

# Collective Labor Agreement

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January 1, 2018  
through  
December 31, 2019

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*For a worthwhile future*

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## COLLECTIVE LABOR AGREEMENT

Between the undersigned  
PGGM NV, with its registered office in Utrecht  
as the party on the side of the employer

and

CNV Vakmensen, established in Utrecht  
De Unie, established in Culemborg  
FNV, established in Utrecht,  
each as a party on the side of the employee

the following collective labor agreement was agreed on January 30, 2018.

CNV Vakmensen  
Established in Utrecht;

.....

De Unie  
Established in Culemborg;

.....

FNV  
Established in Utrecht

.....

PGGM  
Established in Zeist.

.....

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parties to this CLA.

## **Preamble to the Collective Labor Agreement January 1, 2016 up to and including December 31, 2017**

### *PGGM*

PGGM aims to help people realize a valuable future. For our clients, that valuable future begins with access to excellent pension administration and asset management services performed by PGGM employees. PGGM wishes to be a prominent and proactive player in the development of the pension system and a valuable future.

### *Core values and core competencies*

PGGM's vision and strategy can only be successful if all PGGM staff members understand that vision and are able to apply it in their daily practice. PGGM strives to ensure that customers recognize and appreciate the core values and core competencies in the conduct and performance of its staff and, to that end, invests in the (valuable) professionalism and expertise of all employees. PGGM executives connect people and make a powerful contribution towards realizing the company's vision and strategy.

PGGM's core values are *decisiveness* (a result-oriented attitude and ability to find quick solutions), *openness and honesty* (plain dealing and clear communication), *ground-breaking approach* (exploring new horizons) and *respect for people and the environment* (respect for differences and responsible and sustainable practices).

PGGM's core competencies are *professionalism, continuous improvement and persuasion, connection and accountability*. Every PGGM employee is a professional in his or her field, and they all share a professional drive to achieve the highest quality. In addition, PGGM employees are able to critically assess their own performance and working methods and constantly strive to improve their approach.

### *Relationship between internal and external staff*

PGGM takes the view that all activities of a permanent nature performed within PGGM should, in principle, be carried out by PGGM's own staff. Exceptions to this rule are possible in the event of specialist work, peak capacity requirements or specific, incidental cases. Hired staff will only be used if their employment does not jeopardize the position of our own staff.

### *Mature employment relationship*

PGGM seeks to achieve a mature employment relationship with its employees. Mature employment relationships are about creating and utilizing excellent working relationships between employees and their superiors, in which both strive to achieve shared objectives from their own separate positions. In addition to mutual trust, key components of such a relationship are the employee's responsibility for his or her own flexibility and career, and the management's responsibility for encouraging employees to develop to their full potential. Mature employment relationships are characterized by professionalism, autonomy and meaningful work.

PGGM is committed to the personal development and growth of its employees, aimed at sustainable employability. To achieve sustainable employability, we pay attention to our employees' competence, health and motivation. At PGGM we call this 'Fit for the Future'.

### *Professionalism*

PGGM has selected professionalism as one of its core competencies for good reason. Our employees create visible value – for PGGM, for themselves, for their colleagues and for their customers. They assume responsibility for this. They know what they are worth and what value they represent for the company through their professionalism. Professionalism is not a static property: it also encompasses growth, development and further perfection of the employee's strengths. Optimum employability is facilitated by the superior, but remains the responsibility of the employee concerned. Together they examine the best way to link the employee's personal aspirations to the organization's strategic objectives. Employees can advance their careers through successive management positions or along a path of professional growth.

### *Autonomy*

Autonomy requires a safe environment and a management style that helps employees achieve and exploit their full potential. This calls for a sufficient degree of independence in the performance of work-related tasks and in achieving the ideal balance between work and private life, as well as for respect for people and the environment, a clear relationship between effort and outcome, and collaboration.

### *Meaningful work*

Employees like to make a real contribution through meaningful work. The organization must be designed to make this possible. PGGM strives to provide a pleasant work atmosphere in which people are motivated to make a positive contribution to PGGM's objectives. This is what makes it essential for all PGGM employees to understand the company's vision and strategy, as that insight will also show them how they contribute to PGGM's ultimate goal, which is to create a valuable future. This will add significant meaning to their work and serve as the basis for a truly vision-oriented culture.

### *Work experience positions*

PGGM started the MIP program in 2013. MIP stands for Make It Possible. The aim of the MIP Program is to give persons without access to the labor market a chance to gain access to said labor market by gaining work experience. PGGM believes that the work experience can be the start of a better future. Participants in the MIP Program not only become acquainted or perhaps reacquainted with working, but it also gives them self-confidence and it offers them a chance of gaining professional experience. After all, work provides a very important contribution to a person's sense of self-worth.

PGGM strives to have 20 work experience positions available for MIP participants on a permanent basis during the term of this CLA. In addition, PGGM strives to deploy participants in this program and other people with a disadvantage on the labor market, as defined in the Participation Act, in regular jobs.

### *Studies during the term of the CLA*

During the term of the CLA, together with the trade unions, PGGM will investigate whether the following joint studies can be conducted:

- A study into roles instead of jobs
- A study into flexible rewards
- A study into the possibility of a Fit for the Future leave available to all members of staff. Revision of the current (senior) P-budget as a possible source for Fit for the Future leave are part of this study.



## CHAPTER 1: GENERAL PROVISIONS

### Article 1: Definitions

The terms listed below have the following definitions in this collective labor agreement (CLA):

- a. Employer : PGGM NV;
- b. Labor unions : CNV Vakmensen, De Unie and FNV
- c. Employee : the natural person employed by the employer on the basis of an employment contract within the meaning of Section 7:610 of the Netherlands Civil Code and whose job is classified in salary scales 1 through 13 of this CLA. Interns are not considered employees for the purposes of this agreement;

Where this CLA refers to “he,” “she” is also understood as being referred to;

d.	Month	:	a full calendar month;
e.	Week	:	a full calendar week;
f.	Day	:	a full calendar day;
g.	Monthly salary	:	the gross monthly salary as indicated when the salary scales are applied;
h.	Annual salary	:	12 times the monthly salary;
i.	Hourly wage	:	1/156 times the monthly salary;
j.	Public holidays	:	the national public holidays, being New Year’s Day, Easter Sunday and Easter Monday, Ascension Day, Whit Sunday and Whit Monday, Christmas Day, the day after Christmas Day, the day designated by the government for the celebration of King’s Day, and May 5 during the quinquennial anniversary years (2020, 2025 etc.);
k.	Flexible working hours	:	the term used for the flexible implementation of the contractual number of working hours, in the form of periods with more and periods with fewer working hours in the course of the calendar year;



l.	Partner	:	<p>The spouse of the employee or the person with whom the employee cohabits and runs a joint household, provided this cohabitation is considered long term.</p> <p>The employee who derives rights under the CLA owing to a long-term cohabitation must submit the following when requesting entitlements under such rights:</p> <ul style="list-style-type: none"> <li>• a declaration of long-term cohabitation</li> <li>• the partner's name and date of birth.</li> </ul>
m.	Surviving relative		<ul style="list-style-type: none"> <li>• the partner, or, in the absence thereof;</li> <li>• the minor children, or, in the absence thereof;</li> <li>• the person with whom the employee lives in one house and conducts a joint household. Said person must be registered in the Municipal Personal Records Database (GBA) at the address of the employee.</li> </ul>
n.	In writing	:	<ul style="list-style-type: none"> <li>• where this CLA contains a reference to 'in writing' this will be understood to include 'by email'.</li> </ul>
All amounts referred to in the CLA are gross amounts, unless otherwise specified.			

**Article 2: Duration of and amendments to the CLA and the resolution of disputes between the parties to the CLA**

1. Duration of and amendments to the CLA

- a. This CLA takes effect as of January 1, 2018 and ends on December 31, 2019. Rights arising from the provisions of previous CLA's lapse as a result of this CLA entering into effect.
- b. Parties may agree to an amendment to this CLA while it is in effect.

- c. The interpretation of this CLA rests with the parties. If parties to this CLA are of the opinion that there is a dispute regarding the application of this agreement, the parties will enter into consultations with a view to resolving the dispute amicably. If such consultations do not result in a solution acceptable by both parties, the parties will submit their dispute to an interpretation committee, composed of equal numbers of representatives of all parties concerned, which committee will issue a recommendation to the parties. The parties are to consider this recommendation and accept it as a substantial factor. However, should this not result in a resolution, the dispute may, as a last resort, be submitted to the court.

**Article 3: General obligations of parties to the CLA**

The employer and labor unions will fulfill this CLA according to criteria of reasonableness and fairness.

**Article 4: General obligations of the employer and the employee**

The employer and the employee bear joint responsibility for a good mutual relationship at the employer's enterprise and at the place of work.

**Article 5: General obligations of the employer**

1. The employer will enter into a written employment contract with each employee, which employment contract will indicate that this CLA and subsequent CLA's apply.
2. The employer will ensure that the text of this CLA can be viewed via intranet and that amendments to the text are publicized immediately.
3. The employer is responsible for ensuring good working conditions at the company and, in doing so, will promote the interests of the employee as befits a good employer. To this end, the employer will provide the necessary instructions and regulations, will make safety equipment available where necessary, and will provide medical supervision.
4. The employer will pay attention to the absence-due-to-illness policy and, together with the Occupational Health and Safety Service (*Arbodienst*), will strive for a policy geared toward prevention.
5. The employee will fulfill this CLA and all other applicable rules within the company.

**Article 6: General obligations of the employee**

1. The employee will promote the interests of the employer's company as befits a good employee, also when he has received no explicit instruction to that effect. The employee will fulfill this CLA and all other applicable rules within the company.

