

KPN Collective Agreement

2 January 2016 to 31 December 2017

KPN HR

7 June 2016

Contents

Introduction	8
PART A	10
CHAPTER 1 - GENERAL PROVISIONS	11
General	11
1.1	Definitions..... 11
1.2	Duration of, deviations from, and changes to this Collective Agreement 12
1.3	Disputes procedure..... 12
KPN's obligations	12
1.4	Availability of Collective Agreement..... 12
1.5	Information about rules and regulations..... 12
1.6	Right of complaint..... 12
1.7	Contribution towards union work 12
1.8	Facilities for union work..... 13
1.9	Reorganisation 13
1.10	Cooperation with and transfer of activities to a third party..... 13
1.11	Collective accident insurance 13
1.12	Corporate Social Responsibility (CSR) 13
Your obligations	14
1.13	Reasonable instructions..... 14
1.14	Living near your place of work..... 14
1.15	Staff uniform 14
1.16	Confidentiality..... 14
1.17	Health & safety 14
1.18	Non-company activities 14
1.19	Ownership of inventions and achievements 14
CHAPTER 2 - The employment contract	16
2.1	Probationary period..... 16
2.2	Fixed-term employment contract and temporary work..... 16
2.3	End of employment contract 16
2.4	Disciplinary measures 17
CHAPTER 3 - Working hours, vacations and leave	18
Working hours	18
3.1	Working hours, breaks and rest periods..... 18
3.2	Sundays and public holidays 18
3.3	Determination of working hours (general rule)..... 19
3.4	Working hours and workload 19
3.5	Role of the Works Council..... 19
Vacations and leave	20
3.6	Accrual of vacation entitlement 20
3.7	Taking vacations..... 20
3.8	Special leave..... 20
3.9	Parental leave 21
3.10	Life-course leave (Levensloopverlof) 21

3.11	Sabbatical leave	22
3.12	Purposes for individual assignment of vacation entitlement for employees who were employed by KPN Contact BV on 31 December 2014.	22
CHAPTER 4 - Remuneration		23
Salary		23
4.1	Where to find the agreed remuneration arrangements	23
4.2	Payment of your monthly income	23
4.3	Determination of salary	23
4.4	Vacation pay	24
4.5	Additional hours.....	24
Allowances		25
4.6	Labour market allowance	25
4.7	Allowance for working unusual hours ('Tot.').....	25
4.8	Pensionable salary	26
Supplements		27
4.9	Collective Agreement Budget supplement	27
4.10	Overtime supplement.....	27
4.11	Stand-by supplement until 1 January 2017	28
4.12	Stand-by supplement from 1 January 2017.....	30
4.13	Waiting-time supplement.....	31
4.14	Travel time supplement for mobile employees.....	31
4.15	Supplement for working on public holidays	31
Miscellaneous		32
4.16	Long-service bonus	32
CHAPTER 5 - Social insurance benefits		33
5.1	Payment during period of work incapacity.....	33
5.2	Occupational health supervision	34
5.3	Prevention and reintegration	34
5.4	Collective insurances for work incapacity	34
5.5	Voluntary early retirement (VUT).....	35
5.6	Pension.....	35
5.7	Transitional pre-pension provisions	36
5.8	Death benefit	36
5.9	Transitional provisions governing pension, VUT, FLO and pre-pension for employees who were employed by KPN Contact BV on 30 September 2005	36
CHAPTER 6 - Employer contributions		37
6.1	50% discount scheme	37
6.2	Contribution towards commuting expenses until 1 July 2016	37
6.3	Contribution towards commuting expenses from 1 July 2016.....	38
6.4	Contribution towards removal expenses.....	40
6.5	Contribution towards commuting expenses on relocation in the company's interests	41
6.6	Contribution towards telephone expenses	42
CHAPTER 7 - Sustainable employability: Expertise, Energy and Enterprise		43
7.1	Reason for this Chapter	43

7.2	The Three-Phase Model.....	43
7.3	KPN Academy.....	44
7.4	Courses.....	44
7.5	Employability Budget.....	44
7.6	Time spent on courses financed through the Employability Budget.....	45
7.7	Labour market scan.....	45
7.8	KPN Perspective mobility scheme.....	46
7.9	Financial advice.....	46
7.10	Internal Mobility Centre.....	46
7.11	Retirement Scheme.....	47
Other tools concerning Expertise, Energy and Enterprise		47
7.12	Accreditation of Prior Learning (APL).....	47
7.13	KPN Training & Development Fund.....	47
7.14	Health check.....	47
7.15	Orientation internships.....	47
7.16	Voluntary demotion.....	48
7.17	50% scheme.....	48
Work and private sphere		49
7.18	Working in accordance with the ‘The New Way of Living and Working’ model (‘Het Nieuwe Leven & Werken’).....	49
7.19	Informal care.....	49
Miscellaneous provisions		49
7.20	Position of people disadvantaged on the labour market.....	49
PART B		50
CHAPTER 8 - Employment conditions specific to employees placed in the General group		51
8.1	Categorisation.....	51
8.2	Working hours.....	51
8.3	Flextime.....	51
8.4	Vacations.....	51
8.5	Salary.....	51
8.6	Individual salary adjustment on 2 January 2016.....	52
8.7	Individual salary adjustment on 1 January 2017.....	53
8.8	KPN Plan.....	54
CHAPTER 9 - Employment conditions specific to employees placed in the Retail group		55
9.1	Categorisation.....	55
9.2	Working hours.....	55
9.3	Flextime.....	55
9.4	Vacations.....	55
9.5	Salary.....	55
9.6	Individual salary adjustment on 2 January 2016.....	56
9.7	Individual salary adjustment on 1 January 2017.....	56
9.8	Age-linked salary on 2 January 2016.....	57
9.9	Age-linked salary on 1 January 2017.....	57
9.10	KPN Sales Plan.....	58
9.11	Transitional arrangement for staff with job code PSI04A, PSI05A, PSI06A, PSI07A or PSI09A (shop salesperson).....	58

