### RABOBANK COLLECTIVE LABOUR AGREEMENT (CAO) 2017-2020

COLLECTIVE LABOUR AGREEMENT (CAO)

1 JANUARY 2017 – 1 JANUARY 2021

The official text of the CAO agreed between Rabobank and the trade associations is in Dutch. The Dutch version is legally valid and binding on the employer and the employees in all cases. The English translation is provided solely for informative purposes, and no rights may be derived from it.

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### **CAO DECLARATION**

Utrecht, November 15, 2016

The undersigned:

Rabobank Nederland, also on behalf of

the local Rabobanks, and

(sgd)(= signed) Mr. W. Draijer Chairman of the Executive Board

Obvion N.V.,

established in Amsterdam

(sgd) Mr. R. van Hattem

HR Rabobank

hereinafter jointly referred to as the one party, and

De Unie, union for industry and services

established in Culemborg

(sgd) Mr. R. Castelein

Chairman

(sgd) Mr. E.H.A. Geurts MA

Senior Representative

(sgd) Mr. J.E.I.M. ter Halle

Senior Representative

**FNV** Finance, part of FNV

Established in Amsterdam

(sgd) Mr. F. Polhout

Trade Union Officer

CNV Vakmensen,

Established in Utrecht

(sgd) Mr. P.S. Fortuin

Chairman

**(sgd)** Mr. R.A.J. Mol Trade Union Officer

hereinafter jointly referred to as the other party,

declare that they have entered into the Rabobank Collective Labour Agreement 2017-2020 with effect from 1 January 2017.

### PART I HR Vision

HR Vision

Cooperative banking more than ever calls for multiple interconnectedness. The modern cooperative banker is connected with the customer, with society, his colleagues and with the future. This multiple interconnectedness embodies our cooperative identity and sets Rabobank apart from other financial services providers. Rabobank operates in a complex world that is subject to continual change and a high degree of uncertainty. This presents the bank with major challenges in realising its ambitions. Continual change is the new default mode and this leads to a great need to increase the capacity for change of both the bank and its employees. This requires mature employment relations in which empowered employees are committed to the bank's goals and feel they have scope to maximise their contribution to achieving them, regardless of their function or role.

This leads to three central themes that structure the developments in HR: Empowered Employees, Organisational Performance & Health and Employee Journeys.

Empowered Employees

At this time, Rabobank is looking for male and female professionals who are empowered to feel the scope for working with full commitment on achieving the bank's goals. Not just once, but in continually changing contexts. This requires all employees not just to be competent in their own field, but also to demonstrate vitality and work on their capacity for change. This applies for employees at all levels of the organisation, resulting in involved and clear leadership, decision-making at low levels in the organisation and responsibility in the places where this leads to optimal agility and quality in combination with a strong risk awareness. Mature employment relations in which employees are empowered in all their diversity also mean that employees self-confidently decide to contribute or to leave. In the first case, the bank will provide maximum support in the form of (talent) development, support for their vitality and capacity for change. And in the latter case, our mutual commitment also means that we will take leave of each other in a carefully considered way.

Organisationa l Performance & Health

Rabobank continues to aim at reducing costs and increasing income. At the same time, we will have to maintain the health of the organisation. Strong direction in leadership is more urgently required than ever. We continue to build a culture that will help us to continually change, accelerate and innovate. The use of modern tools to acquire and develop an understanding of employee involvement and the sentiment within the organisation is absolutely essential. Demonstrating this, GROW! leads, as a modern, positive and short-cycle performance management approach, to regular reflection on everyone's personal performance & health.

Employee Journeys The developments that Rabobank is going through in its relationship with the customer are characterised by a simplification of products and services, a high degree of self-service where possible, utilisation of modern technology and highly customer-focused human support where necessary. These developments are also mirrored internally by using Employee Journeys. HR seeks to provide optimum support in all key moments in an employment relationship between an employee and the organisation. Standardised, automated and simplified where possible (high tech), mature,

empathic and clear where necessary (high touch).

Collective Labour Agreement (CAO) Rabobank is a special bank, which operates in a dynamic market. The HR vision and the HR policy are derived from the organisational strategy. The fact that Rabobank has its own Collective Labour Agreement (CAO) enables the employer and employees to ensure that the terms of employment dovetail optimally with the nature of the bank and the needs of employees and managers.

Trade associations

Trade associations De Unie, CNV Vakmensen and FNV Finance periodically consult with Rabobank on HR policy, terms of employment and the application of the Collective Labour Agreement within the bank. Issues are raised via the union officials and the members and through consultation with the works councils within the bank or groups of employees. Trade unions are associations in which members are in control. Those members, employed at Rabobank, determine the contents of the Rabobank CAO through their influence and their votes. The trade associations involved in this Rabobank CAO are De Unie, FNV and CNV.

De Unie

De Unie wants to be your adviser on matters such as personal development, terms and conditions of employment and employment relationships and (informal) care. We do so by listening to you, informing, advising and supporting you with our products and services when you need this. We also represent your collective interests at the negotiating table and during (periodic) consultations with Rabobank. We do so not just in Utrecht but also nearby in your own region. For more information and contact details, see www.unie.nl/rabo.

FNV

The financial sector, including Rabobank, is undergoing significant change. Owing to pressure on employment and numerous reorganisations, prospects of a job in the future have certainly become less certain. The pace of change in terms of job contents is also accelerating progressively, partly due to the impact of technological developments. FNV wants to offer you prospects in these uncertain times. In order to strengthen your position in the internal and external employment market, we have included a new agreement in the Rabobank CAO: you will receive an annual personal development budget. This is in addition to the standard budget for training that is required for your position. The personal development budget enables you to provide direction for your own development, increasing your employability and chances of success in the employment market. This applies for a career in or outside the bank, in your current sector or a different one. And should you unfortunately lose your job, we have solid agreements in place in the new Sociaal Plan for job-to-job counselling and support. A strong employee, that is what we want to achieve with you and for you. www.fnv.nl/rabobank.

CNV

CNV Vakmensen is committed to jointly defending employees' interests. But also to enjoyment in work, drive and commitment and looking for opportunities and options to continue developing professionally. Given the crises in the financial sector such development can be focused on work in and outside Rabobank. Good agreements have again been put in place in this CAO for that purpose, the personal development budget is an example of this. The Rabobank CAO provides a solid basis and hence full scope for employees' development and open employment relations. This CAO again provides a safety net for employees who (are set to) lose their jobs at the

bank due to a reorganisation. CNV Vakmensen has advocated this, to ensure that employees can capitalise on the opportunities offered to them and the skills offered by them not just during a career at Rabobank but thereafter as well.

www.cnvvakmensen.nl/caos/banken/cao-rabobank

# PART II TERMS OF EMPLOYMENT

### SECTION I EMPLOYMENT

Both society and the economy are undergoing rapid and far-reaching change, something also expressed in the relationship between employer and employee and by the individualisation and flexibilisation of employment. This can only be achieved by taking a mature approach to industrial relations, which requires mutual commitment, responsibility and trust.

The CAO supports this mature approach to industrial relations.

Situations such as illness where the employee is vulnerable, which accordingly require additional efforts on the part of the employer, are regulated in detail. This leads to responsibilities for both the employer and employee.

Modern industrial relations also require there to be scope for customisation. Arrangements between manager and employee take the interests of both the organisation and the employee into account.

#### THE CAO

Target group

This Collective Labour Agreement (cao) sets down the arrangements made in respect of the terms of employment for all employees in position groups 1 through 11 and in Senior Kader (senior management) A and B. The cao does not apply to holiday workers and trainees.

**Employer** 

In this cao, the term 'employer' ('werkgever') refers to two companies, namely Rabobank and Obvion N.V. (referred to below as Obvion). Each of these companies is an independent employer.

'Rabobank' comprises the local Rabobanks and (units of) Rabobank Nederland.

The parties to the cao

This cao will run between Rabobank on behalf of the two employers and the trade associations De Unie, FNV Finance and CNV Vakmensen.

Duration

This cao is in force from 1 January 2017 to 1 January 2021. The cao may be terminated in writing by one of the parties to it no later than 3 months before the end of its duration. If this is not done then it will be deemed to have been extended in each case by 1 year.

**Departures** 

Cao arrangements are binding. The only reasons why they may be departed from are:

- because the texts of the cao expressly states that departures are permitted; or
- if a proposed departure in an individual case would expressly benefit the individual employee and the departure is set down in writing.

The above does not apply for the cao arrangements in Part III Sociaal Plan. The arrangements in the Sociaal Plan have the status of standard cao, which means that no departures whatsoever are permitted.

Interim changes

Interim changes to the cao are possible if approved by all cao-parties if new statutory or regulatory requirements become effective during the duration of the cao, or compelling circumstances apply that affect the provisions of this cao. In that case, the parties will enter into consultation on changes of these cao provisions.

Expired previous CAO

The rights and entitlements arising from provisions of all previous Rabobank CAOs shall expire when the Rabobank CAO 2017-2020 becomes effective. In their stead the rights and entitlements shall apply that derive from this Rabobank CAO. The Rabobank CAO shall take precedence, even if it provides less rights or entitlements, above all preceding Rabobank CAOs. Individual rights and entitlements that do not arise from a previous Rabobank CAO and for which departures from the Rabobank CAO are permitted shall continue to be effective.

Exemption

As an individual employer, Obvion may be exempted upon request (also known as 'dispensation') from compliance with specific provisions of or appendices to this cao. In this case, their own rules or policy will apply. Exemption may only be granted by the parties to the cao. Obvion will pass on all requests for exemption and all responses to them made by the parties to the cao to its Works Council ('Ondernemingsraad' ('OR')). If the content of CAO arrangements or appendices for which exemption has been granted is

changed then the exemption will be reviewed by the parties to the cao.

In the event of uncertainty

If there is uncertainty about the intent or application of the cao then the parties to the cao may be asked to provide clarification.

#### **EMPLOYMENT CONTRACT**

Employment contract for indefinite period

As a rule, the employment entered into will be permanent in nature, in other words: an employment contract for an indefinite period of time. If employment is nonetheless entered into on the basis of an employment contract for a definite period, this will be subject to a maximum of two years.

Limitations relating to duration and number of temporary contracts Temporary contracts will be extended a maximum of two times. The total duration of (extended) temporary contracts that follow on from each other with intervals of no more than six months must not exceed two years (including any intervals). Should the total duration of those contracts exceed two years or be extended a third time then the final contract will be deemed to be an employment contract for an indefinite period. This will also apply if in the meantime the employee moves from Rabobank to Obvion or vice versa and performs the same or similar work there.

Periods of temporary employment or secondment will only count as a contractual period if they relate to the same or similar work and the period is at least 6 months' long.

The total of the periods of temporary employment or secondment of 6 months or more that follow on no more than six months from each other will be added together. They will count as a single period as part of the contractual period (including any intervals).

Trial period

The trial period for employment contracts for a period of longer than six months shall be at most two months. No trial period applies to temporary contracts for periods of six months or less.

Notice period

Except as provided in the Social Plan (part III, Section 6), in principle the statutory notice period applies (*HR Portal*). However, a longer notice period not exceeding three calendar months may be agreed with the employee. In such a case, the notice period that the employer must observe will in all cases be twice that which the employee must observe, except as provided in the Sociaal Plan (part III Section 6). Arrangements made in the employment contract in this respect that do not comply with the cao or with the law are invalid. In such cases, the statutory notice period will apply.

The notice period that the employer must observe will be reduced by the time for the procedure if the employment contract is cancelled with the intervention of the UWV WERKbedrijf public employment service. The residual notice period will in all cases be at least 1 month.

Non-competition clause

The employment contract will not contain any non-competition clause, unless it is necessary given the nature of the work or due to local conditions. If a non-competition clause is necessary in an employment contract for a definite period, the serious interests of the business or of the service that are a precondition for this must be substantiated in writing and documented.

#### SPECIAL OBLIGATIONS ON THE PART OF THE EMPLOYER AND EMPLOYEES

Provision of information:

 whilst in employment Each employee who joins us will receive a written employment contract. The employer will also provide each employee with a copy of the cao and of any additional employment-related arrangements. The employer may opt to provide digital copies of the cao and additional arrangements, instead of paper copies. However, the employee may request a paper copy of the cao and the additional rules.

- changes to terms of employment

The employer will inform the employee about changes to the cao and/or to additional terms of employment.

- change to employment position

If the employee's employment position changes permanently and demonstrably then the employer will confirm this in writing.

Bankers' oath

- general

The Conduct Rules for the Banking Sector and the related Disciplinary Rules for the Banking Sector applying at any time shall apply to the employee and are a part of the employment contract.

- obligations of employee

The employee is obliged to:

- take the bankers' oath;
- undertake to comply with the Conduct Rules and the Disciplinary Rules:
- confirm in writing that he or she has taken the bankers' oath and undertaken to comply with the Disciplinary Rules by signing the form that is part of taking the oath as finalised by the employer.

These three points cannot be viewed separately from each other and jointly form one indivisible obligation.

- after commencement of employment

Employees who commence employment with Rabobank or Obvion are obliged to comply with the obligation within three months after commencing employment.

- Employer's obligation

The employer must give the employee a (timely) opportunity to comply with the obligation, in the way determined by or pursuant to the Financial Supervision Act.

- Non-compliance with obligation

An employee who refuses to comply with the obligation cannot continue to be employed by the employer.

 Employees working at Obvion The subjection to the Disciplinary Rules of the Banking Sector when they became effective as of 1 April 2015 does not apply to Obvion. The obligation concerning the subjection to the Disciplinary Rules shall therefore not apply to Obvion and its employees any earlier than the disciplinary scheme becomes applicable to them.

Employees of Obvion commencing employment at Rabobank at any time must again comply with the aforesaid obligation to take the oath.

Personal data protection

The employer respects the privacy of its employees. Exchanging personnel data is permitted in connection with the implementation of the employment contract. Information may also be exchanged with countries outside the EU. When doing so, the employer will act in accordance with the *Privacy Code* 

for Employee Data, the Personal Data Protection Act and international legislation (HR Portal).

Temporary other work

Employees are obliged to also perform work on a temporary basis that differs from their usual work, if this may reasonably be expected of them. In such a case, the salary will remain unchanged.

Ancillary functions

Employees who wish to perform an ancillary function must obtain the employer's written permission. Employees with a contract for less than an average of 36 hours per week - the basic working hours - will in principle be given permission. Permission may be refused if the employer can make a plausible case for potential loss or conflict of interest. Permission may also be refused if the burden placed on the employee becomes excessive, particularly in those cases where the basic working hours figure of 36 hours or 40 hours is exceeded due to the ancillary function.

Confidentiality

Employees have a duty of confidentiality in respect of information about customers and the employer's business. In addition, employees are obliged to treat as confidential all knowledge and information about the business and customers that they may reasonably suppose to be confidential. This duty of confidentiality also applies after the employment has ended. Employees are additionally obliged to protect information and means of communication against unauthorised access, including preventing their loss and undesirable use.

Medical examination

During the employment, the employer may require employees to undergo a medical examination, should this be in the interest of the work or of the employees themselves. The examination will be performed by a doctor appointed in consultation between the employer and the employee. The examination may not be performed by the employee's GP or treatment specialist.

#### **COMPLAINTS AND DISPUTES**

Industrial Relations Disputes Procedure The aim in respect of any disputes about the work or working conditions or about the interpretation of the terms of employment, including this cao, is to resolve them through consultation or mediation. Should this prove impossible then the dispute will be submitted to the Industrial Relations Disputes Council. The Industrial Relations Disputes Procedure is an integral part of the CAO. The ruling of this Council will be binding. (*HR Portal*)

Own-risk bearer for the ZW and the WGA vast (for permanent employment) Rabobank is an own-risk bearer for the Sickness Benefits Act (ZW) and the Work Resumption of the Partially Occupationally Disabled (WGA) scheme. Rabobank is therefore an autonomous administrative authority (ZBO) under the General Administrative Law Act. A complaints and objections procedure applies in the event of a complaint or objection concerning the way in which Rabobank acts as own-risk bearer. The WGA Complaints and Objections Procedure is an integral part of the cao. (HR Portal)

Employment Position Classification Appeals Committee Employees who do not agree with the classification of their employment position may submit an appeal to the internal Employment Position Classification Appeals Committee. Even if this Committee has issued its ruling, the employer or the employee can still ask the parties to the cao to

have this classification checked by an external committee. In such a case, the external committee will be composed of an equal number of representatives from employers and employees.

Sociaal Plan Central Appeals Committee In the event of any disputes concerning the application of the Sociaal Plan, which forms part of this cao, the employee and/or employer should contact the Sociaal Plan Central Appeals Committee. The committee will issue a decision that is binding for both parties. (HR Portal)

Complaints procedure for undesirable behaviour

Employees who have a complaint about undesirable behaviour may submit this complaint to a counsellor *(HR Portal)*.

### SECTION II INCOME

Managers and employees are set high standards, so the terms of employment must take this into account. It's an employment package that can more than hold its own in any comparison with the terms of employment offered by similar employers. It is also a package that offers employees great scope for individual choice, and also encourages a healthy level of staff inflow and outflow and career development.

The Rabobank organisation applies a conscientious, diligent and sustained remuneration policy that is in line with the cooperative objectives and the core values of Rabobank.

The employee is continually engaged in dialogue on his contribution to the organisation's goals and his conduct and professional and personal development. Feedback from colleagues is part of the dialogue and therefore contributes effectively to performance.

#### REMUNERATION SYSTEM

General

Employees' remuneration is based on the level of difficulty of their job. The fixed pay is determined according to a system of 13 salary scales: scales 1 through 11 and two scales (A and B) for the Senior Kader (senior executives).

Job rating

Every employment position is classified in a position group and each position group is linked to a salary scale. Employment positions are classified in position groups by applying the Hay method for job description and job rating. The content of the employment position in question will determine the level of difficulty, expressed in a points total. This total will determine the position group that the employment position is to be classified in. Only the position group in which the employee falls will be communicated. The table showing Hav points per position group is an integral part of the CAO. (HR Portal)

The employer can also use reference positions (similar employment positions) for comparative purposes in order to determine the position group that a position belongs to. In such a case, the position will be classified in the same position group as that used for the most appropriate reference position. (HR Portal)

#### FOCUS ON THE CONTINUAL DIALOGUE: GROW!



#### Contribution: to the ambition

- Complete customer focus
- Rock-solid bank
- Meaningful cooperative
- Empowered employees

#### Conduct: Values

- Customer-oriented
- Professional in everything we do
- Socially involved
- Strengthening each other

#### **Development: Growth**

Development goals Utilisation of qualities Growth of others Utilisation of potential

General

The performance is discussed by the employee and his manager in a 'continual dialogue'. The continual dialogue with the name GROW! maintains a central focus on the development of the employee and empowers the employee. The basic premise is that the great majority of the employees satisfies the requirements corresponding to the position.

The continual dialogue takes the form of short-cyclical talks about:

- the individual contribution of the employee to the (strategic) goals of Rabobank.
- the conduct that is expected from the employee in his position, and

• the development of the employee.

Giving and receiving feedback is part of this dialogue. GROW! contributes to both the development of the employee and the satisfaction of the customer and therefore the realisation of the ambition of the bank.