2. The employee will perform all work assigned to him by the employer or on the employer's behalf to the best of his ability, to the extent that this may reasonably be expected from the employee, and will, in performing the work, observe all instructions and rules provided.
3. The employee is obliged to follow all applicable rules and/or instructions provided with respect to the storage, use and maintenance of tools and resources made available to him by the employer, either directly or indirectly.  
If the employee damages or causes the loss of property of the employer or third parties through intent or willful recklessness, he is liable for the damage. After hearing the employee, the employer will decide whether the damage referred to in the previous paragraph must be paid by the employee. Such payment will be deducted from the employee's salary in monthly installments to a maximum of 4% of the monthly salary. The employer's decision will be communicated to the employee in writing, stating reasons.
4. In order to promote the transparency and clarity of the rules of conduct, the employer has adopted the "PGGM Code of Conduct", which contains the basic principles governing the employee's conduct. The Code is an elaboration of PGGM's values and serves as a guide for how PGGM interacts with its customers, partners, affiliated entities and society in general. It is the responsibility of the employee himself to ensure that he observes and interprets the PGGM Code of Conduct properly. The Code sets out, based on the applicable legal framework, the rules and sanctions for employees with respect to the prevention of conflicts of interest between the employer's interests and the private interests of the employee. The employee signs the PGGM Code of Conduct agreement when signing his employment contract, declaring that he has read and understood the PGGM Code of Conduct; each year the employee will declare that he will act in accordance with the articles of the PGGM Code of Conduct that are applicable to him.
5. In special circumstances, the employee is obliged to perform work other than his regular work when the employer considers such necessary to the interest of the business.  
In assigning such duties, the employer will take the employee's position into account as much as possible.
6. With respect to his work and break times, the employee will observe the working hours scheme applicable to him.
7. The employee is not permitted to perform work for third parties or independently, either for remuneration or otherwise, without the prior written consent of the employer.
8. The employee is obliged, both during and after termination of the employment contract, to observe complete confidentiality with respect to everything he comes to know about the employer's enterprise or the employer's clients and with regard to which secrecy has been imposed or of whose confidential nature the employee should reasonably have been aware.
9. With due observance of the provisions of the Working Conditions Act, the employee will observe any instructions and rules provided to him, use the safety equipment

made available and cooperate with the medical supervision in accordance with the applicable medical examination requirements.

10. The employee must inform the employer (via the HR department) of the following:
  - any change of address;
  - any change to his marital status;
  - any change in the composition of his family;
  - all other facts and changes that the employee should reasonably have suspected must be notified.
  
11. Intellectual property rights for employees from salary scale 8 and up
  - a. All intellectual property rights that may arise from or relate to the work performed by the employee under or in connection with the performance of the individual employment contract (“IP Rights”) belong to PGGM, irrespective of where or when, during or outside working hours, those rights may arise. To the extent required and insofar as is possible, the employee hereby transfers such IP Rights to PGGM.
  - b. Employees are obliged to inform PGGM immediately of any and all IP Rights that have arisen. To the extent specific IP Rights do not automatically belong to PGGM under paragraph 11a of this Article, the employee will, upon the first request to that effect, unconditionally cooperate in the granting of a deed providing for the transfer of such IP Rights to PGGM and otherwise do everything that may be necessary to effectuate such transfer.
  - c. The employee is obliged to make every effort that is required to ensure optimum protection of the IP Rights. The employee will render every assistance in the registration of the IP Rights in the name of PGGM in the appropriate public registers.
  - d. Employees cannot demand reference to their name being made, with the exception of the case as referred to in Section 14 of the Patents Act 1995 (*Rijsoctrooiwet*). Insofar as is legally permitted, the employee hereby waives any and all entitlement to personality rights granted to him under Section 25 of the Copyright Act (*Auteurswet*).
  - e. The employee acknowledges that his salary includes an amount in compensation for the lack of IP Rights.
  - f. IP Rights within the meaning of this article are understood to include patent rights, trademark rights (including service mark rights), trade name rights, domain names, (registered and non-registered) design rights, database rights, copyrights, neighboring rights, rights to knowhow and performances on a par with patentable inventions, claims or applications in respect of the aforementioned rights and any and all other similar rights in whatever jurisdiction.

**Article 7: Labor union facilities**

1. In the interest of effective communication and consultations between the labor unions and their members working for the employer, the labor unions are permitted the following:
  - a. to make use of the communication resources at the employer for:
    - making announcements of a business and informational nature;
    - publicizing the names of representatives or contact persons of the employee organizations;
    - announcing meetings of the employee organizations;
    - publishing concise reports of these meetings;
    - nominating the members of the employee organizations for the Work Council elections.

Copies of any messages and announcements to be published will be made available to the employer in advance.

- b. to use the employer's meeting rooms.  
These meeting rooms will in principle be used outside of or after normal office hours and following a request to the employer for their use submitted in good time.
  - c. to use the employer's internal mail service in order to distribute addressed documents to representatives or contact persons of the employee organizations.
2. The use of the facilities referred to under paragraph 1 must not disrupt the smooth running of operations within the organization.
3. The granting of the facilities referred to in paragraph 1 may be suspended partially or in full if doing so, in the opinion of the employer, would be in the interest of the company. The employer will inform the labor unions of any such suspension as soon as possible.
4. If a difference of opinion arises with regard to the granting and use of the facilities referred to in paragraph 1, either in a general sense or as a result of the suspension referred to in paragraph 3, the employer and the labor unions will hold consultations. If such consultations do not produce a result that is satisfactory to all parties involved, each of the parties involved can submit this difference of opinion for assessment by the Disputes Committee in accordance with the provisions of Article 8, for the purposes of this article and the associated Regulations the word "employee" is to be read as "labor unions."
5. Employer's contribution  
Each year the employer will make an employer's contribution available to the labor unions during the term of the CLA. PGGM commits to the amount included in the statement by AAVN for each employee (reference date for the number of employees: December 31 of the previous calendar year). This contribution has been set at € 20.63 for 2018. The amount of the contribution for 2019 will be announced in due course by AAVN.
6. For 2016 and 2107, the employer will reimburse the union contribution payable by the

current members of the labor unions, with which this CLA has been concluded. The members of those trade unions can claim the amounts for 2016 at the latest in December 2016 and the amount for 2017 at the latest in December 2017 from the employer.

**Article 8: Regulation on disputes**

1. Without prejudice to the possibility to appeal to the courts, employees may request that a Disputes Committee be established to assess a decision taken by the employer concerning the employee.
2. A request for a Disputes Committee to be established must be substantiated and must be addressed to the secretary of the employer's Management Board.
3. Both parties must grant all requested cooperation to the Disputes Committee.
4. The composition and working method of the Disputes Committee is arranged by separate regulations. These regulations are included in this CLA as Appendix 1.

## **CHAPTER 2: COMMENCEMENT OF EMPLOYMENT AND DISMISSAL**

### **Article 1: Commencement of employment**

1. The employment contract will be drawn up in duplicate and signed in writing or digitally by the employer and employee. The employment contract will, at a minimum, contain the following elements:
  - nature and duration of the agreement;
  - the date of commencement of employment;
  - name of the employee and name and address of the employer;
  - place of birth and date of birth of the employee;
  - the work location of the employee;
  - the position or a description of the position;
  - the monthly salary, with an indication of the salary scale that applies to the position;
  - the applicability of this CLA.

On commencing employment, the employee will receive a (digital) copy of the employment contract, signed by both the employer and employee, and the text of this CLA.
2. The employment contract will be entered into for an indefinite or a definite period of time in accordance with the rules laid down in Book 7 of the Netherlands Civil Code.
3. The individual employment contract will specify which type of employment contract is applicable. Should the individual employment contract not specify the type, it will be deemed to be entered into for an indefinite period of time.
4. On the commencement of an employment contract for a period of up to six month, no probationary period applies. On the commencement of any other employment contract – either for an indefinite or definite period of time – a probationary period of two months will apply. A shorter probationary period may be agreed in the individual employment contract.

### **Article 2: Termination of the employment contract**

1. In the event of dismissal owing to an urgent reason within the meaning of Sections 7:678 and 7:679 of the Netherlands Civil Code and during or at the end of the probationary period as referred to in Article 1 of this chapter, the employment contract may be terminated with immediate effect by either party. In all other cases:
  - a. the employment contract for an indefinite period of time is ended by a written notice of termination, with due observance of the notice period as referred to in paragraph 2.
  - b. the employment contract for a definite period of time ends by operation of law upon expiration of the term or completion of the duties for which it was entered into or, in the event an interim termination clause has been agreed, by means of written termination with due observance of the notice period referred to in paragraph 2.

2. In the event of termination as referred to in paragraph 1(a) and 1(b), and in deviation of Section 7:672 of the Netherlands Civil Code, a notice period of two months applies to both the employer and employee. In this case, the employment contract can only be terminated as of the end of the month.
3. The employment contract between the employer and employee terminates by operation of law, without requiring notice of termination, on the day before the day on which the employee has attained the age on which he or she is entitled to state pension (AOW). Well in advance of the day on which the employee attains this age, the employee and the employer will consult with one another to determine the extent to which the conclusion of a new employment contract would be desirable.
4. In order to qualify for full FLEX pension before reaching the age of 60, the employee will be required to terminate the employment contract. In the event of a partial commencement of the FLEX pension before reaching the age of 60, the employment contract will be adjusted on a pro rata basis.



## CHAPTER 3: NUMBER OF WORKING HOURS

### **Article 1: Number of working hours and working times within the framework of Werken@PGGM**

1. In 2011 PGGM introduced The New Way of Working under the title “Werken@PGGM”.

Key values of Werken@PGGM include independence, responsibility and flexibility. PGGM aims to ensure that its terms of employment reflect these key values.

Flexibility has to do with such things as the freedom to choose the location and the times at which the work is performed. A second type of flexibility associated with Werken@PGGM is the freedom of the employee and the manager to vary the number of working hours per period. In mutual consultation, both the employee and the manager can make arrangements on the type and degree of flexibility required. Fixed working times are inconsistent with the philosophy behind Werken@PGGM. In this connection, the parties to the CLA have made arrangements to ensure that the definition of overtime is consistent with the flexibilization of working times.