9.12	Transitional arrangement for staff with job code SSS07, SSS08 or SSS09 (shop manager).....	58
9.13	Transitional arrangement for staff with job code SSS11 (regional manager).....	59
CHAPTER 10 - Employment conditions specific to employees placed in the Sales group		60
10.1	Categorisation.....	60
10.2	Working hours	60
10.3	Flexitime	60
10.4	Vacations.....	60
10.5	Salary.....	60
10.6	Individual salary adjustment on 2 January 2016	61
10.7	Individual salary adjustment on 1 January 2017	61
10.8	KPN Sales Plan.....	62
CHAPTER 11 - Employment conditions specific to employees placed in the Customer Expert group		63
11.1	Categorisation.....	63
11.2	Working hours	63
11.3	Flexitime	63
11.4	Vacations.....	63
11.5	Salary.....	63
11.6	Individual salary adjustment on 2 January 2016	64
11.7	Individual salary adjustment on 1 January 2017	65
11.8	KPN Plan.....	66
CHAPTER 12 - Specific employment conditions for employees employed up to, on or after 1 April 2016 by ITS / KPN Consulting BV and who were/will be placed in the Consulting group		67
12.1	Categorisation.....	67
12.2	Working hours	67
12.3	Vacations.....	67
12.4	Mandatory free days.....	67
12.5	Salary.....	67
12.6	Individual salary adjustment on 2 January 2016	68
12.7	Individual salary adjustment on 1 January 2017	68
12.8	Variable remuneration.....	69
CHAPTER 13 - Specific employment conditions for employees who up to 1 April 2016 were employed by ITS and/or between 1 April 2016 and 1 July 2016 were employed by KPN, and were placed in the ITS group		72
13.1	Categorisation.....	72
13.2	Working hours	72
13.3	Vacations.....	72
13.4	Overtime	72
13.5	Salary.....	72
13.6	Individual salary adjustment on 2 January 2016	73
13.7	Salary higher than salary scale.....	73
13.8	Variable remuneration.....	74
APPENDICES		78
APPENDIX 1A	KPN Plan.....	79
APPENDIX 1B	KPN Sales Plan.....	81

APPENDIX 2	Collective Agreement Budget supplement.....	83
APPENDIX 3	Regulations on leave under the life-course savings scheme (Levensloopverlof)	84
APPENDIX 4	Flextime scheme	85
APPENDIX 5	Objections procedure via the Position Matrix Objections Committee.....	86
APPENDICES SPECIFICALLY APPLYING TO KPN EXCEPT FOR (I) EMPLOYEES WHO AFTER 1 APRIL 1996 (APPENDIX 7) OR AFTER 1 APRIL 2000 (APPENDIX 6) AS A RESULT OF A TRANSFER OF UNDERTAKING / MERGER AUTOMATICALLY BECAME EMPLOYEES OF KPN B.V., AND (II) EMPLOYEES WHO ON 31 DECEMBER 2014 FELL WITHIN THE KPN CORPORATE MARKET COLLECTIVE AGREEMENT		88
APPENDIX 6	Transitional provisions for loss of prospect of pre-pension for employees born on or after 1 January 1950	89
APPENDIX 7	Transitional provisions for loss of prospect of early retirement for employees born on or after 1 January 1950	91
APPENDICES SPECIFIC TO KPN CONTACT		93
APPENDIX 8	Transitional provisions.....	94
APPENDIX 9	Transitional provisions for loss of prospect of pre-pension for employees born on or after 1 January 1950	99
APPENDIX 10	Transitional provisions for loss of prospect of early retirement for employees born on or after 1 January 1950	101
APPENDIX 11	Agreement on transitional arrangements KPN-KPN Contact dated 27 April 2006	103
APPENDIX 12	Purposes for individual assignment of vacation entitlement.....	108
APPENDICES CONCERNING: CHANGES TO DIVISION OF CHAPTERS AS OF 1 NOVEMBER 2014		111
INTRODUCTION OF CUSTOMER EXPERT GROUP CHAPTER AS OF 1 NOVEMBER 2014		111
CHANGES TO DIVISION OF CHAPTERS AS OF 1 JULY 2016		111
APPENDIX 13	Transitional provisions for employees who as at 31 October 2014 have been placed in the IT group and as at 1 November 2014 in the General group ...	112
APPENDIX 14	Transitional provisions for employees who as at 31 October 2014 have been placed in the Strategic Recruitment group and as at 1 November 2014 in one of the General, Retail, Sales or Customer Expert groups	113
APPENDIX 15	Transitional provisions for employees who as at 31 October 2014 have been placed in Chapter 13 (staff directly employed by KPN Contact on 31 December 2014) and as of 1 November 2014 in the General group.....	114
APPENDIX 16	Criteria for Customer Expert salary grades.....	115
APPENDIX 17	Transitional provisions for employees who as at 30 June 2016 have been placed in the ITS group and as at 1 July 2016 in the General group.....	116

