount awarded as general damages for the first and second causes of action for misappropriation of trade secrets;
 - (i) Award Philips its attorney's fees and costs incurred in bringing and prosecuting this action; and
 - (j) Granting Philips such additional and further relief as this Court deems just and proper.

JURY DEMAND

Plaintiffs hereby request a trial by jury on all matters so triable.

Respectfully Submitted,

Dated: March 30, 2020
Chicago, Illinois

PHILIPS MEDICAL SYSTEMS
(CLEVELAND), INC., and
PHILIPS MEDICAL SYSTEMS DMC, GmbH,

By its attorneys,

/s/ Adam P. Samansky
Adam P. Samansky (admitted *pro hac vice*)
Joseph D. Rutkowski (admitted *pro hac vice*)
Nicholas W. Armington (admitted *pro hac vice*)
Mintz, Levin, Cohn, Ferris, Glovsky
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apsamansky@mintz.com
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227 West Monroe Street, Suite 4700
Chicago, IL 60606
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Fax: (312) 577 1370
jgoldkind@steptoe.com

Exhibit A

Case 1:19-cv-02648 Document #: 92 Filed: 03/30/20 Page 65 of 129 Filed #: 1580

Philips Employee Ethics and Intellectual Property Agreement

In consideration of my accepting or continuing at will employment at Philips Electronics North America Corporation or any of its divisions, subsidiaries or affiliates, (which will individually and collectively be called "the company") during such time as may be mutually agreeable, and in consideration of the salary or wages paid to me, I agree:

1. Not to use, publish or otherwise disclose (except as my job requires) either during or after my employment, any secret or confidential (proprietary) information or data of the company or its customers or any other third party received by the company in confidence.
2. Upon the termination of my employment, to deliver promptly to the company all written and other materials that relate to the business of the company or its affiliates including, without limitation, computers, laptops, hand-held computers and cell phones.
3. To disclose promptly and agree to assign, without further compensation, to the company or its nominee as its exclusive property, all those inventions and technical or business innovations (including works of authorship) developed or conceived by me alone or with others, while I am employed which: (a) pertain to any line of the businesses, work or investigations of the company or affiliates, (b) pertain to any demonstrably anticipated business, research or development of the company or its affiliates, (c) are suggested by or result from work that I may do for the company, or (d) are aided by use of times, materials, facilities, patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications and registrations relating to those of the company. *
4. To make and maintain for the company adequate and current written records of such inventions.
5. To perform all reasonable acts (such as execution of all necessary papers) and otherwise provide proper assistance (at the company's expense) during and subsequent to my employment to enable the company to obtain for itself or its nominees patents, copyrights or other legal protection for such inventions or innovations in any and all countries.
6. Not to disclose or utilize in my work any proprietary information of others (including that of any prior employers) or any inventions or innovations of my own which are not included within the scope of this agreement.

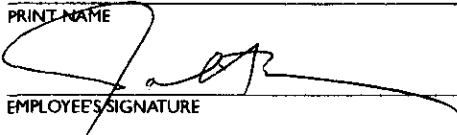
I have read and understand the Philips Electronics North America Corporation "Simply Right" book. In consideration of my continuing at will employment with the company, I agree to abide by the ethical and legal principles of the company as they are incorporated in this book. I understand that failure to do so may result in the termination of my employment.

This agreement supercedes and replaces any Employee Ethics and Intellectual Agreement previously executed by me. It may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of the company.

I certify that to the best of my knowledge and belief, I am not a party to any other agreement or subject to any conflict of interests that will interfere with my full compliance with this agreement, except as specifically identified below. I understand that this agreement does not constitute a contract of employment, either express or implied. My employment is "at will" meaning that I or Philips may terminate the employment relationship at any time, with or without cause or notice.

Jose Buan

PRINT NAME



EMPLOYEE'S SIGNATURE

9/19/07

DATE

I represent that the following are the only agreements, relationships and matters to which I have an interest that may conflict with the obligations I have undertaken above. I further agree to promptly notify my supervisor in writing of any change in this information.

*If employed in any of the following states, employees should also sign the relevant paragraph of the Employment Invention Attachment that follows this agreement: California, Delaware, Illinois, Kansas, Minnesota, North Carolina, Utah or Washington.



Employee Invention Attachment to the Philips Employee Ethics and Intellectual Property Agreement

California

I understand that, as required by the California labor code, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility, or trade secret information of the company was used and which was developed entirely on my own time, unless (a) the invention relates at the time of conception or reduction to practice of the invention, (i) to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me for the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

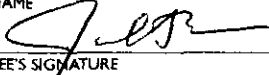
DATE

Delaware, Illinois, Kansas and North Carolina

I understand that, as required by Delaware/Illinois/Kansas/North Carolina state law (delete as appropriate), no provision in this employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility, or trade secret information of the company was used and which was developed entirely on my own time, unless (a) the invention relates (i) to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me from the company.

José Buan

PRINT NAME



EMPLOYEE'S SIGNATURE

9/19/07

DATE

Minnesota

I understand that, as required by Minnesota state law, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility or trade secret information of the company was used and which was developed entirely on my own time, and (a) which does not relate (i) directly to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by me for the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE

Utah

I understand that, as required by Utah state law, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention which was created entirely on my own time, and which is not (a) conceived, developed, reduced to practice, or created by me (i) within the scope of my employment with the company, (ii) on the company's time, or (iii) with the aid, assistance or use of any of the company's property, equipment, facilities, supplies, resources, or patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks and services marks and any and all rights, applications, and registrations relating to them, (b) the results of any work, services, or duties performed by me for the company, (c) related to the industry or trade of the company, or (d) related to the current or demonstrably anticipated business, research, or development of the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE

Washington

I understand that, as required by Washington state law, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility or trade secret information of the company was used and which was developed entirely on my own time, unless (a) the invention relates (i) directly to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me for the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE

PHILIPS

Exhibit B



Simply Right

The Philips Ethics & Business Conduct Program

PHILIPS

Please Note

The **Simply Right** book highlights ethical and business conduct guidelines for Philips employees in the United States, including employees of any affiliated companies. It is not intended to be an express or implied contract of employment, or a guarantee of benefits.

For further clarification or interpretation of ethical and legal issues that may affect you at work, talk to your supervisor, Ethics Coordinator or company lawyer.

You can also write to:

Kenneth Reinhard
Philips Electronics North America
Ethics Office
595 Miner Road
Highland Heights, OH 44143

Or contact the One Philips Ethics Phone Line:

Phone: 800-218-1818

Royal Philips Electronics of the Netherlands is a diversified Health and Well-being company, focused on improving people's lives through timely innovations. As a world leader in healthcare, lifestyle and lighting, Philips integrates technologies and design into people-centric solutions, based on fundamental customer insights and the brand promise of "sense and simplicity." Headquartered in the Netherlands, Philips employs more than 116,000 employees in more than 60 countries worldwide. The company is a market leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as lifestyle products for personal well-being and pleasure with strong leadership positions in flat TV, male shaving and grooming, portable entertainment and oral healthcare.

Purpose of the Program

The purpose of the Philips Ethics and Business Conduct Program is to:

- Promote understanding of and adherence to the General Business Principles (GBP), GBP Directives and related policies.
- Provide all employees with clear guidelines on matters of everyday business conduct and ethical behavior.
- Provide an expeditious method to identify alleged acts of misconduct and to administer corrective action when violations occur.
- Establish a vehicle whereby employees are able to communicate concerns to a higher level within the company.
- Conduct business in strict compliance with applicable laws and according to company policies and guidelines.
- Reinforce our commitment to ethics, honesty and integrity.
- Continuously reinforce awareness of and commitment to the Ethics and Business Conduct Program.
- Promote and maintain Philips' longstanding commitment to its ethical culture.

Take Action!

You must print and sign the Philips Employee Ethics and Intellectual Property Agreement on page 31 as soon as possible, before your first Philips paycheck is issued. Please give (or mail) the signed agreement, as directed by your Manager or HR Representative. If you are an employee in one of the following states, you must also sign and submit the Employee Invention Attachment to the Philips Employee Ethics and Intellectual Property Agreement on page 33: California, Delaware, Illinois, Kansas, Minnesota, North Carolina, Utah, Washington.



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Ethics – Simply Right

Our company stands for quality, innovation, leadership and integrity. At Philips, we take our commitment to ethical behavior seriously. We expect that same commitment from everyone who works here.

As Philips employees, we not only have the specific responsibilities of our jobs, but we also have the broader ethical obligations that we share as members of the Philips corporate family. The kind of company we are depends upon the kind of people we are and the way we work with each other.

Through the years, Philips has built a worldwide reputation for excellence in its people and its products. It's up to us to maintain that reputation. Philips is committed to producing and selling quality products that are safe for their intended use and that conform to all relevant laws, regulations and industry standards.

This book called "Simply Right" presents our company-wide commitment to business ethics. Philips' Code of Business Conduct includes its General Business Principles (GBP), GBP Directives, Financial Code of Ethics and Supply Management Code of Ethics, Whistleblower Policy, One Philips Ethics Line and related ethics policies.

The One Philips Ethics Line (800-218-1818) is available 24 hours a day, 7 days a week, 365 days a year for you to report any violations or suspected violations of Philips policies. You are protected against retaliation by the company if you file a good faith complaint regarding the violation or suspected violation of Philips policies. You also may remain anonymous if you use the One Philips Ethics Line.

Our ethics policies are intended to provide guidance to all Philips employees as we navigate our very competitive marketplace. In addition, some Product Divisions may have additional codes of conduct that they have adopted due to their unique business circumstances. For example, Philips Healthcare has adopted and adheres to the National Electrical Manufacturers' Association (NEMA) Code of Ethics on Interactions with Healthcare Providers and the Advanced Medical Technology Association (AdvaMed) Code

of Ethics on Interactions with Healthcare Professionals. If you have any questions regarding these codes of conduct please contact the Philips Ethics Office or your sector's legal department.

Having good intentions, or wanting to "benefit" the company in some way, or just not knowing the guidelines, does not excuse questionable, unethical or illegal conduct. If you violate the laws that apply to you on the job, you not only stand to lose your job but also could be subject to criminal sanctions, including fines and prison sentences. Under strict federal and state laws, employees can be held personally responsible for violations. The company cannot shield its employees, and ignorance of the law is no excuse. In addition to fines or prison terms imposed on an employee, Philips could face severe criminal and civil penalties.

You are urged to read this book carefully, understand it completely, and agree to abide by its principles of ethical and business conduct. However, no book can possibly cover every situation, and there can be gray areas between what seems right and wrong. You may face dilemmas that are not specifically covered here. When that happens, we expect you to be guided by the answers to these questions:

- Does this situation divide my loyalty?
- Does it cloud or influence my judgment?
- Does it affect me or someone close to me financially or otherwise?
- Does it comply with Philips policies and the Philips Code of Business Conduct?
- Would I want everyone to know about it?
- How does it make me feel about myself?

If you have concerns or questions, ask for help. Contact your supervisor, your Ethics Site Coordinator, your company lawyer or the **One Philips Ethics Line (800-218-1818)**.