2. The working hours of an employee in a full-time employment relationship amount to an average of 36 hours per week. The employee’s contractual number of working hours forms the basis of Werken@PGGM. The total average number of working hours worked in the course of the year equals the contractually agreed number of working hours. To that end, the contractually agreed weekly number of working hours will be converted into an annual standard and may be used on a flexible basis, in consultation with the superior.
3. Daily working times windows apply, within which shifts are to start and end between 07:00 a.m. and 09:00 p.m. from Mondays to Fridays and between 09:00 a.m. and 01:00 p.m. on Saturdays, unless the nature of the work or business conditions necessitate other times.
4. Work will only be performed on Sundays and public holidays if the nature of the work or business conditions necessitate such in the opinion of the employer and if the employee has, in principle, no objection to working on these days.
5. The work will be organized in accordance with the standards and provisions of the Working Hours Act, unless this CLA stipulates otherwise.
6. By virtue of the Flexible Work Act, the employee is entitled to reduce the hours he or she works on a permanent basis. The employee must submit a request to the employer in writing at least four months prior to the intended commencement date. The desired commencement date is at least six months after commencement of the employment contract. The employer will send a substantiated written response within four weeks of the request. The employer may only deny the request on the grounds of serious business interests.

In the event a request is denied, the employee may engage an advisory body, which is

to be comprised of the Managing Director Mens & Organisatie, one management representative (who is not involved in the dispute in question) and one Work Council representative. The advisory body will provide the employer with its opinion.

**Article 2: Part-time employees**

1. If on the basis of the individual employment contract, the stipulated working hours are less than the working hours of a full-time employee, the provisions of this CLA will apply accordingly in proportion to the individual working hours, unless stated otherwise in the relevant articles.

**Article 3: Flexible working hours**

1. Flexible working hours is the term used for the flexible implementation of the contractual number of working hours, in the form of periods with more and periods with fewer working hours in the course of the calendar year.
2. Both the employee and the superior may take the initiative to introduce flexible working hours.
3. The employee and the superior determine the regular working pattern in mutual consultation and, in doing so, will take account of the employee's personal circumstances, as far as is reasonably possible.
4. If the employee leaves the employment in the course of the calendar year and, as a result, has no opportunity to compensate any additional hours worked with periods of less work, such additional hours worked will not be regarded as overtime. The employee will receive 100% of the hourly wages for such additional hours worked.

**Article 4: Allowance for working unsociable hours**

1. If the employee, at the superior's request, works outside of the applicable daily working times window as referred to in Article 1(3), and those hours can be compensated at another time within the calendar year (i.e., as flexible working hours), the employee will receive an allowance for working unsociable hours.
2.
  - a. The allowance for unsociable hours equals 50% of the hourly wages (a 50% allowance) in the event of hours worked outside of the daily working times window on Mondays to Saturdays.
  - b. The allowance for unsociable hours equals 100% of the hourly wages (a 100% allowance) in the event of hours worked on Sundays and public holidays.
  - c. Only employees in salary scale 9 or lower qualify for the unsociable working hours allowance.
3. If the employee, at the superior's request, works outside of the applicable daily working times window and those hours cannot be compensated at another time within the calendar year (i.e., are not flexible working hours), the employee will be deemed to have worked overtime and will receive an overtime allowance as provided for in Article 5.

4. The unsociable hours allowance and the overtime allowance may cumulate. In the event of concurrence of work that both qualifies as overtime and is performed outside of the daily working times window, only the overtime allowance will be paid.
5. The allowance referred to in paragraph 2 will be paid out each month on the basis of the unsociable hours worked in the previous month.

#### **Article 5: Overtime allowance**

1. Within Werken@PGGM, overtime is identified on the basis of the flexible working hours system.
2. Overtime is defined as a situation in which the employee, on the employer's instruction, works additional hours outside of the applicable contractual number of working hours and those additional hours cannot be compensated in the course of the current calendar year.
3. In the case of a part-time employee, overtime is defined as a situation in which the employee, on the employer's instructions, works more than 36 hours a week and those hours cannot be compensated during the course of the current calendar year. Only hours worked in excess of those 36 hours will constitute overtime. The hours up to 36 hours qualify as "flex hours".
4. The overtime pay equals 150% of the hourly wages (100% pay for additional hours worked plus a 50% allowance) for overtime on Mondays to Fridays. The overtime pay on Sundays equals 200% of the hourly wages (100% pay for additional hours worked plus a 100% allowance).
5. The overtime pay for work performed on public holidays also equals 200% of the hourly wages (payment for hours worked plus a 100% allowance for overtime), irrespective of whether the public holiday is a working day. This means that in the latter case the compensation of 200% of the hourly wages for work on a public holiday is granted on top of the regular monthly salary.
6. Only employees in salary scale 9 or lower qualify for the overtime allowance.
7. The overtime pay referred to in paragraphs 3 and 4 will be paid out each month on the basis of the number of hours worked overtime in the previous month.
8. Employees that were 53 or older on January 1, 2008 are not obliged to work overtime.

#### **Article 6: On-call shift allowance**

1. If the employer deems it necessary, employees can be obliged to remain on call in order to be able, for example, to correct defects or to deal with a sudden increase in the volume of work. These employees must be contactable by telephone and must ensure that the travel time to the place of work from their current location is never longer than the travel time from their home address. Employees who are called up by the

appropriate manager when on an on-call shift must be available to perform the necessary work.

2. Employees who, on the instruction of the employer, have been placed on an on-call roster that involves them working outside of their regular working times will receive €29.35 for each day (amount as of July 1, 2018 € 29.64 a day and from January , 2019 € 29,94 a day). This amount is adjusted in accordance with the structural salary increases agreed in the CLA.
3. Employees who, on the instruction of the employer, are placed on call on an incidental basis outside of their regular working times will receive for each hour or portion of an hour compensation equaling 25% of the overtime allowance as referred to in Article 5(3) or (4) of this chapter that is applicable at that time.
4. Employees who, while on call and on the instruction of the employer, are called up to perform work will, for such hours, receive the allowance in accordance with Article 5(3) or (4) that is applicable at that time. In addition, travel time of two times half an hour will be factored in as work time.
5. In the event an employee is called up, the outward and return journeys between the employee's home address and the place of work are considered business kilometers. These journeys will be compensated on the basis of the applicable scheme for business kilometers, on the understanding that this compensation is subject to taxation and social security premium deductions.
6. An on-call period cannot be scheduled on days already reserved for vacation.

## **CHAPTER 4: REMUNERATION**

### **Article 1: Job groups and salary**

#### **1. General**

- a. The positions held by the employees are or will be divided into 13 salary scales in accordance with a job assessment system.
- b. Each job group will be associated with a salary scale. The salary scales have been included in paragraph 6 of this article.  
The salary scales may be adjusted by an index figure to be determined by the parties to the CLA on the basis of consultations between the parties to the CLA. As of July 1, 2018, the salaries and the salary scales that apply on June 30, 2018, will be increased by 1% and the salaries and the salary scales that apply on December 31, 2018 will be increased by 1% on January 1, 2019.

A non-recurring amount will be paid in October 2019 to employees who are employed on September 30, 2019. This amount consists of 0.5% of at most twelve times the annual salary of the month of October 2019. This amount is paid out in proportion to the extent and term of the employment in 2019. The distribution is financed from the Work-related Expenses Scheme. There will therefore be no deductions pursuant to income tax and national insurance contributions.

- c. The employee will receive written notification of the job group and salary scale to which his job has been assigned and his monthly salary. Any changes to the foregoing will also be communicated to the employee in writing. The job exposure matrix (JEM) can be consulted on the intranet.
- d. If an employee objects to his job description or the classification of his job, he may initiate the objection and appeal procedure.

#### **2. Salary review**

- a. In principle, the employee's salary is adjusted once a year on January 1 on the basis of an appraisal.  
The result of the appraisal is expressed in a figure from 1 through 5, in accordance with the performance cycle. The result of the appraisal and any salary adjustment will be communicated to the employee in writing. In the event the appraisal result is between 2 and 5, the employee will be awarded a periodic salary increase in accordance with the salary scales.  
The increase is applied to the employee's monthly salary, but only until the final salary of the employee's scale has been reached.  
The performance cycle can be found on the Intranet.
- b. If the employee commenced employment after July 1 of any year, the appraisal for that year will not take place.

#### **3. Promotion**

- a. Employees who are promoted to a job with a higher classification will be assigned to the corresponding higher salary scale, effective from the date of the promotion.
- b. In the event of a promotion, the employee's monthly salary is increased by the promotion increment for the next higher salary scale as stated in the salary scales.

The new monthly salary is to amount to, at a minimum, the starting salary of the next higher salary scale.

**4. Temporary substitution**

- a. Employees who, on the instruction of the employer, temporarily take over a job with a higher classification in its entirety will remain assigned to the job group and salary scale of their own job.
- b. If the temporary substitution lasts at least one month and it is not the result of a vacation, the employee will receive compensation for the substitution. This compensation will be awarded for the period of substitution.  
The compensation amounts to the promotion increment pertaining to the transition to the scale of the person whom the employee is to substitute. The total amount of salary and compensation pursuant to this paragraph will amount to, at a minimum, the starting salary of the job being taken over.

**5. Payment**

The monthly salary will be paid at the end of each month.