**APPENDICES RELATING TO EMPLOYEES OF ITS WHO ON 31 DECEMBER 2014 FELL WITHIN THE
KPN CORPORATE MARKET COLLECTIVE AGREEMENT 119**

APPENDIX 18	Transitional provisions for all ITS employees who as at 31 December 2014 were employed by ITS and on that date fell within the KPN Corporate Market Collective Agreement.....	120
APPENDIX 19	Transitional provisions for ITS employees who as at 31 December 2014 were employed by ITS and on that date fell within the KPN Corporate Market Collective Agreement, and who as of 1 January 2015 were placed in the General or Sales groups.	125
APPENDIX 20	Procedural arrangements for variable remuneration for employees covered by Chapters 12 or 13 (until 1 July 2016)	128

Introduction

The following parties have concluded this Collective Agreement:

- 1 KPN NV, (**KPN**) which for the present purposes represents the following companies:
- KPN B.V. (**KPN BV**)
 - iBasis Netherlands B.V. (iBasis Netherlands)
 - Telfort Zakelijk B.V. (Telfort Zakelijk)
 - KPN Corporate Market B.V. / KPN Consulting BV (ITS)
 - Aggeris B.V. (NLDC)

and

- 2 the following six trade unions:
- FNV
 - Qlix
 - CNV Vakmensen
 - VHP2
 - CNV Connectief
 - De Unie

KPN and the trade unions have agreed the following arrangements.

This Collective Agreement applies to you, if you are employed by any of the companies ('BVs') listed under item 1. However, your position must be in one of the salary scales specified in this Collective Agreement.

The Collective Agreement protects your interests as an employee as well as those of KPN. While the Collective Agreement is in force, KPN and the trade unions will do their utmost to assure good industrial relations within the company. They will ensure that the Collective Agreement is observed. Any transitional/integration agreements made between KPN and the trade unions are applicable. It is clear from each appendix and its title as for whom the relevant appendix is intended.

On 1 January 2015 KPN Contact B.V. (**KPN Contact** or **KPN Contact BV**) merged with KPN BV, whereupon KPN Contact BV ceased to exist. If you were employed by KPN Contact BV up to 1 January 2015, then by virtue of this merger you automatically became an employee of KPN BV on 1 January 2015. This has no consequences for your work or employment conditions. Where there is reference in this Collective Agreement to 'KPN Contact BV' or 'KPN Contact', then these must be read, insofar as is clear from the context of the relevant provision, as (i) KPN BV as legal successor to your official employer, KPN Contact BV, up to 1 January 2015, or (ii) 'KPN Contact BV' or 'KPN Contact' as legal predecessor to your official employer, KPN BV, as from 1 January 2015. Insofar as it is clear from the context of any provision that such provision relates to the actual business unit for which you work, then this is to be interpreted as the 'enterprise' for the purposes of the Works Councils Act, in this case: 'KPN Contact'.

With effect from 1 April 2016, some of the business operations and the associated employees have been legally split off from KPN Corporate Market BV and transferred to KPN BV. The employees follow their jobs, so the split-off of the business operations automatically results in the transfer of the relevant employees. The employees that will be transferred due to this split-off are all employees involved in activities other than the Consulting activities that are performed by the employees/job groups that were part of the Consulting group/salary grade on 31 March 2016 (former KCM employees). The Consulting activities will not be transferred, as a result of which the employees/job groups that were part of the Consulting group/salary grade on 31 March 2016 (Consulting employees) will not be transferred to KPN BV. The shares in KPN Corporate Market BV have been held by KPN BV since 1 April 2016. KPN Corporate Market BV will be renamed KPN Consulting BV. If you are a former KCM employee and were employed by KPN Corporate Market BV up to 1 April 2016, then by virtue of this split-off you will automatically become an employee of KPN BV on 1 April 2016. The split-off as such will not affect your job description or employment conditions as applying at the time of the split-off. Where there is reference in this Collective Agreement to 'KPN Corporate Market BV' or 'ITS', then these must be read, insofar as is clear from the context of the relevant provision, as (i) KPN BV

as legal successor to your official employer, KPN Corporate Market BV, up to 1 April 2016, or (ii) 'KPN Corporate Market BV' or 'ITS' as legal predecessor to your official employer, KPN BV, as from 1 April 2016. If you are a Consulting employee, the split-off will not result in any changes for you other than the name of your employer, which will change from KPN Corporate Market BV to KPN Consulting BV. The split-off will not affect your job description or employment conditions.