During your career at Philips, it is expected that you will help maintain the company's reputation for the highest ethical standards of professional and personal conduct.

One Philips
Ethics Line

800-218-1818

Our future as a
company depends
upon our reputation.

Code of Business Conduct

General Business Principles (GBP)

View the Philips GBP and GBP Directives at www.philips.com/ethics.

The Philips Code of Business Conduct encompasses the principles and standards that should guide our everyday decisions and actions. It incorporates the Philips General Business Principles (GBP) and GBP Directives adopted globally by the Board of Management of

Royal Philips Electronics, our parent company, and approved by its Supervisory Board.

As a Philips employee, you are required to know, understand and abide by our Code of Business Conduct. At Philips, we value ethics, integrity and honesty. These principles are ingrained in the way we do business, and in the way we treat each other and the people we do business with every day. High standards of business conduct and ethical behavior also make good business sense. Our ability to attract customers, investors and the best employees depends on our reputation. Therefore, we are committed to strict observance of the law and the highest standards of business ethics in all of our relationships with individuals, governments, companies and other organizations.

Since a company operates entirely through its employees, it is each employee's obligation to act in an ethical manner. Philips expects its employees to promote and maintain its longstanding ethical culture.

Since a company operates entirely through the people it employs, responsibility for ethical behavior rests with those who work for it and act in its name. As a Philips employee, you are expected to live by the principles of fairness, honesty, truthfulness and loyalty

to your company. You must be completely honest with customers, suppliers and associates, promising only what you can deliver and never misrepresenting the facts or shading the truth.

We expect our employees to comply with the law, both when acting on behalf of Philips and in their personal conduct. The laws in the various jurisdictions in which Philips operates are numerous and complex. In the gray areas not covered by specific laws, we expect employees to act in an ethical and fair manner at all times.

No policy statement or code of conduct could possibly cover every circumstance. Ultimately, we are all responsible for our own actions. Doing something we know is wrong because we were told to do it, or because we thought someone wanted us to do it, is never an excuse and is never justified.

Use good common sense and your own sense of decency, fair play and morality. If you have any doubts, ask yourself how you would react if your actions or your decisions were published in the newspaper or broadcast on television. Ask how you would feel if you or other people lost their jobs because of your actions. If you still have doubts, remember that it is your responsibility to get clarification.

As Philips employees, we are expected to be:

- Ethical, honest and trustworthy in all our relationships.
- Reliable in carrying out assignments and responsibilities.
- Truthful, careful and accurate in what we say and write.
- Fair and considerate in our treatment of fellow employees, customers and all others.
- Law-abiding in all of our activities.
- Conscientious in reporting violations or suspected violations of legal and ethical conduct.
- Committed to accomplishing all tasks in a superior way.
- Economic in using company resources solely for business purposes.
- Dedicated in serving our company and improving the quality of life at work.

How the Ethics Program Works

In addition to the Philips Code of Business Conduct, Philips has a comprehensive Ethics and Business Conduct Program to make sure that all of its employees understand and adhere to its standards of business conduct. This program helps Philips monitor compliance and detect any violations at an early stage.

If you have a question about the Philips Code of Business Conduct, the Philips Ethics and Business Conduct Program, or any aspect of our company policy, or if you know about or suspect a violation or any wrong doing, you may want to discuss it first with your supervisor. If you do not feel comfortable doing that, then discuss it with your Ethics Site Coordinator or the company attorney assigned to your business unit. If you have questions about the legality of an action under consideration, you should call your company lawyer first.

If you prefer not to discuss these matters with your supervisor, the Ethics Site Coordinator, Ethics Officer, or your company lawyer, call the toll-free **One Philips Ethics Line at 800-218-1818** or write to Kenneth Reinhard, Philips Electronics North America, Ethics Office, 595 Miner Road, Highland Heights, OH 44143.

You also are urged to call or write even if you only have questions. The questions may be about something that you have done or are thinking of doing. They may be about wrongdoing you know about or suspect. Or they may be about someone else's actions or contemplated actions that may have ethical and/or legal issues relevant to the Ethics and Business Conduct Program.

You could lose your job, be fined or be imprisoned if you remain silent when you know about or suspect a violation of business conduct, ethical or legal standards. Under the law, the company cannot shield you from liability, and ignorance of the law is no excuse. You must take responsibility to resolve the problem as soon as you are aware that it exists.

All calls to the One Philips Ethics Line are answered by a third party provider on a 24 hour, 7 days a week, 365 days a year basis. Callers are asked to give the facts, including the name of the project, the department and location, the date when the unethical or illegal behavior occurred (or is suspected), how they know about it and details about previous efforts to correct the problem. Providing as much detail as possible speeds the investigation. Callers have the option to identify themselves by name or remain anonymous.

The Ethics Office initiates an investigation of each complaint as soon as possible. Callers who leave their names and addresses and request information concerning the results of the investigation will receive a response.

The Ethics Officer reports to the Chief Legal Officer of Philips Electronics North America Corporation and is responsible for overseeing the implementation of the Ethics and Business Conduct Program, supervising investigations of reported violations and managing the Ethics Office.

Contact Information

One Philips Ethics Line:
800-218-1818

Kenneth Reinhard
Philips Electronics North America
Ethics Office
595 Miner Road
Highland Heights, OH 44143

Whistleblower Policy

Do not ignore ethical or legal problems. If you do, you put yourself and the company at risk. Philips' Whistleblower Policy protects you from retaliation if you make a good faith complaint. View the Whistleblower Policy at www.philips.com/ethics.

Philips encourages all of its employees to promptly report any suspected violation of the General Business Principles, GBP Directives or any related ethics or company policies. An employee who makes a good faith complaint regarding a suspected violation is protected against retaliation by the company. If you wish to remain anonymous, you may call the One Philips Ethics Line at 800-218-1818 to register your complaint or concern. The One Philips Ethics Line is manned by a third party provider on a 24 hour, 7 days a week, 365 days a year basis to provide an avenue to report your complaint or concern.

Employment Practices

Philips strives to be a diverse and inclusive employer. At Philips, the term “diversity” symbolizes our recognition that our workplaces, marketplaces and communities are made up of individuals: men and women from different nations, cultures, ethnic groups, generations, backgrounds, skills, abilities and all the other unique characteristics that make each of us who we are. We can better understand our customers and better identify their needs when we have a diverse workforce that mirrors our worldwide customer base.

Harassment based on a protected status is illegal and is a violation of company policy.

“Inclusion” symbolizes an environment where everyone can fully participate in creating business success, and where each person is valued for his or her distinctive talents (skills, experiences, perspectives, etc.). An inclusive working environment engages people, enhances decision-making and increases creativity and innovation in support of our vision and brand positioning.

Philips obeys all legal requirements concerning employment, and follows the spirit of the laws as well. Some of these laws promote equal employment policies and programs, and prohibit discrimination of various types (race, sex, age, etc.). Other legal requirements relate to the hiring process or to the maintenance of certain employee protection programs, such as a drug-free workplace.

All employees are expected to know the laws and abide by company policy on Ethics and Business Conduct compliance. In particular, Philips will not tolerate any form of harassment, whether verbal, visual or physical, or any disparaging remarks, based upon age, race, color, religion, national origin, disability, sex, sexual orientation, gender identity, or any other protected characteristic. Philips maintains a “Harassment-Free Workplace” policy which can be found on the Philips Benefits Central web site at www3.essbenefits.com/philips.

All complaints of harassment are promptly investigated, and remedial action is taken if a violation of policy is determined. For example, racist comments, circulation of sexually explicit materials or telling jokes that disparage certain nationalities can constitute harassment and are not tolerated.

Equal Opportunity

Philips has been and will continue to be an Equal Opportunity Employer. Our policy is to improve all employment opportunities for women and minorities. We recruit, hire, train and promote in all job classifications, without regard to race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, or status as a veteran.

We strive to make sure that compensation, benefits, promotions, transfers, layoffs and recall from layoffs are administered fairly without regard to race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, or status as a veteran. The same standards apply to the administration of training, education, tuition assistance and recreational programs.

Our company is subject to federal, state and local laws regarding discrimination in employment practices. We do not base our hiring, upgrading, promotion, transfer, demotion or termination decisions upon race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, or status as a veteran.

Philips' commitment runs deeper than just conforming to the law. It is our policy to hire qualified people without regard to race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, or status as a veteran because we believe in the principles of equality and equal opportunity for all.

Philips offers jobs. Not male or female jobs. Not caucasian or minority jobs. Just jobs. These jobs are filled by qualified people. The advancement of women and minorities is an essential mission of our Equal Employment Opportunity (EEO) program.

Equal Employment Opportunity means that each individual is given a fair chance to compete for both management and non-management jobs. This means that all doors to all jobs are open to all qualified people.



Affirmative Action Plans

Affirmative Action Plan goals should motivate managers and Human Resources administrators to keep reviewing their hiring and promotion decisions in order to include people regardless of age, race, color, sex, national origin, disability, or status as a veteran.

Equal Employment Opportunity is our policy. Affirmative Action Plans keep the policy alive. Federal legislation requires that every year, our qualifying company facilities prepare Affirmative Action Plan programs.

The Federal Affirmative Action Plan requires an in-depth analysis of a facility's work force compared to the population of the areas where the facility recruits its employees. Skills of the population are analyzed, as are the specific requirements for the jobs, to determine that women and minorities are fairly represented.

Affirmative Action Plan goals are not rigid, inflexible quotas. They are targets that are usually attainable if people make a good-faith effort. Affirmative Action Plans are reviewed each year. At that time, new goals and timetables are established toward achieving the objective of employing minorities and women in numbers that reflect the hiring pool.

Affirmative Action Plan goals should motivate managers and Human Resources administrators to keep reviewing their hiring and promotion decisions in order to include people regardless of age, race, color, sex, sexual orientation, gender identity, national origin, disability, or status as a veteran.

Managers and supervisors are required to know the laws, emphasize Philips' commitment to Equal Employment Opportunity, and help employees develop to their full potential.

We believe that it is important for all employees, whether they are managers or not, to know the following guidelines that managers and supervisors must observe:

- Understand our company policy.
- Emphasize our commitment to Equal Employment Opportunity.
- Recognize every person as an individual, not as a member of a particular group (race, color, religion, sex, sexual orientation, gender identity, age, national origin, etc.).
- Help everyone achieve maximum potential in terms of abilities and personal goals.
- Advise each new employee about the opportunities available for continuing education and promotion, and about our Equal Employment Opportunity policy and goals.
- Know the Affirmative Action Plan at your location and help achieve the goals within the timetables.
- Keep accurate records so that the company can support hiring decisions objectively if a Government official reviews them as part of an Affirmative Action Plan compliance review.



Sexual Harassment

No employee shall be subjected to sexual harassment by anyone at work. This includes unwelcome sexual advances, requests for sexual favors, sexual comments and other verbal or physical conduct of a sexual nature. Report any incidents of sexual harassment to your supervisor, Human Resources Department, or the Ethics Office.