## 6. Salary scales for each month as of January 1, 2018

Scale	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Starting salary</b>	1,697	1,753	1,819	1,904	2,011	2,141	2,304	2,505	2,755	3,069	3,454	3,939	4,531
<b>Periodic increase</b>													
2	16	19	20	22	24	28	32	36	43	49	60	71	85
3	61	63	67	74	83	90	101	113	129	152	177	210	250
4	100	106	112	120	136	149	165	189	218	254	294	347	413
5	117	125	137	147	160	178	198	227	262	302	354	417	495
<b>Final salary</b>													
2	1,837	1,950	2,092	2,269	2,490	2,759	3,102	3,521	4,043	4,682	5,475	6,461	7,687
3	1,977	2,097	2,249	2,440	2,677	2,969	3,334	3,783	4,343	5,026	5,879	6,942	8,261
4	2,037	2,187	2,371	2,602	2,888	3,244	3,673	4,188	4,820	5,609	6,501	8,018	9,315
5	2,097	2,249	2,440	2,677	2,969	3,334	3,783	4,343	5,026	5,879	6,942	8,261	9,899
<b>Promotion increment</b>													
In the event of promotion, to	28	33	42	52	65	84	102	125	157	192	243	302	

## 7a. Salary scales for each month as of July 1, 2018 (including 1% salary increase as of July 1, 2018).

Scale	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Starting salary</b>	1,714	1,771	1,837	1,923	2,031	2,162	2,327	2,530	2,783	3,100	3,489	3,978	4,576
<b>Periodic increase</b>													
2	16	19	20	22	24	28	32	36	43	49	61	72	86
3	62	64	68	75	84	91	102	114	130	154	179	212	253
4	101	107	113	121	137	150	167	191	220	257	297	350	417
5	118	126	138	148	162	180	200	229	265	305	358	421	500
<b>Final salary</b>													
2	1,855	1,970	2,113	2,292	2,515	2,787	3,133	3,556	4,083	4,729	5,530	6,526	7,764
3	1,997	2,118	2,271	2,464	2,704	2,999	3,367	3,821	4,386	5,076	5,938	7,011	8,344
4	2,057	2,209	2,395	2,628	2,917	3,276	3,710	4,230	4,868	5,665	6,566	8,098	9,408
5	2,118	2,271	2,464	2,704	2,999	3,367	3,821	4,386	5,076	5,938	7,011	8,344	9,998
<b>Promotion increment</b>													
In the event of promotion, to	28	33	42	53	66	85	103	126	159	194	245	305	

**7b. Salary scales for each month as of January 1, 2019 (including 1% salary increase as of January 1, 2019)**

**8. Asset Management unit and Institutional Business**

In derogation from paragraphs 1 through 6 of this article, the provisions that follow below apply to the Asset Management unit and Institutional Business employees who have a job that is assigned to the remuneration method of the asset Management Market, with respect to the salary structure and salary adjustments.

For category 1 (management positions), II (direct positions) and III (indirect positions), the following salary structure applies.

- There is a job family pay curve. The positions within a family (scales 10, 11 and 12) are mutually related due to the work performed and the necessary basic knowledge, in particular with respect to Front Office positions.
- The scales (minimum, midpoint and maximum) are increased each year by the CLA increment percentage, unless the EC decides to apply a higher increment percentage on the basis of developments in the Asset Management market.
- The employee's salary increases each year based on his development in terms of competencies, knowledge and results achieved. The salary is increased by the CLA increment percentage or a higher increment percentage if the EC has decided to do so in accordance with the previous bullet point.
  - In the event the employee scores a "1" in his appraisal, he will only receive the CLA increase.
  - Remunerations above the set salary scales and deviations from the prevailing "appraisal" control curve will no longer be accepted.
- A growth percentage is allocated on the basis of the appraisal and individual Relative Salary Position (RSP: the current salary divided by the scale's midpoint expressed as a percentage).
- The appraisal decision results in a salary increase to the extent the scale's maximum has not yet been reached.
- Over the course of seven years, the employee can develop from the beginning of the junior scale to level "5" (excellent), "4" (very good) and "3" (good) of the senior scale depending on the appraisal.
- On the basis of defined competency levels, experience and knowledge or when an RSP has exceeded 100%, the superior will decide whether an employee is to be transferred to the next scale. This will be the procedure until scale 12 has been reached.
- Some growth percentages are grouped in specific ranges, the allocation of which is at the discretion of the management.
- The figures in the salary growth table (Table 2) are percentages of the actual gross monthly salary.



- The applicable guideline is that employees with several years of work experience begin at 60% of the junior scale while juniors without work experience begin at 50%.

**Table 1a: Maximum monthly salaries as of July 1, 2017 (36 hours)**

Scale	Minimum for scale 10: 50%; other scales : 60%	Max "3" 100%	Max "4" 110%	Max "5" 120%
10	2,849	5,698	6,268	6,838
11	3,877	6,462	7,108	7,754
12	4,673	7,789	8,568	9,347
13	5,782	9,637	10,601	11,564

**Table 1b: Maximum monthly salaries as of July 1, 2018 (36 hours)**

Scale	Minimum for scale 10: 50%; other scales : 60%	Max "3" 100%	Max "4" 110%	Max "5" 120%
10	2,878	5,755	6,331	6,906
11	3,916	6,527	7,180	7,832
12	4,720	7,867	8,654	9,440
13	5,840	9,733	10,706	11,680

**Table 1c: Maximum monthly salaries as of 1 January 2019 (36 hours)**

**Table 2: Salary growth expressed as %**

Assessment score	RSP 50 < 70	RSP 70 < 90	RSP 90 < 100	RSP 100 < 110	RSP 110 - 120
5	4 - 14	4 - 16	4 - 14	4 - 12	4 - 10
4	3 - 10	3 - 14	3 - 12	3 - 10	-
3	2 - 8	2 - 10	2 - 8	-	-
2	0 - 6	0 - 4	-	-	-
1	-	-	-	-	-

## **Article 2: Vacation allowance**

1. The vacation allowance year is identical to the calendar year.
2. The vacation allowance amounts to 8% of twelve times the monthly salary for the month of May. If an employee has worked part-time during the period over which the vacation allowance is calculated, the employee will be entitled to vacation allowance on a pro rate basis.
3.
  - a. Payment of the vacation allowance takes place in the month of May, which payment has the character of an advance to the extent it concerns the calendar months that have not yet elapsed. Any recalculation of the vacation allowance will be performed in the month of December of the vacation allowance year.
  - b. In the event of termination of employment after January 1 but before the scheduled payment of the vacation allowance, the vacation allowance will be paid with the final salary. The vacation allowance will in this case be calculated based on the final full monthly salary before the termination of employment.
  - c. In the event of termination of employment after May 1 and before December 31 of the same calendar year, the excess vacation allowance paid will be settled with the final full monthly salary payment.
  - d. In the event of commencement of employment after the scheduled payment of the vacation allowance but before the commencement of the next vacation allowance year, the vacation allowance will be paid in December of the vacation allowance year. The vacation allowance will in this case be calculated based on the monthly salary of the month in which the employment commences.
4.
  - a. In derogation from paragraph 1, employees who were not employed for the entire vacation allowance year are entitled to vacation allowance on a pro rata basis.
  - b. Employees who have not been employed for the entire vacation allowance year and who leave employment in connection with full incapacity for work in the sense of the Work and Income (Capacity for Work) Act (WIA) or the Invalidity Insurance Act (WAO) are, in derogation from paragraph 4(a), entitled to vacation allowance over the entire vacation allowance year.
5. For the purposes of this article, the term “monthly salary” is understood to mean the monthly salary plus any supplements in the event of incapacity for work. The vacation allowance includes any vacation payments under the Invalidity Insurance Act (WAO), the Fully Disabled Persons Incomes Scheme (IVA), the Return to Work (Partially Disabled Persons) Regulations and the Unemployment Act (WW).

## **Article 3: Year-end allowance**

1. The fixed year-end allowance amounts to 7% of twelve times the monthly salary for the month of December. The employee is entitled to a year-end allowance for each calendar year. If an employee has worked part-time during the period over which the year-end allowance is calculated, the employee will be entitled to year-end allowance on a pro rate basis.

As of January 1, 2019 the fixed part of the year-end allowance will be increased to 7.5% of twelve times the monthly salary in the month of December.

2.
  - a. Payment of the year-end allowance takes place in the month of December.
  - b. In the event of termination of employment after January 1 but before the scheduled payment of the year-end allowance, the year-end allowance will be paid with the final salary on a pro rata basis. The year-end allowance will in this case be calculated based on the final monthly salary.
3.
  - a. In derogation from paragraph 1, employees who were not employed for the entire calendar year are entitled to a year-end allowance on a pro rata basis.
  - b. Employees who have not been employed for the entire calendar year and who leave employment in connection with full incapacity for work in the sense of the Work and Income (Capacity for Work) Act (WIA) are, in derogation from paragraph 3(a), entitled to a year-end allowance over the entire calendar year.
4. For the purposes of this article, the term “monthly salary” is understood to mean the monthly salary plus any supplements in the event of incapacity for work.
5.
  - a. Up to and including 2017 the provision applied that the fixed rate of the year-end allowance as referred to in paragraph 1 of this article 1 can, subject to conditions, be increased by a flexible part of at most 2 percentage points. This provision was nullified on 1 January 2018.
  - b. To compensate for the cancellation of the flexible part of the year-end allowance, in April 2018, employees who are employed on 1 January 2018 will receive a one-off gross payment of 1% of twelve times the monthly salary for the month of December 2017. The provisions set out in paragraph 3 under a also applies to this paragraph, insofar as 2017 is concerned.
  - c. At employee level, payment is only made to the extent such does not exceed the applicable legislation and regulations.

#### **Article 4: Compensation allowance variable remuneration**

##### **1. General**

- a. The variable remuneration scheme (CLA PGGM 2012-2013, chapter 4 article 4) lapsed on January 1, 2014. Employees who were entitled to variable remuneration on December 31, 2013 on the basis of this provision of the CLA are entitled to a compensation allowance.
- b. Said compensation allowance amounts on an annual basis to 50% of the maximum variable remuneration, calculated on the basis of the salary for January 2014.
- c. The annual compensation allowance includes the vacation allowance and the year-end allowance. The annual allowance is divided by 13.8 (as of January 1, 2019 13.86) in order to determine the allowance on a monthly basis. The monthly compensation allowance is then taken into account in the determination of the vacation allowance and the year-end allowance and forms part of the pension scheme contribution basis.

- d. The compensation allowance is not indexed on the basis of CLA increases and will be paid out in monthly instalments together with the fixed salary.
- e. The allowance applies until the employment contract, for a definite term or otherwise, is terminated. However, the compensation allowance is not terminated if the employment contract is renewed for a definite period or the employment contract is converted from a definite period to an indefinite period.
- f. The compensation allowance is not restored upon entering employment again.

## **2. Asset Management market**

- 1. In derogation from the provisions of article 4(1), the Asset Management and Institutional Business units have their own arrangement concerning variable remuneration for employees with a job classified in the remuneration methodology of the Asset Management market. This arrangement is included in the Conscious Remuneration manual, available on the intranet.

### **Article 5: Bonus**

The employer is authorized to award a bonus to the employee for extraordinary dedication and/or job performance.