#### Documentation

The manager and employee jointly agree the frequency of these meetings, and determine individually, or in consultation, what to document on these meetings. Documentation can help to formulate the 'wrap up'. The documentation can be viewed by both of them at any time during the year. Additional requirements apply to the documentation for certain groups of employees, such as Identified Staff, monitoring positions and employees who are within the scope of the Volcker Rule. Those requirements are laid down in the Group-Wide Remuneration Policy.

#### Wrap up

The wrap up is the overall conclusion on the individual contribution, the conduct and the development of the employee. Each of the three topics must be discussed in the wrap up. The wrap up must be formulated carefully: it should reflect the relationship between performance and evaluation/remuneration.

Once a year, the employee presents a proposal for the wrap up. Employees who are required to define annual goals in advance must include the extent to which those goals were achieved in the wrap up.

The manager can add to and comment on the wrap up formulated by the employee. The wrap up must be finalised by the manager on 31 January at the latest, as part of which the manager awards a score to the employee's performance.

There are 3 possible scores for performance:

- Exceptionally good year
- Successful year
- Improvement required

### Frameworks for the score

In determining the score, the following is also weighed, in addition to the evaluation of general performance:

- whether the long-term customer interest has been satisfied;
- whether the Rabobank Code of Conduct has been complied with;
- whether the employee is aware of potential risks and dilemmas that are connected with his performance, treats these conscientiously and thoroughly weighs up (commercial) goals versus risks;
- feedback on the performance of the employee.

### Annual individual salary adjustment

The annual individual salary adjustment is linked to the score and is effected in April of the new calendar year, until the maximum of the scale has been reached.

The salary progression percentages for the individual salary adjustment in April 2017 (evaluation year 2016) are:

Evaluation	Salary adjustment scales 1-11
Excellent	5.5%
Very good	4.0%
Good	2.5%

Reasonable	1.0%
Poor	0%

The salary progression percentages for the individual salary adjustment as from 2018 (evaluation year 2017 and subsequent years) are:

Evaluation	Salary adjustment scales 1-11
	SKA + SKB
Exceptionally good year	4%
Successful year	2%
Improvement required	0%

Clawback

Until 2013 arrangements were in place in the Rabobank CAO on variable remuneration. The employer can reclaim some or all of any variable remuneration paid from the employee (or former employee), if:

- the information on the basis of which the award of the variable income was determined and the payment was effected was incorrect or misleading, and/or
- the employee concerned acted fraudulently, and/or
- the employee took part in or was responsible for conduct that led to substantial losses for Rabobank and/or damage to its reputation; and/or
- the employee did not comply with suitable standards of competence and correct conduct.

#### **EXCEPTIONS IN THE EVENT OF ILLNESS**

If an employee has a protracted illness then special rules apply in respect of the annual individual salary adjustment, the Employee Benefit Budget and the Personal Budget. For further information, please see section 5: Illness.

#### FIXED PAY

Collective salary adjustment

During the term of this cao, the salaries and salary scales will be increased by 1% as of 1 July 2019 and 1 July 2020.

Each salary scale has a scale minimum and a scale maximum. As at 1 January 2017, the minimums and maximums of the salary scales 1 through 11 (on a monthly basis based on a 36-hour working week) are as follows:

Salary scales as at 1 January 2017

	Scale	Scale
Salary scale	minimum	maximum
1	€ 1,146.55	€ 1,636.95
2	€ 1,334.03	€ 1,904.44
3	€ 1,491.79	€ 2,129.64
4	€ 1,670.10	€ 2,385.71
5	€ 1,989.03	€ 2,840.67
6	€ 2,304.53	€ 3,291.06
7	€ 2,696.61	€ 3,851.17
8	€ 3,148.16	€ 4,495.91
9	€ 3,640.85	€ 5,200.05

10	€ 4,338.85	€ 6,198.36
11	€ 5,220.96	€ 7,458.51

Salary scales as of 1 July 2019

As at 1 July 2019, the minimums and maximums of the salary scales 1 through 11 (on a monthly basis based on a 36-hour working week) are as follows:

Salary scale	Scale minimum	Scale maximum
1	€ 1,158.02	€ 1,653.32
2	€ 1,347.37	€ 1,923.48
3	€ 1,506.71	€ 2,150.94
4	€ 1,686.80	€ 2,409.57
5	€ 2,008.92	€ 2,869.08
6	€ 2,327.58	€ 3,323.97
7	€ 2,723.58	€ 3,889.68
8	€ 3,179.64	€ 4,540.87
9	€ 3,677.26	€ 5,252.05
10	€ 4,382.24	€ 6,260.34
11	€ 5,273.17	€ 7,533.10

Salary scales as of 1 July 2020

As at 1 July 2020, the minimums and maximums of the salary scales 1 through 11 (on a monthly basis based on a 36-hour working week) are as follows:

Salary scale	Scale minimum	Scale maximum
1	€ 1,169.60	€ 1,669.85
2	€ 1,360.84	€ 1,942.71
3	€ 1,521.78	€ 2,172.45
4	€ 1,703.67	€ 2,433.67
5	€ 2,029.01	€ 2,897.77
6	€ 2,350.86	€ 3,357.21
7	€ 2,750.82	€ 3,928.58
8	€ 3,211.44	€ 4,586.28
9	€ 3,714.03	€ 5,304.57
10	€ 4,426.06	€ 6,322.94
11	€ 5,325.90	€ 7,608.43

Holiday allowance and payout of annual allowance Each year, the holiday allowance and annual allowance are paid out in <u>May</u> and <u>December</u> respectively. The holiday allowance equals 8% of - and the annual allowance equals 1/12 of - the monthly salaries paid out, including any personal allowance and shift allowance.

The holiday allowance entitlement is built up from 1 June through 31 May, with the entitlement of the payout of the annual allowance being built up from 1 January through 31 December. Employees who join or leave at different times during the year will receive these payouts on a pro rata basis.

Non-recurrent payout

In October 2017 and in October 2018, employees who were employed on 1 October of the year concerned will receive a non-recurrent payout. The

payout will be 1% of 12 times the monthly salary for the month of October 2017 and for the month of October 2018, respectively. Employees who joined in the course of the year 2017 or 2018 respectively will receive this payout on a pro rata basis.

#### EMPLOYEE BENEFIT BUDGET

General

Employees will receive an Employee Benefit Budget (EBB) on the basis of which they can choose employment terms tailored to their personal circumstances and wishes from a specific basket of options.

EBB percentage

The EBB is provided on a monthly basis. The EBB as a percentage of monthly income is:

Salary scale	EBB
Scale 1-5	8%
Scale 6-8	9%
Scale 9-11	10%

The EBB is built up on the monthly income (excluding personal allowance and shift allowance).

The EBB does not count towards determining other payouts, remuneration or allowances.

Benefit Shop

Employees can use the Employee Benefit Budget awarded every month to choose options in the Benefit Shop.

In addition, May's holiday allowance and December's annual allowance can also be used in the Benefit Shop, in which case they will be paid out net of the amounts spent.

In the Benefit Shop, the EBB can be spent on the following at the employee's discretion:

- purchasing hours of leave (\*);
- payment into Flexioen;
- payment into the lifestyle savings scheme (\*\*);
- bicycle scheme;
- trade union fee;
- cash payment.

If an employee does not choose any of the above, the budget will be reserved. The unutilised budget will automatically be paid out at the end of the year.

The options for spending will depend on the scope offered by prevailing tax rules.

- (\*) For tax reasons, purchasing of hours of leave is possible up to a maximum of 10% of the number of working hours applicable for the employee on an annual basis.
- (\*\*) Lifestyle savings only apply to employees who continue to be permitted to make payments into the lifestyle savings scheme (these are the employees who already took part on 31 December 2011, with a minimum balance of 3,000 euros and did not arrange for the release of those savings under a tax scheme).

#### **CLASSIFICATION RULES**

Starting scale

The employee receives a monthly salary within the salary scale appropriate to his employment position.

Employees who are not yet taking on all the tasks for their employment position may be temporarily assigned to a lower salary scale (referred to as a starting scale). In such a case, a development and/or training phase will be set, as well as a timeline for the progress towards the actual salary scale set for the employment position in question.

As from 1 January 2017, an employee can be paid on the basis of a starting scale for a period of up to 12 months. Employees who have been paid on the basis of a starting scale for more than 12 months on 1 January 2017 will be placed in the salary scale appropriate to their employment position with retroactive effect as from 1 January 2017.

Classification in higher salary scale:

Classification in a higher salary scale will be in order if an employee starts to work in a position that is classified in a higher position group and no starting scale is applied, or if the employee is reclassified from a starting salary scale to the salary scale appropriate to his employment position.

- classification rules

In the event of classification in a higher salary scale, the monthly salary will be increased by 3%. If after this increase the monthly salary is still lower than the scale minimum of the new scale then the monthly salary will be raised to at least the scale minimum.

Classification in a higher scale may coincide with the annual individual salary adjustment. In such a case, the individual salary adjustment in the lower scale is determined first. After this, the rules for salary increases to the higher scale are applied.

Classification in a lower scale:

Classification in a lower scale may be the result of demotion, a change in the employment position, or an individual adjustment to correct salary imbalances.

- demotion

The demotion scheme will apply if an employee takes an employment position in a position group no more than two salary scales lower. Both the employer and the employee may take the initiative here. Preferably, they should discuss this in the context of a development plan). A precondition of this demotion is that both employer and employee are of the opinion that it would improve the employee's future employability.

An appointment or transfer to a position at a lower level resulting from an internal application by an employee (on the employee's own initiative) does not constitute a demotion.

Demotion may also result from a reorganisation, in which case the provisions defined by the Sociaal Plan shall apply.

- change of position

Classification in a lower scale by change of (employment) position is defined as when the employer alters the tasks to be performed in a particular employment position and - after a job rating evaluation - the position is classified in a lower position group.

- correction of salary A 'salary imbalance' applies if the salary scale on which an employee's

imbalances

remuneration is based is higher than the position group appropriate to his position.

These imbalances can originate in a range of different situations. The employer can take the initiative to correct a 'salary imbalance'. This will require careful consideration of its origins. Adjustment can only take place if agreement is reached on this with the employee.

- classification rules

Employees who are assigned to a lower scale:

- will retain their existing monthly salary if this is less than the scale maximum of the lower scale, **or**
- will receive the scale maximum of the lower salary scale if the existing monthly salary is higher than the new scale maximum. The difference between both is converted into a PT1 (PT = Personal Allowance) or a PT2 if the employee was at least 55 years old on 30 April 2008, with the proviso that in the event of a downgrade by two salary scales, the PT1 or PT2 to be awarded will never exceed the difference between the scale maximum of the current salary scale and that of the next-lower scale.

Exemption in the event f illness

These classification rules do not apply if an employee changes to a lower position as a result of illness or incapacity for work. In that case, the method of determining salary set out in the section 5 Illness will apply.

#### **ALLOWANCES**

Personal Allowance

According to the classification rules employees may receive a PT (Personal Allowance). This PT is intended as (temporary) compensation. Unless expressly stated otherwise, the PT will be added to the salary for all calculation bases. This CAO recognises two types of personal allowance, which allowances may be reduced as follows:

- PT1 old

PT1 (in existence prior to 1 January 2011): In each case, this allowance will be reduced by deducting from the PT1 the amount of the cao increases, individual salary adjustments and salary growth in the event of classification in a higher scale. These rules also apply if the PT1 arose on the basis of the facility 'salary effects on change to lower position' applicable to the employee of the Social Statute and placement in a position with a lower scale occurred prior to 1 January 2011.

- PT1 new

**PT1 new (in existence from 1 January 2011):** This allowance is reduced over four years. The PT is 100% in the first year, 75% in the second year, 50% in the third year and 25% in the fourth and last year. Individual salary adjustments or increases due to classification in a higher scale will also be deducted from the allowance.

This allowance will not be adjusted in line with collective salary adjustments.

- *PT2* 

**PT2:** This allowance is only awarded to employees who were at least 55 years old on 30 April 2008. In each case, the allowance will be reduced by deducting from the PT2 the amount of individual salary adjustments and salary growth in the event of classification in a higher scale. The PT2 is not adjusted by cao increases.

Transitional arrangement

Those PT1 and PT2 allowances created prior to 1 January 2008 are subject to the arrangements that applied at the time that these allowances were awarded.

Personal Budget

The Personal Budget is an age-independent allowance applying for employees with a pensionable annual income in excess of the maximum threshold for tax purposes (EUR 96,000, on the basis of a full-time employment contract, 2016 level). The Personal Budget is 24% of the pensionable annual income in excess of the threshold for tax purposes. The Personal Budget is reduced on a pro-rata basis for a part-time employment contract.

The Personal Budget is paid out in monthly instalments net of the wage taxes due.

The Personal Budget is expressly no pension and does not count for the purposes of calculating other payouts, remuneration or allowances.

Allowance for deputising in a higher employment position

An employee who works for at least 22 working days continuously in an employment position that has been assigned to a higher position group receives an allowance. This does not apply if the deputising is part of the job description.

The size of the allowance depends on the duration of the deputising period. On an annual basis, it equals 5% of the deputy's annual salary (excluding shift allowance). The allowance will be paid out at the end of the deputising period, or semi-annually if the deputising period exceeds 6 months. The allowance will not be included in the calculation of other payouts, remuneration or allowances.

Market value allowance

Should the state of the labour market call for this then the employer may award a market value allowance. The employee receives the market value allowance on top of his salary as long as he holds the same position. The allowance will not be included in the calculation of other payouts, remuneration or allowances.

#### SENIOR KADER

**Exceptions** 

The above subsections on remuneration also apply to the Senior Kader, with the exception of the subjects discussed in this subsection.

Fixed pay

The remuneration is based on basic working hours of an average of 40 hours per week. As at 1 January 2017, the minimums and maximums for the salary scales for Senior Kader A and B (on a monthly basis, based on a 40-hour working week) are:

Salary scale	Scale minimum	Scale maximum
Senior Kader A	€ 7,011.31	€ 10,016.15
Senior Kader B	€ 8,303.20	€ 11,861.71

As at 1 July 2019, the minimums and maximums for the salary scales for Senior Kader A and B (on a monthly basis, based on a 40-hour working week) are:

Salary scale	Scale minimum	Scale maximum
Senior Kader A	€ 7,081.42	€ 10,116.31
Senior Kader B	€ 8,386.23	€ 11,980.33

As at 1 July 2020, the minimums and maximums for the salary scales for Senior Kader A and B (on a monthly basis, based on a 40-hour working week) are:

Salary scale	Scale minimum	Scale maximum
Senior Kader A	€ 7,152.23	€ 10,217.47
Senior Kader B	€ 8,470.09	€ 12,100.13

#### Employee Benefit Budget

Employees will receive an Employee Benefit Budget (EBB) every month. The EBB as a percentage of monthly income is:

Salary scale	EBB
Senior Kader A	12%
Senior Kader B	16%

The EBB is built up on the monthly income (excluding personal allowance and shift allowance).

The EBB does not count towards determining other payouts, remuneration or allowances.

### Annual individual salary adjustment

The evaluation for the Senior Kader is expressed as an evaluation result. The salary progression percentages for the individual salary adjustment in April 2017 (evaluation year 2016) are:

Evaluation	Salary adjustment Senior Kader
Excellent	7%
Very good	5%
Good	3%
Reasonable	1%
Poor	0%

The salary progression percentages for the individual salary adjustment as of 2018 (evaluation year 2017 and subsequent years) are equal to those for employees in the salary scales 1 through 11.

### General pay adjustment

Each year, the employer and trade associations consult about the percentage by which the monthly salaries and scales for Senior Kader A and B are to be adjusted. The calculation of this percentage takes the following factors (and others) into account:

- relevant developments in the external labour market
- shifting of priorities within the terms of employment package
- macro-economic and financial factors, and
- cao increases.

#### THE COMMUTING ALLOWANCE

The commuting allowance

The employee will receive a net allowance for the cost of commuting to and from work. The size of the allowance is calculated based on the length of a single journey along the most usual route. The maximum commute (single journey) eligible for reimbursement is 40 km.

distance commuted in km (single journey)	monthly allowance in euros	distance commuted in km (single journey)	monthly allowance in euros	distance commuted in km (single journey)	monthly allowance in euros
1 km	5	15 km	69	29 km	133
2 km	9	16 km	74	30 km	138
3 km	14	17 km	78	31 km	143
4 km	18	18 km	83	32 km	147
5 km	23	19 km	87	33 km	152
6 km	28	20 km	92	34 km	156
7 km	32	21 km	97	35 km	161
8 km	37	22 km	101	36 km	166
9 km	41	23 km	106	37 km	170
10 km	46	24 km	110	38 km	175
11 km	51	25 km	115	39 km	179
12 km	55	26 km	120	40 km or	184
				more	
13 km	60	27 km	124		
14 km	64	28 km	129		

The allowance is paid out monthly. Those employees who commute to work less than 5 days a week will receive a pro rata payout.

Public Transport

Employees who commute 6 km or more (single journey) using public transport may elect to receive full reimbursement of the costs of public transport in lieu of the reimbursement based on the commuting table. The reimbursement for the costs of public transport will not exceed the cost of a 2<sup>nd</sup> class NS (Dutch Railways) zoned travel pass ('Traject Vrij abonnement'). If the Rabobank company scheme for a group season ticket can be used then the calculation will be based on the group season ticket.

Payment in kind

If the employer pays some or all of the employee's transport charges in kind then the employee will either receive no commuting allowance or else less than the full one.

When combined with use of car

If the employee receives an allowance for the car he needs for work then a different arrangement may be agreed in respect of the commuting allowance.

#### **DEATH BENEFITS**

#### Recipients

If the employee dies, the employer will pay a benefit to the dependant of the employee. The spouse or partner\* of the employee or, should there be no spouse or partner, the minors of the deceased employee are herewith considered to be the dependant(s) of the employee.

\* see the terms and definitions for the definition of partner.

Size of payout

The payout equals twice the monthly income plus the monthly income for the remaining days of the month in which the deceased died. The income (excluding shift allowance) on the day of death forms the basis for the payout. Any statutory payouts by virtue of Article 7:674 BW (Netherlands Civil Code) and supplements to it due to illness and incapacity for work will be deducted from this.

Additional payment for annual income in excess of maximum threshold for tax purposes for pensionable annual income

Upon the death of an employee who before his death received an annual income that exceeded the maximum threshold for tax purposes applying to the pensionable annual income (EUR 96,000 on the basis of a full-time employment contract, 2016 level), the dependant will receive a payment equivalent to three times the difference between the annual income and the threshold for tax purposes.

The threshold for tax purposes is reduced on a pro-rata basis for a part-time employment contract.

If an employee dies during the (extended) statutory period of 104 weeks concerning illness, the dependant will receive a payment equivalent to three times the difference between the annual income on the day preceding the illness and the maximum threshold for tax purposes applicable to the pensionable annual income (EUR 96,000 on the basis of a full-time employment contract, 2016 level).

If a (former) employee – receiving IVA, WGA or WAO benefits in connection with full disability (80-100%) – dies, the dependant will receive a payment equivalent to three times the difference between the annual income on the day preceding the illness and the maximum threshold for tax purposes applicable to the pensionable annual income (EUR 96,000 on the basis of a full-time employment contract, 2016 level).

No wage tax is withheld on this supplementary death benefit.

#### PENSION SCHEME

#### Definition

Rabobank and Obvion employees automatically participate in the collective pension scheme, as worded at present and in the future, and as it is implemented by the Rabobank Pension Fund.