On January 1st, 2017 Aggeris B.V. (NLDC) was established and a couple of employees from KPN B.V. automatically transferred to Aggeris B.V. and are since then employed by Aggeris B.V.. If you were employed by KPN B.V. until the 1st of January 2017 and from January 1st, 2017 automatically employed by Aggeris B.V.? Then this transfer has no effect on you job description or employment conditions as applying at the time of the transfer.

PART A

Unless otherwise agreed, this section contains provisions applicable to:

- all employees of KPN BV, iBasis Netherlands, Telfort Zakelijk or ITS/KPN Consulting BV, and
- who have been categorised in salary scales 1 to 13.

As of 1 November 2014 Chapters 13 and 14 of the 2014 KPN Collective Agreement lapse and the provisions of part A apply to employees who were employed by KPN Contact on 31 December 2014, with the proviso that deviations or exceptions to a number of specific employment conditions in part A are included that may apply to them. Where provisions in part A apply, insofar as such appears from the context of the relevant provision, 'KPN' should also be understood as 'KPN Contact'.

As of 1 January 2015 the provisions of part A apply to ITS employees who were covered by the KPN Corporate Market Collective Agreement 2014 (**KPN Corporate Market Collective Agreement**) on 31 December 2014, with the proviso that in their case there are a number of deviations or exceptions from specific employment conditions in part A. These deviations/exceptions are indicated in the relevant article in part A, Chapters 12 and 13 (until 1 July 2016) of part B, and/or Appendices 18 to 20, inclusive.

Where transitional arrangements are the result of:

- the end of the IT group of the 2014 KPN Collective Agreement as of 1 November 2014 and the consequential transfer as of that date to the General group;
- the end of the Strategic Recruitment group of the 2014 KPN Collective Agreement as of 1 November 2014 and the consequential transfer as of that date to one of the General, Retail, Sales or Customer Expert groups;
- the end of Chapter 13 of the 2014 KPN Collective Agreement (staff directly employed by KPN Contact) as of 1 November 2014 and the consequential transfer as of that date to the General group;
- the end of Chapter 13 of the 2014 KPN Collective Agreement (staff directly employed by KPN Contact) as of 1 November 2014 and the consequential transfer as of that date to the Customer Expert group;
- the transfer of the General group of the 2014 KPN Collective Agreement to the Customer Expert group as of 1 November 2014 as a result of the introduction of the Customer Expert group as of that date;
- the end of Chapter 14 of the 2014 KPN Collective Agreement (staff indirectly employed by KPN Contact) as of 1 November 2014 and the consequential transfer as of that date to the General group;
- the end of the ITS group (group 13) of this Collective Agreement as of 1 July 2016 and the consequential transfer as of that date to the General group;

the transitional arrangements that apply to you as of 1 November 2014 or 1 July 2016, as the case may be, continue to apply to you provided that you are then continuously employed in a job that is placed in the same group. The transitional arrangements set out in Appendices 13, 14, 15 and 17 apply to you if you satisfy the requirements specified in the title to each appendix.

In the case of transitional arrangements resulting from no longer being placed in the Retail group as of 1 November 2014 and placement in the General group as of that date (which applies to regional managers with job code SSS11) the transitional arrangements that apply to you as of 1 November 2014 continue to apply to you provided that you are then continuously employed in the job of regional manager (SSS11).

Where transitional arrangements are the result of:

- the end of the Collective Agreement Bonus scheme (from the 2014 KPN Collective Agreement) as of 1 January 2015 and the consequential application of the KPN Plan as of that date;
- the application of the KPN Service Plan as of 1 January 2015;
- changes to the on-target-percentage Payplan as of 1 August 2014 for employees placed in the Retail group;

the transitional arrangements that apply to you as of the date of the said change in variable remuneration continue to apply to as long as you are employed in a job that is placed in the same group.

CHAPTER 1 - GENERAL PROVISIONS

General

1.1 Definitions

You will encounter various terms in the Collective Agreement. This section explains the meanings of the terms.