The Equal Employment Opportunity Commission (EEOC) uses three criteria for determining when behavior constitutes sexual harassment:

- When submission to the conduct is either an explicit or implicit term or condition of employment.
- When submission to, or rejection of, such conduct is used as the basis for employment, promotion, salary or work assignments.
- When such conduct substantially interferes with a person's work performance, or creates an intimidating, hostile or offensive working environment.

On sexual harassment issues, the EEOC considers an employer responsible for the acts of its supervisors and agents regardless of whether the employer knew, or should have known, of their occurrence. Therefore, managers and supervisors must never ignore a complaint about sexual harassment, even if they consider it minor or frivolous. For further guidance, review the "Harassment-Free Workplace" policy on the Philips Benefits Central web site at www.3.essbenefits.com/philips.

Any act of sexual harassment is a violation of the law and company policy, and it subjects the offender to serious disciplinary action, including suspension and termination of employment.

Disabilities

The law prohibits discrimination against "a qualified individual with a disability." This applies to job applications, hiring, advancement, discharge, compensation, training, or other terms, conditions or privileges of employment.

A "qualified individual with a disability" under the Americans with Disabilities Act (ADA) means a person who, with or without reasonable accommodation, can perform the essential functions of the job. The company determines what those essential functions are, along with job descriptions. The law says that a person whose employment poses a direct threat to the health or safety of others is not qualified for the job if the danger to others cannot be eliminated by a reasonable accommodation.

We are required to make reasonable accommodations for the known physical or mental limitations of otherwise qualified people with a disability unless we can demonstrate that an accommodation would impose an undue hardship. The ADA also prohibits the use of qualification standards, employment tests, or selection criteria that tend to screen out people with disabilities, unless the company can demonstrate that these procedures are related to the job.

In addition, the company is required under the Rehabilitation Act of 1973 (as amended) and the Uniformed Services Employment and Reemployment Rights Act to take affirmative action to employ and promote qualified individuals with disabilities, including disabled veterans.

Drug-Free Workplace

We consider it our duty to provide a drug-free, safe and secure workplace. It is illegal to manufacture, distribute, dispense, possess, or use a controlled substance in the workplace. Being under the influence of alcohol or other drugs (unless prescribed by a physician) while at work is also prohibited. Any violation of the Philips Drug-Free Workplace policy will result in disciplinary action, including discharge.

You may bring medicine, prescribed by a doctor, onto Philips property, but any prescription medicine must be kept in its original container. The container must show the name of the drug, dosage, prescription number, date, and the name of the prescribing physician.

Some prescription medicine can cause severe side effects that could result in a medical emergency. If you are taking such a medicine, you must tell the Medical Department (where available) and Human Resources. This will help ensure that you receive the proper medical treatment if you experience an adverse reaction.

You are also required to notify the company within five days if you are convicted of a criminal drug offense that occurred on or off company premises while you were conducting company business. This requirement is mandated by the Drug-Free Workplace Act.

We recognize drug or alcohol abuse as a health, safety and security danger. Employees with drug or alcohol problems are urged to get confidential help through the company's Employee Assistance Program (EAP). Seeking help will not jeopardize your job, but failure to seek help may indeed put your job in jeopardy.

Safe Workplace

Safety is a paramount concern at Philips. Please report any unsafe condition immediately to your supervisor or manager.

Philips is committed to maintaining a safe work environment. Many types of workplace activities are regulated by the Occupational Safety and Health Agency (OSHA). In general, OSHA requires that:

- Each employer shall furnish to each of its employees employment and a place of employment that are free from recognized hazards that are causing or are likely to cause death or serious physical harm to its employees.
- Each employer shall comply with occupational safety and health standards promulgated under the OSHAct (29 CFR 1910). This includes, but is not limited to, hazard abatement, employee training, recordkeeping, inspections and cooperation with regulatory agencies.
- Employees shall comply with occupational safety and health standards and all rules, regulations and orders issued pursuant to the OSHAct that are applicable to their own actions and conduct.

Philips could face harsh civil and criminal penalties for industrial health and safety violations. OSHA penalties can be very expensive, depending upon how likely the violation is to result in serious harm to employees. These and other fines allowed under the Act may be repeated for each specific instance of a violation, as well as for violations of other standards.

Violence-Free Workplace

Under the Philips “Violence-Free Workplace” policy, threats, acts of violence and any conduct or behavior that endangers the safety of Philips employees and visitors or Philips property will not be tolerated.

Workplace violence can take many forms including, but not limited to, the following:

- Intimidating or threatening behavior or statements.
- Physical abuse or attack or threats of bodily harm.
- Harassment by any means including in-person, by telephone or electronically.
- Vandalism of company property or an employee’s or visitor’s property.
- Carrying weapons onto company property.

Possession of any weapons, such as firearms, explosives, or knives, and possession of any other potentially dangerous or hazardous objects or substances is strictly prohibited on all company property, including company vehicles and personal vehicles parked on company property. In addition, possession of a weapon while conducting company business off the premises is prohibited.

You are responsible for immediately reporting any threats, incidents of workplace violence, or prohibited conduct or behavior to your supervisor and/or Human Resources. All reports will be promptly investigated and, as appropriate, referred to responsible authorities.

Violations of this policy are serious and will result in disciplinary action, up to and including termination of employment.

To view the “Violence-Free Workplace” policy, please visit the Philips Benefits Central web site at www3.essbenefits.com/philips.

Philips is committed to maintaining a safe work environment and encouraging a violence-free workplace.



Family and Medical Leave

The Family and Medical Leave Act (FMLA) requires private employers with 50 or more employees to provide employees who meet certain eligibility requirements with up to 12 weeks of unpaid leave during a 12-month period for their own serious illness, the birth or adoption of a child, or the care of a seriously ill child, spouse or parent.

Employees on unpaid leave are entitled to receive health benefits under the same terms and conditions as they had on the job. Employers must guarantee employees the right to return to their previous job or an equivalent position with no loss of benefits at the end of the leave, with certain exceptions.

In addition to the federal law, some states have family and medical leave laws that apply to Philips employees. In general these state laws provide comparable or more favorable provisions than the federal law. To view the “Family and Medical Leave” policy, please visit the Philips Benefits Central web site at www3.essbenefits.com/philips.

Employment References

It is against company policy for any employee to provide any type of employment reference. This includes employment references on any social media, such as Facebook, LinkedIn, etc. Philips uses an outside company called The Work Number for employment verifications. If you are contacted by a third party and asked to provide a reference for any current or former Philips employee, you should refer the caller to The Work Number at www.theworknumber.com or 866-604-6572. The Work Number will only provide proof of employment, and in certain cases, income history. For more information, go to pww.pna.philips.com and click the Employment Verifications link.

Solicitations and Distributions

Under the Philips “Solicitations and Distribution” policy, work time is for work. During work time, employees are prohibited from solicitation or distribution in all work areas. Work time does not include, for example, meal periods, scheduled breaks and time before or after regularly scheduled work hours. Work areas do not include, for example, break/lunch rooms. Off-duty or off-site employees are prohibited from solicitation or distribution in all work areas. Non-employees are prohibited from trespassing, solicitation or distribution at all times in all areas of the company’s premises. In addition, the company’s facilities may not be used for group meetings involving solicitations or distributions.

Company bulletin boards are for company use only to display official notices, governmental postings, and other important information for employees. Employees may not post or remove any materials from company bulletin boards. In some, but not all, locations a separate area or board may be designated for certain types of employee postings. Employees wishing to post or remove materials from such areas or boards must first obtain company approval.

Occasionally Philips may authorize and initiate support of charitable, political or community service activities. In these cases, employee participation is strictly on a voluntary basis.

To review the “Solicitations and Distributions” policy, please visit the Philips Benefits Central web site at www3.essbenefits.com/philips.

Payroll Practices



It is the company's policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure that you are paid properly for all time worked and that no improper deductions are made, you must correctly record all work time and review your paychecks promptly to identify and report all errors. The company makes every effort to ensure employees are paid correctly. Occasionally, however, mistakes can happen. When mistakes happen and are called to the company's attention, any necessary corrections will be promptly made.

Non-Exempt Employees

If you are eligible for overtime pay (non-exempt employees) or extra pay (including pay due under a collective bargaining agreement), you must maintain a record of the total hours you work each day. You must accurately record these hours in the appropriate Philips timekeeping system. Each employee must verify that the reported hours worked are complete and accurate. The system must accurately reflect all regular and overtime hours worked, any absences, late arrivals, early departures and meal breaks. At the end of each pay period, you should submit your time for verification and approval. When you receive each paycheck, please verify immediately that you were paid correctly for all regular and overtime hours worked each pay period.

Unless you are authorized by your supervisor, you may not work any hours that are not authorized. Do not start work early, finish work late, work during a meal break or perform any other extra or overtime work unless you are authorized to do so and that time is properly recorded. Employees are prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work you may perform but fail to report on your time card. Any employee who fails to report or inaccurately reports any hours worked will be subject to disciplinary action, up to and including termination of employment.

It is a violation of the company's policy for any employee to falsify time records or alter another employee's time records. It is also a serious violation of company policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked or alter another employee's time records to under- or over-report

hours worked. If any manager or employee instructs you to (1) incorrectly or falsely under- or over-report your hours worked, or (2) alter another employee's time records to inaccurately or falsely report that employee's hours worked, you should report it immediately to the Human Resources Department, your supervisor, or the One Philips Ethics Line.

Exempt Employees

If you are classified as an exempt employee, you will receive a base salary which is intended to compensate you for all hours you may work for the company. This base salary will be established at the time of hire or when you become classified as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the base salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

You will receive your full base salary for any work week in which work is performed. However, under federal and state law, your base salary may be subject to certain deductions. For example, except for contrary state law requirements, your base salary can be reduced for the following reasons:

- Full day absences for personal reasons, including vacation.
- Full day absences for sickness or disability.
- Full day disciplinary suspensions for infractions of safety rules of major significance (including those relating to the prevention of serious damage in the workplace or to other employees).
- Family and Medical Leave absences (either full or partial day absences).
- To offset amounts received as payment for jury or witness fees or as military pay.
- Unpaid disciplinary suspensions of one or more full days for infractions of workplace conduct rules set forth in written policies.
- The first or last week of employment in the event you work less than a full week.

Please note: While you may be required to use vacation, incidental or other forms of paid time off for full or partial day absences for personal reasons, sickness or disability, your salary will not be reduced for partial day absences if you do not have paid time off available to use.

Government and Military Contracts

Strict rules that do not apply in the commercial world do apply to relationships with the Federal Government and may apply to relationships with State and Local Government agencies.

Doing business with the U.S. Government, including the Department of Health and Human Services, the Department of Defense and all other federal agencies (such as the Labor Department, Environmental Protection Agency, Internal Revenue Service, Federal Communications Commission and Commerce Department) is very different from doing business elsewhere.

Take business courtesies for example. A government employee is prohibited from soliciting or accepting, either directly or indirectly, anything of monetary value from someone who has or is seeking to obtain government business. While there are limited exceptions to this rule, the best practice is to not give any gift, or item of value, to a government employee.