The provisions in this section and their implementation in the pension scheme regulations replace previous CAO provisions on pensions, as a result of which these no longer remain in force, even where such previous CAO provisions may have been more favourable for the employee. The provisions in the CAO on pensions also apply to (future) former participants and persons entitled to pension.

Nature and contents of pension scheme

The employer provides a pension contribution determined on the basis of a fixed system to Rabobank Pension Fund Foundation. Rabobank Pension Fund Foundation will use this contribution to seek to achieve a specific targeted pension build-up for employees.

A maximum for tax purposes applies for the income on which pension may be accrued. The maximum threshold for tax purposes applying to the pensionable annual income on the basis of a full-time employment contract is EUR 96,000 with a targeted build-up percentage of 2% (2016 level).

It may be necessary to set the pensionable annual income at a lower level in specific situations, due to the requirement for tax purposes that an employee's pension build-up must not be out of proportion for tax purposes. That is the case in situations in which an employee is not, or only partially, eligible under the Rabobank CAO for specific remuneration components that can be included in the pension build-up for tax purposes.

References in the pension scheme to the targeted pension build-up are based on the pension build-up within the limits for tax purposes set by the legislator.

The fixed system is detailed in 'Contribution system'. The targeted pension build-up up to a maximum pensionable annual income of EUR 96,000 (on the basis of a full-time employment contract, 2016 level) is a conditional build-up of pension on the basis of an average pay pension scheme with a conditional indexation as described in greater detail below in the subsection 'Targeted pension build-up'. This scheme is a benefit agreement as referred to in art. 10 of the Pensions Act.

### Contribution commitment

In achieving the targeted build-up of pension, the funding will be based on the provisions set out below:

- If in any year the collective pension contribution determined in advance and provided by the employer, increased by the funds under the temporary guarantee as described under 'Guarantee', is not sufficient to achieve the targeted build-up of pension for that year, the build-up of pension will be reduced in that year in proportion to the shortfall.
- With the payment of the annual pension contribution, the employer will have fully and finally complied with all its pension obligations. The employer has no other financial obligation whatsoever, with regard for instance to past years of service and pensions already built up, including benefit entitlements formed for former participants and persons entitled to pension.
- The employer shall not accept reductions or refunds of contributions from

Rabobank Pension Fund Foundation, under whatever name.

### Contribution system

The pension contribution provided annually by the employer is equal to the sum of:

- a. the actuarial purchase price for the targeted annual build-up of pension for the employees who take part in the pension scheme, plus the risk premiums to cover the mortality risk and disability risk;
- b. the addition for solvency;
- c. the addition for administrative charges;
- d. the addition for risk transfer in respect of the pension benefit entitlements to be built up in the year concerned and for conditional granting of supplements on those pension benefit entitlements.

The maximum pension contribution provided annually by the employer is 36% of the total of the pensionable salaries of the employees taking part in the pension scheme. The pension base consists of the pensionable annual income maximised for tax purposes, less the contribution-exempt amount.

Component a of the pension contribution to be provided is calculated on the basis of actuarial principles and methods. Changes in the relevant underlying tax rules, such as a change of the guideline pensionable age, the maximum build-up percentage and capping of the income on which pension can be built up, will be incorporated in the actuarially determined contribution.

In calculating the contribution to be provided an addition for solvency is applied to component a, as prescribed by the Financial Assessment Framework FTK. In principle, this solvency addition is 15%. This may change if the investment policy is adjusted.

The addition for risk transfer and conditional granting of supplements that is applied in calculating the pension contribution to be provided, has been set, in total, at 29% of the sum of components a, b and c of the pension contribution to be provided. The risk addition will be added in full to the general funds of Rabobank Pension Fund Foundation. The Board of Rabobank Pension Fund Foundation will be requested to give priority to the build-up of pension from those funds if the contribution provided is not sufficient for that purpose in any year. The addition can never be used to repair with retroactive effect any incomplete build-up or indexation that may have arisen at any time.

### Targeted pension build-up

On the basis of the pension contribution provided a conditional average pay pension scheme with conditional indexation is targeted up to a maximum pensionable annual income of EUR 96,000 (on the basis of a full-time employment contract, 2016 level). The main features of this scheme are shown in the table below.

Guideline pensionable	First day of the month following the month in
age	which the employee reaches the age of 67 years,
	unless the 67 <sup>th</sup> birthday is on the first day of a
	month. In the latter case, the guideline
	pensionable age is the 67 <sup>th</sup> birthday (this will be
	summarily referred to below as 'coinciding with
	or following').

	If mandated as a result of tax rule changes, the
	age of 67 years will be changed
Pensionable annual	The pensionable annual income consists of:
income	- the annual salary (including the personal
	allowance and/or shift allowance applying for
	the employee);
	- the holiday allowance;
	- the annual allowance;
	- which in the aggregate are capped at a
	threshold for tax purposes of EUR 96,000 per
	year (on the basis of a full-time employment
	contract, 2016 level).
	The threshold for tax purposes is reduced on a
	pro-rata basis for a part-time employment
	contract.
	The pensionable annual income is set at a lower
	level in specific situations in which an employee
	is not eligible, or only partially eligible, on the
	basis of the Rabobank CAO for specific
	remuneration components which can be included
	in the pension build-up for tax purposes.
	The threshold for tax purposes is adjusted
	annually on the basis of the 'contractual wage
	development factor'
	('contractloonontwikkelingsfactor') to be set by
	the government.
Pensionable salary	Pensionable annual income after deduction of a threshold sum of € 14,017 (2017 level). The
	threshold sum is adjusted in line with the general
	salary adjustment for cao employees.
Targeted build-up of old	2% of the pensionable salary per year of service
age pension	
Targeted build-up of	1.4% of the pensionable salary per year of
dependant's pension	service
Risk cover for	The dependant's pension to be reached on the
dependant's pension	basis of the targeted pension build-up at the
	guideline pensionable age, net of the
Digly govern of towns and	dependant's pension benefit entitlement built up
Risk cover of temporary dependant's pension	The temporary dependant's pension bridges the
acpenuant 8 pension	state old age pension (AOW) contribution payable on the dependant's pension including
	the temporary dependant's pension itself
Risk cover for orphan's	The orphan's pension covered on the basis of
pension	actual past service is increased by 14% of the
r	targeted pension build-up of the old age pension
	until the guideline pensionable age
Risk cover for disability	A supplementary disability pension and
	exemption from contribution payments (see
	detailed description for this) can be granted in
	the event of partial or full disability
	the event of partial or full disability

Termination of employment contract and commencement of old age pension The employment contract ends, without any notice of termination being required, no later than the first day coinciding with or following that on which the qualifying age for state old age pensions applying to the employee is reached. With the employer's agreement the employment contract can be terminated by mutual consent on a later date to be agreed by the employer and the employee.

Employees themselves can determine when, and to what extent, the pension will commence, subject to the following conditions:

- The old age pension can only commence on the first day of a calendar month.
- The earliest possible age at which an employee can opt for a (part-time) pension is 57 years.
- Employees who opt for a (part-time) pension before they reach the age of 60 must end their employment in proportion to commencement of the pension.
- This obligation ceases to apply when the age of 60 years is reached.
- If the employee has not agreed otherwise, the old age pension will commence on the first day coinciding with or following the day on which the qualifying age for state old age pensions is reached.
- The old age pension will commence mandatorily at the time stipulated by tax rules.

Commencement of (temporary) dependant's pension and orphan's pension The (temporary) dependant's pension and orphan's pension will commence on the death of the employee.

The temporary dependant's pension is paid up to the first day of the month coinciding with or following the month in which the dependant reaches the qualifying age for state old age pensions.

The orphan's pension is paid up to the first day of the month coinciding with or following the day on which the beneficiary reaches the age of 21 years. Payment may be extended in special cases.

Specific provisions in respect of disability

If the employee has complete incapacity for work (80-100%) within the meaning of the WAO or the WIA then the further pension build-up will be based on the pensionable annual income preceding the illness.

In the remaining possible scenarios the pension build-up will be based on:

- the annual income that the employee earns by working;
- the disability pension\*;
- the WAO benefit or WGA benefit:
- the WAO shortfall benefit or the CAO income supplement WIA\*.
- (\*) No pension build-up takes place on the Personal Budget that is included in the disability pension and the cao-income supplement for WIA.

The pension build-up will continue up to the first day of the month coinciding with or following the discontinuation of the disability benefit, but will in any case

cease upon commencement of the pension.

The pension contribution for old age pension, dependant's pension and orphan's pension that is related to benefits under the disability pension, the WAO benefit, the WAO shortfall insurance or the WIA benefit will be borne in full by the Rabobank Pension Fund. If there is an entitlement to a WIA benefit, the pension contribution on the cao-income supplement for WIA will also be borne by the pension fund.

Employees with (partial) incapacity for work who receive WAO, IVA or WGA benefits may be entitled to a disability pension. The commencement date and the amount of the disability pension will differ for different benefits. The disability pension is determined on the basis of the pension scheme:

- Employees receiving a WAO benefit will receive a disability pension of which the amount will depend on the degree of incapacity for work.
- Employees receiving an IVA benefit will receive a disability pension that increases the IVA benefit to 80% of the pensionable annual income on the day preceding the illness. The disability pension commences after 104 weeks, calculated from the first day of illness.
- Employees receiving a WGA benefit will receive a disability pension of 80% of the difference between the pensionable annual income preceding the illness and the residual earning capacity. The WGA benefit based on full utilisation of the residual earning capacity calculated by the pension fund is set off against the disability pension. The disability pension commences 38 months after the end of the (extended) second year of illness. Residual earning capacity refers to the monthly income the employee earns on resuming work or the residual earning capacity calculated by the UWV if higher.
- The disability pension is based on the pensionable annual income plus the Personal Budget on the day preceding the illness.

### Pension contribution

The pension contribution is determined annually by the Board of the Rabobank Pension Fund on the basis of the conditions referred to in 'Contribution system'. This contribution will then apply for the whole calendar year. The employer pays the contribution to the Rabobank Pension Fund and recoups a part of it from the employee as the employee's own contribution.

### Employee's contribution

The employee's contribution is 5% of the pensionable salary. The employee's pension contribution is deducted from the employee's salary or benefit, if applicable, each month.

## Flexible commencement date and size of pension

Besides earlier or later commencement of the old age pension, the scheme also provides options for part-time pension and converting pension benefit entitlements.

Conversion of benefit entitlements is only possible with regard to full-time old age pension. Employees can opt to convert the accrued dependant's pension into a higher old age pension, or vice versa; within certain limits the old age pension can be converted into a dependant's pension. This does not apply to the orphan's pension and the special dependant's pension. Employees can also opt, within tax

rule limits, for temporarily higher or temporarily lower pension benefit payments. Once an option has been chosen, it can no longer be reversed after the choice has been implemented.

Indexation

The benefit entitlement for both active employees, former participants and pensioners will be conditionally index-linked in the same way and applying the same percentage annually as of 1 July on the basis of the consumer price index, all households, derived, measured for the preceding period of April-April in line with the indexation progression to be determined by the Board of Rabobank Pension Fund Foundation.

The decision whether a beneficiary is an active employee or not will be based on the actual situation at the time when the indexation is granted.

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Guarantee

To manage the risk of build-up shortfalls, Rabobank will provide a guarantee during the period 2014 up to and including 2020 up to a maximum amount of € 200 million for the realisation of the purchase of the targeted pension build-up. The guarantee will operate as follows:

- If and insofar as in any year the collective pension contribution determined in advance that is provided by the employer is less than required in Rabobank Pension Fund Foundation to achieve the targeted pension build-up for that year, the difference, insofar as it is less than the maximum available amount under the guarantee, will be additionally provided by the employer to Rabobank Pension Fund Foundation.
- At 1 January 2017 the remaining amount available under the guarantee is
   € 170.1 million, and it will be successively reduced by the additional
   contributions that the employer provides to Rabobank Pension Fund
   Foundation under the guarantee as applicable.
- The guarantee will end on 31 December 2020 or as soon as the maximum amount available under this guarantee has fallen to zero as a result of additional contribution payments.

Additional pensions

At their own expense, employees who are not eligible for a Personal Budget may save for an additional pension with the Rabobank Pension Fund via the Robeco product Flexioen.

Employees may participate voluntarily in an insurance scheme to provide cover for the so-called ANW (Dependants Benefits Act) shortfall. The employer's contribution for this insurance is 30% of the insurance premium. ANW benefit payments that have commenced will in principle continue to the first day of the month coinciding with or following the day on which the beneficiary reaches the age of 67, or the earlier qualifying age for state old age pensions. Further conditions may be imposed for this in the ANW regulations.

The lifestyle savings scheme may also be used to supplement the pension. An employee who is entering full retirement and who still has a positive balance in the lifestyle savings scheme may use this to purchase additional pension rights. This must take into account tax restrictions and the policy decisions (for instance relating to payment restrictions for tax purposes, purchasing factors) as set by the Board of Rabobank Pension Fund.

Net Flexioen

Employees who receive a Personal Budget can take part, on a voluntary basis, in

scheme the net Flexioen scheme.

Final provisions Employees whose pension build-up under the CAO has ceased because they

resigned or retired will continue to be bound by the pension scheme that applies to employees, as worded at present and in the future, unless they transfer their

benefit entitlements to another pension administrator.

If changes in tax laws and regulations provide cause for doing so the pension

scheme will be adjusted in line with them.

The parties will enter into consultation with each other if such changes occur.

# SECTION III WORK AND LEAVE

Customers' needs and expectations change, as do the needs and wishes of our employees. Modern communication techniques have affected the way in which business is done as well as our lifestyle and work models. There is an ongoing move towards working when and where necessary and possible, including working in a way not tied to a particular time or place. Rabobank is adapting to these changes, with flexible workplace concepts, the provision of facilities for teleworking or teleconferencing and for working at home all being factors that are helping us to attain these goals.

Managers and employees discuss work, work models and leave with each other, make arrangements, and adjust them as and when needed. These arrangements mean that the interests of the employee and the organisation are served in a well-balanced way - basically, it's a win-win situation. Employees are given the freedom and facilities to make choices of their own, geared to a sound balance between work and private life. This may lead to differences between situations, employment positions and people.

### **BASIC WORKING HOURS**

General

For employees up to and including position group 11, the number of basic working hours averages 36 hours per week. For the Senior Kader and Chairs of Boards of Directors and division directors of local Rabobanks, this figure is an average of 40 hours per week.

Adjustment to working hours

The employee may submit a request for his working hours to be amended by virtue of the Wet Flexibel Werken (Flexible Working Act). He may submit such a request once every year. In addition the employee can also (apart from this once-only request every year) submit a request for his working hours to be amended owing to unforeseen circumstances. The employer will assess the employee's application in the light of statutory criteria and will respond within a month. In the event of any change to the working hours, the terms of employment will be calculated on a pro rata basis. The individual working hours figure may not exceed 40 hours per week. Working hours that average more than 36 hours per week will in all cases be spread across five working days per week.

More than 36 hours

For certain employment positions, a local Rabobank, unit of the Rabobank Nederland and/or Obvion may set basic working hours that exceed an average of 36 hours per week. The maximum here is 40 hours per week.

Minimum working hours

Minimum working hours may be agreed by a local Rabobank, unit of Rabobank Nederland and/or Obvion for certain employment positions or groups of employees, once the relevant Works Council has agreed to this. (HR Portal)

# **WORKING HOURS**

Normal working hours

The usual working hours are Mondays to Fridays between 7.00 a.m. and 10.00 p.m. and on Saturdays between 8.00 a.m. and 5.00 p.m.

Individual working hours

The individual working hours of employees will be regularly discussed and agreed between the manager and employee.

- Time blocks

The employer may allocate time blocks during the individual working hours. Time blocks are times when the employee must always be present.

- Implementa tion of working hours The key issues when discussing individual working hours with the employee are customer service, the proper operation of the organisation and job retention. Employees may submit a request to change their working hours on the basis of the Flexible Working Act. The employer will assess the employee's request on the basis of statutory criteria and will respond within one month. Where possible, the employee's preference will be implemented. If this is not possible on the grounds of compelling business reasons this will be communicated in writing to the employee so that he can adapt to another preference. Hours that are not worked will be scheduled clearly as leisure time.

# Working hours with allowance

### WORKING HOURS WITH ALLOWANCE

Employees who at the employer's request (within their average individual working hours) work during the times stated below, will receive the following allowance payments to their hourly pay for the hours worked during these times:

Monday to Friday	00.00 – 07.00 hours 22.00 – 00.00 hours	50% 50%
Saturday	00.00 – 08.00 hours 08.00 – 17.00 hours 17.00 – 24.00 hours	50% 25% 100%
Sunday	00.00 – 24.00 hours	100%
Public holidays New Year's Eve	00.00 – 24.00 hours 20.00 – 24.00 hours	200% 200%

The allowance percentage is calculated on the hourly pay (as defined in the cao), added up and paid in cash. The allowance does not count as salary for the purpose of any calculations (such as holiday allowance, annual allowance, pension, etc.). An allowance in the form of time may also be opted for instead of an allowance in the form of cash for working on Saturday (between 08.00-17.00 hours), unless this gives rise to organisational objections.

## **OVERTIME**

# Definition

Overtime is deemed to mean additional work that the employee carries out occasionally on the employer's instructions such that his agreed average working hours over two (consecutive) quarters is exceeded.

This means that overtime can only be said to exist after this period of two (consecutive) quarters has ended.

The following conditions apply in respect of overtime:

- per quarter, a maximum of 45 hours' overtime may be performed;
- in principle, overtime is not compulsory on Sundays and public holidays;
- employees younger than 18 years old must not perform any overtime;
- employees cannot be forced to perform overtime if evidence from the Working Conditions Service indicates that this may not be reasonably asked of them given their physical and/or social workload.

The manager will inform employees as far in advance as possible of any planned overtime. In doing so, he will take into account important reasons relating to the employee.

#### Remuneration

Employees up to and including position group 8 will receive remuneration for overtime of 25% of their hourly pay. If the hours worked fall within the working hours with allowance, the allowance stated in subsection II 3.3 'Working hours with allowance' also applies.

Overtime will only be paid for when its duration exceeds half an hour. Instead of monetary remuneration, the employee may opt for remuneration in time, unless this causes organisational difficulties.

### Evening meal

If the employee's working day is unexpectedly extended, on the employer's request, such that the employee cannot eat dinner at home, the employer will provide a meal. Alternatively, the employer has the option of enabling the employee to eat a meal and to submit a claim for reimbursement of its cost up to an amount of € 13.50. The half-hour meal break period will be counted as working hours.

# STANDBY AVAILABILITY

# Definition

Standby availability refers to continuous periods outside individual working hours during which the employee must be available for work, and where it is not known beforehand if - and if so, when - the work will be required.

- Standby availability will be set down in a schedule.
- Employees cannot be forced to work under a system of standby availability if evidence from the Working Conditions Service indicates that this may not be reasonably asked of them given their physical and/or social workload.

# Remuneration for availability

The following remuneration will be paid for availability during standby availability, irrespective of whether the employee was actually called in to work:

- € 1.80 gross per hour between Monday 0.00 a.m. to Saturday 5.00 p.m.;
- € 3.00 gross per hour between Saturday 5.00 p.m. and midnight on Sunday and public holidays.

Remuneration in time is permitted if agreed between the employee and employer. In the event of complete standby availability from Mondays through Sundays, this will equal 1/10 of the weekly working hours.