- a. 'Employer': any party named in the Introduction under item 1.
- b. 'Trade unions': any party named in the Introduction under item 2.
- c. 'Employee':
 - someone employed by one of the parties named in the Introduction under item 1;
 - who works in the Netherlands and
 - who has been placed in any of the salary scales between 1 and 13 inclusive.An employee is not an employee within the meaning of this Collective Agreement, if he:
 - has an occupational supervision or work training placement or
 - is following a dual track learning route.
- d. 'Monthly salary' (also referred to as just 'salary'): the amount of salary determined for you in the salary scale. Your salary may be above the normative salary. If so, the amount in excess of the normative salary also forms part of your monthly salary.
- e. 'Monthly income': your monthly salary plus allowances.
Supplements do not form part of your monthly income.
- f. 'Salary' means your monthly salary.
- g. 'Normative salary': the salary in the salary table at a salary position of 100%.
- h. 'Normal working hours' means 40 hours per week, if you fall within one of the Sales (Chapter 10), Customer Expert (Chapter 11), Consulting (Chapter 12) or ITS (Chapter 13, until 1 July 2016) groups. If you fall under the General (Chapter 8) or Retail (Chapter 9) groups it means 37 hours per week. In both cases, the working hours apply to a full-time contract of employment.
- i. 'Hourly salary': if you fall under the Sales (Chapter 10) or Customer Expert (Chapter 11) groups your hourly salary is 1/174th part of the salary for normal working hours. If you fall under the Consulting (Chapter 12) or ITS (Chapter 13, until 1 July 2016) groups, your salary is 1/173.33th part of the salary for normal working hours. If you fall under the General (Chapter 8) or Retail (Chapter 9) groups your salary per hour is 1/160.9th part of the salary for normal working hours.
- j. 'Working hours': the hours between the start and finish times prescribed for your duties.
- k. 'Break': an uninterrupted period of at least 15 minutes in which you are not required to work.
- l. 'Stand-by service': the time over and above your working hours that you must be available on short notice to perform work that occurs unexpectedly.
- m. 'Overtime': time when at the request of your manager you occasionally perform work for KPN over and above the normal working hours for a full-time employee.
- n. 'Placement allowance': the allowance allocated on the basis of the transitional arrangements in the context of harmonising in-sourcing or on the basis of transitional arrangements in the context of the conclusion of this Collective Agreement as set out in Appendices 17 and 19.
- o. 'Transfer allowance': the allowance allocated on the basis of Article 4.3, section 12, of this Collective Agreement or Article 5.1/6.1 of the 2014-2015 KPN Social Plan, the 2016-2017 KPN Social Plan or the corresponding article under a previous KPN Social Plan.
- p. 'Part-time employee': someone who has agreed with his manager to work less than the normal number of hours and is paid according to the smaller number of hours.
- q. 'Position': the duties assigned to someone by his manager, for which he must achieve a clear result.
- r. 'Rotating roster': a schedule that fixes for a certain period in advance the differing days and times when the employee shall start work, take breaks, and finish work.
- s. 'Full-time quarterly hour standard': the number of contract hours per quarter for a full-time employee.
- t. 'Part-time quarterly hour standard': the full-time quarterly hour standard multiplied by the part-time factor that applies for a part-time employee.
- u. 'SNT CAO 2003': the SNT Collective Agreement in effect from 1 January 2003 to 31 March 2004.

1.2 Duration of, deviations from, and changes to this Collective Agreement

- 1 This Collective Agreement applies from 2 January 2016 to 31 December 2017. At the end of this period, this Collective Agreement ends automatically. It does not require formal termination.
- 2 Your manager may deviate from the Collective Agreement in order to agree more favourable conditions of employment with you, except where this Collective Agreement provides otherwise.
- 3 KPN and the trade unions may agree changes to the Collective Agreement in the event of far-reaching changes within or outside KPN.
- 4 Where in this Collective Agreement adverse changes are introduced, rights arising from the relevant provisions in previous Collective Agreements shall lapse on the entry into force of this Collective Agreement. Instead, the rights arising from the provisions in this Collective Agreement shall apply. This means, *inter alia*, that where and to the extent that fewer entitlements are derived under this Collective Agreement, there are no rights to the additional entitlements under previous Collective Agreements.

1.3 Disputes procedure

A situation may arise where KPN and the trade unions disagree about the application of a certain provision of this Collective Agreement. If so, they will try to resolve the disagreement through negotiation. The party with the greatest interest in reaching a resolution will set out its opinion on paper for discussion with the other parties. If the parties do not reach agreement within two months, they will submit their difference of opinion to a committee. The committee consists of three members. KPN names one member, the trade unions name one member and the other member is an independent chairperson. The committee will advise the parties.

KPN's obligations

1.4 Availability of Collective Agreement

The text of the Collective Agreement has been published on TEAMKPN Online. If you are unable to access TEAMKPN Online, ask your manager for a copy of the Collective Agreement.

1.5 Information about rules and regulations

KPN will give you information about the rules you must observe in your work. You may, for example, be given instructions about working methods and regulations under the KPN Company Code and its sub-codes. The texts of these regulations and codes can be found on TEAMKPN Online. If you cannot access TEAMKPN Online, ask your manager for a copy of the documents. You are required to be familiar with and observe these rules and regulations.

1.6 Right of complaint

KPN has a procedure for dealing with complaints. You cannot complain about general rules, but you can complain about a decision by KPN that affects you personally. For example, you cannot lodge a complaint about a reorganisation decision, but you can complain about being declared supernumerary. Similarly, you cannot complain about pay levels in the salary tables, but you can complain about the setting of your salary. KPN will seek advice from a Complaints Committee about your complaint. KPN and the Works Council have agreed a separate procedure for obtaining this kind of advice. This procedure is described in the KPN Complaints Procedure Regulations at TEAMKPN Online.