You also need to know the following:

- It is a criminal violation – a felony – to make a false claim or false statement to the Government. Violations of this and other laws can subject Philips and/or its employees to legal action and may prevent Philips from doing business with the Government. We often are required to certify compliance with various laws, regulations or contractual provisions. Submitting such certifications without first verifying their accuracy is improper and a violation of this law.
- Supplying a product to a Government purchaser or subcontractor that is different from the one specified on the requirements could get you and Philips in trouble. For example, using a grade or brand of material contrary to that specifically required by the contract is illegal, unless first authorized in writing by the Government. Selling products produced without first complying with all the Government-required manufacturing testing and quality control procedures can result in substantial fines, penalties, and possibly jail sentences. Failure to conduct the appropriate tests, or manipulation of test procedures or data, will not be tolerated.
- The Truth in Negotiations Act (TINA) applies to certain contracts. A contract subject to TINA requires the contractor to disclose “cost or pricing data” to the

government. This disclosure must take place on the date the parties agree to a price. The parties can also agree to require disclosure of the cost or pricing data before the date of the price agreement. Cost or pricing data consists of factual information that prudent buyers and sellers would reasonably expect to significantly affect price negotiations. Applying TINA is complex. You should, therefore, consult your lawyer if you have any questions.

- Immediately report any government overpayment. Failure to do so could result in criminal penalties and suspension or debarment.
- Government equipment furnished to your location for a contract must be accounted for until it is returned to the Government. It is illegal to use it for any other purpose.
- Laws and regulations limit both discussions about employment and the work that can be done by current or former Government employees and military officers.
- Do not obtain Government information improperly or illegally. For example, documents marked “For Official use only” are off limits. It also is illegal to obtain Government source selection information before the award of the procurement to which it applies, and competitors’ proprietary information. If you receive any such documents, report it.
- You must report any improper use or disclosure of Government classified information. Also, protect all Government data as required by the agency’s rules and regulations.
- Doing business with foreign governments is also subject to strict rules. Under the Foreign Corrupt Practices Act, you are prohibited from offering, paying, promising to pay money or give anything of value, directly or indirectly, to officials of any foreign government, candidates for foreign political office, or foreign political parties or party officials for the purpose of obtaining, retaining or directing business. Furthermore, U.S. law prohibits companies from participating in or supporting international economic boycotts that are not sanctioned by the U.S. Government.

If you have any questions or concerns, contact your company lawyer.

Fair Competition Guidelines

Anti-trust and trade regulation laws encourage competition in business. They help create a level playing field and prevent activities that restrain competition or give one company an unfair advantage. These laws cover pricing, promotion, distribution and sales. They involve relationships with suppliers, distributors, dealers and competitors.

These laws cover agreements involving competitors, customers and suppliers, when those agreements restrict freedom to determine pricing, products, distribution systems and production levels. Anti-trust laws also prohibit the unfair use of market power over competitors. Trade regulation laws regulate and prohibit unfair and deceptive practices.

Do not take any materials or information from a former employer and distribute or use them at Philips.

To protect yourself and the company, never give the impression that Philips' prices are based on anything other than its own independent business

judgment. Never use sentences such as "we will dominate" or "we will destroy" the competition in your e-mail or other communications. Do not disparage or make false statements or misrepresentations concerning the products or services of competitors, customers, vendors or suppliers.

If you violate federal anti-trust laws, the penalties can be severe. For each criminal violation, the fines can range in the millions of dollars for companies. In addition, there could be significant fines for individuals, with prison sentences. The U.S. Department of Justice has sought prison sentences in every criminal price-fixing prosecution. In addition, civil violations can result in consent orders from either the Department of Justice or the Federal Trade Commission, with provisions that govern and limit future conduct. States also have civil and criminal penalties, which can be in addition to federal sanctions.

Anti-trust laws are enforced by the U.S. Department of Justice and the Federal Trade Commission, state attorneys general, and the appropriate enforcement agencies of foreign countries and the European Union. U.S. state attorneys general are organized into the National Association of Attorneys General and are quite active in anti-trust enforcement.

Finally, private treble damage lawsuits by those affected can be expensive and time consuming.

To Protect Yourself and Philips From Possible Anti-trust or Fair Competition Violations With COMPETITORS:

- Do not discuss prices or pricing policies, exchange price lists, or discuss any terms of sales. Obtain all price information about competitors from customers or from public sources.
- Do not discuss future production, restraints on production, contract bids, product content or marketing plans.
- Do not suggest or agree to sell or not to sell to any customers, class of customers, territories or product markets.
- You may discuss matters involving legislation, government relations, environmental and safety regulations, and positions to be taken on other political issues. But do not make marketing or pricing policies based on "industry agreement" or "industry policy."
- Do not take any materials or information from a former employer and distribute or use them at Philips.

For more information, please refer to the anti-trust section of the corporate legal department's intranet site at www.antitrust.philips.com.

To Protect Yourself and Philips From Possible Anti-trust or Fair Competition Violations With CUSTOMERS:

- Do not dictate the price level at which the buyer should re-sell its products. Do not intimidate, delay or suspend deliveries or terminate contracts in order to ensure that a certain price level is preserved. Please note that, in some instances, resale price maintenance may be permitted. Explicit approval from your legal department is required, however, before this type of arrangement is contemplated.
- Do not take any action against a dealer for cutting prices.
- Do not try to promote price uniformity among customers. (However, you may provide dealers with the comparative price analysis of competitive non-Philips products.)
- Do not require the purchase of one product to receive another product.
- Do not give favored prices, promotional allowances or services to customers unless you have a legal justification that is approved in advance by your company lawyer.

International Business Transactions

The U.S. Government has a lot to say about what leaves and arrives at its shores. Not all goods, technologies or services can be sold freely to just any customer or shipped to just any country in the world.

The Government has established a complex system to control or prohibit the export of goods or technology from the United States for strategic or other reasons. Often, compliance with these laws and regulations requires an export license. This applies to many products that Philips makes and to products we buy from others. Regulations also forbid exporting, importing or re-exporting products to or from certain countries, such as Cuba and Iran. Employee travel to certain countries, like Cuba, is strictly regulated.

Besides the export restrictions, companies doing business in the United States are bound by other rules too. Employees cannot participate in a restrictive trade practice or support a boycott against a country friendly to the United States, or against any person or firm in the United States. There are also strict regulations regarding the hiring of foreign nationals.

Export and import controls are very important. If we fail to comply, our export or import privileges could be suspended or denied. In addition, Philips and you personally could face criminal and civil penalties and fines.

Examples of prohibited conduct include supplying information about the race, religion, sex or national origin of a person, refusing to do business with a boycotted firm or country, or acting on any document, including a letter of credit, that contains boycott language. (If you receive such a request, you must

report it immediately to your company lawyer so that it may be reported to the U.S. Government, as mandated by law.)

If we fail to comply with these regulations, our export privileges could be suspended or denied, and Philips and you personally could face criminal and civil penalties and fines.

In general, export regulations apply to transactions that involve:

- The sale of goods to a foreign country.
- The sale or licensing of technology to a foreign country.
- The sale or licensing of software to a foreign country.
- The transportation of a demonstration product to a foreign country.
- The knowledge that technology will be shipped or transmitted to a foreign destination. (For example, a visit by foreign delegations or participation in a foreign trade show may be considered as export of technical data.)
- The knowledge that goods or technology will be exported by a U.S. purchaser or re-exported by a foreign purchaser (for example, from the Netherlands to Cuba). These regulations apply not only to the first export from the United States, but also to the subsequent re-export from one foreign destination to another.
- The movement of controlled data or goods across the U.S. border, whether by phone, facsimile, e-mail, or in a briefcase or luggage, for the purpose of participating in the meeting abroad. This is an example of actions requiring the advice of your Export Control Officer.
- The importation of goods originating in an embargoed country such as Cuba (for example, Cuban cigars). In addition, remember that it is improper and illegal to provide gratuities and payments to foreign Government officials to enhance business opportunities.

The regulations also control the export of products manufactured outside the United States by affiliates of U.S.-based companies, and technology originating from foreign subsidiaries of a U.S.-parent company.

To comply with all this, Royal Philips Electronics operates a global export control system. Each unit of Philips in the U.S. has an Export Control Officer to ensure that projects comply with all export laws and regulations. If you have questions or concerns contact your Export Control Officer or company lawyer.

Environmental Regulations

The air we breathe, the water we drink, the chemicals we need to manufacture our products and how we dispose of hazardous waste at our plants are all regulated by strict environmental laws and regulations.

Many statutes and thousands of regulations deal specifically with the environment and affect our operations. Among the most important statutes are the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or “Superfund”; the Resource Conservation and Recovery Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; and the Emergency Planning and Community Right to Know Act. States and local municipalities have additional laws and regulations. All of these laws and regulations are enforced by the U.S. Department of Justice, Environmental Protection Agency, state and local agencies and through lawsuits filed by private citizens.

Liability for violations of environmental laws and regulations can be civil and/or criminal, and can be imposed on individual employees, as well as the company. Environmental laws impose liability on a generator of hazardous waste from beginning to end. This means that all phases of hazardous waste production and management are regulated. For example, a plant that generates hazardous waste must analyze the waste, keep records about the volumes of the material and document the disposal of such waste. Facilities must have permits for on-site storage, land disposal, incineration or treatment of hazardous waste. Releases or spills of hazardous substances into the environment must be reported to federal, state or local agencies under specific spill-reporting laws.

Something that happened long ago can mean severe penalties for us today. We may be responsible for the past disposal of hazardous waste at plants we own now, even if we did not own the plants back then. We can be held responsible for cleaning up abandoned dumps and other contaminated sites.

Prison sentences for violations of environmental statutes may be imposed on employees at all levels. Therefore, we must all be well informed about these laws and comply with them. Some environmental laws also authorize private citizens to bring suit against a company for violations and to seek court-imposed sanctions.

You must know about the environmental laws and question any suspicious activity. You must report any violations or matters of environmental concern by contacting your supervisor, the One Philips Ethics Line, your company lawyer, or your Environmental or Safety Coordinator.

Liability for violations of environmental laws and regulations can be civil and/or criminal, and can be imposed on individual employees, as well as the company.

Sustainability

Sustainability is defined as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

Philips has a very robust sustainability program that focuses upon economic prosperity for itself and its stakeholders, environmental responsibility and social responsibility. Sustainability is defined as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. Sustainable development – which is considered the path to sustainability – is the simultaneous pursuit of economic prosperity, environmental quality and social equity. Companies that pursue this path are known as sustainable entrepreneurs.

Philips is committed to its sustainability program as a core element for the operations of the entire company. For more information about the Philips Sustainability Program visit www.sustainability.philips.com.



Accounting and Financial Records

When money is involved, the numbers must add up – literally and figuratively. They must accurately reflect the products sold, the services rendered, the true sales prices and the terms of the sale.

Those who rely on our records and reports – our managers, investors, creditors, customers, auditors and others – must have truthful and complete information. The integrity of our company is at stake.

If you prepare this type of information, you must make sure that you can vouch for its accuracy and integrity. If you certify the accuracy of such information, you must make thorough inquiries or reviews necessary to establish a good-faith belief in it. If you are the custodian of company data, records and reports, make sure that they are properly protected and used only for their intended purpose before you release them internally or externally.