### **Article 6: Anniversary bonus**

- 1. Up to and including December 31, 2017 the following regulation applied for the anniversary bonus:
  - a. The employee receives from the employer:
    - on the occasion of the employee's 12 ½ years of service with the employer: a bonus equaling a quarter of the employee's monthly salary;
    - on the occasion of the employee's 25th year of service with the employer: a bonus equaling one monthly salary;
    - on the occasion of the employee's 40<sup>th</sup> year of service with the employer: a bonus equaling one monthly salary.
 Payment of the bonuses is subject to the provisions of the Wages and Salaries Tax Act (*Wet op de loonbelasting*).
  - b. For the purposes of this article, the term "employment" is also understood to mean a period of employment through April 1, 1980 with another pension fund or another institution for social insurance, which period of employment immediately preceded the employment with the employer.
- 2. As of January 1, 2018, the regulation referred to in paragraph 1 has been canceled. Employees who are employed on January 1, 2018 are (partially) compensated for the cancellation of this bonus. This compensation concerns the next bonus that an employee would receive if the scheme were still in effect. The amount of the compensation depends on the number of years of service of the employee on the reference date January 1, 2018 according to the table below.

3. Payment will take place in four annual installments of 25% of the intended compensation in the month of May from the years 2018 up to and including 2021 insofar as the employee is still employed by PGGM in the month of May of the relevant calendar year. A number of calculation examples can be viewed on the intranet.
4. In accordance with the current provisions of the Wage Tax Act, this will be an untaxed payment with regard to the 25 and 40 year anniversary, by making use of the labor costs regulation. With regard to the 12½ year anniversary, also in accordance with the current provisions of the Wage Tax Act, the payment is taxed.
5. If an employee celebrates the anniversary before the final payment, the unpaid part of the compensation will be transferred to the employee as a lump sum in the month in which the anniversary is celebrated.

## **CHAPTER 5: VACATION AND LEAVE**

### **Article 1: Public holidays**

1. As a rule, there will be no work on public holidays unless, in the view of the employer, this is necessary given the nature of the work or owing to business conditions. See for the definition of public holidays Chapter 1, Article 1 under j.
2. If an employee, by virtue of the applicable working hours scheme, has been scheduled to work on a public holiday, but no work is to be performed in accordance with paragraph 1, a proportionate part of the monthly salary will be paid for that public holiday on the basis of the working hours scheme.
3. If an employee, in derogation from paragraph 1, is required to work on a public holiday, the same number of leave hours as the hours worked will be awarded to him in compensation, in addition to the payment of the hourly rate, provided the employee does actually perform work on that public holiday.

### **Article 2: Vacation**

1. The vacation year coincides with the calendar year.
2. For each vacation year, the employee is entitled to 144 hours of leave while retaining a proportionate part of the monthly salary, plus the fixed allowances that the employee receives on those 144 hours.
3. An employee that was only employed by the employer for a part of the vacation year is entitled to a proportionate part of the vacation referred to in the previous paragraph.

4. If no wage is owed to the employee for a certain period, no vacation entitlement is accrued for this period, unless one of the situations as referred to in Section 7:635 of the Netherlands Civil Code is applicable.
5. The employer will determine when the vacation is to begin in accordance with the wishes of the employee, unless there are serious grounds for not doing so. In this regard, the following provisions are to be observed:
  - a. The vacation referred to in Article 2(2) of this chapter will be granted as a rule in a block of two weeks.
  - b. If the employee wishes to take vacation, he must submit a request to that effect to the employer in good time.
  - c. For each vacation year, the employee may, as a rule, take as vacation a maximum of 1.5 times the total number of vacation hours as referred to in paragraph 2 of this article. The foregoing may be deviated from in consultation with the employer.
6. Accumulated vacation entitlement must be taken and will not, in principle, be paid out in money except in situations as referred to in paragraphs 7 and 8 of this article.
7. In the event of the termination of the employment contract, the employee - to the extent business conditions permit - will be allowed to take any vacation entitlement he is still owed. However, the decision regarding when this vacation is to be taken in the period up to the termination of employment is not to be unilateral. Any shortfall or excess of vacation entitlement that exists at the end of the employment contract will be settled with the final settlement. If an employee is exempted from work prior to the termination of the employment contract, then vacation entitlements accumulated in respect of the period of the exemption will be considered taken at the end of the employment contract.
8. Any vacation leave entitlements as referred to in paragraph 2 above will lapse when 12 months have expired since the end of the calendar year in which the entitlement to such leave was acquired.

### **Article 3: Statutory leave**

1. Pursuant to the Work and Care Act (*Wet arbeid en zorg*), the employee is entitled to the following types of leave, if a situation arises as described in the act with respect to the applicable type of leave:
  - pregnancy and maternity leave;
  - parental leave;
  - adoption leave;
  - paternity leave;
  - short-term carer's leave;
  - long-term carer's leave;
  - emergency leave and other short-term leaves of absence.
2. In applying the types of leave as referred to under 1, the employer will observe the statutory provisions.

3. For the interpretation of short-term leaves of absence, the following has been determined:
  - a) In the event of the death of children, partners, parents or parents-in-law, and in other cases where the employee is arranging the burial or cremation, extraordinary leave will be granted from the day of death through the day of the burial or cremation.
  - b) In the event of the death of grandparents, grandchildren, brothers, sisters, brothers-in-law or sisters-in-law and relations of blood or affinity that reside with the employee, one day of leave will be granted and a further day of leave to allow the employee to attend the burial or cremation.
4. If an employee has opted voluntarily for continuing the pension scheme during parental leave, PGGM will compensate part of the pension premium. In order to calculate the share of the pension premium to be compensated, use is made of the same calculation method that is used to determine the employer's share of the pension contribution for the group scheme (see article 2 paragraph 2 of chapter 8). The employee part is deducted from the gross monthly salary of the employee.
5. In anticipation of possible legislation, statutory paternal leave as referred to in paragraph 1 will be extended to two consecutive weeks of paid paternity leave for partners. This leave should preferably be included in the first month after delivery. Any deviating agreements can be made with the superior with regard to the moment at which the two consecutive working weeks can be taken.

#### **Article 4: Informal care leave**

1. Informal care leave is long-term and unpaid leave taken by an employee in order to care for a partner, parent, child or other relative, friend or acquaintance who is chronically ill, disabled or otherwise in need of care. An informal caregiver is not a care professional but a person who provides care on account of his personal ties with the patient. The employer is positive with regard to the provision of informal care. If the employee so wishes, tailored agreements can be made to that effect so as to help the employee avoid undue disruption of the balance between work and private life caused by the provision of informal care.
2. If and when the occasion arises, the employer's company counsellor will perform the role of a broker in informal care arrangements. This means that he will assist employees who provide informal care in sorting out the relevant schemes, applications and registration procedures.
3. For the term of the CLA, PGGM is recognized by the Stichting Werk & Mantelzorg as being a company that is understanding about informal care leave and meets the requirements attached to this recognition.

## **CHAPTER 6: INCAPACITY FOR WORK**

### **Article 1: The employer's obligations**

In the event of the employee's incapacity for work, the employer is obliged to endeavor to allow the employee concerned (taking into account the latter's limitations) to resume work in his original position, if necessary with technical adaptations to the workspace or an organizational adjustment (different division of duties).

To this end, maximum use will be made of the statutory re-integration tools.

If resumption of the employee's own position is not possible, the employer will endeavor to re-employ the employee in another position within the company. If re-employment in a suitable position within the company is not possible, the employer will endeavor to find suitable work for the employee outside the employer's company.

### **Article 2: The employee's obligations**

1. In the event of incapacity for work, the employee is obliged to actively assist in efforts geared at internal or external reintegration.
2. The employee is obliged to comply with the medical examination requirements in the event of illness that are included in Appendix 5.

### **Article 3: Continued payment of wages and supplements during the first 104 weeks of incapacity for work**

#### **1. Legislation**

Employees who, as a result of illness, pregnancy or childbirth, are unable to perform the agreed work are subject to Section 7:629 of the Netherlands Civil Code, the Sickness Benefits Act, the Work and Care Act and the Work and Income (Capacity for Work) Act, save as provided otherwise below.

#### **2. Continued payment of wages in the first period of 52 weeks**

In the event of incapacity for work, the employee will continue to receive 100% of his monthly salary during the first 52 weeks of the statutory period as referred to in Section 7:629 of the Netherlands Civil Code.

#### **3. Continued payment of wages in the second period of 52 weeks**

The employee will continue to receive 70% of his monthly salary during the second 52 weeks of the statutory period as referred to in Section 7:629 of the Netherlands Civil Code. A hardship clause applies for exceptional situations, in which case 100% of the monthly salary will continue to be paid.

#### **4. Monthly salary**

In derogation from the provisions of Chapter 1, Article 1(g), for the purposes of this chapter the term "monthly salary" will be understood to mean the monthly salary that the employee would have received if he had not been incapacitated for work plus the fixed allowances that he receives.



The monthly salaries and supplements liable to be paid by the employer pursuant to this article will be reduced by:

- a. the amount of a payment in cash that accrues to an employee on the basis of an insurance pursuant to the law or on any other basis or from any social or other fund;
- b. the income earned from work, which the employee performed despite his illness, instead of his regular job or during his regular working hours, elsewhere or at the employer's enterprise, both under the employee's employment contact and otherwise.

#### **5. Incapacity for work and working**

Employees who are partially incapacitated for work during the second period of 52 weeks as referred to in Article 7:629 of the Netherlands Civil Code and who perform suitable work will receive, on an hourly basis, 100% of the proportionate part of their monthly salary. To the extent that an employee is incapacitated for work during the second period of 52 weeks, he will continue to receive 70% of the proportionate part of his monthly salary.

Employees who are engaged in occupational therapy as part of the re-integration process will be designated as fully incapacitated for work.

#### **Article 4: Supplement following the first 104 weeks of incapacity for work**

1. Employees who, following the first 104 weeks of incapacity for work, are less than 35% incapacitated for work will receive salary for the hours worked. In addition, they will receive a supplement during a period of 18 months from the first day after the first 104 weeks of incapacity for work. This supplement amounts to 70% of the difference between the salary they earned immediately before they became incapacitated for work and the salary they earned following resumption of work.
2. During the 18-month period referred to in paragraph 1, the employer is obliged to take measures to re-employ the employee either internally or externally.
3. The employee who, following the first 104 weeks of incapacity for work, is at least 35% incapacitated for work will receive salary for the hours worked.