1.7 Contribution towards union work

Each year KPN gives the trade unions that have contributed to the creation of the employment conditions in that period a contribution towards the union work they do within KPN. For the years 2016 and 2017, the contribution is €20.06 multiplied by the average number of employees employed in that year by the BVs listed in the Introduction under item 1.

1.8 Facilities for union work

If you are an active trade union member and you assist the trade union with the union work within KPN your manager will give you certain facilities for this. You may be allowed to use conference rooms in a KPN building, for example. You may spend part of your working time on activities necessary for the union. However, the work for the union must be combinable with your job.

1.9 Reorganisation

KPN strives to avoid involuntary redundancies as far as possible by increasing the employability of its employees. KPN and the trade unions have agreed arrangements for appropriate solutions. The arrangements are described in this Collective Agreement and the KPN Social Plan. KPN will inform the trade unions of the reorganisation consultation procedures within KPN that involve involuntary redundancies, the estimated numbers involved and the considerations. This fulfils the obligation of dialogue and consultation as referred to in the Reporting of Collective Dismissal Act (Wet Melding Collectief Ontslag). In view of the Social Plan the trade unions waive the waiting period in accordance with Article 5a section 1 of the Reporting of Collective Dismissal Act, unless it explicitly invokes the waiting period in the dialogue in which KPN notifies them about the reorganisation consultation procedures.

1.10 Cooperation with and transfer of activities to a third party

- 1 If KPN is considering a merger within the meaning of the Social and Economic Council ('SER') Decision concerning the 2015 Code of Practice for Mergers, KPN will take the social consequences into account in its decision-making.
As soon as any duty of confidentiality allows, KPN will inform the trade unions, Works Council and employees of the measures under consideration. KPN will discuss with the trade unions and the Works Council the consequences of such a merger and the measures under consideration.
- 2 If KPN transfers your work to another employer and the transfer is subject to the Transfer of Businesses Act, the following arrangements will apply:
 - you will automatically join that employer;
 - the nature of your employment contract (fixed term or open ended) and your years of service at KPN will remain intact;
 - the employee benefits package of the new employer often takes effect at the time of transfer;
 - in that situation KPN will agree the transitional arrangements with the trade unions:
 - a basic principle is that the employee benefits with the new employer at the time of transfer must be equivalent to the employee benefits applicable to you within KPN;
 - entitlements to early retirement and pre-pension arrangements will be respected.

1.11 Collective accident insurance

You are covered by collective accident insurance with 24-hour cover taken out by KPN. KPN pays the costs of the insurance.

1.12 Corporate Social Responsibility (CSR)

- 1 KPN wishes to be a leader in the field of Corporate Social Responsibility (CSR) and aims for a combination of sound business and a positive contribution to people, society and the environment. KPN aims to enable its employees to contribute in this regard.
- 2 In consultation with your manager, you are permitted to allocate two half-days to CSR objectives as defined by KPN without the need to use your leave entitlement for such purpose. These CSR objectives are set out on TEAMKPN Online.

Your obligations

1.13 Reasonable instructions

You must carry out the reasonable instructions of your manager. This also applies if you are required to do work other than your normal work or if you must go to a different location. Instructions of this kind are usually of a temporary nature. In all instances, your manager will consult with you beforehand. You are also required to work additional hours or overtime, if your manager instructs you to do so.

1.14 Living near your place of work

Your manager may consider it necessary for you to live close to your place of work. If so, your manager may make it mandatory for you to live at or near your place of work.

1.15 Staff uniform

You must wear staff uniform, if your manager considers it necessary for your work. You will not incur any costs for staff uniform. But you must ensure the garments are kept clean and in good repair. The costs of washing and maintaining the garments are payable by you.

1.16 Confidentiality

During your work you will find out many things about KPN. KPN may impose upon you an obligation to maintain confidentiality in respect of certain information. This means you must not disclose such information to anybody else. The same applies to information that you are expected to know to be of a confidential nature, such as information about and from our customers. This non-disclosure obligation will continue to exist, if you leave KPN's employ.

1.17 Health & safety

You must avoid hazards for yourself and for other people during your work. You must observe the guidelines observed by KPN in the fields of health and safety, and welfare. You must use the safety devices and equipment prescribed by your manager. You are not obliged to do any work that is contrary to legal or company safety regulations.

1.18 Non-company activities

Any non-company activities should be reported before joining KPN or before starting the relevant activities. In MijnHR you will find an option for registering all non-company activities. If you do not perform any non-company activities, you must register that information as well. You are personally responsible for keeping these records up to date. On TEAMKPN Online you will find an explanation of the kind of non-company activities that are and are not subject to the declaration obligation.