# Remuneration for hours worked

Employees up to and including position group 8 will receive payment for the actual hours worked during the standby availability as set out in the subsection II 3.4 'Overtime'. If the hours worked fall within the working hours with allowance, the allowance stated in subsection II 3.3 'Working hours with allowance' also applies.

Employees may choose whether to have the additional remuneration paid out in cash or in hours. Payout in hours is only possible if the employer does not have any objections from an organisational point of view.

# Nightwork

The choice of being paid in time or money does not apply for those employees who have to work nights. These hours will be compensated for in hours no later than midnight on the following day.

#### **LEAVE**

In this subsection, the term 'leave' relates to paid leave.

# The leave entitlement

The leave entitlement is equal to the statutory leave, which is 4 times the number of working hours per week. The leave entitlement for an average number of working hours of 36 hours a week is therefore 144 hours per calendar year.

Those employees who on 30 April 2009 were already working for the

employer and who since then have remained continuously in the employ of the employer are subject to the rule that the quantity of leave per calendar year depends on the employee's age on 31 December 2010 and on the number of hours worked.

In the case of working hours averaging 36 hours per week, the leave entitlement is:

Up to 34 years (inclusive)\*: 151.2 hours. 35 to 44 years (inclusive)\*: 158.4 hours. 45 to 54 years (inclusive)\*: 172.8 hours. 55 years and older\*: 180 hours.

Employees can buy additional hours of leave, at their own discretion, from their Employee Benefit Budget. The number of additional hours of leave that can be bought from the Employee Benefit Budget is capped at 10% of the number of working hours applicable for the employee on an annual basis. In addition, as of 31 December the number of hours of leave must not exceed 13 times the employee's number of working hours per week.

Pro rata basis

In the event of a shorter or longer average number of working hours per week then the entitlement to leave hours will be calculated on a pro rata basis. Should the employee join or leave during a calendar year then the leave will be calculated on a pro rata basis. Here, fractions of a half-month are rounded up to a half-month.

Taking the leave

After consulting with the employee, the employer will determine when leave will be taken. In doing so, the employer will assess the request in the light of the business interest, including the continuity of operations, the service to the customer, the organisational options and the cost.

Once every five years, the employee is entitled to take a continuous period of leave of up to 13 weeks (sabbatical leave). Such leave should preferably be taken at 'logical times', for instance when the employee changes employment position. This may be combined with other types of leave, if the manager agrees.

The leave card

The leave hours per employee will be recorded on a leave card. The total number of leave hours on this card as at 31 December must not exceed 13 times the employee's working hours per week.

Value of an hour

The value of a leave hour equals the annual income divided by 52 times the average working hours per week.

Illness during leave

Employees who fall ill during leave do not need to have the missed leave hours deducted from their leave card. However, this only applies if the employee has reported in sick to his manager in the correct way and complies with the rules of conduct for illness. (HR Portal)

End of employment

In the event of employment termination, the remaining leave hours will be paid out. If the employee transfers from Rabobank to Obvion or vice versa, the employee may take his leave hours with him to the new employer. The number

<sup>\*</sup>Age on 31 December 2010

of leave hours that he may take with him must not exceed 13 times the basic working hours figure that applies with the next employer. If the employee takes leave with him then within three years of joining the next employer he may take a continuous period of leave of up to 13 weeks.

Lapsed leave

In derogation from the statutory provisions, leave hours will lapse if they have not been taken five years after the last day of the calendar year in which they were created.

#### PUBLIC HOLIDAYS

Public holidays

Employees will be entitled to paid leave on: New Year's Day, Easter Sunday and Easter Monday, the King's Birthday (April 27), Ascension Day, Whit Sunday and Whit Monday, and Christmas Day and Boxing Day.

Good Friday

Good Friday is a day of compulsory paid leave for employees. The employer can, with the approval of the Works Council, designate another day instead of Good Friday in the calendar year concerned as compulsory paid leave day for (part of) the business unit concerned. This compulsory leave is not deducted on the leave card

Public holiday coincides with scheduled day off A public holiday, Good Friday or compulsory leave day designated instead of Good Friday that coincides with an employee's scheduled day off will not be compensated for.

Local custom

If no work is done on days other than the above-mentioned public holidays due to local or other custom, the manager may deduct the leave on the leave card.

Conscientious objections

Employees cannot be forced to work on days that are deemed to be public holidays by virtue of their religious convictions. In such a case, they will be allowed to take leave.

### **CARE LEAVE**

Definition

Care leave consists of a number of statutory types of leave that help maintain the balance between work and care (Work and Care Act, Bulletin of Acts and Decrees 2001, 569). In some cases, care arrangements have been agreed in this cao that are more generous than those required by law.

Pregnancy leave and maternity leave

During the 16-week pregnancy and maternity leave period, the employee will receive 100% of the most recently earned salary.

Partner leave

An employee whose partner gives birth is entitled to three days' partner leave (in addition to the statutory entitlement to ordinary paternity leave). The salary will continue to be paid in full during the additional partner leave period. The employee must state in advance whether he wishes to take additional partner leave. The leave is to be taken – preferably as three consecutive days – in the child's first four weeks at home. The employee must demonstrate that he is entitled to this leave.

Parental leave

Parental leave is unpaid leave.

There is an entitlement to parental leave until the child reaches 12 years of age. After the parental leave, the employee will return to the employment position

he had previously, unless the manager and the employee agree otherwise.

Adoptive parent leave

During the adoptive parent leave, the employee will continue to receive 100% of his salary.

Emergency leave and other short-term leave of absence The salary will be paid in full if the employee utilises the statutory emergency leave and short-term leave arrangement (including ordinary paternity leave for the birth of the partner's child).

#### UNPAID LEAVE

Definition Unpaid leave is a period of leave without continued payment of salary. As an

example, the balance on the lifestyle savings scheme can be used for leave.

Target group Employees who have been in service for at least a year may request a period of

unpaid leave once every two years.

Awarding The employee and manager will discuss the duration and timing of the leave.

The final decision will be made by the manager. The business interest will be

decisive here.

If an employee takes unpaid leave preceding retirement and uses the leave saved in the lifestyle savings scheme for this, the manager will approve the

period of leave provided it does not exceed 3 years.

Continuation of pension build-up

The pension build-up during unpaid leave will be limited to 50% during the first 26 weeks, calculated based on the income preceding the leave. In the case of part-time unpaid leave, the period of 26 weeks is extended on a pro-rata basis.

Taking fiscal restrictions into account, an employee who takes unpaid leave may supplement the pension build-up up to 100% at his own expense. In the event of leave that exceeds 26 weeks, the employee may decide to pay all the pension charges himself. The voluntary supplementation is capped at a period of 1 year after commencement of the leave.

For tax reasons, the provisions on the continuation of pension build-up do not apply to employees taking unpaid leave preceding retirement without using leave saved in the lifestyle savings scheme for this.

Risk cover The leave will have no effect on the basis for payout in the event of death or

incapacity for work.

Return to work after leave

If the leave is no longer than 13 times the average working hours per week then after its ending the employee will return to his own employment position. Should the leave be for a longer period then manager and employee will agree whether the employee should return to his own employment position.

#### **OLDER EMPLOYEES SCHEME**

General The Older Employees Scheme is an arrangement for reducing the working

hours per week for older employees.

No new participants

able to join

The Older Employees Scheme has been discontinued with effect from 1 January 2014. While the Scheme will continue to apply for employees who already participated in the Older Employees Scheme before that date, no new participants will be able to join. The number of hours worked is reduced as follows:

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Reduction in working hours

4 hours per week --- for working hours of 36 hours or more;

3 hours per week --- for working hours of between 28 and 36 hours;

2 hours per week --- for working hours of between 20 hours and 28 hours; 1 hour per week --- for working hours between 8 hours and 20 hours.

If the working hours were increased in the last five years prior to participation in the Older Employees Scheme then these hours will not be counted in the

calculation of the reduction in working hours.

Effect on other terms of employment

The reduction has consequences for the build-up of entitlement to leave. The number of leave hours will be adjusted pro rata.

In addition, half the reduction will be taken into account when applying the other terms of employment. However, the build-up of a pension entitlement and the Personal Budget will not be affected. An employee will be given paid leave to attend a course to prepare him for retirement. This leave will not exceed 5 day' duration and may be taken within the two years preceding

retirement.

Leave for retirement preparation course

The employer pays the course costs, including the costs for the employee's spouse or partner to attend the course.

# SECTION IV CAREER AND DEVELOPMENT

The personal and professional development of the employee is essential: how can he remain a valuable asset for the organisation, how can he keep enjoying his work, and how can he retain and improve his value in the labour market? These are important issues not only for employees personally but for the organisation as well.

Employees develop as their current position develops and also develop towards their next employment position, doing so during their entire career. The organisation facilitates development and movement and together with the employee will look to the future. It's not without obligation: the employee explicitly bears his own measure of responsibility for development and for taking the opportunities presented.

In this section, we will look at the context within which the organisation and the employee must continually focus on development and we will look at the facilities that the organisation offers the employee to help him with these efforts.

### **EMPLOYABILITY**

## Definition

Employability means that:

- employees are performing well in their current employment position and are evaluated as so doing;
- employees can adapt to future developments in the organisation;
- at all times, employees are sufficiently qualified for the labour market, both within and outside the organisation.

# Shared responsibility

Employability is in the interests of both employer and employee. This makes working on an employee's employability a <u>shared</u> responsibility. The employee takes the initiative and invests in his own development. The manager discusses an employee's options for the future - both within and outside the organisation - with him. He then facilitates the resulting plans.

# Organisational change

As far as possible, employees will be informed about future developments in the organisation and about the consequences of this for personnel, via the provision of information to the Works Council about collective developments.

# Job requirements and employee's qualities

Employability starts by finding a good match between the employee's experience and capabilities and the tasks given to him. The manager and employee are jointly responsible for this matching-up. They will jointly take the initiative to find a suitable solution (either within or outside the Rabobank organisation) if the job requirements and workload do not match the employee's capabilities. This will also be done in the event of poor performance.

# Times when employability is discussed

The employee's current and future employability is a recurring topic of discussion within GROW!. The steps to ensure that the employee's knowledge and competences continue to match the work and the criteria laid down by the organisation, both now and in the future, will be addressed during these discussions.

# Work experience

A work experience placement within or outside Rabobank is a possibility that can be applied in consultation between the employee and their manager, for the purpose of orientation for a different working environment or position.

## Career Portal

All employees can use the Career Portal, which provides access in a structured manner to a diverse range of career tools and tests aimed at enabling employees to enhance their employability.

### STUDY FACILITIES SCHEME

## Definition

Performance-oriented courses are study courses that are required for the employee's performance of the current employment position and/or contribute directly to the employee's satisfactory performance in his current employment position.

The study facilities scheme for performance-oriented courses consists of study leave and reimbursement of the study costs.

This study facilities scheme only covers those study courses on which agreements have been made between the manager and the employee.

# Remuneration of study costs

The costs of performance-related courses will be reimbursed in full, if the manager has approved the course in question. Study costs covers the following:

- course fees
- fees for examination and exam resits
- mandatory study books
- additional travelling expenses between home and the training centre, and
- accommodation costs resulting from the course.

### Study leave

Study leave for performance-orientated study courses will be calculated as follows:

- in principle, the **lessons** will be held during working hours. Any lessons held outside working hours will be reimbursed in time (100%) or in cash (116.3%), this to be agreed between manager and employee;
- for **preparation and home study**, the first 50 hours of the course load (excluding the lessons) stipulated by the educational institute will be deemed to be own time. Up to 50% of the remaining hours will be reimbursed with study leave, subject to a maximum of 50 hours for each 12-month period

### Exams

Special leave will be granted for tests and exams/resits taken during working hours.

# Reclaiming of study costs:

In the event of interim termination or failure to pass the course then 20% of the study costs and study leave awarded may be reclaimed. If a manager believes that - given the circumstances in question - reclaiming would be unreasonable then he may decide to refrain from reclaiming.

### DEVELOPMENT BUDGET

# General

A development budget is awarded annually to employees to give employees greater freedom of choice and greater control with regard to their personal and professional development. With this budget employees can, within the limits of tax laws, choose themselves which study course(s), training and/or workshop(s) they wish to follow, or which career tools they wish to use.

# Basis for award

All employees who are in the employer's employment on 1 January of any calendar year will be awarded the development budget for that year.

#### Amount

The development budget is EUR 1,500 for each of the calendar years 2017 and 2018.

The budget for the year 2019 and subsequent years will be EUR 1,000.

# Payment

Records are kept of each employee's budget by the employer in the HR records. Payment of (a part of) the budget will take place after a claim has been submitted

for the expenses of a study course, training, workshop or career activity in which the employee participates.

Saving and expiry

The (remaining) budget of a year can be added to the budget of the next year. At the end of the next year, the unused budget of the preceding year will expire. If the employment is terminated, the unused portion will expire in full.

Utilisation

Employees can spend their budget in accordance with their wishes and requirements on:

- Study courses, training and/or other courses aimed at developing knowledge and competencies that contribute to obtaining another job in or outside the bank.
- Training, workshops, coaching and other career tools to obtain insight into the employment market and/or their own employment market position and strengthening it.

Study courses, trainings, other courses and/or career activities must be expressly work-related and must not serve hobby or leisure purposes.

The employee should use the development budget to pay for the study costs including VAT and any accommodation costs and costs of overnight stays. Travel expenses can be claimed, insofar as applicable, by the employee in accordance with the regular process for business travel expenses.

In principle, the range offered by the preferred suppliers of Rabobank will be used, unless a study course, training, other course and/or career activity required by the employee is not offered by them. Employees will be able to view the range on offer via the HR Portal.

Trade associations are, besides other agencies, preferred suppliers for career checks.

Time spent

The employee must be given an opportunity by his manager to follow the study course, training and/or workshop of his choice.

Insofar as this takes place during working hours, half of the time shall be borne by the employer and half of the time shall be borne by the employee. In practice, this means that the employee will take leave for half of the number of hours during which the employee is absent during working hours while following the course study, or compensate this in time at a later point in time in consultation with his manager. This applies up to a maximum total number of 100 hours (50 hours employer /50 hours employee) per calendar year. The maximum number of hours shall apply on a pro rata basis for part-time employment. If the total time spent during working hours exceeds 100 hours per calendar year (pro rata for part-time employment), the excess number of hours shall be borne in full by the employee. The employee shall take leave for all of these excess hours.

Supplementary contribution by employer

If his (saved) budget is insufficient, an employee can discuss the desired development facility and/or study course with his manager. This discussion must be based on a development plan or development agreements between the manager and the employee. The manager can decide to award a (partial) contribution towards the costs, to supplement the development budget.

Repayment scheme

If an employee is awarded (a portion of) the costs of a development facility or study to supplement the development budget, a repayment scheme will apply for this supplementary amount. Repayment can be required in the following situations:

- interim termination In the event of interim termination or failure to pass the course then 20% of the supplementary amount awarded may be reclaimed. If a manager believes that - given the circumstances in question - reclaiming would be unreasonable then he may decide to refrain from reclaiming.

job transfer

If an employee transfers to another employment position within the Rabobank organisation then no reclaiming will take place. However, in the event of a transfer from Rabobank to Obvion or vice versa, there will be an internal settlement. However, should the employment then be terminated at an employee's own request or for urgent cause then the employee will be obliged to make repayment. The settlement table below will be used for all settlements.

termination of employment If the employment is terminated by the employee at his own request or by the employer for urgent reasons then part of the amount awarded by the employer to supplement the development budget will be reclaimed. The size of this reclaim depends on the size of the supplementary amount awarded and on the time when it was awarded.

- The awarding date is defined as the month in which the amount was paid to the employee as part of the salary payment, or, if the payment was made, by way of exception, directly to the educational institute by the employer, the date of the first day of the course of study according to the educational institute.

The following settlement table applies to all reclaims:

	Number of months prior to end of employment when the study						
	costs were awarded						
Total amount of supplementary contribution	1 to 12 months	13 to 24 months	25 to 36 months				
Up to 3,000 euros	30% of the supplementary contribution						
3,000 to 4,500 euros	60% of the supplementary contribution	30% of the supplementary contribution					
4,500 euros and above	90% of the supplementary contribution	60% of the supplementary contribution	30% of the supplementary contribution				

Repayment scheme for career-oriented study courses

The repayment scheme in the Rabobank CAO 2016 applies to study costs and study leave awarded before 1 January 2017 for career-oriented study courses under prior Rabobank CAOs.

# SECTION V ILLNESS

Long-term illnesses and incapacity for work have a major impact on employees. These situations require special attention. Being ill or incapacitated for work does not necessarily mean that an employee cannot work at all. With adjustments in their own work or other suitable work in or outside the Rabobank organisation, it will often be possible for such employees to continue working.

The employer, jointly with the Working Conditions Service and the employee, endeavours to keep the employee working on a lasting basis, taking account of the capabilities of the employee and the organisation. Both the bank and the employee will need to be flexible and adaptable in this regard.

Adjusted work or other work can lead to a fall in income. That fall in income will be partly compensated, on the basis of the principle that 'it pays to work'. This provides an incentive for using the available options for continuing or resuming work to the greatest possible extent.

### **ILLNESS - GENERAL POINTS**

Definition Illness is defined as the employee being in a physical or mental state as referred

to in Article 7:629 BW (Netherlands Civil Code) such that he or she cannot perform the agreed work completely or at all, or during the agreed working

hours.

Rules of conduct Rules of conduct have been agreed and laid down for illness and incapacity for

work. Everybody has to comply with these rules of conduct. These rules of

conduct are an integral part of the Rabobank CAO. (HR Portal)

Second opinion/ expert opinion If an employee disagrees with the verdict of the Working Conditions Service (the 'Arbodienst') about his illness then within two weeks he may seek a second opinion from the UWV (Employee Insurance Administration Agency). The

employer too may ask for a second opinion.

Reporting a disability

Employees must report a disability or fundamental limitation to their job-related performance to the Working Conditions Service no later than two months after

commencing employment or two months after receiving the ruling.

Maximisation On no account may the income of an ill employee exceed the income that he

would have received had he not fallen ill.

WIA or WAO Employees who fall ill on or after 1 January 2004 will be subject to the WIA

(Work and Income according to Capacity for Work Act). Those employees who fell ill prior to 1 January 2004 will continue to be subject to the WAO

(Occupational Disability Insurance Act).

### CONTINUED PAYMENT OF WAGES DURING ILLNESS

Statutory scheme for continued payment of wages during illness

In the event of illness, the employer is obliged by law to continue to pay 70% of the wages for a period of 104 weeks. When calculating this statutory period of 104 weeks, periods of illness occurring no more than 4 weeks after each other will be added together. The first 52 weeks will constitute the first year of illness, with the next 52 weeks constituting the second year of illness. If an employee is still ill after these 104 weeks have elapsed then the WIA Act may apply to the employee.

Extension of duration of continued payment of wages during illness

The continued payment of wages during illness may be extended by a maximum of 52 weeks after the end of the statutory period of 104 weeks. The UWV may decide to extend at the joint request of the employer, employee and Working Conditions Service. The UWV may also impose an extension on the employer. If the period of continued payment of wages during illness is extended then the rules for continued payment of wages during illness during the second year of illness will apply.