#### **Article 5: Refusal to continue payment of wages and/or supplements**

The employer is entitled to refuse to continue paying wages and supplements as referred to in this chapter with respect to employees who:

- a. have deliberately become incapacitated for work or have become incapacitated for work as a result of a disability in relation to which they provided incorrect information in a pre-appointment medical examination and, as a result of which, the assessment of the workload capacity requirements for the position could not be carried out correctly;
- b. have obstructed or delayed their recovery;
- c. refuse to perform suitable work without proper reasons;
- d. refuse to cooperate, without proper reasons, with instructions or measures provided by the employer or an expert aimed at the performance of suitable work;

- e. refuse to cooperate, without proper reasons, in the drawing up, evaluation or adjustment of an action plan aimed at their reintegration;
- f. have submitted an application for a Work and Income (Capacity for Work) Act (WIA) benefit later than is required by law.

**Article 6: Violation of medical examination requirements**

The employer is entitled to suspend the continued payment of wages and the supplements referred to in this chapter or to refuse supplementary payments with respect to employees who fail to comply with the rules and instructions that apply to them in the event of illness.

**Article 7: Non-cooperation with respect to a second opinion / violation of safety rules**

The employer is entitled to refuse the supplements as referred to in Article 3 with respect to employees who:

- a. refuse to cooperate with respect to a second opinion of the Employee Insurance Agency requested by the employer;
- b. have been repeatedly reminded of the risks of non-compliance with the available safety measures or who violate health and safety regulations and, as a result of which, have become incapacitated for work.

**Article 8: No entitlement to vacation allowance and year-end allowance**

If the employee, by virtue of the provisions of the preceding articles, has no right to payment of wages and/or supplements, he has no entitlement either to a proportionate part of the vacation allowance as referred to in Article 2 of Chapter 4 nor to the year-end allowance as referred to in Article 3 of Chapter 4.

**Article 9: Recourse**

If the employer, with respect to the employee's incapacity for work, is able to substantiate a claim for damages against one or more third parties, the employee will provide any necessary information in this regard. Should the employee refuse to do so, he will have no right to the supplements referred to in Article 3 of this chapter.

**Article 10: Incapacity for work prior to 2010**

With respect to employees whose first day of incapacity for work was before January 1, 2010 and on or after January 1, 2004, a different arrangement applies with regard to the continued payment of wages as referred to in Article 3. The applicable provisions have been included in Appendix 3 to this CLA under A.

With regard to employees whose first day of incapacity for work was before January 1, 2004, the former regulation (Article 5.2.3) from the PGM CLA, valid from April 1, 2004

through December 31, 2004, applies. The text of that article has been included in Appendix 3 to this CLA under B.

## **CHAPTER 7: EMPLOYMENT CONDITIONS OPTIONS**

PGGM has a so-called cafeteria plan. Under this scheme, employees can exchange leave and/or wage (time or money source) for a purpose defined in the cafeteria plan in a tax-friendly (non-statutory) manner.

The scheme is published on the intranet. Adjustments to this scheme will be coordinated with the PGGM Work Council.

## **CHAPTER 8: PENSION**

### **Article 1: Compulsory participation**

The employer's enterprise offers its employees a pension scheme, participation in which is compulsory with due observance of the provisions of the pension scheme.

### **Article 2: Characteristics**

1. The pension scheme has been set up in accordance with the provisions of the pension scheme of Pensioenfonds Zorg en Welzijn. The pension scheme is operated by PGGM. For more information and the pension scheme rules, you are referred to the website of Pensioenfonds Zorg en Welzijn: [www.pfzw.nl](http://www.pfzw.nl).
2. Each year Pensioenfonds Zorg en Welzijn sets the pension premium. The employee pays 37% of the OP part of the premium. The AP part of the pension premium is entirely for the account of the employer. The percentage to be paid by the employee is subject to a premium discount of 2 percentage points. The result of this calculation is rounded off to one decimal point.

**CHAPTER 9: OTHER ALLOWANCE SCHEMES AND FINANCIAL ARRANGEMENTS**

**Article 1: Mobility budget (applicable as of June 1, 2012)**

1. Employees receive a personal mobility budget that they can use to finance the costs of commuting. Employees can apply the budget for mobility purposes according to their own insights, for example to cover the costs of their own car, a lease car or public transportation. Employees may also choose to commute by bicycle. PGGM refrains from prescribing any particular mode of transport; on the contrary, it offers employees a choice of various options. This is in line with the trend towards further individualization of our terms of employment (also see Personal Budget, art. 4, Chapter 10), and is also consistent with the principles of a mature employment relationship (own responsibility). The mobility budget makes employees aware of the choices that they have in terms of how they commute. By endeavoring to reduce CO<sub>2</sub> emissions through mobility, PGGM makes sustainable alternatives more attractive than non-sustainable ones.
2. The mobility budget is based on either the commuting distance (Policy A) or the standard lease fee (Policy B).
3. PGM’s cafeteria plan provides employees with a tax-friendly scheme for purchasing a bicycle once every three years.
4. **Mobility budget A;**
  - a. For employees who cannot claim entitlement to a lease car, the monthly budget is based on the commuting table presented below. The amounts stated in the table will be paid if and to the extent they are in line with the applicable tax laws and regulations for tax-exempted travel allowances.

<b>One-way commuting distance</b>	<b>Allowance</b>
0 up to and including 10 km	€ 22.48 (gross)
more than 10 up to and including 15 km	€ 65.00 (net)
more than 15 up to and including 20 km	€ 91.00 (net)
more than 20 km	€ 130.00 (net)

The amounts above apply to employees who commute four or five times a week. For part-time employees the amounts will be adjusted as follows: three days 75%, two days 50% and one day a week 25%.  
 The most direct route between the employee’s home and the employee’s usual place of work will always be used in determining the distance that applies to the employee concerned.

- b. If the employee opts to travel by public transportation, with a view to reducing CO<sub>2</sub> emissions, PGGM will reimburse the full costs of public transportation, 2<sup>nd</sup> class, instead of paying the mobility budget A amounts.
- c. If applicable, once a year employees may opt for tax-friendly reimbursement,

through the cafeteria plan, of commuting costs for which they received no compensation.

- d. No mobility budget A is granted for the period the employee is unfit for work for more than one month and does not perform work at the office.

**5. Mobility budget B:**

- a. For employees who are entitled to a lease car, the standard lease fee for petrol-fuelled cars determines the amount of the mobility budget.
- b. If an employee does not fully use his mobility budget B as a result of the choice for a particular lease car, PGGM will pay to that employee the amount of the budget that remains unused.
- c. If an employee qualifies for a higher standard lease amount during the term of the lease contract as a result of promotion to a higher salary scale, but the employee decides to continue the current lease contract, the difference between the higher standard lease amount and the current standard lease amount will be paid out gross.
- d. If an employee does not use his mobility budget B for a lease car at all, the net amount of the budget will be paid to that employee to the extent this falls within the limits for tax-exempted travel allowances. Any remaining amount of the budget will be paid to the employee gross. If the employment is 50% or less, this budget will be calculated in proportion to the percentage of the employment.
- e. The expenditure of Mobility budget B serves to cover all business travel expenses within the Netherlands.

**6. Extra mobility budget 'Trappers' pilot**

From 1 April 2018 until the end of this collective labor agreement, PGGM is conducting a pilot for the extra rewarding of employees who (partially) use the bicycle for commuter traffic. They will be rewarded for those bicycle kilometers with 'trappers' (pedals) representing a value of nine cents per kilometer. This will be registered on the basis of the so-called Trappers app, which employees must install on their phones for this purpose. These 'trappers' can be paid in cash but can also be spent on products in the Trapper web shop. As the idea is to provide a reward and incentive for reducing CO<sub>2</sub> emissions, this allowance will be added to the regular mobility budget.

**Article 2: Business kilometers**

1. Employees who are not eligible for the lease-car scheme and do not come under the transitional measure as referred to in Appendix 7 will receive €0.19 for each kilometer traveled on work-related business in their own car. Employees as referred to in the previous paragraph who drive more than 2,500 business kilometers in their own car in a calendar year will receive €0.24 for each business kilometer driven in excess of 2,500 kilometers on a yearly basis. Of this amount, €0.19 is untaxed.

2. Employees must themselves inform the employer in the event that they exceed 2,500 business kilometers during the calendar year concerned, by means of a properly validated statement of the work-related trips made.
3. Commuting kilometers do not count as work-related kilometers and are compensated in accordance with Article 1 of this chapter.

**Article 3: Lease car scheme**

1. The regulations of the 2012 PGGM Lease Car Scheme apply to employees to whom a lease car is made available. The lease car scheme is published on the intranet. Changes in the lease car scheme will be coordinated with the Work Council of PGGM.
2. If it is proposed that lease cars be allocated as a permanent labor market instrument, this proposal will be the subject of consultations with the Work Council.

**Article 4: Expenses allowance scheme**

1. There is a fixed expenses allowance scheme in place. This scheme has also been published on the intranet. Expenses that employees incur in the performance of their job are compensated under this scheme to the extent that these costs are not compensated by some other means.
2. The employer determines which employees or categories of employees are eligible for a fixed expenses allowance.
3. The employer may provide an advance on the expenses to be declared at the request of the employee. This advance will be calculated on the basis of norms to be determined by the employer.

**Article 5: Mobile telephones**

Every employee is entitled to receive a mobile telephone, the model of which is to be determined by the employee's superior. The employer bears the costs of the subscription fee and the call charges of the mobile telephone, with due regard for the rules on the notional income for private use in accordance with the Wage Tax Implementing Regulations. In this connection, the employer reserves the right to perform random checks to verify compliance with these regulations.

**Article 6: Accident and travel insurance**

1. The employer will take out accident insurance for employees who, in the performance of their work, are regularly outside of the employer's office. The policy conditions of such insurance will in any case include a lump-sum payment in the event of death.



2. If an employee is to travel abroad in connection with work, the employer can also take out travel insurance in order to cover any possible loss incurred while traveling.