Financial records must be accurately and completely prepared and reviewed, whether intended for internal or external use. This includes inventory, expense accounts, budgets, business plans, vouchers, bills, payroll and service records.

No false or misleading entries may be made in any Philips books or records for any reason, and no employee may participate in any arrangement that results in such an act.

- All funds or assets must be clearly disclosed.
- No funds or other assets can be maintained for any illegal or unethical purpose.
- No payments or gifts are to be made or received on behalf of the company for any purpose other than that described by the company's supporting documents and records.
- Costs must be accurately and completely recorded.
- Federal standards require that records and accounts "in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets" of the company.

In summary:

- Never make false or misleading entries or leave out important information, whether you are reviewing and approving reports or preparing them. Each of us is responsible and held accountable when spending company money, including travel expenses.
- Fairly represent the nature of every transaction or the purpose of the payment.
- Follow accounting rules and controls described in Philips accounting and audit manuals.

If budgets and business plans are not realistic, there can be a strong temptation to stretch accounting and legal principles. Employees may be tempted to engage in dishonest, unethical or illegal acts in response to the pressure of meeting unrealistic performance targets. Emphasis on results, particularly in the short term, fosters an environment where the price of failure is very high.

For these reasons, managers must set realistic goals for budgets and business plans and not expect the impossible from those who report to them. If you do so, you could be tried for aiding and abetting criminal behavior. The courts have held that silence is enough to warrant a charge of aiding and abetting a criminal act when there is a duty to communicate.

Those who rely on our records and reports – our managers, investors, creditors, customers, auditors and others – must have truthful and complete information. The integrity of our company is at stake.

As a Philips employee, you must never stretch accounting principles or remain silent to protect someone who may be violating accounting principles or internal business controls, even if it is your manager or supervisor. You have an obligation to report a problem or concern.

Sarbanes Oxley (SOX) and Internal Business Controls

It is important to understand that internal business controls are not just for finance and accounting employees. Internal business controls are every employee's responsibility.

On July 30, 2002, the Sarbanes Oxley Act (SOX) was signed into law representing one of the most important and most sweeping pieces of legislation governing companies since the passage of the federal securities

acts of the 1930's. SOX was enacted by the U.S. Congress in response to the corporate scandals involving well-known companies such as Enron, Arthur Andersen, WorldCom, Tyco, and others.

SOX strengthened requirements for corporate governance and responsibility, enacted measures designed to increase the transparency of financial reporting and expanded existing criminal and civil remedies and penalties for securities laws violations. SOX also strengthened the role of the company's audit committee in monitoring finances, required certain executives of the company to certify financial reports, and provided for criminal and civil penalties in cases where those certifications prove to be false or fraudulent.

Philips has a robust set of internal business controls to ensure transparency in its business. It is important to understand that internal business controls are not just for finance and accounting employees. Internal business controls are every employee's responsibility. Internal business controls range from a simple time sheet to financial statements of the company, and everything in between. We all have internal business controls that we work with on a daily basis.

So, if you have a question or concern about any internal business control, you have a responsibility to raise the question or concern to your manager, supervisor, finance and accounting professional, Ethics Site Coordinator, or someone else in authority at your location. You can also call the One Philips Ethics Line at 800-218-1818, either using your name or on an anonymous basis.

In summary:

- Never make false or misleading entries or leave out important information, whether you are reviewing and approving reports or preparing them. Each of us is responsible and held accountable when spending company money, including travel expenses.
- Fairly represent the nature of every transaction or the purpose of payment for any transaction.
- Follow accounting rules and controls described in Philips accounting and audit manuals.

If budgets and business plans are not realistic, there can be a strong temptation to stretch accounting and legal principles. Employees may be tempted to engage in dishonest, unethical or illegal acts in response to the pressure of meeting unrealistic performance targets. Emphasis on results, particularly in the short term, fosters an environment where the price of failure is very high. For these reasons, managers must set realistic goals for budgets and business plans and not expect the impossible from those who report to them.

Ethics and Compliance Training

Philips has developed a variety of interactive web-based ethics and compliance courses. Each new employee must take the Philips Ethics and Business Conduct course. This mandatory course covers the General Business Principles, GBP Directives and related ethics policies.

The Ethics Office also offers a minimum of two additional courses per year. These courses cover important issues such as Sarbanes Oxley and Internal Business Controls, E-Compliance, Gifts and Conflicts of Interest, and Information Protection and Privacy. The training is mandatory. Some sectors, such as Healthcare, may also have their own specific web-based training programs that are tailored to the markets they serve.



Confidentiality

We are all responsible for safeguarding the company's confidential and proprietary information, intellectual property and trade secrets.

Information and ideas that are valuable to Philips are valuable to the outside world too. We are all responsible for safeguarding the company's confidential and proprietary information, intellectual property and trade secrets. Confidential and proprietary information is information which gives the company a competitive advantage and is not generally known by outside individuals. This includes data about research, operations, products, plans, strategies, manufacturing, marketing, finances, employees, and customers, suppliers and business partners.

Accidental disclosure (perhaps overheard by strangers in casual conversations in restaurants, airplanes, trains, and elevators) can be as damaging to Philips as the deliberate leaking of information. So always be careful when you discuss Philips business. However, nothing in this policy is intended to restrict your rights under any federal, state or local employment law.

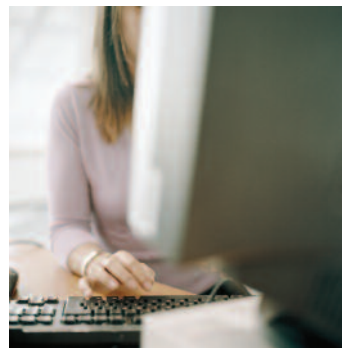
It is unethical and illegal for you to use Philips information for personal gain. Do not discuss confidential company business with anyone outside the company, including family and friends. Limit the distribution of confidential material to those who must know about it. Keep important papers locked up and keep letters and memos out of view.

Do not discuss the company with members of the media. Refer all media inquiries to the Philips Corporate Communications Department.

In addition, it is unethical and may also be illegal to receive and use confidential and proprietary information from other companies. For example, when new employees are hired, they should not bring with them confidential and/or proprietary information belonging to their prior employer, nor should such information be used while at Philips.

The courts may allow parties engaged in litigation with a corporation to use information gained through interviews with employees even if the corporation's lawyers have not been informed. If you are called and asked for information, do not discuss any company business or any litigation with anyone unless you are instructed to do so by a Philips lawyer.

Tell your supervisor immediately if a reporter, lawyer or any stranger asks for information about Philips or its businesses.



Inside Information

Inside information is knowledge of information of a precise nature directly or indirectly concerning Philips or other publicly traded companies, or the trading in Philips Securities, or securities of other publicly traded companies, which has not been made public and which, if disclosed, would be likely to have a significant influence on the market price of Philips Securities. Inside information may also relate to other companies as well. For example, if you are working on a Philips acquisition you must be very careful regarding the information that is disclosed to you during the acquisition process. It could be inside information. Philips employees are prohibited from disclosing inside information to third parties other than in the course of their routine professional or functional duties. This includes recommending trading, on the basis of inside information, in Philips Securities.

In the performance of your duties as a Philips employee, you may learn about changes in the company's earnings or dividends, negotiations that involve major acquisitions, mergers, purchases or sales of shares, reclassification of securities or stock splits.

The courts define "material" information as that which would influence a reasonable investor's actions. If you violate any disclosure laws, you will be subject to disciplinary action by federal or local law enforcement agencies, and may be dismissed by the company. The company may also dismiss you for any misuse of this information. For further information regarding Philips Inside Information Policy visit www.philips.com/ethics and click "Inside Information."

Inside information is (1) knowledge of information of a precise nature directly or indirectly concerning Philips or other publicly traded companies, or (2) the trading in Philips Securities, or Securities of other publicly traded companies, which has not been made public and which, if disclosed, would be likely to have a significant influence on the market price of the Securities.

Conflicts of Interest

A conflict of interest exists when you allow any outside situation you are involved in or expect to be involved in or any personal gain you receive or expect to receive from any party, to influence the way you do your job for the company or the decisions you make in your work about company business.

It is your responsibility to be fully dedicated to your job and to Philips and not allow your loyalties to be divided by any outside influence. It is also important to avoid any appearance of a conflict of interest. Use common sense and good judgment to avoid all conflicts of interest or potential conflicts of interest. Always ask yourself what is best for the company when you make business decisions. Any actual or potential conflicts of interest must be immediately disclosed in writing to your manager and the Ethics Officer. This includes any outside employment or business activity, as discussed in the "Financial Interest" section of this booklet.

Financial Interest

Neither you nor an immediate family member should have a financial interest in any outside company or activity if the interest could influence or seem to influence your actions or conflicts with Philips' interests.

Neither you nor an immediate family member should have a financial interest in any outside company or activity if the interest could influence, or seem to influence, your actions or conflicts with Philips' interests. This includes having a financial interest in our competitors, suppliers of products and services, and/or customers. Financial interest exists when you and/or a member of your family own or control part or all of the business or property of the person or company, or have a financial stake in its performance. Your interest might stem from your role as an employee, agent, representative, officer, director, consultant, creditor or debtor. You should not buy, lease, rent or otherwise acquire for Philips any products, services or supplies from those with whom you have a financial interest, without prior written approval from appropriate authority.

When Does a Conflict Arise?

If you have or think you might have a conflict of interest, or if you have a question, discuss it with your supervisor or contact the Philips Ethics Office.

Here are some of the issues that are considered in determining if a financial interest constitutes conflict:

- Your job. Do you influence decisions involving Philips' purchase of goods or services?
- The dollar amount of the investment or interest. An investment or ownership of less than 1% of a class of securities issued by a publicly owned corporation would not usually constitute financial interest. The securities must be listed on a recognized stock exchange or traded over the counter.
- The importance of the investment or financial interest to you.
- The nature and extent of the relationship between Philips and the person or company in which you have the interest.
- When the investment or financial interest was acquired, and how it was acquired.

The following interests do NOT violate Philips policies:

- Ownership in a public utility that supplies gas, electricity, water, telephone or transportation service to Philips, as long as no other source is available to provide the service.
- Personal financial transactions with a commercial bank, savings bank or mutual insurance company that does business with Philips.
- Interest arising from your service as an officer, director or trustee of another organization of, or at the request of, Philips.

Gifts and Entertainment

General Policy

The fair, ethical and lawful business practices that apply to our dealings with customers apply equally to our dealings with all vendors and suppliers. All discretionary decisions made on behalf of the company must be made on the basis of competitive factors such as quality, price, delivery and service.

Neither you nor any immediate family member should solicit or accept any compensation worth more than token value, or anything that is more than an ordinary business courtesy, from current or potential customers or suppliers. Nor should you or any immediate family member provide any compensation worth more than token value, or anything that is more than an ordinary business courtesy, to current or potential customers or suppliers. When customer practice allows deviation from policy, Philips employees must obtain prior approval from a divisional or company officer. When dealing with Government employees, rules under Government & Military Contracts apply.