Suspension or refusal

The Netherlands Civil Code (see above) describes the circumstances under which the ill employee has no entitlement to the continued payment of wages during illness. If such a circumstance occurs then in the event of illness the employer will suspend or refuse the continued payment of wages during illness and the payment of cao supplements. (HR Portal)

#### **Conditions**

In order to be eligible for the continued payment of wages during illness and supplements as referred to in this cao, the current or former employee:

- must authorise the UWV to pay any statutory benefits to the employer (which will then be set off against the payments made by the employer to the employee);
- must fully cooperate with the employer if the latter may be able to recoup the loss resulting from the illness from another party.

#### INCOME DURING THE 1ST AND 2ND YEAR OF ILLNESS

Continued payment of wages during illness by Rabobank

During the first 52 weeks of illness, the employer will pay 100% of the monthly income (including fixed allowances), instead of the statutory continued payment of wages during illness of 70%. When calculating this 52-week period, continuous periods of illness of 4 weeks or more during the 2 years preceding the last incident of reporting sick will be added together. In other words, this differs from the way in which the statutory period of illness of 104 weeks is calculated.

If the employee is not working then after this first 52 weeks of illness the employer will continue to pay 70% of the monthly income until the end of the statutory period of illness of a maximum of 104 weeks.

IVA benefit

An employee may have incapacity for work such that he is already receiving a benefit under the IVA (Income Insurance for the Fully and Permanently Occupationally Disabled) during the statutory period of illness of 104 weeks. In this case, after the first 52 weeks of illness until the end of the (extended) statutory period of continued payment of wages during illness of 104 weeks, the IVA benefit will be increased to 100% of the most recent monthly income prior to the illness. The Personal Budget will also continue to be paid in that period.

Commuting allowance

If an employee does not work at all due to illness then the payout of his fixed commuting allowance will be stopped one calendar month after the month following the month in which he fell ill.

### RETURN TO WORK

Salary calculation

If the employee resumes work in whole or part then after the first 52 weeks of illness he will be paid according to the salary scale set for his employment position and in accordance with the number of hours he actually works. This return to work may mean he earns a lower monthly income than the last monthly income he earned before his first day of illness. In such a case, the employer will pay the monthly income for the resumed work, the Personal Budget and - as a supplement - 80 percent of the difference between the last monthly income plus the Personal Budget earned prior to the first day of illness and the new, lower monthly income plus the Personal Budget earned after the return to work. When returning to work in another employment position, the relative salary position that the employee had achieved in his old employment position will also be taken into account.

Other employer

During the period of 104 weeks, whilst still retaining his current employment, the employee may also resume work for another employer who is not covered by this cao. In such a case, employment position and salary will be calculated in the way usual at the new employer. In such a case, the employee's monthly salary at the new employer will be set off against the payment under the continued

payment of wages during illness scheme or cao supplement scheme for the first and (extended) second year of illness. The employee will provide all relevant information needed to correctly implement the continued payment of wages during illness scheme or cao supplement scheme.

Occupational therapy

Work performed by an ill employee as occupational therapy will be viewed as promoting permanent rehabilitation but will *not* count as a return to work.

### INCOME AFTER THE 2ND (EXTENDED) YEAR OF ILLNESS (WIA ACT)

Notes: The WIA Act

Anyone suffering a protracted illness will be subject to the WIA Act (Work and Income according to Capacity for Work Act). This Act encompasses:

- The Income Insurance for the Fully and Permanently Occupationally Disabled (IVA) income scheme, for those employees who have complete incapacity for work and who have no or almost no chance of recovery.
- The Work Resumption of the Partially Occupationally Disabled (WGA) scheme, for employees who are declared to have partial capacity for work and who are subject to a wage reduction of between 35% and 80%. Those employees who have complete incapacity for work (i.e. between 80% and 100% incapacity) but who will probably recover sufficiently will come under the WGA Act.

The Rabobank CAO partially and temporarily compensates for a potential loss of income due to illness. The basic principle here is 'Work pays'. This means that employees who work receive a higher income than employees who do not work and that employees' income rises when they start working more.

Termination of the employment contract

After two years' illness, should complete incapacity for work (WGA 80-100% or IVA) be established then the employer will take the initiative to terminate the employment contract. The employment contract will not be terminated if and for as long as there are compelling medical or social reasons for refraining from taking such a step. The employer will make this decision, based on a compelling recommendation from the Working Conditions Service.

The disability pension (AOP) to which the employee is entitled under this CAO is an equivalent provision as referred to in law (Section 7:673b of the Dutch Civil Code). Therefore the employee is not entitled to the statutory transition payment upon termination of the employment.

After his second year of illness, a current or former employee receiving an IVA benefit will receive a disability pension under the Rabobank Pension Scheme. The disability pension will supplement the IVA benefit up to 80% of the pensionable annual income plus the Personal Budget on the day preceding the illness.

WGA 80-100%

A current or former employee receiving a WGA benefit by virtue of temporary complete incapacity for work will for a maximum of 38 months receive a supplement of 80% of the difference between the last monthly income plus the Personal Budget earned prior to the first day of illness and the monthly income plus the Personal Budget that the employee earns when he returns to work. The WGA benefit will be set off against this supplement.

If the current or former employee performs no work then for a maximum period

of 38 months the WGA benefit will be increased to 80% of the monthly income prior to the first day of illness.

After a period of 38 months has elapsed, the current or former employee receiving WGA 80-100% benefit will receive a disability pension under the Rabobank Pension Scheme. The disability pension is based on the pensionable annual income plus the Personal Budget on the day preceding the illness.

WGA 35-80%

If an employee is receiving a WGA benefit and then returns to work for a maximum period of 38 months he will receive a supplement of 80% of the difference between the last monthly income plus the Personal Budget earned prior to the first day of illness and the monthly income that he earns when he returns to work. This also applies to an employee with a WGA benefit who returns to work with an employer not covered by this cao directly after his employment with Rabobank or Obvion. The WGA benefit will be set off against this supplement.

After the period of 38 months has elapsed, the current or former employee receiving WGA 35-80% benefit will receive a disability pension under the Rabobank Pension Scheme. The disability pension is based on the pensionable annual income plus the Personal Budget on the day preceding the illness.

Incapacity for work of less than 35%

An employee declared to have less than 35% incapacity for work by the UWV will not receive any WGA benefit. If the employee resumes work then for a maximum period of 38 months he will receive a supplement of 80% of the difference between the last monthly income plus the Personal Budget earned prior to the first day of illness and the monthly income plus the Personal Budget that he earned upon his return to work. Any benefit under the Unemployment Insurance Act will be offset against this supplement.

Definition of additional period

The additional period of a maximum of 38 months will commence at the end of the second year of illness or after the end of any extension to this period. There may only be a single additional period of a maximum of 38 months for each case of illness.

UWV decision not yet made

If the UWV has not yet reached a decision by the end of the second year of illness on the entitlement to a WIA benefit then the employer will make an advance payment. The advance payment will equal the sum that the employee would have received if the second year of illness was still applicable. If the lack of the UWV decision is due to the employee or is a risk that he bears then no advance payment will be made.

# INCOME AFTER THE 2ND (EXTENDED) YEAR OF ILLNESS (WAO ACT)

Definition

Employees who fell ill prior to 1 January 2004 will come under the WAO Act. When it comes to the income after the (extended) second year of illness, the provisions for those employees who come under the WAO differ from those for employees who come under the WIA.

Complete incapacity for work

An employee will be deemed to have complete incapacity for work if under the WAO he is classified as having incapacity for work of between 80% and 100%. A (former) employee with complete incapacity for work will receive WAO

benefits, supplemented by a disability pension under the Rabobank Pension Scheme.

In the case of complete incapacity for work the employer can take the initiative to terminate the employment contract. The employment contract will not be terminated if and for as long as there are compelling medical or social reasons not to do so. The employer will make this decision on the basis of a compelling recommendation from the Working Conditions Service.

The disability pension (AOP) to which the employee is entitled under this cao is an equivalent provision as referred to in law (Section 7:673b of the Dutch Civil Code). Therefore the employee is not entitled to the statutory transition payment upon termination of the employment

Partial incapacity for work

An employee is defined as having partial incapacity for work if by virtue of the WAO he is classified as having incapacity for work of between 15% and 80%.

As long as an employee having partial incapacity for work performs work then irrespective of the scope of the return to work he will be entitled to continued payment of 100% of the last monthly income earned prior to the first day of illness and to 100% continued payment of the Personal Budget, provided that he was in employment for at least one year prior to the first day of illness or else was disabled.

WAO shortfall benefit payment

In the past, the employer concluded a collective insurance to cover the WAO benefit shortfall, which is the difference between the WAO follow-up benefit and the WAO wage-related benefit.

A WAO benefit shortfall payment ends in the event of death, when the entitlement to WAO benefit ends, when the state pension age for the (former) employee is reached and in any case upon reaching the age of 67 years. The upper age limit of 67 years will not be increased, even in the event of future increases of the state pension age to an age over 67 years. The WAO benefit shortfall payment is increased annually by 1.39% (indexation).

# ANNUAL INDIVIDUAL SALARY ADJUSTMENT, EMPLOYEE BENEFIT BUDGET AND PERSONAL BUDGET

Individual salary adjustment in the event of illness

The annual individual salary adjustment for employees who do not work due to illness will be determined as follows (HR Portal):

- After the end of the calendar year in which the employee became ill, an evaluation will be made of the period up to the moment of reporting in sick. This evaluation will determine the salary adjustment.
- For the next calendar year, the evaluation result 'good' will automatically be awarded, together with the salary adjustment associated with this result.
- In the next calendar year after the above one, the right to an individual salary adjustment will lapse.

Individual salary adjustment in the event of a return to work

If an employee fully or partially resumes his work then the annual evaluation will assess the resumed work. This evaluation will determine the individual salary adjustment. In the first year of illness, the salary adjustment will be made on the salary he would have earned if he were not ill. In the second and subsequent years of illness, the individual salary adjustment will be based on the

monthly salary that the employee earns when he returns to work (HR Portal).

# Employee Benefit Budget

An ill employee retains the right to the Employee Benefit Budget during the first and second years of illness. The size of the Employee Benefit Budget will be based on the wages that continue to be paid during illness (first year: 100%, second year 70%).

If the employee fully or partially resumes his work then the size of the Employee Benefit Budget in the first year of illness will be based on continued payment of wages of 100%. In the second year of illness, the amount of the Employee Benefit Budget is based on the monthly salary that the employee earns upon resuming work and the CAO supplement that compensates 80% of the difference of the salary after resumption of work and the salary preceding the illness. After the second year of illness, the Employee Benefit Budget will be based on the monthly salary that the employee earns when he returns to work (HR Portal).

# Personal Budget

Supplementing section II, subsection 2.7 'Allowances', under 'Personal Budget', the following will apply in the event of illness and incapacity for work. A sick employee will retain the entitlement to Personal Budget during the first and second year of illness. The amount of the Personal Budget is derived from the continued salary payment (first year: 100%, second year 70%). If the employee (partially) resumes work, the amount of the Personal Budget in the first year of illness will be derived from 100% continued salary payment. With effect from the second year of illness, the amount of the Personal Budget will be derived from the monthly salary that the employee earns upon resuming work and the CAO supplement that compensates 80% of the difference of the salary after resumption of work plus the Personal Budget and the salary preceding the illness plus the Personal Budget. (HR Portal).

### BUILD-UP OF ENTITLEMENT TO LEAVE

Leave in the event of illness

During the first and second (extended) year of illness, leave is built and taken up as described in the subsection 'Hours of leave' in section II, subsection 3.6.

After the second (extended) year of illness, leave is built up in proportion to the actual number of hours worked. If leave is taken up, this is likewise done in proportion to the actual number of hours worked (HR Portal).

## REINTEGRATION

Reintegration model

The procedure for reintegration is set down in the 'Reintegration model', which lays down the roles and responsibilities for the employee, the manager and the Working Conditions Service. The 'Reintegration model' applies to all cases of illness. (HR Portal)

Permanent return to work

The employer will endeavour to keep permanently at work those employees receiving a WGA benefit and those employees who have less than 35% incapacity for work, taking into account the options for both employee and organisation. The employee too will endeavour to remain permanently in work in his own - or another - employment position.

Suitable work

Ill employees will initially be found suitable work within the Rabobank organisation. Only if no such work is found will the search for suitable work

outside the Rabobank organisation begin. The employee who has incapacity for work will receive the employer's offer of suitable work in writing. If the employee refuses suitable work then he may ask the UWV for a second opinion within two weeks. If the UWV is of the opinion that the offer <u>is</u> suitable and the employee then accepts the work immediately then neither the continued payment of wages during illness nor the employment contract will be affected. If the suitable work offered is no longer available due to a previous refusal then that is the employee's risk.

# Reintegration contracts

The reintegration process may make use of the services of reintegration agencies. The Arbodienst Rabobank Groep (Rabobank Group Working Conditions Service) enters into contracts with a number of reintegration agencies. In principle, the employer will make use of the services of these agencies, although other reintegration agencies may be used if the Working Conditions Service has approved the other agency in question.

# PART III SOCIAAL PLAN

### 1. Introduction

### General

The financial sector is going through a process of incisive change in many respects. The transformation of Rabobank into a customer-oriented, socially responsible bank is one of the main pillars of the Strategic Framework 2020. Given the many reorganisations, the organisation is continually in flux. The changes are substantial for the bank as a whole, but above all especially incisive for individual employees.

The importance of a good redundancy plan is evident. This Sociaal Plan comprises an integral set of material and non-material measures aimed at mitigating (some of) the financial consequences of redundancy as well as at supporting (future) redundant employees in finding another job.

# **Employability**

The importance of broad employability is unmistakably clear in times of reorganisations. But even outside reorganisations it is important for employees to continually advance their development. Today's job is not the same as tomorrow's. Job contents and demands are adapted to today's requirements. A strong focus is required on working continually on and investing in employability, professional competencies, and vitality. The aim is to empower employees to advance their career on the basis of their own choices.

# Personnel planning

Personnel planning as part of the HR cycle is more important than ever in times of major organisational change. This workforce analysis will aid timely in identifying those parts of the organisation where additional efforts are required to increase employees' employability and enhance mobility.

If a workforce reduction is expected, management will already respond to this in the period leading up to it by being critical in filling any vacancies, extending temporary contracts or hiring external staff. Continual assessment will take place of whether this is necessary and appropriate, particularly where redundancies are expected within an organisational unit.

### 2. ACTIVE MOBILITY

General

The parties to the cao consider it to be important for employees to be given early insight into the developments that are set to unfold within the organisation and have an impact on their employment position and/or job security. This creates and increases awareness and stimulates employees to think about their future. That is the purpose of the *phase of active mobility*. In the departments or function domains where changes are expected to impact employment numbers, activities will be offered that increase the employability and job-finding chances of employees well in advance of a proposed or final decision to implement a reorganisation. The aim is for employees to "start to move" and focus especially on broadening their employability and strengthening their employment market position. This can also lead to the throughflow and outflow of employees and thereby prevent redundancies wherever possible.

Role of employee representation

Determining the active mobility phase is a fixed item for discussion in the periodic consultation between the manager and the Works Council on the 'general course of affairs' which looks ahead to upcoming developments. If it can be foreseen at that time whether, and for which positions, significant changes will lead to redundancy, the active mobility phase is initiated for the functions or function domains and/or departments concerned. If this cannot be foreseen yet, a time is agreed for reassessing this.

The Works Council can also take the initiative itself to place commencing the active mobility phase on the agenda. If the manager does not accept a request to that effect from the Works Council, the manager must provide reasons for this. The employee representation body will be periodically informed of progress during the term for which the active mobility phase applies to a function or function domain and/or department.

Target group

The target group that is eligible for active mobility will be designated and announced by the employer, but only after the Works Council has been informed accordingly. The target group will be determined as specifically as possible and consist of employees working within a function or function domain and/or department that will be impacted by major changes, the expectation being that a (large) number of the employees will become redundant.

In view of the objective of this phase it must commence at such a time – and continue to apply for such a period – that it is realistic for the employee to broaden his employability and/or launch his mobility procedure in the time available. The minimum duration of this phase is 3 months (until the date of redundancy) and the maximum duration is 2 years.

The designated group(s) of employees is (are) not yet redundant in the phase of active mobility and there is not yet a (completed) Works Council's advice procedure.

Frameworks

The frameworks below apply in the phase of active mobility:

- The Board of the local Rabobank, the Board of Obvion or the director of a unit within Rabobank Nederland takes the decision to commence a phase of active mobility and determines which (groups of) employees belong to the target group to which the active mobility phase applies and the duration of this phase
- Groups of employees will only be designated as target group for the phase of

- active mobility after the employee representation body has been informed accordingly (there is no right of advice or approval).
- The designated groups of employees must be clearly demarcated (for instance on the basis of position, department or team) and be defined and updated on the lowest possible organisational level.
- Employees within the designated target group are informed by their direct manager, as part of which they are also informed of the substantive reasons why they belong to the target group. This will be confirmed to them in writing.
- The duration of the phase may be changed as requirements change or are better understood. The target group can also be limited if developments provide cause for doing so. The size and composition of the target group can therefore fluctuate. If this occurs, the employees will be informed accordingly, after the employee representation body has been informed first. The change will also be confirmed to the employees in writing.

Strengthen employment market position

Employees in the target group are additionally stimulated to work on specific areas of their employability and 'starting to move'.

The employer organises information meetings to give employees insight into and help them to get started on potential activities to be undertaken during the active mobility phase.

In the active mobility phase, an employee can utilise his development budget to follow training courses/workshops in accordance with his wishes and requirements. Training courses/workshops that are specifically aimed at strengthening employees' own employment market position, such as LinkedIn, applying for jobs, networking, will be specifically highlighted. In addition, employees can take part in a range of career tests and use the facility for e-coaching free of charge via the Career Portal.

Acquiring other experience, for instance in a (job shadowing) work placement, secondment or job swap can be appropriate in the active mobility phase. The employee and the manager should jointly agree whether and subject to which conditions this is possible.

If the employee has already spent his development budget and further specific training courses, other courses or workshops are necessary in connection with the active mobility phase, he can request his manager to award a supplementary contribution to the development budget (see also part II, section 4.3 Development budget, employer's supplementary contribution).

Financial facilities

# Compensation for lower position within Rabobank

If an employee moves to a position within Rabobank or Obvion that is at most two position groups lower than the current position group, the following will apply:

- The employee will retain his current monthly salary if this is lower than the scale maximum of the lower scale, or
- If the existing monthly salary exceeds the maximum of the salary scale for the new position, the new monthly salary will be set at the maximum of the lower salary scale. As a next step, the difference between the two will be determined. Any allowances applying for the employee, such as a personal allowance and/or shift allowance, will be disregarded for this purpose. If there is a downgrade by two salary scales the difference to be determined must never exceed the difference between the scale maximum of the current salary scale and the maximum of the next lower salary scale.
- The difference determined is awarded as a PT1 new (see II 2.7 Allowances).

# Wage supplement for job outside Rabobank

The wage supplement scheme applies to employees who accept a job outside Rabobank for which the annual income is lower than the last-earned annual income at Rabobank. The supplement is a gross payment, which is paid as a lump-sum upon termination of the employment.

The duration of the supplement depends on the number of working hours. Calculation of the supplement is based on an equal number of working hours at the old and the new employer. If the number of working hours at the new employer is lower, the new number of working hours is the basis for the calculation. If the number of working hours at the new employer is higher, the number of working hours applying at Rabobank will be used in the calculation.