#### **Article 7: Moving expenses scheme**

1. This moving expenses scheme only applies after the employer has given its written permission.
2. The employer will only grant permission if the following conditions have been satisfied:
  - The employee moves within two years after accepting a new position or after being transferred.
  - The employee lives more 25 kilometers from work and moves as a result of which the distance between his new home and work is reduced by at least 60%.
3. Supplementary to paragraph 2, the employer may also grant permission if the move is motivated by business reasons.
4. For the duration of this CLA, the allowance to be awarded on the basis of this scheme equals the maximum tax-exempt amount (which is EUR 7,750 in 2018).
5. In the event that more than one member of the household that is moving house are employees of the employer, only one will qualify for the moving expenses allowance.
6. Employees who receive an allowance pursuant to paragraph 4 and whose employment ends within 24 months after receiving this allowance at the request of the employee or for urgent reasons caused by and attributable to the employee will be obliged to pay back this allowance. The amount to be paid back is reduced by 1/24 for each month the employment exists during the period the allowance is received for up to 24 months thereafter.
7. The employer may deviate from the repayment arrangement to the benefit of the employee, such to be decided by the employer.

#### **Article 8: Medical expenses**

1. The employee may participate in a group medical expenses insurance policy concluded by the employer.
2. In the event the employee participates in the group medical expenses insurance and, under this insurance, takes out supplementary insurance for himself and possibly his family members, the employer will compensate 60% of the premium of this supplementary insurance policy. This is a gross compensation. The 60% compensation also applies to part-time employees.
3. The provisions of the first paragraph of this article do not apply with respect to those family members who, by virtue of another scheme, are eligible for compensation of the supplementary medical expenses insurance premium liable to be paid. In this regard, employee have a disclosure obligation vis-à-vis the employer. The employer

is entitled to settle any compensation unduly paid with the employee's monthly salary.

4. Employees as referred to in paragraph 2 may submit a request, stating reasons, to the employer for compensation for extraordinary medical expenses incurred by the employees themselves or by their family members. This applies to the extent that these expenses are not covered by the supplementary medical expenses insurance with the most extensive coverage under the employer's group medical expenses insurance. This arrangement is intended for distressing situations, subject to the assessment of the parties to the CLA and on the basis of the following criteria:

- family situation;
- family income;
- extent of the costs incurred;
- reasonableness of the costs.

For compensations pursuant to this paragraph, the employer has a budget of €15,000 maximum on a yearly basis.

5. For the purposes of this article, "family members" are understood to mean:
  - the employee's partner;
  - the children and foster children for whom the employee receives child benefit or whom the employee largely maintains.

#### **Article 9: Life-course savings scheme**

1. The life-course savings scheme offers employees the possibility to save for leave that they can take at a later date, to be determined in consultation with the employer. It is no longer possible to commence a new life-course savings scheme.
2. If the employee has opted for voluntary continuation of the pension during life-course savings leave, PGGM will pay the pension premium. To calculate the pension premium to be paid, the same calculation method will be used as is used to determine the employer part of the pension premium for the collective scheme (see Article 2 paragraph 2 of Chapter 8). The employee part will be deducted from the monthly gross life-course savings amount of the employee.
3. The permanent employer's contribution to life-course savings is 1% of the salary and, since January 1, 2010, has been directly incorporated into the monthly salary as referred to Article 1(6) of Chapter 4.

#### **Article 10: Mortgage interest allowance scheme**

Employees who have taken out a mortgage loan with a mortgage provider designated by the employer can use an interest discount scheme. This scheme applies to new mortgages taken out during the employment with the employer but not later than January 31, 2018. This scheme does not apply for mortgages taken out as of February 1, 2018. The scheme stipulates the conditions under which a mortgage interest allowance is granted. The scheme is published on the intranet of the employer.

**Article 11: Convenience services**

The employer provides various time-saving convenience services for the employee.

**Article 12: Death benefit**

1. If the employee dies, the monthly salary will be paid through to the month of death.
2. In addition to the monthly salary as referred to in paragraph 1, a death benefit will be paid to the employee's surviving relatives as referred to in Section 7:674 of the Netherlands Civil Code, which death benefit will be equal to three times the applicable monthly salary at the time of the employee's death, minus once-only benefits in connection with the death of the employee pursuant to statutory medical insurance or incapacity for work insurance. The employer determines to which of the surviving relatives the payment is to be made.
3. To the extent that, combined, the benefits pursuant to the Surviving Dependents Act (*Algemene nabestaandenwet*) and the pension scheme as referred to in Chapter 8 are less than the applicable net monthly salary, including fixed allowances, at the time of death, the partner of the employee, following the employee's death, will receive, in addition to the payment referred to in paragraph 2, a monthly amount equaling that difference for one year following the death.

## CHAPTER 10: EMPLOYABILITY

### Article 1: Long-term employability: Fit for the Future

1. The ‘world of work’ is developing fast and these changes can also affect employees. This is why PGGM seeks to encourage its employees to consider their future. At PGGM we refer to this as *Fit for the Future*. Fit for the Future means that what the employee can do and what he or she wants to do matches what the work requires and has to offer. That the employee is mentally and physically fit enough to continue to do his or her work. And that the employee is able to monitor and maintain this ‘fit’ him or herself so that he or she can continue to do the work with pleasure and in good health for a long period of time. Either at PGGM or elsewhere. Now and in the future.
2. Fit for the Future is divided into four domains: Health and Energy, Professionalism, Motivation and Engagement and Balance between Work and Private life. More information about this can be found on the HR intranet page of PGGM.
3. Once every three years, every employee will be given the opportunity to apply for a Fit for the Future budget of € 1,000, which the employee can spend on his or her targets with regard to career development (including career and financial advice). If the budget is not spent it will not be paid out.
4. To enhance employability and the work-life balance, one or several HR tools can be deployed. Please refer to the PGGM’s intranet HR page for a list of tools.

### Article 2: Development and training

1. The employer has established a study assistance scheme to support employee development. The scheme provides facilities in order to:
  - enable employees to maintain and develop the expertise the organization requires of them;
  - offer optimum development options to employees to increase their future employability within the organization.
2. The nature and scope of the facilities are determined in consultation with the superior and the employee based on progress and/or appraisal interviews or otherwise, or as part of a personal development plan. If the training is essential or desirable for the employee’s current or future position at the company, the costs will be paid by the employer.
3. The text of the study assistance scheme is included in Appendix 4.
4. Employees can build up a portable training budget in a tax-friendly manner, which can be financed from a (senior) p-budget and/or transition fees. If the employee opts for this, these budgets will be placed with an organization designated by PGGM and approved for this purpose by the tax authorities.

### **Article 3: Teleworking**

All employees have the option of teleworking. A request may be refused if the employer is of the opinion that teleworking is not feasible in the relevant case due to technical and/or organizational reasons. For more information, please see the teleworking scheme on the intranet.

### **Article 4: Personal budget (P budget)**

1. Effective January 1, 2010 a personal budget applies that is intended as a flexible employment benefit for employees, the aim of which is to increase their employability.
2. Employees are entitled to a standard personal budget amounting to 70 hours of leave per calendar year.
3. In addition to the right referred to under paragraph 2, effective the calendar year in which employees reach the age of 58 they are entitled to a senior personal budget amounting to 80 hours of leave per calendar year. Effective the calendar year in which employees reach the age of 61, a senior personal budget of 160 hours of leave applies per calendar year.
4. The hours of the personal or senior personal budget may be used as additional free hours for a vacation, care leave or study leave or may be used in the cafeteria plan as referred to in Chapter 7. The unused hours of the personal budget can be paid out during employment on request. Unused hours in the senior personal budget cannot be paid out unless the employee has been unable to use the budget because of long-term illness or the employment contract ends.
5. To the extent employees decide to use their personal or senior personal budget as additional free hours, they are free to choose when they take their free time unless precluded by departmental staff resources. In the latter case, in consultation with the employee and his superior an appropriate solution will be found based on the underlying assumption that free time will be taken at a later date in the same calendar year.
6. Each year during the planning meeting, employees should confirm their choice on how they wish to spend the hours of their personal or senior personal budget. The employer will approve the choice made on spending the hours allocated under the personal or senior personal budget unless there are compelling reasons for not doing so. In that case, an appropriate solution will be found in consultation with the employee. The agreements on the choice made will be recorded in writing.
7. When entering into employment in the course of the calendar year the personal or senior personal budget will be calculated on a pro rata basis. Any shortage of or surplus hours in the context of the personal or senior personal budget will be settled on a pro rata basis. If an employee is exempted from work prior to the termination of the employment contract, then no personal or senior personal budget will be granted in respect of the period of the exemption.

8. Hours under the personal or senior personal budget will not cease to apply at the end of the relevant calendar year if and to the extent that the employee has designated these hours of leave for a purpose in consultation with the employer.

## CHAPTER 11: LABOR MARKET AND REORGANIZATION

### Article 1 Reorganization

1. The employer will seek to keep the adverse effects of reorganization to a minimum for the employees involved. The parties may agree to regulate the effects thereof in a Redundancy Plan. If such a Redundancy Plan is agreed, its provisions will prevail over similar provisions in this CLA.
2. The employer's plans relating to the following:
  - new capital investments
  - major organizational changes
  - a merger
  - winding upinvolving involuntary dismissal or negative consequences for employment conditions, will be communicated to the labor unions at such a time so as to enable the labor unions to be involved in the plans described.
3. In the event of a merger or reorganization the SER (Social and Economic Council) Merger Code will apply.
4. The employees involved will be informed as soon as possible and to the best possible extent of the proposed reorganization and further decision-making in that respect, taking the prescribed consultative structures into account.
5. The choice of consultative structures will specifically give the employees involved the opportunity to contribute their thoughts on and influence their own work situation.
6. If it is certain that the position of an employee will be abolished or will change to such an extent as a result of the reorganization that he can no longer fulfill it, this will be communicated to the employee. At the same time he will be informed that the employer will endeavor to find another suitable position for the employee within the employer's organization.  
In addition, it will be pointed out to the employee that he might acquire the skills to fulfill another position within the company as a result of additional training or retraining or might acquire the skills to fulfill a position outside of the company. The employee will also be advised of the existing facilities for this purpose.