These rules apply to gifts, entertainment, meals, tickets, passes and promotional items. This includes favors and considerations you would not usually submit under normal expense-account procedures. Never accept anything from or provide anything to a customer or a supplier that could or might appear to influence your or their judgment. Kickbacks are morally wrong and legally criminal, even in the guise of “fees” or “commissions.” The price for accepting them is high: your job and possible criminal prosecution. Other forms of favors are also unacceptable. Entertainment, trips and free services for you or your family are just as objectionable, and the consequences for accepting them are just as serious.

You may accept or provide gifts, entertainment and services only when they are of a token value, associated with any business activity and when provided to others as a regular part of doing business.

Philips Gift Registration Tool

General Business Principles (GBP) Directive 3 “Gifts” sets out certain rules for giving and receiving gifts. Philips has created a Gift Registration Tool that must be used when we give gifts in conjunction with the rules set forth in GBP Directive 3.2 “Gifts to External Parties.” To view the GBP Directives and the Gift Registration Tool please visit www.philips.com/ethics. You are obliged to familiarize yourself with these rules. Simply put, ignorance of the rules is no excuse.

In the event you are an employee with Philips Healthcare Sector you have an additional set of gift and donation requirements due to the highly regulated nature of your marketplace. Please refer any questions to the Healthcare Sector’s Legal Department and they will help you with your inquiry.

Prohibition on Giving Gifts to Employees of the U.S. Government

There are very strict federal government regulations prohibiting the giving of gifts to employees within the federal government. In general, a federal employee may not accept gifts that are given because of his official position or that originate from companies such as Philips that do business with the federal government. These rules cover employees of the U.S. Congress, the Executive Branch and the Judicial Branch of the U.S. Government. It is important to note that you can go to federal prison and be fined for violations of these laws. These restrictions are applicable to all Philips employees on a global basis not just those employees registered to lobby on behalf of Philips. There are limited exceptions to these rules so if you have a question regarding giving a gift to a federal government employee please direct your question to the Philips Government Relations Office in Washington, D.C. 202-962-8550 prior to giving a gift to a federal government employee. Please note there are additional state and local laws dealing with gifts to state and local government employees. Please refer any questions about state and local law that you may have to your business sector’s legal counsel.

Copying Computer Software/ Printed Materials

Copyright laws protect the original expression in, among other things, written materials, software, works of art and music, and prohibit their unauthorized duplication, distribution, display or performance. This means that you may not reproduce, distribute or alter copyrighted materials from books, trade journals, computer software or magazines, or play records, tapes, disks or videotapes, without the permission of the copyright owner or its authorized agents.

Copyright laws protect the original expression in, among other things, written materials, software, works of art and music, and prohibit their unauthorized duplication, distribution, display or performance.

Software used in connection with Philips business must be properly licensed and used only in accordance with that license. Using unlicensed software could constitute copyright infringement. You may not copy any company-acquired computer software program unless you are specifically authorized to do so under the license agreement.

As a general rule, only one computer per program is allowed. That means that you may use that one copy only on one machine. If someone in your office wants to copy it for his or her computer, that may be illegal under the terms of the license agreement. It may be a violation of our company policy on the use of intellectual property as well. We strictly observe all restrictions and conditions in software license agreements. Contact your IT department or your company lawyer if you have questions.

Illegal copying of software can result in criminal prosecution, civil fines and termination of your employment.

Copyrighted printed materials also are protected by law. Book and newsletter publishers are especially vigilant in prosecuting violators. Unless you obtain permission or your reproduction of the work comes under the Library of Congress Copyright Office "fair use" doctrine, do not photocopy copyrighted material.

Philips has a photocopy license agreement with the Copyright Clearance Center (CCC) that allows employees of Philips Electronics North America to photocopy for internal use portions of many printed materials, including educational, technical and industry publications. However, photocopying of all or substantially all of a covered publication is not permitted. The covered publications are those listed in CCC's repertory for its Annual Authorizations Service. The repertory is available on CCC's site at <http://www.copyright.com>. Contact your company lawyer if you have any questions about photocopying publications or about the "fair use" doctrine.



Electronic Communication and Information Systems

Philips electronic mail (e-mail), electronic voice mail (phone), and inter/intranet systems are company assets and should be used for Philips business purposes only. Users are encouraged to utilize the intranet, internet, messaging environment and social media (Facebook, LinkedIn, Twitter, blogging etc.) to assist them in the performance of their job and to facilitate and support the business purposes, communications and transactions of Philips. Access to the internet may be used on an incidental and occasional basis for personal, non-business purposes. Such personal use requires that users act responsibly and that such use does not interfere with their job performance, or conflict with the interest of Philips.

Employee personal use of social media should never use the name, trademarks, logos, copyright-protected material or confidential information of Philips and employees should make clear in any online activity that their views and opinions about work-related matters are their own, have not been reviewed by Philips and do not necessarily represent the views and opinions of Philips. Employees are prohibited from listing their Philips e-mail address unless the social networking site is used purely for Philips business or professional purposes. Access to the internet is not allowed for business or profit-making activities that are external to Philips.

The use of e-mail, the intranet, internet and social media should always be appropriate and consistent with Philips' general policies, practices and standards. The following regulations must be complied with. Failure to comply is likely to result in disciplinary action. Regulations apply to both Philips' intranet and internet usage through Philips facilities.

Employees cannot use Philips e-mail, intranet, internet or social media in any way that is illegal or might otherwise damage Philips' reputation such as:

- Deliberately accessing, creating, displaying, transmitting, soliciting, printing, downloading or otherwise disseminating messages, information or material that is or could be perceived as threatening, fraudulent, pornographic, discriminatory, sexually-oriented, abusive, libelous, derogatory, defamatory, obscene, harassing, disparaging or otherwise unlawful or inappropriate.
- Deliberately copying, reproducing, transmitting, distributing, posting or otherwise disseminating or using materials in violation of intellectual property laws or any other applicable law or regulations.
- Using information from the intranet or the internet for "spamming," the practice of sending unsolicited and unwanted electronic communications to individual consumers.

- Using these resources for personal gain (e.g. through on-line gambling or non-Philips business activities).
- Knowingly sending unsolicited e-mails, such as product promotions to individual consumers, unless they opted-in to such communications.

Philips electronic mail (e-mail), electronic voice mail (phone), and inter/intranet systems are company assets and should be used for Philips business purposes only.

Employees cannot use Philips' e-mail, intranet or the internet in any way that may interrupt its efficient and effective operation or compromise the security of Philips' or a Third Party, such as:

- Purposely circumventing security measures to gain unauthorized access to systems or data, whether that of Philips or a Third Party.
- Purposely compromising any computer system, whether that of Philips or a Third Party (e.g. through hacking).

It is a violation of company policy (and is illegal in some states) for any employee to tape or video record any conversation or other interaction with another person on company premises or on company business unless that other person has given full and voluntary consent to such recording. Violation of this policy will result in termination of employment.

In order to protect its interests or when required by law or for any other purpose it deems necessary, Philips retains the right to access and disclose the information in these systems, including the contents of employees' e-mail and phone mail files and messages and other information stored electronically. Accordingly, employees should not have any expectation of privacy regarding the use of these systems and any information stored in these systems. Philips may also compliance monitor social media meaning that any information employees create, transmit, download, exchange or discuss on any social media may be accessed by Philips at any time without prior notice.

It is a violation of company policy for any employee, including system administrators (other than for system maintenance) and supervisors, to access any information on the systems without the employee's knowledge, unless the person seeking access has obtained the prior written approval of the Ethics Officer, who may consult with legal counsel.

Data Privacy Security

Laptops and other portable media (e.g., flash drives, memory cards) pose a significant risk to data privacy. A lost or stolen laptop can impact Philips' customers, suppliers and business partners, as well as Philips' employees. Good laptop and computer security practices are necessary to ensure that personal or sensitive data and Philips confidential information are protected. Employees are required to familiarize themselves and comply with Philips Laptop and Data Management Policy. Visit pww.it.corp.pna.philips.com, click "Services," go to "Network and Security," and click "Laptop Management Policy."

Politics

We believe in the right and the duty of our employees to participate in the democratic political process. Your participation of course must be within the law, on your own time and with your own money, not on company time, with Philips resources or on Philips property.

Opinions vary on many social, religious and political issues. Our employees represent many different points of view. We respect these differences among us. We also cherish our right in the U.S. to speak and to be heard as we express these differences without censorship, fear or intimidation in the free and open marketplace of ideas.

Important Resources

pww.philips.com/ethics

Here you'll find information on the Philips Ethics & Business Conduct Program, including the Philips General Business Principles, GBP Directives, and the One Philips Ethics Line.

www3.essbenefits.com/philips

On the Philips Benefits Central web site you'll find the Philips North America policies, including Solicitations & Distributions, Harassment-Free Workplace, and Violence-Free Workplace.

One Philips Ethics Line

Phone: 800-218-1818

Philips Employee Ethics and Intellectual Property Agreement

In consideration of my accepting or continuing at will employment at Philips Electronics North America Corporation or any of its divisions, subsidiaries or affiliates, (which will individually and collectively be called “the company”) during such time as may be mutually agreeable, and in consideration of the salary or wages paid to me, I agree:

1. Not to use, publish or otherwise disclose (except as my job requires) either during or after my employment, any secret or confidential (proprietary) information or data of the company or its customers or any other third party received by the company in confidence.
2. Upon the termination of my employment, to deliver promptly to the company all written and other materials that relate to the business of the company or its affiliates including, without limitation, computers, laptops, hand-held computers and cell phones.
3. To disclose promptly, without further compensation, to the company or its nominee as its exclusive property, all those inventions and technical or business innovations (including works of authorship) developed or conceived by me alone or with others, while I am employed which:
 - (a) pertain to any line of the businesses, work or investigations of the company or affiliates, (b) pertain to any demonstrably anticipated business, research or development of the company or its affiliates, (c) are suggested by or result from work that I may do for the company, or (d) are aided by use of times, materials, facilities, patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications and registrations relating to those of the company.*
4. To make and maintain for the company adequate and current written records of such inventions.
5. Without further compensation, I hereby assign to the company or its nominee as its exclusive property, all such inventions and technical or business innovations (including works of authorship) developed or conceived by me alone or with others, while I am employed which: (a) pertain to any line of the businesses, work or investigations of the company or affiliates, (b) pertain to any demonstrably anticipated business, research or development of the company or its affiliates, (c) are suggested by or result from work that I may do for the company, or (d) are aided by use of times, materials, facilities, patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications and registrations relating to those of the company. In furtherance of such assignment, I shall perform all reasonable acts (such as execution of all necessary papers) and otherwise provide proper assistance (at the company’s expense) during and subsequent to my employment to enable the company to obtain for itself or its nominees patents, copyrights or other legal protection for such inventions or innovations in any and all countries.
6. Not to disclose or utilize in my work any proprietary information of others (including that of any prior employers) or any inventions or innovations of my own which are not included within the scope of this agreement.

I have read and understand the Philips Electronics North America Corporation “Simply Right” book. In consideration of my continuing at will employment with the company, I agree to abide by the ethical and legal principles of the company as they are incorporated in this book. I understand that failure to do so may result in the termination of my employment.

This agreement supercedes and replaces any Employee Ethics and Intellectual Property Agreement previously executed by me. It may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of the company.