The difference between the new and old gross monthly income (annual income divided by 12) is paid out up to a maximum of 20% of the old gross monthly income. The number of months for which an employee is entitled to payment is determined on the basis of the following table:

Number of years of service	0-5	6-10	11-15	16-20	21-25	> 26
Number of months of	6	12	18	24	30	36
supplement						

# Repayment of additional development budget awarded

Insofar as the manager awards to an employee an additional allowance for study courses/training/workshops in the active mobility phase, on top of the development budget to be spent by the employee at his discretion, the repayment scheme will not apply to the supplementary contribution from the employer.

# 3. SCENARIOS FOR POSITIONS IN REORGANISATIONS

Scenarios for positions

The following scenarios can occur in the event of an organisational change:

- Retained positions
- Eliminated positions
- New positions
- Relocated positions.

A combination of these scenarios may also occur.

The management will present the applicable scenarios to the Works Council in the request for advice associated with the reorganisation. The applicable reemployment procedure is determined on the basis of the scenario, as well as how any redundancy will be determined.

The scenarios for positions and the corresponding reemployment procedure set out in the Rabobank CAO 2016 will apply in connection with requests for advice that were submitted before 1 January 2017. The scenarios for positions and the corresponding reemployment procedure set out in the Rabobank CAO 2016 will likewise apply for requests for advice on implementation that are submitted on or after 1 January 2017 but arise from a central request for advice submitted before 1 January 2017.

# Retained positions

Definition of scenarios for positions and determination of redundancy Retained positions are positions at the same position level whose content (actual work and deliverable results), requirements (knowledge and competences) and the context and/or responsibilities remain the same or change only to a very limited extent. A position has changed to a very limited extent if any employee who already performs the job concerned will be able to perform autonomously in that job within two months.

If the required staffing level for the retained position decreases, it will be necessary to determine, via application of the proportionality procedure or via a combination of quality and the proportionality procedure, which employee(s) will become redundant.

If a position is not a retained position, the employee will become redundant for the position.

# Eliminated positions

Eliminated positions arise if a position ceases to exist.

Employees whose position is eliminated will become redundant for that position.

# New positions

A new position will arise if there is a combination of activities and responsibilities that did not previously exist, or not in that combination.

A vacancy will be established in accordance with the vacancy management in the case of a new position.

# Relocated positions

Relocated positions are positions for which the work is relocated geographically and/or organisationally. Employees whose job is relocated geographically will in principle move with their job, unless this cannot be reasonably expected of them owing to special personal circumstances and/or if the home-work (one-way) travelling time exceeds one and a half hours. The latter will not apply if the travelling time for the employee already exceeded one and a half hours before the relocation of the work, in that case this travelling time will apply as the maximum.

If an employee believes that his personal circumstances mean that travelling time of one and a half hours one-way is not possible, he can submit a request for application of the hardship clause to the Sociaal Plan Central Appeals Committee. Travelling time is calculated for this purpose on the basis of the most practicable and suitable mode of transport for the route to be travelled, unless use of that mode of transport is not possible for the employee.

The calculation of the travelling time is based on the fastest travelling time, to be determined using the Dutch automobile association ANWB route planner. In the case of public transport, the shortest travelling time for arrival between 8.00 and 9.00 a.m. will be used. If a different time of arrival normally applies for an employee, due to the nature of the work or the position, the arrival time can be adapted to this in consultation with the manager.

If positions are geographically relocated and the required staffing level for the position decreases at the same time, redundancy will be determined via application of the proportionality procedure or via a combination of quality and application of the proportionality procedure.

Proportionality procedure

If the required staffing level for a retained position decreases, redundancy is determined by applying the proportionality procedure to a group of exchangeable positions.

Exchangeable positions are positions whose job content, required knowledge and skills are comparable and whose level and remuneration are equivalent. The criteria for determining the mutual exchangeability of positions must be assessed in conjunction with each other.

The proportionality procedure is applied in accordance with the statutory proportionality principle. This means that the designation of redundant employees takes place distributed across age groups and, within those, on the basis of length of service. The age groups prescribed by statutory provisions are: 15-24, 25-34, 35-44, 45-54, 55 years-state pension age. Periods of service at Rabobank and Obvion are added up for the purpose of determining length of service, if intervals between contracts correspond to the provisions in the Redundancy Act. The duration of intervals themselves is not included. The same record date applies to everyone for the purposes of determining age. That record date is the proposed date, as stated in the request for advice, on which the employer will implement the reorganisation decision (i.e. date of commencement of redundancy).

If, ahead of the redundancy notification meetings, there is still attrition of employees within the group of exchangeable positions, the proportionality principle has to be applied again.

If there is attrition of employees in this group after the redundancy notification meetings have taken place, the 'reverse proportionality' method is applied. This means that in the first instance the age group is looked at in which the non-redundant, departing employee worked. The redundancy of the employee with the longest employment in this age group will be revoked in that case. If there is no

#### SCENARIOS FOR POSITIONS IN REORGANISATIONS

(longer an) employee in this age group who has been given notice of redundancy, a reasonable explanation of the proportionality principle means that the age group designated last to provide a redundant employee now has to provide one employee less. The redundancy of the employee with the longest employment in this age group should be revoked. If two or more age groups are equally eligible, the redundancy should be revoked for the employee with the longest employment among these joint age groups.

This procedure will apply up to the date of redundancy plus the reorientation period. Only those employees will be included in the application of the 'reverse proportionality' method in the reorientation period who continue to be employed at that time.

Quality in combination with proportionality procedure

On the basis of the Redundancy Act, Management has the option of exempting up to 10% of the number of employees in exchangeable positions that become redundant after applying the proportionality procedure, on the basis of quality. The application of this option is permitted insofar as it does not result in more employees in the age groups from 15 to 25 years and from 55 years to the state pension qualifying age becoming redundant as a consequence.

If this option is used, this must be stated in the request for advice.

The following criterion applies to individual employees whose performance is above average and who are exempted on the basis of quality:

 The annual evaluation score of the employee concerned was at least 'Good' / 'successful year' in the past three years and a score above 'good'/ 'exceptionally successful year' has been achieved in at least one of those three evaluations.

If an employee has not yet been evaluated three times, the following criterion will apply:

 The employee concerned has been evaluated as 'top match' in the Performance Potential Matrix (PPM). This relates to the Potential score for the current or preceding year. In addition, the employee must have been informed of this score.

The procedure for selecting on the basis of quality must be performed conscientiously and be explainable to employees.

The management will decide, with due regard for the applicable criterion, which employees are exempted from redundancy after application of the proportionality procedure on the basis of quality. This also applies if more employees meet the applicable criterion than can be exempted on the basis of the percentage.

An employee who meets the applicable criterion cannot derive any rights from that fact.

The number of employees that can be exempted from redundancy after full application of the proportionality procedure is rounded up. A decimal fraction of 0.1 and higher will be rounded up to the next whole number.

In order to determine which employee will then become redundant, consideration is first given to the age group of which the employee who is exempted from redundancy is part. The employee in this age group with the shortest period of service will then become redundant. If there are no more employees in this age group, the employee with the shortest period of service in another age group will

# SCENARIOS FOR POSITIONS IN REORGANISATIONS

become redundant, provided this is not an employee in the age groups 15 to 25 years or 55 years to the state pension qualifying age.

# 4. NOTIFICATION OF REDUNDANCY

# Determining redundancy

An employee will become redundant if redundancy for the position has been established at an individual level as a result of a reorganisation and no suitable position is available, in accordance with the procedure for vacancy management, that the employee can perform at the employer.

The date of the commencement of redundancy is the date on which the organisational change is effected. The redundant employee will be informed personally by the manager. This notification of redundancy will be confirmed in a letter.

# Suitable position

A suitable position is a position at the employer that is in line with the capabilities/competencies, education and work experience of the employee. In addition, a suitable position must meet the following conditions:

- The position may be at most one scale lower than the current position held by the employee;
- The home-work travelling time (one way) for the suitable position must not exceed one and a half hours, unless this travelling time cannot be reasonably expected from the employee owing to personal circumstances;
- The difference in the number of working hours between the current position and the suitable position must not exceed 15% of the current number of working hours;
- a combination of the factors above must not lead to a decrease in annual income of more than 20%.

Travelling time is calculated for this purpose on the basis of the most practicable and suitable mode of transport for the route to be travelled, unless use of that mode of transport is not possible for the employee. The calculation of the travelling time is based on the fastest travelling time, to be determined using the Dutch automobile association ANWB route planner. In the case of public transport, the shortest travelling time for arrival between 8.00 and 9.00 a.m. will be used. If a different time of arrival normally applies for an employee, due to the nature of the work or the position, the arrival time can be adapted to this in consultation with the manager.

In principle, an employee who is offered a suitable position before the date of redundancy cannot refuse that position. If an employee refuses that position and the manager considers this to be unfounded, a review will need to be carried out by the Sociaal Plan Appeals Committee (see section 10 Appeals Committee). If the Committee adjudges the position to be a suitable position for the employee, which the employee continues to refuse, the employer will terminate the employment and the employee will be unable to claim any entitlement to the financial schemes in the Sociaal Plan.

# Period of notice

Notification of redundancy can only take place after the employee representation consultation stage has been completed. This will in any case be so if:

- The advisory procedure as stated in Section 25 of the Works Councils Act has been completed;
- Any appeal procedure instituted by the Works Council with the Enterprise Division within one month after the decision as stated in Section 26 of the Works Councils Act has been completed;
- There is no right of advice as referred to in Section 25 of the Works Councils Act and the Works Council has been informed of the intention.

# **NOTIFICATION OF REDUNDANCY**

The period between the date of notification of redundancy and the formal date of redundancy must be at least two full calendar months, unless there was a phase of active mobility for the employee, in which case the period of notice must be at least one calendar month.

#### 5. FROM JOB TO JOB

# Reorientation period

# **Duration of reorientation period**

The employee is entitled to a period of 3 months for the purpose of reorientation from the date of redundancy. The employee is exempted from work during that period.

In accordance with vacancy management, the employee can respond with priority to internal vacancies or use the option of temporary work within Rabobank during the reorientation period.

### **Earlier termination**

Employees can opt to terminate their contract of employment with immediate effect from the date of redundancy. The employee will in that case be paid, in addition to the severance payment applicable to him, an amount equal to 75% of 3 gross monthly salaries (including the personal allowance or shift allowance applicable to the employee).

It is also possible to leave during the reorientation period. In that case, termination of the contract of employment is only possible with effect from the first day of a calendar month. The employee will then be paid an amount equal to 75% of his remaining monthly salary (salaries).

#### Guidance

# Personal plan

During a period of up to 6 months from the date of redundancy, all redundant employees can make use, at the employer's expense, of a broad and stimulating range of guidance activities offered by external agencies contracted by Rabobank. The basic principle in providing guidance is that as much customisation as possible is offered. In consultation with his (migration) manager, the employee will draw up a personal plan for this purpose, documenting the activities the employee will make use of (i.e. workshops, training courses, the financial snapshot, (networking) meetings, career tests, coaching etc.). The personal plan should be in line with the situation and career wishes of the employee and take account of what the employee has already done in connection with his employability or in the active mobility phase.

The personal guidance by the (migration) manager and/or external mobility adviser is also tailored on the basis of individual wishes and requirements.

With a view to creating job openings, the employer will actively establish contacts and where opportune initiate collaboration with potential employers. The group meetings to which these contacts lead, such as information and inspiration meetings, job fairs, meet & greets, are open to both actively mobile and redundant employees.

# Start of guidance

The personal plan is drawn up by the (migration) manager and the employee as soon as possible after the notification of redundancy, but no later than 2 weeks after commencement of the redundancy.

After approval has been received from the (migration) manager for the overall plan and the costs, the redundant employee can start with the guidance. If the redundant employee wishes to modify the personal plan in the interim, that is possible provided it is done in consultation with the (migration) manager and with approval of any additional costs this may involve.

### **Duration of guidance**

The personal plan is followed to completion in a period of at most 6 months, calculated from the date of redundancy. Insofar as participation in activities in the plan starts within this period of 6 months but continues beyond it, these can be completed by the employee in accordance with the personal plan. The same applies if and insofar as the external agency concerned cannot provide the agreed activity within the period of 6 months.

The guidance can continue beyond the reorientation period/termination of the contract of employment. Employees who do not or only partly make use of the reorientation period are also eligible to use guidance activities.

# **Compliance with agreements**

The redundant employee is expected to comply with the agreements in the personal plan. If the employee fails to participate in or attend planned activities, without timely notification and justified reasons, this can entail the consequence that the other activities in the personal plan will not go ahead and will be cancelled by the employer.

If the employee has found a job, he should inform the (migration) manager accordingly and the other guidance activities will be cancelled.

Priority for vacancies

The principle applied is that redundant employees are given maximum opportunities to find a new job within Rabobank. The approach adopted in the procedure for vacancies is that redundant employees have priority for vacancies.

Temporary work within Rabobank

The impact of all of the organisational changes is significant and entails a substantial loss of permanent jobs. At the same time, there is a great deal of work of a temporary nature. This can be a job for a definite period but can also be activities within a project.

Performing temporary work within Rabobank enables redundant employees to strengthen their employment market position by acquiring (other) work experience and increasing their chances of finding a new job in or outside Rabobank.

### **Conditions**

The provisions in this subsection apply to those situations in which the original number of working hours and the job level of the employee are comparable to the number of working hours and the job level that are required for the temporary work (which is not the own original position):

- Redundant employees may perform temporary work within Rabobank during the reorientation period.
- The employee cannot be obliged to perform temporary work and temporary work is not considered to be a suitable position, as referred to in subsection III 4.2.
- The maximum period during which temporary work can be performed is limited to a total of 12 months. It is possible to perform several temporary jobs within this maximum period, whether or not consecutively.
- The employment contract will remain unchanged during the temporary work. The agreements on the temporary work, including the date on which the deployment of the redundant employee on the temporary work ends, are documented in writing.
- The facilities for a job within Rabobank, as described in part III section 7 and the

#### TERMINATION OF THE EMPLOYMENT

facilities for relocation of work, as described in part III section 8, will not apply for employees performing temporary work.

- The evaluation during the period of temporary work will not lead to adjustment of the employee's salary.
- The (migration) manager and the employee will consult on whether the personal plan that has been drawn up for the guidance needs to be adapted in terms of content or dates on which activities are planned.
- After the end of the temporary work the employee will still be entitled to the remaining reorientation period.
- The temporary work can be terminated prematurely by the employee subject to a notice period of one full calendar month, if he finds another job within or outside Rabobank.
- If the employee is (partially) unable to work for more than 4 working weeks consecutively due to illness, the temporary work will end.
- Upon termination of employment after the remaining reorientation period, or as much earlier as the employee opts for it, the provisions in part III section 6
  Termination of the employment will apply in full.
  If a job for an indefinite period is found within the Rabobank organisation the 'facilities for a job within Rabobank' (section III subsection 7) will apply.

# Exchange Center

Agreements have been made with Randstad Nederland on establishing an Exchange Center. The Exchange Center offers redundant employees the possibility, subject to specific conditions, to join the employment of Randstad for a period of up to one year, and to be placed at third-party employers via Randstad. On the basis of a diligent intake process, including an employment market value scan, Randstad will determine whether an offer for a temporary contract of employment can be made to a redundant employee. The employee's choice to join the Exchange Center is on a voluntary basis.

The procedure, conditions and rules that apply for joining the Exchange Center are documented separately and are available via the HR Portal. The individual terms of the contract of employment, including the number of working hours and the amount of the salary, are agreed between Randstad and the employee.

Employees taking up employment with Randstad will be eligible in full for the severance payment, in accordance with the provisions of section 6 Termination of the employment.

An employee in the reorientation period who wishes and is able to become an employee of Randstad will continue to be employed by Rabobank for the full period of 3 months. Pursuant to that employment, the employee will be transferred to a first placement with a client of Randstad. Therefore the employee cannot opt for earlier termination of the employment or payment of an amount equal to 75% of the (remaining) gross monthly salaries.

#### 6. TERMINATION OF THE EMPLOYMENT

General provisions on termination of employment

The contract of employment will be terminated on the basis of mutual consent on the day following the expiry of the reorientation period, or as much earlier as the redundant employee may choose.

#### Settlement agreement

The employer will present the settlement agreement to the employee as soon as possible after notification of redundancy. In principle, the employer and the employee should sign the settlement agreement before the date of redundancy, except as provided in the section 'Sick employees' of this page.

If the employee does not sign the settlement agreement (or not sign it in time), the potential adverse consequences with regard to receiving timely unemployment benefits shall be borne by the employee. The standard agreed arrangements arising from this Sociaal Plan will be documented in the settlement agreement. These standard arrangements are not individually negotiable.

If the employee does not sign the settlement agreement (or not sign it in time), the employer will initiate termination proceedings. In that case the provisions of this Sociaal Plan will continue to apply in full.

#### Repayment scheme

The settlement agreement will include a repayment scheme. This scheme obliges the employee to repay (part of) the gross severance payment if the employee returns, within a period of at most 2 years after termination of the employment, to Rabobank or Obvion.

#### Notice period

Pursuant to section 672 (6) of the Dutch Civil Code, the statutory notice period with a maximum of three months applies for the employer in respect of employees to whom this Sociaal Plan applies. Employees to whom this Sociaal Plan applies are required to observe a notice period of 1 month.

#### Sick employees

During the first 104 weeks of illness, termination of the employment contract by mutual consent is not possible owing to the reintegration obligation and adverse consequences that could arise from it for the employer and employee pursuant to (social insurance) statutory provisions. The cao provisions and the customary procedures for illness will apply. If the employee is still incapacitated for work after 104 weeks and the reintegration has not led to a lasting return to work, the contract of employment will be terminated due to incapacity for work. The severance payments described in this Sociaal Plan will only be granted if the termination takes place owing to reorganisation and not if the reason is (partly also) the result of illness.

If an employee is sick before or on the date of redundancy and recovers during the first 104 weeks of illness, the contract of employment will be terminated by mutual consent due to redundancy. The reorientation period will then commence immediately on the date of recovery.

If the employee becomes sick after termination of the contract of employment was agreed by mutual consent, the employment will end as agreed in the

settlement agreement.

#### Non-competition and business relations clause

If a non-competition clause is included in the employee's employment contract, that clause will lapse if the employment contract is terminated due to redundancy. If the employee resigns during the phase of active mobility, or terminates the employment by making use of the replacement scheme, the non-competition clause will remain in force during a period of 12 months after the end of the employment.

If a business relations clause is included in the employee's employment contract, that clause will remain in force in full during a period of 12 months after the end of the employment contract.

#### Legal assistance

Employees can obtain legal advice on the termination of their employment. The bank will contribute an amount of up to EUR 750 excluding VAT towards the costs of legal aid. These costs will only be paid insofar as the costs are invoiced. No contribution will be granted if the employee can claim legal aid pursuant to legal expenses insurance.

## Severance payment

One of the following will apply for employees to whom this Sociaal Plan is applicable, depending on the date on which the employment is terminated owing to redundancy:

- The Rabobank Severance Payment (1 January 2017 to 31 December 2017);
- The Phasing-down scheme (1 January 2018 to 31 December 2019);
- The Rabobank Transition Payment (1 January 2020 to 31 December 2020). In addition, a guarantee scheme applies.