## **Appendix 1 – Rules governing the Disputes Committee**

1. A Disputes Committee is composed of three members, who are not members of the executive committee or an employee of the employer.
2. The employer and the employee will each appoint one member to the Disputes Committee within six weeks after submission of the request referred to Article 8(2) of Chapter 1 of this CLA. The members appointed by the employer and the employee will jointly appoint one member, who will also act as chairman. The employer will add a secretary to the Committee.
3. If the members appointed by the employer and the employee cannot reach agreement on the appointment of the third member, the employer and/or the employee will request the Utrecht District Court to appoint the third member.
4. The Disputes Committee may carry out a preliminary investigation prior to handling the dispute, in which the parties will be heard separately and furthermore all those the Committee deems are qualified to be heard.
5. The parties will be invited at least 14 days before the dispute is due for consideration. The parties will be offered the opportunity to examine in advance the documents the other party involved in the disputed has submitted.
6. When the dispute is considered, the parties will be heard in each other's presence. The parties may enlist an adviser to assist in handling the dispute.
7. The Disputes Committee will conduct its discussions in a plenary meeting. This is not a public meeting. The information communicated during the session is confidential.
8. The Disputes Committee will take its decision with a majority vote. Voting will be oral. No members are permitted to abstain from voting.
9. The decision taken by the Disputes Committee will state the grounds and will be communicated to the parties by registered letter.
10. The decision taken by the Disputes Committee will also incorporate an arrangement relating to the costs of handling the dispute, on the understanding that the administrative and meeting costs will always be borne by the employer.



## **Appendix 2 – Transitional leave arrangement for older employees**

1. The provisions set out in this appendix apply solely to employees who already participated in the age-related leave arrangement or the former short-time working arrangement for older employees (VWO) before January 1, 2010. Article 13(4) of Chapter 5 of this CLA does not apply to these employees.
2. Age-related leave arrangement
  - a. Employees aged 58 or older are granted additional leave commencing on the first day of the month in which they reach a qualifying age. On an annual basis the amount of age-related leave upon reaching the ages stated below is as follows:

58 years:	40 hours
59 years:	80 hours
60 years:	120 hours
61 years:	240 hours
62 years:	360 hours
63 years:	480 hours
64 years:	600 hours
  - b. Since the arrangement aims to effect a gradual transition between working and not working, age-related leave may not be accumulated and may not be exchanged for pay. One twelfth of the portion of age-related leave is required to be taken each month. Leave that has not been taken will cease to apply at the end of the month.
  - c. Further conditions
    1. Substitute work  
Employees participating in this arrangement are not permitted to carry out substitute work. Within this context, substitute work relates to other work to the extent it may be of a larger scale than the other work the employee carried out with the employer's permission during the last 24 months prior to the date on which the employee began participating in this arrangement.
    2. In the event employees have reduced their working hours to the agreed age-related working hours, in the case of individual dismissal any compensation will be based on the final gross monthly salary the employee would have been entitled to if he had not participated in the former VWO arrangement.

## **Appendix 3 - Incapacity for work prior to 2010**

This appendix incorporates the arrangements relating to the payment of wages during occupational disability for employees whose first day of occupational disability dated prior to January 1, 2010.

The provisions under A apply if the first day of occupational disability occurred in the period dating from January 1, 2004 through December 31, 2009.

The provisions under B apply if the first day of occupational disability dates prior to January 1, 2004.

A. *The following arrangement applies to employees whose first day of occupational disability dates prior to January 1, 2010 but after (or on) January 1, 2004 (see Article 10 of Chapter 6).*

#### **1. Legislation**

Employees who, as a result of illness, pregnancy or childbirth, are unable to perform the agreed work are subject to Section 7:629 of the Netherlands Civil Code, the Sickness Benefits Act, the Work and Care Act and the Work and Income (Capacity for Work) Act, save as provided otherwise below.

#### **2. Continued payment of wages in the first period of 52 weeks**

In the event of incapacity for work, the employee will continue to receive 100% of his monthly salary during the first 52 weeks of the statutory period as referred to in Section 7:629 of the Netherlands Civil Code.

#### **3. Continued payment of wages in the second period of 52 weeks**

The employee will continue to receive 70% of his monthly salary during the second 52 weeks of the statutory period as referred to in Section 7:629 of the Netherlands Civil Code. A hardship clause applies for exceptional situations, in which case 100% of the monthly salary will continue to be paid.

#### **4. Monthly salary**

In derogation from the provisions of Chapter 1, Article 1(g) of the GLA, for the purposes of this appendix 3 under A the term “monthly salary” will be understood to mean the monthly salary that the employee would have received if he had not been incapacitated for work plus the fixed allowances that he receives.

The monthly salaries and supplements liable to be paid by the employer pursuant to this article will be reduced by:

- a. the cash payment that the employee is owed by virtue of an insurance policy pursuant to the law or otherwise, or any (social) fund;
- b. the income earned from work, which the employee performed despite his illness, instead of his regular job or during his regular working hours, elsewhere or at the employer’s enterprise, both under the employee’s employment contact and otherwise.

B. *The following arrangement applies to employees whose first day of occupational disability dates prior to January 1, 2004 (see Article 10 of Chapter 6).*

1. Pursuant to Article 7:629 of the Netherlands Civil Code, employees who are prevented from doing all or part of their work on account of incapacity for work and who make every effort to remain involved in the labor process, on the instruction of the employer and/or company doctor, are entitled to continued payment of 100% of their net salary throughout the applicable statutory period, provided that the other paragraphs of the relevant section of law are complied with.

Employees who entered into employment before May 1, 2000, became incapacitated for work before January 1, 2004, and following on from the statutory 52-week period are entitled to a disability benefit as referred to in the Incapacity for Work Insurance Act (*Wet op de arbeidsongeschiktheidsverzekering*), will receive a supplementary benefit amounting to the difference between the net

salary and the statutory benefit referred to for the first two years after commencement of the disability (WAO) benefit.

Employees who entered into employment before May 1, 2000, became incapacitated for work after January 1, 2004, and following on from the statutory 104-week period are entitled to a disability benefit as referred to in the Incapacity for Work Insurance Act, will receive a supplementary benefit amounting to the difference between the net salary and the statutory benefit referred to for the first two years after commencement of the disability (WAO) benefit.

Employees who entered into employment after May 1, 2000, became incapacitated for work before January 1, 2004, and following on from the statutory 52-week period are entitled to a disability benefit as referred to in the Incapacity for Work Insurance Act, will receive a supplementary benefit amounting to the difference between the net salary and the statutory benefit referred to for the first year after commencement of the disability (WAO) benefit.

Employees who entered into employment after May 1, 2000 and became incapacitated for work after January 1, 2004 do not qualify for a supplement after the statutory period laid down for the continued payment of wages has ended.

Employees aged over 57½ years at the time at which the entitlement to disability (WAO) benefit commences will receive a supplementary benefit referred to above as long they are entitled to receive disability benefit.

For the purpose of the provisions of this paragraph, net monthly salary is defined as the gross salary less the following:

- a. the employee's contribution to the pension scheme contribution as referred to in Article 8 of the CLA;
  - b. statutory payroll tax;
  - c. the employee's share in social security contributions;
  - d. the employee's share in the contribution payable under the health insurance scheme.
2. The following is deducted from the supplementary benefit:
- a. Pension scheme benefits as referred to in Chapter 8 of the CLA or any private insurance taken out by the employer;
  - b. income from employment taken up after becoming incapacitated for work.

## Appendix 4 – Study assistance scheme

1. The employee may be eligible for full or partial reimbursement of the costs involved in following a training course or a study with due observance of the information stated below. The need for training and the options for each employee will be determined on an individual basis. All agreements made relating to studying, reimbursement or the repayment of study costs will be set down in writing prior to attending the training course.

Study costs are defined as the immediate costs relating to a study or training course. In addition to the immediate study costs, the necessary costs in attending the course also include the costs incurred in order to be able to attend the course, such as the costs of travel, accommodation, textbooks and so on.

2. Categories

**Category A:** studies/training courses which, in the employer's judgment, are essential for enabling the employee to perform their current and future job within the employer's company.

**Category B:** studies which the employer and employee have mutually agreed could be in the interests of the employee and the employer, which are not necessary but are desirable in enabling the employee to perform their current and future job within the employer's company, or for the employee's development, enabling him to perform his current or future job more effectively.

**Category C:** other studies employees apply for in the interest of their personal development but where it is clear that the study or personal development have no added value to the employer.

The following applies to category A: to the extent necessary, the course can be attended during working hours. Courses given outside of working hours will be compensated with time off. It is compulsory to participate in the course. The employer will pay all of the necessary study costs. The repayment scheme does not apply to the extent that the costs of this study do not exceed € 10,000.

The following applies to category B: the employee is not obligated to attend the course. The employer will pay 50% of the necessary study costs. Employees may use the P budget or another source from the cafeteria plan as additional financing for the course. The repayment scheme applies.

The following applies to category C: the employer will not reimburse any costs. Employees may use the P budget or another source from the cafeteria plan to finance the course when it is introduced in 2010.

For categories A and B, employees will be granted study leave in consultation with their superior.

### 3. Repayment scheme

Employees attending a course in category A of which the total costs exceed € 10,000 and end their participation prematurely are obligated to repay all study costs reimbursed, for the part the costs exceeded € 10,000. Employees attending a course in category B who prematurely end their participation in it are obligated to repay all study costs reimbursed.

Employees attending a course in category A of which the total costs exceed € 10,000 have a repayment scheme for the part in excess of said € 10,000. Employees voluntarily terminating the employment with PGGM within 36 months after the end of the study owe this repayment. The amount to be repaid will be reduced by  $\frac{1}{36}$  for each month the employment exists in the period from completion of the study until 36 months thereafter.

Employees attending a course in category B whose employment is terminated within 24 months after completing the course are obligated to repay the reimbursed study costs. The amount that is required to be repaid will be reduced by  $\frac{1}{24}$  part for each month of employment in the period following completion of the course up to 24 months thereafter.

In special cases the employer may deviate from the repayment scheme in favor of the employee. This will be at the employer's discretion.

### 4. Time spent on training courses outside of regular working hours

No compensation will be given for the time spent on training courses outside of regular working hours.

### 5. Part-time employees

Part-time employees qualify for the same reimbursement of study costs as full-time employees.