I certify that to the best of my knowledge and belief, I am not a party to any other agreement or subject to any conflict of interests, including outside business activity or outside employment, that will interfere with my full compliance with this agreement, except as specifically identified below. I understand that this agreement does not constitute a contract of employment, either express or implied. My employment is “at will” meaning that I or Philips may terminate the employment relationship at any time, with or without cause or notice.

PRINT NAME

EMPLOYEE’S SIGNATURE

DATE

I represent that the following are the only agreements, relationships and matters to which I have an interest that may conflict with the obligations I have undertaken above. I further agree to promptly notify my supervisor in writing of any change in this information.

*If employed in any of the following states, employees should also sign the relevant paragraph of the Employment Invention Attachment that follows this agreement: California, Delaware, Illinois, Kansas, Minnesota, North Carolina, Utah or Washington.



Employee Invention Attachment to the Philips Employee Ethics and Intellectual Property Agreement

California

I understand that, as required by the California labor code, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility, or trade secret information of the company was used and which was developed entirely on my own time, unless (a) the invention relates at the time of conception or reduction to practice of the invention, (i) to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me for the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE

Delaware, Illinois, Kansas and North Carolina

I understand that, as required by Delaware/Illinois/Kansas/North Carolina state law (delete as appropriate), no provision in this employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility, or trade secret information of the company was used and which was developed entirely on my own time, unless (a) the invention relates (i) to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me from the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE

Minnesota

I understand that, as required by Minnesota state law, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility or trade secret information of the company was used and which was developed entirely on my own time, and (a) which does not relate (i) directly to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by me for the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE

Utah

I understand that, as required by Utah state law, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention which was created entirely on my own time, and which is not (a) conceived, developed, reduced to practice, or created by me (i) within the scope of my employment with the company, (ii) on the company's time, or (iii) with the aid, assistance or use of any of the company's property, equipment, facilities, supplies, resources, or patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks and services marks and any and all rights, applications, and registrations relating to them, (b) the results of any work, services, or duties performed by me for the company, (c) related to the industry or trade of the company, or (d) related to the current or demonstrably anticipated business, research, or development of the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE

Washington

I understand that, as required by Washington state law, no provision in this Employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility or trade secret information of the company was used and which was developed entirely on my own time, unless (a) the invention relates (i) directly to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me for the company.

PRINT NAME

EMPLOYEE'S SIGNATURE

DATE



Notes:



Exhibit C

PHILIPS

Jose Buan
433 Grape Vine Trl
Oswego, Illinois 60543

November 29, 2017

Dear Jose Buan:

This Settlement and General Release Agreement ("Agreement") is made in final consideration of the termination of your employment with Philips Medical Systems (Cleveland), Inc. ("Philips"). You will conclude your current assignment and your payroll and employment status will terminate on December 29, 2017. You must remain employed through that date to be eligible for severance benefits. Any accrued, unused vacation will be paid to you in your final paycheck. In return for your executing this Agreement and having it notarized, you will then be given the following considerations to which you would not be otherwise entitled:

- A) You will receive a lump sum severance payment, as soon as practical after the effective date of this Agreement, of \$54,204.44 in accordance with the Philips North America Severance Plan.
- B) If you currently receive coverage under the medical, dental, vision and/or basic life benefit programs made available to eligible active employees, your coverage under these benefit programs (as they may be amended from time to time) will continue for a period of three months after your termination date (that is, through March 29, 2018). Your current benefits elections will continue to apply, subject to the terms of the benefit programs relating to changing elections. Philips will be responsible for all premiums.
- C) You will receive a 2017 AIP lump sum bonus payment, if any, according to the terms and conditions of the AIP Plan; the exact amount of the bonus and date of payment shall be determined solely in accordance with the terms of the Plan.
- D) Philips shall select an outplacement program and make a one-time payment to the vendor for these services to be provided to you.
- E) You will receive your retention bonus in the amount of \$34,238.60 at the same time you receive your severance payment.

In exchange for the foregoing promises and undertakings by Philips, you agree to the following:

- 1) You agree to release Philips and its parent, subsidiary, and affiliated companies ("Philips Group") and their past and present officers, directors, agents, shareholders, representatives, employees and benefit plans from any and all claims you now have against them. In releasing them from all claims, you understand that such a release includes, but is not limited to, any type of employment, discrimination or termination claim you may have, including any claim under the **Age Discrimination in Employment Act (ADEA)**. This release does not include claims that by law cannot be waived by you, including but not limited to your right to file a charge or complaint with governmental agencies. Nothing in this Agreement (including the confidentiality provision in paragraph 2 and the non-disparagement provision in paragraph 3) prevents you from filing a charge with the Equal Employment Opportunity Commission ("EEOC") or otherwise cooperating with or providing information to the EEOC, the Securities and Exchange Commission or any other state or federal regulatory authority. However, this Agreement does prohibit you from obtaining any personal or monetary relief for yourself based on such a charge or based on you providing information to or cooperating with the EEOC. Nor does this release waive any claims which may arise after your execution of this Agreement. This release also does not waive any rights you may have in any vested pension or 401(k) benefit plans or under COBRA. You do, however, waive any rights to collect money damages or to reinstatement as a result of your employment with Philips or the termination of that employment.
- 2) You agree that all information contained or possessed by you relative to the activities of the Philips Group which is of a secret or confidential nature, which may include but is not limited to customer lists, pricing, and technical and production know-how, developments, inventions, processes, or administrative procedures, is the property of the Philips Group or its licensors, as the case may be, and you shall not during the term of this agreement or thereafter, use for the benefit of others or disclose to others such information so long as its secret or confidential nature be preserved by the Philips Group; nothing herein shall prevent you from using and availing yourself of your general technical, engineering and inventive skill, knowledge and experience, including that pertaining to or derived from the non-secret and non-confidential aspects of the activities of the Philips Group.
- 3) You agree that you shall not at any time, directly or indirectly, disparage or make any statement or publication that is intended to or has the effect of disparaging, impugning or injuring the reputation or business interests of the Philips Group or any of their respective products, services, officers, or

employees regardless of any perceived truth of such statement or publication.

- 4) You understand that federal and state taxes and other deductions will be taken from the above payments.
- 5) You agree to return to Philips on or before December 29, 2017, any and all property of Philips currently in your possession, including, but not limited to, computers and credit cards.
- 6) You agree that this Agreement shall not be construed in any way as an admission by Philips Group or any of their officers, employees or agents, of any liability whatsoever, or as an admission of any wrong doing whatsoever against any person. Any such liability and/or admission is expressly denied.
- 7) You agree that during the remainder of your employment and for a period of one year thereafter, you shall not, directly or indirectly, divert, entice away, solicit or in any other manner persuade or attempt to persuade (a "Solicitation") any person who is, or was, at any time within the twelve (12)-month period prior to such Solicitation, an officer, director, manager, employee, agent, licensor, licensee, customer, or supplier of the Philips Group to discontinue, terminate or adversely alter its or their relationship with the Philips Group.
- 8) You agree that the laws of the State of Illinois shall govern this Agreement without regard to its conflicts of laws and that any litigation concerning this Agreement shall be brought in the state or federal courts of Illinois.
- 9) You agree that you will assist, without charge, Philips as a witness and/or advise on any litigation, ethics, compliance, or regulatory matter of which you may have personal knowledge or have been involved within your present scope of responsibilities. Philips will reimburse you for any out-of-pocket expenses.
- 10) With the exception of the specific payments to be made pursuant to this Agreement, you agree that all compensation, rights and benefits, including but not limited to vacation, overtime, personal time off, sick pay and leave as provided by the Family and Medical Leave Act, have been paid and/or exercised in full without interference and that you have no outstanding claims for compensation or benefits.
- 11) You agree to maintain a high level of professionalism with the organization and its associates upon your exit.

- 12) You agree, in consideration of the payments, promises, and other consideration described in this Agreement, and as further material inducement to Philips to enter into this Agreement, that should you subsequently apply for re-employment, rehire, reinstatement or any other employment or consulting relationship, this Agreement may constitute a complete and final reason for any denial of re-employment, rehire, reinstatement, or any other employment or consulting relationship, and this Agreement may be offered as a complete defense to any charge, claim, or cause of action for such denial.
- 13) You acknowledge prior receipt of written WARN notice, as required under federal and/or state law, and that you received more than 60 days' notice of the closure of the Aurora facility.
- 14) You shall refer any requests for references to Philips' designated representative (currently the Work Number: www.theworknumber.com or 1-866-604-6572). The Work Number is instructed to only provide dates of employment and positions held and for certain requests, confirmation of salary earned.

This Agreement sets forth the entire Agreement between the parties and fully supersedes any and all prior agreements and understandings between you and any Philips Group company pertaining to the subject matters of this Agreement, including but not limited to any payments owed to you by Philips Group.

Should any provision of this Agreement be declared or determined to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby, and the illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.

If the foregoing is in accordance with your understanding of our entire and complete agreement concerning the subject matters discussed in this Agreement, please confirm by signing and returning the accompanying copy of this letter no earlier than December 15, 2017, and no later than January 15, 2018, to Philips People Services, MS: 1100, 3000 Minuteman Drive, Andover, MA 01810, Attn: People Services Contact Center. The other copy is for your personal files.

You should know that by law you must be given at least forty-five (45) days to consider this Severance and Release Agreement. Furthermore, you may revoke this Agreement within seven (7) days after signing. This Agreement will not become effective or enforceable until the seven (7) day revocation period has expired. **You have been provided (see Attachment A) with a list of the job titles and ages of those eligible for severance and a list by job title of the ages of all individuals in the same organizational unit who are not eligible for severance.**

We suggest that you seek legal counsel before signing this Agreement.

Very truly yours,

Philips Medical Systems (Cleveland), Inc.

By: Mary McDermott
Mary McDermott
Sr. Manager HR Business Partner

I hereby agree to and accept the foregoing terms and conditions:

Jose Buan
Jose Buan

2017 December 20
DATE

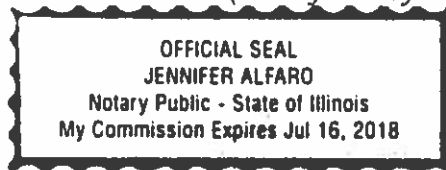
State of: IL

County of: Kane

Subscribed and sworn to (or affirmed) before me on this 20th day of December (month),
2017 (year) by Jose Buan, personally known to me or proved to me on
the basis of satisfactory evidence to be the person(s) who appeared before me.