The calculation of the payment applicable for the employee is carried out by the employer with the aid of the applicable 'Calculation models for Rabobank Severance Payment SP 2017-2020, which are available via RaboWeb.

#### Rabobank Severance Payment

The Rabobank Severance Payment applies to redundant employees who become redundant on or after 1 January 2017 and whose employment is terminated on 31 December 2017 at the latest owing to redundancy.

The Rabobank Severance Payment is calculated on the basis of the following formula: A \* B \* C.

#### A: Years of service

The years of service are weighted as follows:

- years of service up to the age of 35 years are multiplied by 0.5;
- years of service after the age of 35 years has been reached are multiplied by 1;
- years of service after the age of 45 years has been reached are multiplied by 1.5;
- years of service after the age of 55 years has been reached are multiplied by 2.

#### B: Income

The basis for income has been defined as including only the last-earned gross monthly salary (including the personal allowance and/or shift allowance applicable for the employee), the holiday allowance and annual allowance.

#### C: Multiplication factor

The multiplication factor is 1.0.

#### **Capping**

The allowance is capped and will therefore never exceed the income that the employee would have earned if he had continued to work until the state pension age applicable to him (based on the last-earned gross monthly salary).

#### Rabobank Transition payment

The Rabobank Transition Payment applies for employees whose employment is terminated in the period from 1 January 2020 to 31 December 2020 due to redundancy. The Rabobank Transition Payment also applies to employees whose employment commences on or after 1 January 2017 and who become redundant during the term of this Sociaal Plan.

The Rabobank Transition Payment is calculated on the basis of the following formula:

X \* Y \* Z.

#### X: Length of service:

- for the first 10 years of service, 1/6 month per (full) half year of service;
- for the years of service after 10 years, 1/4 month per (full) half year of service;
- if the employee is 50 years or older on termination of the employment and the contract of employment has lasted at least 10 years, ½ month per (full) half year of service for the years of service after reaching the age of 50 years.

#### Y: Income

The basis for income has been defined as including only the last-earned gross monthly salary (including the personal allowance and/or shift allowance applicable for the employee), the holiday allowance and annual allowance.

#### Z: Multiplication factor

The multiplication factor is 1.6.

#### Maximisation and capping

The amount of the gross payment is maximised at EUR 121,600 (1.6 x EUR 76,000) or 1.6 x annual income, if the annual income is higher than EUR 76,000. In addition, the payment is capped and will therefore never exceed the income that the employee would have earned if he had continued to work until the state pension age applicable to him (based on the last-earned gross monthly salary).

#### Phase-down scheme

The Phase-down scheme applies to employees whose employment is terminated due to redundancy as from 1 January 2018 up to and including 31 December 2019.

The Phase-down scheme is designed to phase down the difference in the amount of the Rabobank Severance Payment (with factor C=1.0) and the Rabobank Transition Payment (with factor Z=1.6) in equal portions over a period of 24 months.

The amount of the payment for redundant employees to whom the phase-down scheme applies is calculated on the basis of the following formula:

24, consists of the number of months from the date of the termination of the employment until 1 January 2020.

Described as consecutive steps, the amount is calculated as follows:

Step 1. Calculating



The Rabobank Severance Payment is calculated on the basis of the age and number of years of service applying of the employee on 1 January 2018.

#### Step 2. Calculating



The Rabobank Transition Payment is calculated on the basis of the age and number of years of service (taking account of the maximisation) applying to the employee on 1 January 2020.

Both calculations (step 1 and 2) use the last-earned gross monthly salary before the termination of the employment as a basis. Both calculations are subject to a cap at the state pension qualifying age applicable to the employee.



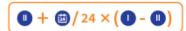
The difference between the calculation in step 1 and step 2 is determined.

### Step 4. Calculating / 24



The number of full calendar months remaining from the date of termination of the employment to 1 January 2020 is calculated. If the date of the termination of employment is before the 16th of a month that calendar month is included in full. This number of months is then divided by 24 months (i.e. the full phase-down period).

#### Step 5.



The payment that the redundant employee will receive as of the date of the termination of the employment consists of the amount of step 2 increased by the phase-down period calculated in step 4 multiplied by the amount in step 3.

If the result of step 2 is higher than the result of step 1, a 'build-up' instead of a 'phase down' will apply. The same method of calculation applies for this.

#### Guarantee scheme

From 1 January 2018 to 31 December 2020, the amount that an employee receives on termination of the employment due to redundancy is never lower than 75% of the Rabobank Severance Payment (on the basis of the number of years of service and age on 1 January 2018). The guarantee scheme is also capped. The guarantee amount will never exceed the income that the employee would have earned if he had continued to work until the state pension age applicable to him (based on the last-earned gross monthly salary).

Replacement scheme

An employee who works at the department or unit where the reorganisation is taking place and who has not been designated as redundant can state, on a

voluntary basis, that he wishes to terminate the employment contract in favour of a redundant colleague. The following criteria apply for this purpose:

- The employee concerned (volunteering to be replaced) makes way for a redundant employee from the same organisation unit where the reorganisation is being implemented and from the same age group, as applicable for the purposes of proportionality. The redundant employee (from the same age group) will be placed in the vacated position;
- By way of exception, the management may agree to a volunteer from another age group. Making way by a volunteer from another age group than the age group of the redundant employee is however only possible if the severance payment for the volunteer is not seen by the tax authorities as an arrangement for early retirement (regeling voor vervroegde uittreding - RVU) to which a punitive levy applies. This must be assessed in advance using the tool available on HR Portal for that purpose;
- In the manager's judgement, the departure of the volunteer must not have a serious adverse effect on operations.

The employee states his wish to make use of the option for voluntary severance; the manager will decide whether this request will be granted. If the request to make use of the replacement scheme is granted, the employment contract is terminated by mutual consent as of the date on which the other employee would otherwise have become redundant.

The applicable period of notice will not be observed.

The reorientation period and the possibility of using guidance activities do not apply to the employee volunteering to be replaced.

The amount that the employee will receive as payment upon termination of the employment is determined by first calculating the amount of the payment to which the employee would have been entitled if his employment were to be terminated due to redundancy. Insofar as applicable, the guarantee scheme is taken into account for that purpose. The employee volunteering to be replaced will receive 75% of the amount thus calculated.

Other provisions for severance payment

#### Timing of payment

The Severance Payment will be paid to the redundant employee at the same time as the regular salary payment in the month following the month of which the last day on which the employee was still employed was part.

#### Final settlement

Within one month after the termination of the employment contract the employee will receive the statutory final settlement, as part of which the hours of leave built up until the date of termination of the employment but not taken will – if applicable – be paid out to the employee.

#### Tax consequences

All payments referred to in the Sociaal Plan are gross payments. The employer will withhold the relevant amounts in line with the applicable statutory requirements. No compensation is provided for tax consequences arising from the settlement agreement.

#### Transition payment

The Sociaal Plan is an equivalent provision as referred to in law (Section 7:673b of the Dutch Civil Code). Therefore, redundant employees to whom the Sociaal Plan applies and whose employment is terminated otherwise than by mutual consent are not entitled to the statutory transition payment.

#### Cancellation of rights

If the employment contract is terminated in accordance with this Sociaal Plan and a severance payment is paid to the employee all other possible entitlements that the employee might have under the Sociaal Plan and/or the CAO or non-CAO schemes will lapse.

#### 7. FACILITIES FOR JOB WITHIN RABOBANK

General

The following facilities apply for employees to whom, following an organisation change, the scenario *elimination* of the position applies and who are assigned to a suitable position, or find another position within Rabobank:

- Compensation for lower position within Rabobank If an employee is assigned to a suitable position within Rabobank (at most one position group lower) or moves to a position at Rabobank or Obvion that is at most two position groups lower than the current position group, the following will apply:

- The employee will retain his current monthly salary if this is lower than the scale maximum of the lower scale, or
- If the existing monthly salary exceeds the maximum of the salary scale for the new job, the new monthly salary will be set at the maximum of the lower salary scale. Then the difference between the two will be determined. Any allowances applying to the employee, such as a personal allowance and/or shift allowance, will be disregarded for this purpose. If there is a downgrade by two salary scales the difference to be determined must never exceed the difference between the scale maximum of the current salary scale and the maximum of the next lower salary scale.
- The difference determined is awarded as a PT1 new (see II 2.7 Allowances).

Adjustment of number of working hours at employer's request If the employee starts to work fewer hours at the employer's request, or finds a job within Rabobank for which the number of working hours has been set at a lower number than that in the position for which the employee became redundant, the annual income will immediately be set at that time on the basis of the lower number of working hours. The employee will receive compensation on the basis of the difference between the annual incomes applying before and after the reduction in the number of working hours. Specifically, 100% of the difference will be compensated for the first quarter and 25% less in each of the subsequent quarters. The compensation will be paid as a non-recurrent gross lump-sum payment.

#### 8. FACILITIES FOR RELOCATION OF WORK

General

The following facilities apply for employees whose work is relocated geographically during the term of this Sociaal Plan and who are forced to work at a different work location:

Supplementary home-work commuting allowance

- A) Employees who travel by public transport, but for whom the nearest stop for boarding public transport is demonstrably impracticable or impossible to reach from their home address due to the change in work location, will for a period of up to 24 months receive a payment of € 0.18 gross per kilometre for the distance between their home address and the most practicable place for boarding public transport.
- B) Employees who travel by car and for whom the commuting distance will exceed 40 km one-way as a result of the change in work location will be eligible for a supplementary home-work commuting allowance for a period of up to 24 months. The maximum one-way travelling distance qualifying for an allowance is 80 km. See table 1.

Employees whose commuting distance already exceeded 40 km oneway before the change in work location will for a period of up to 24 months receive a supplementary allowance calculated on the basis of the difference between the number of kilometres one-way before the change in work location and the number of kilometres one-way after the change in work location. The one-way commuting distance after the change in work location is maximised at 80 km for this purpose. See table 2.

The commuting distance is calculated on the basis of the number of kilometres one-way, using the fastest route according to the Dutch automobile association ANWB route planner.

If the one-way commuting distance after changing the work location is no more than 40 km, the travel expenses table included in the CAO (II 2.9 Commuting allowance) will apply.

Table 1:

distance commuted in km (single journey)	monthly allowance in euros	distance commuted in km (single journey)	monthly allowance in euros	distance commuted in km (single journey)	monthly allowance in euros
41	188	54	248	67	308
42	193	55	253	68	312
43	198	56	257	69	317
44	202	57	262	70	322
45	207	58	266	71	326
46	211	59	271	72	331
47	216	60	276	73	335
48	220	61	280	74	340
49	225	62	285	75	345
50	230	63	289	76	349
51	234	64	294	77	354
52	239	65	299	<b>78</b>	358
53	243	66	303	79	363
				80	367

Table 2

extra distance commuted in km	monthly allowance in euros	extra distance commute d in km	monthly allowance in euros	extra distance commuted in km	monthly allowance in euros
+ 1	188	+ 14	248	+ 27	308
+ 2	193	+ 15	253	+ 28	312
+ 3	198	+ 16	257	+ 29	317
+ 4	202	+ 17	262	+ 30	322
+ 5	207	+ 18	266	+ 31	326
+ 6	211	+ 19	271	+ 32	331
+ 7	216	+ 20	276	+ 33	335
+ 8	220	+ 21	280	+ 34	340
+ 9	225	+ 22	285	+ 35	345
+10	230	+ 23	289	+ 36	349
+11	234	+ 24	294	+ 37	354
+12	239	+ 25	299	+ 38	358
+13	243	+ 26	303	+ 39	363

C) Necessary tunnel/toll charges to be incurred by the employee due to the change in work location for home-work commuting will be reimbursed by the employer. This additional allowance will be applicable for up to 24 months.

Compensation of travelling time in working hours

In the case of a forced change in the work location, a compensation of travelling time in working hours will apply for up to 24 months for employees who cannot work independent of time and place (for instance in connection with fixed working hours in combination with work that can only be performed at the office). For those employees, the extra travelling time of more than one half hour compared with the original travelling time (based on a one-way journey), will be compensated in working hours. Travelling time is defined for this purpose as the fastest travelling time, to be determined using the Dutch automobile association ANWB route planner, required by an employee to travel the distance between his home address and his work location in the shortest possible time by the employee's usual mode of transport (see also III 3.1 'Scenarios – relocated functions' and 4.2 'Suitable function').

Relocation expenses scheme

If the employee is requested to relocate owing to the relocation of the work by the employer, he will be eligible for a payment under the relocation expenses scheme (Scheme A: relocation as instructed or requested by the employer) as it applies within Rabobank. The relocation must however take place within 12 months after the change in the work location.

#### 9. HARDSHIP CLAUSE

General

If in the employee's judgement his interests are harmed disproportionately by the implementation of this Sociaal Plan, he can request application of the hardship clause to ask for a departure from the Sociaal Plan in his favour. A request for applying the hardship clause must be submitted to the Sociaal Plan Central Appeals Committee, which will assess the request and issue a binding advice to the employer and the employee.

#### 10. APPEALS COMMITTEE

## Central Appeals Committee

A Sociaal Plan Central Appeals Committee has been set up. The Appeals Committee will operate for the duration of this Sociaal Plan. The committee comprises an independent outside chairman (and deputy chairman), a member (and deputy member) representing the employer and a member (and deputy member) representing the trade associations. The procedure for submitting a complaint and the committee's terms of reference are laid down in a separate regulation.

The committee will issue a decision that is binding for the parties. No appeal to the Industrial Relations Disputes Committee will be possible.

## Grounds for appeal

The employee and/or employer can call on the Sociaal Plan Central Appeals Committee if:

- the provisions in this Sociaal Plan were incorrectly applied to the employee;
- the scenario applicable to the position, as described in section 3, was determined incorrectly or on incorrect grounds;
- the designation as redundant took place in an incorrect manner;
- in the employee's view a position should have been offered as a suitable position as referred to in this Sociaal Plan;
- a suitable position as referred to in this Sociaal Plan is unjustly refused by the employee in the employer's judgement;
- the employee believes that the facilities provided in the Sociaal Plan are unjustly not awarded;
- the employee whose work is relocated wishes to request application of the hardship clause because his personal circumstances mean that travelling time of one and a half hours one-way is not possible;
- the employee wishes in general to request application of the hardship clause.

The employee cannot call on the Sociaal Plan Central Appeals Committee if his complaint relates to the contents of the Sociaal Plan.

## Submitting a complaint

Submitting a complaint or a request for application of the hardship clause will not defer the implementation of the decision being objected to. The submission of the complaint, the request for application of the hardship clause and its consideration are subject to the provisions in the Regulations of the Sociaal Plan Appeals Committee, which are available on RaboWeb.

#### 11. OTHER PROVISIONS

Duration and scope

The term of the Sociaal Plan is concurrent with the term of the Rabobank CAO, from 1 January 2017 up to and including 31 December 2020. The provisions and facilities in this Sociaal Plan relating to redundancy apply to employees who become redundant on or after 1 January 2017 and whose contract of employment is terminated by 31 December 2020 at the latest due to redundancy.

This Sociaal Plan determines, for all local Rabobanks and units of Rabobank Nederland as well as Obvion, the personnel consequences arising from a change of the organisation.

This Sociaal Plan is applicable to employees with an employment contract for an indefinite period.

Employees with a temporary contract of employment are only entitled, for the remaining duration of their temporary contract of employment, to the facilities referred to in section 7 'Facilities for job within Rabobank' and section 8 'Facilities for relocation of work'.

The provisions and facilities in this Sociaal Plan represent the standard CAO and are not individually negotiable.

Interim adjustments

Should new statutory or regulatory provisions become effective during the term of this Sociaal Plan or should serious circumstances arise that affect the provisions of this Sociaal Plan and pursuant to which the parties can no longer be held to the provisions of this Sociaal Plan, the parties will enter into consultation with each other on changes of the provisions during the term of this Sociaal Plan. The parties agree that the Sociaal Plan can be subjected to interim changes with the consent of all parties to the CAO.

Collective Redundancy (Notification) Act The parties to the CAO have taken note of the changes to the Collective Redundancy (Notification) Act (WMCO) as of 1 March 2012. In light thereof they declare that this Sociaal Plan continues to apply in full for all reorganisations at Rabobank and Obvion N.V. until the end of its term. The parties accordingly agree that until the end of this Sociaal Plan all dismissals arising from it have been notified in the way prescribed in the WMCO, and Section 5a subsection 1 WMCO has also been complied with. The trade associations consider themselves to have been sufficiently consulted by the employer on those dismissals, as this consultation has resulted in the current Sociaal Plan in which a series of measures have been agreed to avoid redundancies wherever possible, and redundant employees receive guidance and are supported by various financial facilities.

Notification of request for advice

Further to subsection III 11.6 'Collective Redundancy (Notification) Act' each bank/unit is required to send the request for advice that is submitted to the Works Council as a result of a reorganisation to the trade associations at the same time for information purposes. The requests for advice can be sent by e-mail to the functional mailbox: fm.nl.rn.hr rabobank arbeidsvoorwaarden sociaal plan.

Monitoring In view of the importance for employees to move from work at Rabobank to other

work at external employers, the parties to the CAO will jointly continue to monitor and evaluate this and continue to develop initiatives. The parties to the CAO will enter into consultation on how these agreements will be implemented.

Interpretation The parties will enter into consultation with each other if differences in

interpretation arise while implementing the Sociaal Plan.

## PART IV INDUSTRIAL RELATIONS

#### **GENERAL**

Coordination between Rabobank and trade associations This cao is an agreement between Rabobank and the employee organisations De Unie, FNV Finance and CNV Vakmensen.

The parties to the cao regularly consult about the cao and about the main features of the social policy, including about:

- the employment situation;
- major changes in the organisation;
- measures designed to improve the position of target groups who are disadvantaged in the labour market.

## Nature of the CAO

Arrangements set out in the cao are binding on the employer and employees and must accordingly be complied with.

Departures are only permitted under one of the following conditions:

- If a cao arrangement permits departures to be made.
- If the departure benefits an individual employee, in which case the individual departure must be set down in writing.
- If the parties to the cao have granted an exemption (dispensation) to a particular employer. The employer may ask the cao-parties to be exempted from a certain part or parts of the cao. If the content of cao arrangements or appendices for which exemption has been granted is amended then the cao-parties will review the exemption.

The employer will send the Works Council a copy of the exemption request and the decision.

## Interpretation of the CAO

In the event of any doubts about the correct interpretation of the cao, the parties to the cao may be asked to provide clarification.

#### Disputes

Disputes relating to the application of the cao between employer(s) and employee organisation(s) should preferably be resolved by arbitration. In the event of a dispute, a disputes council will be appointed on an ad hoc basis to evaluate the issue.

## Consultation clause

The parties to the cao will consult with each other should legislation relevant to provisions in the cao be amended.

#### INTRINSIC ARRANGEMENTS

Basic principles of working conditions policy The *Uitgangspunten Arbobeleid Rabobank* (Basic Principles of Rabobank Working Conditions Policy) sets out the framework for healthy, safe working conditions and for reducing work-related risk. These basic principles constitute part of the cao. (HR portal)

# Encouraging labour participation

The employer agrees that labour force participation is an important issue and will work towards helping people who are at a disadvantage in the labour market. This includes those with complete or partial incapacity for work, the long-term unemployed and people from ethnic minority groups.