Your manager may prohibit you from performing all or any non-company activities if he is of the opinion that the activities:

- are in competition with KPN, or
- represent too much of a strain for you in combination with your work at KPN (physically or mentally), or
- may harm the interests or good name of KPN.

1.19 Ownership of inventions and achievements

- 1 KPN is the sole owner of the results of your work and of the intellectual property rights attached to those results. It makes no difference whether you work alone or with other people. This condition applies in all instances, no matter whether it concerns activities performed in your work or using knowledge or skills acquired from KPN or results and intellectual property rights concerning KPN's business activities. This condition applies to such matters as inventions, obtained results, models, devised working practices, marketing concepts, brands, business methods, drawings, software, databases and written documents or produced works.

- 2 You must inform KPN of these results in writing as soon as possible. KPN may establish intellectual property rights to the results, in the Netherlands and other countries, such as brands and domain names, patents and model rights. You automatically assign these rights to KPN. You must give KPN your full cooperation in establishing or obtaining such rights and in holding, maintaining and exercising them. KPN will pay the costs incurred in respect of these matters.
- 3 KPN may decide to waive its right of ownership, if it does not use results that you have achieved. You may submit a written request to KPN to do this. KPN may attach certain conditions to the waiving of its right.
- 4 If KPN exercises its right to patenting, you will receive fair compensation in return. KPN has drawn up rules for this matter, which you accept as part of the Collective Agreement (Compensation Regulations for Inventors in relation to patents at KPN). KPN is entitled to change these Regulations.

CHAPTER 2 - The employment contract

2.1 Probationary period

Your first two months of employment are a probationary period. This probationary period applies to you and to KPN. KPN and you may agree in writing to no probationary period or to a shorter one. There is no probationary period for a fixed-term employment contract of six months or less.

2.2 Fixed-term employment contract and temporary work

- 1 KPN and you may enter into three fixed-term employment contracts. Each of these contracts will automatically end if the period between these contracts is not longer than six months and these contracts are not together longer than 24 months.
- 2 Have you worked as a temporary worker for KPN for one period, or for more periods whether or not interrupted by a maximum period of six months? And immediately following, or within six months of the end of, such temporary work were you employed by KPN to perform the same work under a fixed-term employment contract? If so, your entire period as a temporary worker at KPN will be treated as an initial contract for a fixed term. Thereafter, KPN and you may enter into two further fixed-term contracts, which will end automatically. The end date of the final contract must then be less than 24 months following the start of the first period of temporary work.
- 3 Temporary workers who work for KPN and perform the same work as employees employed by KPN are subject to the provisions of this Collective Agreement as from the beginning of the temporary contract relating to:
 - salary and salary adjustment,
 - overtime compensation and working times supplement, and
 - travel expense reimbursement.KPN ensures that temporary workers are remunerated at least in line with what is contained in this Collective Agreement with regard to these three employment conditions.
- 4 Temporary workers that have been working for KPN for more than 26 consecutive weeks are entitled to use the instruments referred to in Articles 7.5 (1) and (6), 7.6 (1), 7.7, 7.8 (1) and (2), 7.9 (1) and (2), 7.12 and 7.14 subject to the provisions of the said articles.

2.3 End of employment contract

- 1 If you have a fixed-term employment contract it will automatically expire at the end of the agreed term. This employment contract may be terminated in the interim by either you or KPN giving written notice. The required period of notice as prescribed by law is a minimum of one month. If notice is given, your employment contract will always end at the end of the calendar month.
- 2 If you have an open-ended employment contract, the period of notice prescribed by law will apply. The relevant information is published on TEAMKPN Online. This also includes information about a transitional arrangement under the Flexibility and Security Act.
- 3 How does your employment contract end when you retire?
Your employment contract will end automatically on the date on which you reach state retirement age, unless you retire sooner. In such a case, your employment contract will end at the end of the month preceding the month in which you retire.
- 4 If you have been on sick leave for a long time and are no longer able to work for KPN, KPN will terminate your employment contract two years after you first became unfit for work. If you would have celebrated your 25th or 40th year of service with the company within six months of leaving, you may request your manager in writing to defer your leaving of the company until immediately after your long-service milestone.

2.4 Disciplinary measures

- 1 You must comply with the rules contained in your employment contract, the KPN Company Code and its sub-codes, which you can find at TEAMKPN Online as well as any supplementary company and branch rules, procedures and instructions that apply for you. Your manager may impose disciplinary measures if you fail to comply with these rules.
- 2 These measures include:
 - a. a warning or reprimand;
 - b. a suspension, possibly with a maximum reduction of your monthly income of 50%. You may be suspended for a maximum of 3 days;
 - c. removal from your position, temporarily or permanently and/or demotion to a lower position. In the latter case, your manager may decide to place you in a lower salary scale;
 - d. dismissal.
- 3 Your manager may also impose disciplinary measures if you fail to comply with the KPN regulations covering sick leave, which you can also find at TEAMKPN Online. These measures include the following:
 - e. a written warning;
 - f. reduction of continued payment of your monthly income during sick leave to the minimum wage applicable to you;
 - g. stopping of continued payment of your monthly income, if you obstruct or delay your recovery or make an insufficient effort to reintegrate;
 - h. dismissal if, even after a deduction from your monthly income, you still make an insufficient effort to reintegrate.
- 4 KPN will fully reinstate you orally and in writing, if an investigation indicates that the disciplinary measure was wrongly imposed against you. If you have been suspended, KPN will grant you any salary that was withheld for the days under suspension.