Jennifer Alfaro (signature of Notary)

(seal of Notary)



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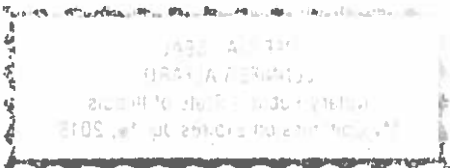


Exhibit D

Philips Employee Ethics and Intellectual Property Agreement – Page 1 of 2

In consideration of my accepting or continuing at will employment at Philips Electronics North America Corporation or any of its divisions, subsidiaries or affiliates, (which will individually and collectively be called "the company") during such time as may be mutually agreeable, and in consideration of the salary or wages paid to me, I agree:

1. Not to use, publish or otherwise disclose (except as my job requires) either during or after my employment, any secret or confidential (proprietary) information or data of the company or its customers or any other third party received by the company in confidence.
2. Upon the termination of my employment, to deliver promptly to the company all written and other materials that relate to the business of the company or its affiliates including, without limitation, computers, laptops, hand-held computers and cell phones.
3. To disclose promptly, without further compensation, to the company or its nominee as its exclusive property, all those inventions and technical or business innovations (including works of authorship) developed or conceived by me alone or with others, while I am employed which: (a) pertain to any line of the businesses, work or investigations of the company or affiliates, (b) pertain to any demonstrably anticipated business, research or development of the company or its affiliates, (c) are suggested by or result from work that I may do for the company, or (d) are aided by use of times, materials, facilities, patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications and registrations relating to those of the company. *
4. To make and maintain for the company adequate and current written records of such inventions.
5. Without further compensation, I hereby assign to the company or its nominee as its exclusive property, all such inventions and technical or business innovations (including works of authorship) developed or conceived by me alone or with others, while I am employed which: (a) pertain to any line of the businesses, work or investigations of the company or affiliates, (b) pertain to any demonstrably anticipated business, research or development of the company or its affiliates, (c) are suggested by or result from work that I may do for the company, or (d) are aided by use of times, materials, facilities, patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications and registrations relating to those of the company. In furtherance of such assignment, I shall perform all reasonable acts (such as execution of all necessary papers) and otherwise provide proper assistance (at the company's expense) during and subsequent to my employment to enable the company to obtain for itself or its nominees patents, copyrights or other legal protection for such inventions or innovations in any and all countries.
6. Not to disclose or utilize in my work any proprietary information of others (including that of any prior employers) or any inventions or innovations of my own which are not included within the scope of this agreement.

I have read and understand the Philips Electronics North America Corporation "Simply Right" book. In consideration of my continuing at will employment with the company, I agree to abide by the ethical and legal principles of the company as they are incorporated in this book. I understand that failure to do so may result in the termination of my employment. This agreement supercedes and replaces any Employee Ethics and Intellectual Property Agreement previously executed by me. It may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of the company. I certify that to the best of my knowledge and belief, I am not a party to any other agreement or subject to any conflict of interests, including outside business activity or outside employment, that will interfere with my full compliance with this agreement, except as specifically identified below. I understand that this agreement does not constitute a contract of employment, either express or implied. My employment is "at will" meaning that I or Philips may terminate the employment relationship at any time, with or without cause or notice.

PERSONNEL NUMBER:

NAME:

Sherman Jen

Mar. 24, 2013

EMPLOYEE'S SIGNATURE

DATE SIGNED

I represent that the following are the only agreements, relationships and matters to which I have an interest that may conflict with the obligations I have undertaken above. I further agree to promptly notify my supervisor in writing of any change in this information.

Employee Invention Attachment to the

Philips Employee Ethics and Intellectual Property Agreement – Page 2 of 2

Delaware, Illinois, Kansas and North Carolina

I understand that, as required by Delaware/Illinois/Kansas/North Carolina state law (delete as appropriate), no provision in this employee Ethics and Intellectual Property Agreement requires me to assign any of my rights to an invention for which no equipment, supplies, facility, or trade secret information of the company was used and which was developed entirely on my own time, unless (a) the invention relates (i) to the business of the company, or (ii) to the company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by me from the company.

PERSONNEL NUMBER:

NAME:

Sherman Jen

Mar. 24, 2013

EMPLOYEE'S SIGNATURE

DATE SIGNED

Exhibit E



Sherman Jen
1901 W. Mequon Rd.
Mequon, Wisconsin 53092

November 29, 2017

Dear Sherman Jen:

This Settlement and General Release Agreement ("Agreement") is made in final consideration of the termination of your employment with Philips Medical Systems (Cleveland), Inc. ("Philips"). You will conclude your current assignment and your payroll and employment status will terminate on December 29, 2017. You must remain employed through that date to be eligible for severance benefits. Any accrued, unused vacation will be paid to you in your final paycheck. In return for your executing this Agreement and having it notarized, you will then be given the following considerations to which you would not be otherwise entitled:

- A) You will receive a lump sum severance payment, as soon as practical after the effective date of this Agreement, of \$ [REDACTED] in accordance with the Philips North America Severance Plan.
- B) If you currently receive coverage under the medical, dental, vision and/or basic life benefit programs made available to eligible active employees, your coverage under these benefit programs (as they may be amended from time to time) will continue for a period of three months after your termination date (that is, through March 29, 2018). Your current benefits elections will continue to apply, subject to the terms of the benefit programs relating to changing elections. Philips will be responsible for all premiums.
- C) You will receive a 2017 AIP lump sum bonus payment, if any, according to the terms and conditions of the AIP Plan; the exact amount of the bonus and date of payment shall be determined solely in accordance with the terms of the Plan.
- D) Philips shall select an outplacement program and make a one-time payment to the vendor for these services to be provided to you.

In exchange for the foregoing promises and undertakings by Philips, you agree to the following:

- 1) You agree to release Philips and its parent, subsidiary, and affiliated companies ("Philips Group") and their past and present officers, directors, agents, shareholders, representatives, employees and benefit plans from any and all claims you now have against them. In releasing them from all claims, you understand that such a release includes, but is not limited to, any type of employment, discrimination or termination claim you may have, including any claim under the **Age Discrimination in Employment Act (ADEA)**. This release does not include claims that by law cannot be waived by you, including but not limited to your right to file a charge or complaint with governmental agencies. Nothing in this Agreement (including the confidentiality provision in paragraph 2 and the non-disparagement provision in paragraph 3) prevents you from filing a charge with the Equal Employment Opportunity Commission ("EEOC") or otherwise cooperating with or providing information to the EEOC, the Securities and Exchange Commission or any other state or federal regulatory authority. However, this Agreement does prohibit you from obtaining any personal or monetary relief for yourself based on such a charge or based on you providing information to or cooperating with the EEOC. Nor does this release waive any claims which may arise after your execution of this Agreement. This release also does not waive any rights you may have in any vested pension or 401(k) benefit plans or under COBRA. You do, however, waive any rights to collect money damages or to reinstatement as a result of your employment with Philips or the termination of that employment.
- 2) You agree that all information contained or possessed by you relative to the activities of the Philips Group which is of a secret or confidential nature, which may include but is not limited to customer lists, pricing, and technical and production know-how, developments, inventions, processes, or administrative procedures, is the property of the Philips Group or its licensors, as the case may be, and you shall not during the term of this agreement or thereafter, use for the benefit of others or disclose to others such information so long as its secret or confidential nature be preserved by the Philips Group; nothing herein shall prevent you from using and availing yourself of your general technical, engineering and inventive skill, knowledge and experience, including that pertaining to or derived from the non-secret and non-confidential aspects of the activities of the Philips Group.
- 3) You agree that you shall not at any time, directly or indirectly, disparage or make any statement or publication that is intended to or has the effect of disparaging, impugning or injuring the reputation or business interests of the Philips Group or any of their respective products, services, officers, or

employees regardless of any perceived truth of such statement or publication.

- 4) You understand that federal and state taxes and other deductions will be taken from the above payments.
- 5) You agree to return to Philips on or before December 29, 2017, any and all property of Philips currently in your possession, including, but not limited to, computers and credit cards.
- 6) You agree that this Agreement shall not be construed in any way as an admission by Philips Group or any of their officers, employees or agents, of any liability whatsoever, or as an admission of any wrong doing whatsoever against any person. Any such liability and/or admission is expressly denied.
- 7) You agree that during the remainder of your employment and for a period of one year thereafter, you shall not, directly or indirectly, divert, entice away, solicit or in any other manner persuade or attempt to persuade (a "Solicitation") any person who is, or was, at any time within the twelve (12)-month period prior to such Solicitation, an officer, director, manager, employee, agent, licensor, licensee, customer, or supplier of the Philips Group to discontinue, terminate or adversely alter its or their relationship with the Philips Group.
- 8) You agree that the laws of the State of Illinois shall govern this Agreement without regard to its conflicts of laws and that any litigation concerning this Agreement shall be brought in the state or federal courts of Illinois.
- 9) You agree that you will assist, without charge, Philips as a witness and/or advise on any litigation, ethics, compliance, or regulatory matter of which you may have personal knowledge or have been involved within your present scope of responsibilities. Philips will reimburse you for any out-of-pocket expenses.
- 10) With the exception of the specific payments to be made pursuant to this Agreement, you agree that all compensation, rights and benefits, including but not limited to vacation, overtime, personal time off, sick pay and leave as provided by the Family and Medical Leave Act, have been paid and/or exercised in full without interference and that you have no outstanding claims for compensation or benefits.
- 11) You agree to maintain a high level of professionalism with the organization and its associates upon your exit.

- 12) You agree, in consideration of the payments, promises, and other consideration described in this Agreement, and as further material inducement to Philips to enter into this Agreement, that should you subsequently apply for re-employment, rehire, reinstatement or any other employment or consulting relationship, this Agreement may constitute a complete and final reason for any denial of re-employment, rehire, reinstatement, or any other employment or consulting relationship, and this Agreement may be offered as a complete defense to any charge, claim, or cause of action for such denial.
- 13) You acknowledge prior receipt of written WARN notice, as required under federal and/or state law, and that you received more than 60 days' notice of the closure of the Aurora facility.
- 14) You shall refer any requests for references to Philips' designated representative (currently the Work Number: www.theworknumber.com or 1-866-604-6572). The Work Number is instructed to only provide dates of employment and positions held and for certain requests, confirmation of salary earned.

This Agreement sets forth the entire Agreement between the parties and fully supersedes any and all prior agreements and understandings between you and any Philips Group company pertaining to the subject matters of this Agreement, including but not limited to any payments owed to you by Philips Group. Should any provision of this Agreement be declared or determined to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby, and the illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.

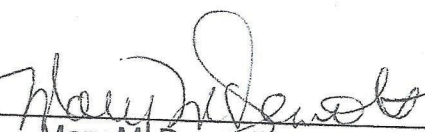
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We suggest that you seek legal counsel before signing this Agreement.

Very truly yours,

Philips Medical Systems (Cleveland), Inc.

By: 
Mary McDermott
Sr. Manager HR Business Partner

I hereby agree to and accept the foregoing terms and conditions:

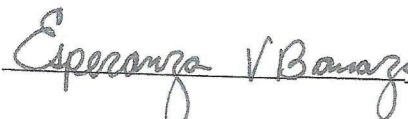

Sherman Jen

12-15-2017
DATE

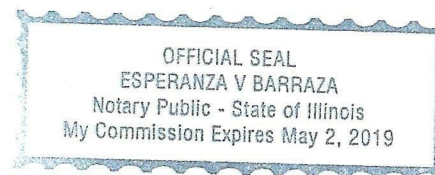
State of: Illinois

County of: Dupage

Subscribed and sworn to (or affirmed) before me on this 15 day of 12 (month), 2017 (year) by Sherman C Jen, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

 (signature of Notary)

(seal of Notary)



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