Tangible efforts in this direction include the following:

recruitment

Offering opportunities to potential new employees from these target groups who will satisfy the job requirements for a vacancy within a reasonable period of time. They will be offered suitable guidance. Where necessary, they will also be offered additional assistance, which may include government measures.

Rabobank arranges training projects and work experience projects both within projects

and outside the group.

Social policy Every year, information on the social policy (for instance, from the Sustainability

Report) will be discussed in a periodical consultation.

Trade association representation

Trade associations want to have, maintain and strengthen a solid position within Rabobank to be able to adequately represent employees' interests.

Rabobank likewise sets store by adequate trade association representation and in that connection supports the 'Rabo-bonden' ('Rabo-trade associations') initiative. The parties to the cao have agreed that an annual evaluation of this initiative will take place. Whether the initiative will be continued and continue to be supported by Rabobank will be decided on the basis of the outcomes of that evaluation.

3<sup>rd</sup> vear under Unemployment Insurance Act (WW)

The parties to the cao agree that the duration and the build-up of the benefits under the Unemployment Insurance Act (WW) and the wage-related Work Resumption of the Partially Occupationally Disabled (WGA) scheme will be repaired as agreed in the Sociaal Akkoord ('Social Agreement') of April 2013. The premium for this, including the implementation costs, will be payable by the employee. When the Joint Industrial Labour Council has completed the preparatory work to support the parties to the cao, consultation will be scheduled to reach specific agreements on this. The current provisions relating to the WIA will also be included in those agreements.

#### EMPLOYEE REPRESENTATION

The importance of employee representation

The employer feels that it is important that there is a system of employee representation that works properly. Employee representation improves policy and management and helps make employees more positively motivated and committed.

Works Councils

The local Rabobanks, Rabobank Nederland and Obvion have their own Works Councils.

The Rabobank Works Council has been set up for the collective unit that is the local Rabobanks and Rabobank Nederland and will be involved in issues in which they have a joint interest.

Works Council discussion topics: - compliance

with CAO

As set down in the Works Councils Act (WOR), the Works Council plays a leading role when it comes to the requesting of advice or consent.

In addition, the Works Council plays an active role in monitoring compliance with the cao. Trade associations will be given the opportunity to inform Works Councils about this.

- important developments and details

The Works Councils will be involved in all important organisational developments. They will also be involved in the further development of a number of schemes whereby the cao will act as the starting point (such as agreeing minimum working hours for a group of employees).

- personnel plan

Each year, the employer will draw up a personnel plan that will be discussed with the employee representation in the consultation meeting. The personnel plan will set out the expected direction in which the organisation will develop and (in accordance with Article 31b para. 2 Works Councils Act) the expectations in terms of staffing levels and social policy to be pursued.

- latest developments Twice a year, the employee representation and the director will discuss the latest developments in the company with each other in the light of the annual or half-year report and the social report.

- other topics

The employee representation will receive a copy of requests for exemption from the cao and information about overtime (amount and frequency), the deployment of external staff and the nature of such work.

#### TRADE UNION WORK

General

Under certain conditions, the employer will make facilities available to those employee organisations involved in the cao and to their officials and members.

Contacts

Official contacts between Rabobank and employee organisations will run between directors and union officials. The employee organisations will provide in a timely way the names of the officials who qualify for such facilities.

Organisational forms Trade associations that set up official organisations within Rabobank in order to perform particular activities will inform the employer in a timely way about their purpose, nature and composition.

The emplo

The employer may grant trade associations the following facilities:

Facilities:
- publications

- Use of some or all of certain notice boards, for:notifications of a business and informative nature
- listing the names of representatives and officials
- notices of meetings of employee organisations to which other interested parties may also be invited
- publication of brief minutes from these meetings, and
- nominations of candidates to join the Works Council.

- meeting rooms

The trade associations will be provided with rooms in which to meet and maintain contacts with trade union members and other employees. In principle, meeting rooms will be made available following on from or outside normal working hours. Reservation requests for such meeting rooms must be submitted to the employer in a timely way.

- post

Trade associations may use the internal postal service to distribute documents addressed to officials.

- special leave

Officials and other members of the trade associations will be granted special paid leave to participate in trade union activities, as set out in the following table. This leave will be awarded upon presentation of the invitation to attend the meeting or course in question, provided that this attendance fits in work and is requested in time.

	Meetings of trade associations	Courses and study meetings of direct importance to the company
Trade union officials	2 times the average working hours per week	The average working hours per week

**INDUSTRIAL RELATIONS** 

Members	0.5 times the average	The average working hours
	working hours per week	per week

The employer will ensure that trade union officials suffer no disadvantage to their position as employees. The reciprocal compliance with the rights and obligations laid down in the employment contract remains in force. If this arrangement is violated or if there is a dispute between employer and official, then arbitration may be performed by a disputes council to be appointed on an ad hoc basis.

## PART V APPENDICES:

# - SHIFTWORK ARRANGEMENTS - TERMS AND DEFINITIONS

## SHIFTWORK ARRANGEMENTS GENERAL

**Shiftwork** 

Shiftwork means work in shifts according to a pre-set work roster whereby on at least five consecutive working days work is regularly carried out outside normal working hours.

Shiftwork is semi-continuous (5x24 hours), round-the-clock (7x24 hours) or consists of at least two shifts per 24-hour period.

Overtime

In principle, no shift work employee will be assigned overtime. However, should this be necessary due to exceptional circumstances then compensation for the same will preferably take the form of time off. Overtime remuneration will be calculated in accordance with the relevant rules. In this case, the average shift allowance will be included in the calculation of the hourly pay, on which basis the overtime will be remunerated.

Exception

This shift work arrangement does not apply to employees in the cleaning services.

#### WORK ROSTERS

Positionrelated Those employees who perform shift work will have those of their working hours that lie outside the usual working hours regulated by means of work rosters. Shiftwork is to be allocated specifically to certain employment positions.

Work roster period

In principle, rosters will be set for a period of at least 3 months or as much longer as the roster cycle requires.

Successive days off

The aim when drawing up shift work rosters will be to ensure that the employee has at least two successive days off per week. Should these days off follow a nightshift then the sleeping time following the night shift will not be counted as a day off.

Information on the work roster

The relevant employees will be consulted as early as possible about new rosters or about roster changes. The employees will receive a written copy of their work roster, along with details of the agreed compensation in cash and time off plus details of mealtime arrangements.

#### SIZE OF SHIFT ALLOWANCE

The shift allowance will be calculated according to the allowance percentages in the following hourly index. The percentage allowance will be calculated on the hourly rate and added to it. The time off incorporated into the rosters will be calculated using the relevant factor from the hourly index.

Hourly index	Monday to Friday	00.00 - 07.00 hours $07.00 - 21.00$ hours $21.00 - 00.00$ hours	50% 0% 50%
	Saturday	00.00 – 08.00 hours 08.00 – 17.00 hours	50% 25%

	17.00 - 24.00 hours	100%
Sunday	00.00 – 24.00 hours	100%
Public holidays New Year's Eve	00.00 – 24.00 hours 20.00 – 24.00 hours	200% 200%

## Transitional arrangement

Those employees who were already working in shift work when Article 4 of the CAO 1995-1998 was implemented will continue to be subject to the hourly index that applied at that time, with the exception of the allowance for public holidays: for these employees, the public holidays allowance applies as of 1 April 2011 in line with the new hourly index.

#### Rest break

A half-hour rest break will be counted as working hours if it occurs between:

- 8.00 p.m. and midnight; or
- midnight and 7.00 a.m. (on Saturdays: between midnight and 8.00 a.m.).

## Follow-on hours

However, if the employee works between 7.00 a.m. and 9.00 a.m. immediately after working from midnight to 7.00 a.m. (on Saturdays: between midnight and 8.00 a.m.) then these hours will attract an allowance of 50% on the hourly rate.

#### Earlier finish

If a scheduled shift finishes earlier at the employer's request then this shift will be paid in full.

#### Meal allowance

If the employee has no time for an evening meal at home due to his shift work then:

- either the employer will provide a meal, or
- the employee will declare the cost of a meal.

The guideline figure for the cost of the meal is  $\in$  13.50.

## Compensation in time off and cash

If the shift work involves continuous working then where possible half the compensation will be paid in time off and half in cash (shift allowance). The precise relationship between the time off and cash compensations may differ depending on practical, social and organisational considerations. Compensation in the form of time off will not affect the employee's contractually set average working hours.

Those employees who work part-time or not in continuous service but do fall under the shift work arrangements can agree to receive all allowances in cash.

#### CONTINUED APPLICATION OF SHIFT ALLOWANCE

## Size of shift allowance

The shift allowance is calculated on the basis of a complete work roster cycle as an average percentage of the monthly salary.

Paid leave

In the event of paid leave, the salary including the shift allowance will

continue to be paid.

Holiday allowance and annual allowance The shift allowance is included as part of the monthly salary for the calculation of the holiday allowance and the payout of the annual allowance.

Payout in the event of illness and incapacity for work

The shift allowance is included as part of the monthly salary when calculating payouts in the event of illness and incapacity for work. For more details, see Part II section 5 Illness.

Pension

The shift allowance is included in the computation base used to calculate the pension benefit. Each year that the employee works in a shift work system he will build up additional entitlement to an old age pension in line with the pension scheme that he is part of.

#### INUREMENT PAYOUT

Definition

Employees in shift work where the shift allowance constitutes more than 5% of the salary are entitled to an inurement allowance if the shift allowance comes to an end due to:

- changes in the shift work for business and organisation reasons;
- employee being refused permission to work shift work for medical reasons;
- social reasons recognised by the employer that make it impossible for the employee to work shift work.

Duration and size of the inurement payout

Employees will also qualify for the inurement payout if the shift allowance does not come to a complete end but declines by more than 5% of the salary for one of the above reasons. Naturally, this will not apply if the salary reduction is the result of greater compensation in the form of time off instead of in cash.

The duration of the inurement payout depends on the number of years that the employee has received a shift allowance.

The size of the inurement payout will be expressed as a percentage of the shift allowance or the reduction in the allowance. In this case, the shift allowance will be the average allowance received in the twelve months preceding the ending of or reduction in the allowance.

The inurement payout will be phased out in 4 steps across 4 periods, namely 80%, 60%, 40%, and 20%. After the 4th period, the inurement payout will stop.

Table of inurement payouts

the shift allowance has already been in effect for:		then the inurement payout for 4 successive periods (in months) will be:				
From	to	80%	60%	40%	20%	of the
						shift
						allowance
1/2 year	3/4	1	1	1	1	month
-	year					
3/4 year	1 year	2	2	2	2	months
1 year	2 years	3	3	3	3	months
2 years	3 years	4	4	4	4	months

3 years	4 years	5	5	5	5	months
4 years	5 years	6	6	6	6	months
5 years	6 years	7	7	7	7	months
6 years	7 years	8	8	8	8	months
7 years	8 years	9	9	9	9	months
8 years	9 years	10	10	10	10	months
9 years	10	11	11	11	11	months
	years					
10 years	15	12	12	12	12	months
	years					
15 years	20	15	15	15	15	months
	years					
20 years or		18	18	18	18	months
longer						

Specific provisions: 60-year olds An employee aged 60 years or older who has been receiving a shift allowance for ten years or more will receive an inurement payout equal to this allowance that will remain in force unchanged until retirement date.

Should an employee receive a shift allowance for at least 10 years and reach the age of 60 years during the lifetime of an inurement payout then the inurement payout applicable as at the date of his 60th birthday will remain in force unchanged until his retirement date.

55-year olds

If an employee aged 55 years or older has been receiving a shift allowance for at least 15 years then the inurement payout will amount to at least 75% of the payment set for 60-year-olds.

45-year olds

An employee aged 45 years or older who either loses his shift allowance or has it reduced for reasons other than those listed above in this subsection will be entitled to an inurement payout if this shift allowance is more than 10% of his salary or if the shift allowance falls by more than 10% of his salary. This only applies if this reduction is not due to compensation in cash being replaced by compensation in time off.

In this case, the inurement payout will equal the following percentages taken from the *Table of inurement payouts*:

45 through 49 years old:	12.5%
50 through 54 years old:	25.0%
55 through 59 years old:	37.5%
60 years and older:	50.0%

Cao- increases

The inurement payout will be adjusted by the general cao-increases.

Reduction in salary increases

The employer is authorised to set off any salary increases against the inurement payout. Salary increases resulting from cao-increases are exempt from this.

Termination of employment contract

The inurement payout will lapse if the employment contract is terminated.

#### **TERMS AND DEFINITIONS**

#### **Starting scale**

A lower salary scale than that appropriate to the employment position. This will be applicable if an employee does not yet take on all the tasks for his employment position. Placement in a starting scale is possible for a period of up to 12 months.

#### Proportionality principle

The proportionality principle means that the seniority principle will be applied to the age groups prescribed by law (namely ages 15-24, 25-34, 35-44, and 45-54 and 55 years – state pension age ).

#### Qualifying age for state old age pensions

The qualifying age for state old age pensions is the date on which the general old age pension for the employee concerned under the General Old Age Pensions Act enters into payment.

#### Working hours

Basic working hours

An average of 36 hours per week for employees through position group 11. An average of 40 hours per week for the Senior Kader and for directors under the Articles of Association of local member banks.

Individual working hours

The average working hours per week agreed with the employee.

Annual working hours

This is 52 times the individual working hours. For a 36-hour week, this equals 1,872 hours (52 weeks x 36 hours).

#### **Employment contract**

An agreement under which the employee undertakes to perform work for the employer for a pre-determined wage or salary and for an agreed period of time.

#### **Employee Benefit Budget**

Monthly payout that employees can use at their discretion to buy employee benefits via the Benefit Shop. Het Employee Benefit Budget is a percentage – which depends on the employee's salary scale – and is calculated on the basis of the monthly salary (excluding personal allowance and shift allowance), increased by the holiday allowance and annual allowance.

The EBB does not count towards the calculation of other payouts, remuneration or allowances.

#### **Public holidays**

The nationally recognised public holidays on which employees are entitled to enjoy paid leave, these being New Year's Day, Easter Sunday and Easter Monday, the King's Birthday (27 April), Ascension Day, Whit Sunday and Whit Monday, and Christmas Day and Boxing Day.

#### Normal working hours

The times when Rabobank employees normally work. These normal working hours are Mondays to Fridays between 7.00 a.m. and 10.00 p.m. and on Saturdays between 8.00 a.m. and 5.00 p.m.

#### Income/Salary

Annual income

The gross annual salary including the holiday allowance and annual allowance.

Annual salary

Twelve times the gross monthly salary.

Monthly income

The gross annual income divided by 12.

Monthly salary

The salary scale figure that applies to the employee from the salary scale that the employee has been classified in.

#### Continued payment of wages during illness

The continued payment of the income during the statutory period of illness. During the first 52 weeks of illness, this will be 100% of the last monthly income earned prior to the first day of illness. After the first 52 weeks of illness until the end of the statutory period of illness, 70% of the last monthly income earned prior to the first day of illness (if the employee does not work at all). When determining the length of this period, under certain circumstances separate periods of illness may be added together - see the appropriate rules.

#### **Employee**

The person whom by virtue of a Dutch employment contract is employed by an employer within the meaning of the Rabobank CAO and whose work location is in the Netherlands.

#### Parties to the Rabobank CAO/cao-parties

The parties who have entered into the cao, namely Rabobank on behalf of the employers, and the employee organisations De Unie, FNV Finance and CNV Vakmensen.

#### Partner of the employee

The employee's spouse, registered partner or partner (not being a blood relation to the 1st or 2nd degree of consanguinity) with whom the employee lives together in a permanent shared household. The permanent shared household must be demonstrated by submission of a notarial cohabitation contract, together with a written declaration that the partner has been living with the employee for at least six months plus an extract from the population register.

#### Pension

The payout that a current or former employee receives each month from the pension fund after his retirement.

#### Pensionable annual income

The pensionable annual income consists of:

- the annual salary (including the personal allowance and/or shift allowance applying to the employee);
- the holiday allowance;
- the annual allowance;
- which in the aggregate are capped at a threshold for tax purposes of EUR 96,000 per year (on the basis of a full-time employment contract, 2016 level).

The threshold for tax purposes will be reduced on a pro-rata basis for a part-time employment contract.

#### Pensionable salary

The pensionable annual income minus the threshold sum.

#### Guideline pensionable age

The guideline pensionable age is the age as defined in subsection 6 of Section 18a of the Wages and Salaries Tax Act 1964.

#### **Personal Budget**

The Personal Budget is an age-independent allowance applying with effect from 1 January 2015 for employees with a pensionable annual income in excess of the maximum threshold for tax purposes (EUR 96,000, on the basis of a full-time employment contract, 2016 level). The Personal Budget is 24% of the pensionable annual income in excess of the threshold for tax purposes.

The Personal Budget is reduced on a pro-rata basis for a part-time employment contract.

The Personal Budget is paid out in monthly instalments net of the wage taxes due.

The Personal Budget is expressly no pension and does not count for the purposes of calculating other payouts, remuneration or allowances.

#### **Personal Allowance**

An allowance that arises by virtue of the rules for classification in a lower salary scale. This allowance is a (temporary) compensation and in principle will be gradually phased out. Unless expressly stated otherwise, the personal allowance will be added to the salary for all computational bases.

#### Shift allowance

An allowance for working in shift work teams. Unless expressly stated otherwise, the shift allowance will be added to the salary for all computational bases.

#### Rabobank

All local Rabobanks and (the units of) Rabobank Nederland.

#### Rabobank organisation

The employers included in the scope of the Rabobank CAO.

#### Relative salary position

The position of the employee's salary in a salary scale: the monthly salary divided by the scale maximum and multiplied by 100%.

#### Scale minimum

The lowest scale figure in the salary scale that the employee has been classified in.

#### Scale maximum

The highest scale figure in the salary scale that the employee has been classified in.

#### Value of an hour's work

Hourly rate

The annual salary divided by 52 times the individual working hours.

Value of a leave hour

The annual income divided by 52 times the individual working hours.

#### **Trade Associations**

The trade associations that consult on the CAO with the employer, namely De Unie, FNV Finance and CNV Vakmensen.

#### Fixed pay

The income according to the system of the 13 salary scales plus the holiday allowance and annual allowance.

#### **Employer**

The term of "employer" in this cao refers to two companies: Rabobank and Obvion N.V. Each of these two companies is a standalone employer.

#### **Statutory benefits (abbreviations)**

WW: Werkloosheidswet (Unemployment Insurance Act)

WIA: Wet Werk en Inkomen naar Arbeidsvermogen (Work and Income according to Capacity for Work Act)

WGA: Werkhervatting Gedeeltelijk Arbeidsgeschikten (Work Resumption of the Partially Occupationally Disabled Scheme)

IVA: *Inkomensverzekering voor volledig en duurzaam arbeidsongeschikten* (Income Insurance for the Fully and Permanently Occupationally Disabled)

WAO: Wet op de Arbeidsongeschiktheidsverzekering (Occupational Disability Insurance Act)

The following documents are an integral part of this CAO:

- Table with Hay points for each position group
- Industrial Relations Disputes Procedure
- WGA Complaints and Objections Procedure
- Regulations of Sociaal Plan Central Appeals Committee
- Rules of conduct for illness
- Basic Principles of Rabobank Working Conditions Policy

The documents can be consulted on the HR Portal.

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