CHAPTER 3 - Working hours, vacations and leave

Working hours

3.1 Working hours, breaks and rest periods

Some employees are subject to the Working Hours Act. These employees should be aware that KPN deviates from the provisions of the Working Hours Act in the following respects.

Working hours:

- a. You work up to 10.5 hours a day, subject to an average of 50 hours a week in any four-week period and 46 hours a week in any sixteen-week period.

Night shift:

- a. In a night shift you work some or all of the time between 00.00 and 06.00.
- b. During a night shift you work a maximum number of 9 hours.
- c. You may not work more than 6 night shifts in a row.
- d. In 13 successive weeks, you may not work more than 25 night shifts. However, if your work finishes before 02.00, you may work no more than 52 night shifts in that period of 13 weeks.

Breaks:

- a. The break must be at least 30 minutes, if the number of uninterrupted working hours exceeds 5.5. The break must be 45 minutes in the case of 8 uninterrupted working hours.
- b. Unless your manager decides differently, the break is in your own time.
- c. Breaks of one hour or less between 22.00 and 06.00 are considered working hours, if at least 3.5 of those working hours fall between 00.00 and 06.00.
- d. Your break may be forfeited if during the break your work cannot be performed by another employee. Similarly, you may not have a break if your work requires that you can be contacted at all times.
- e. Are you placed in the Customer Expert group and are you placed within a rotating roster? In addition to the above in the case of a shift of 4 hours you are entitled to a paid break of 15 minutes of which at least 10 minutes are scheduled to be consecutive. Furthermore, in such a case if you work a shift of 5 hours you are entitled to a paid break of 20 minutes. Your manager will ensure that you are not overloaded by spending too much time on the computer without a break. You will be given sufficient opportunity to tend to your personal needs.
- f. The provision under part e does not apply to you if as of 1 November 2014 you are placed in the Customer Expert group, were before this date placed in the General group, and are placed within a rotating roster. In such a case, only the provisions under parts a to d, inclusive, apply to you.

Stand-by service:

- a. You can be placed in a stand-by roster for 7 x 24 consecutive hours once in any period of four weeks. As an exception to the above, you can be placed in a stand-by roster for one additional period of 7x24 consecutive hours once per year. You can therefore be placed in a stand-by roster for 7 x 24 consecutive hours up to fourteen times a year.
- b. If the stand-by regulations as referred to in Article 4.11, sections 11 or 12 apply to you until 1 January 2017, then there may be exceptions to the above provisions. These exceptions may continue to apply after 1 January 2017. The same applies if you join KPN on or after 1 January 2017 and work in a department where the stand-by regulations as referred to in Article 4.11, section 11 applied until 1 January 2017.
- c. If you work at TV&Media, you cannot be placed in a stand-by roster for 7 x 24 consecutive hours more than once in any period of three weeks.

3.2 Sundays and public holidays

You are not required to work Sundays or public holidays, unless your work is essential and you have agreed this with your manager. There may also be special circumstances that make it necessary for you to work Sundays or public holidays. Public holidays are:

- Easter Sunday and Easter Monday
- Whit Sunday and Whit Monday

- Ascension Day
- 24 December from 18.00, Christmas Day and 26 December
- 31 December from 18.00 and New Year's Day
- the day on which the birthday of the Dutch head of state is celebrated
- every five years, Liberation Day.

You will only work on Sunday if you consent to do so. You may not work more than 13 Sundays in any period of six months. If you normally work Mondays to Fridays and a public holiday falls on one of those days, KPN will continue paying your monthly income over that public holiday.

3.3 Determination of working hours (general rule)

- 1 Your manager will decide when you work. Your working hours will be set down in rosters established by your manager. A roster states the working hours applicable to you and to your colleagues. Your manager will attempt to schedule your working hours in a way that gives you a regular working pattern.
- 2 Rosters are drawn up for periods of 3, 6 or 12 months. The working hours of an employee with a full-time employment contract are at least 30 and at most 45 hours per week.
- 3 You will be informed of your roster at least 28 days in advance. In exceptional situations, your manager may deviate from this period of time in consultation with the Works Council.
- 4 If you work in accordance with the 'The New Way of Living and Working' model other provisions apply which you can find in Article 7.18.
- 5 Are you placed in the Customer Expert group and placed within a rotating roster? If so, sections 2 to 4 of this article do not apply to you. However, your manager can re-determine your working hours if your circumstances change. The aforesaid parts of this section do not apply to you if as of 1 November 2014 you are placed in the Customer Expert group, were before this date placed in the General group, and are placed within a rotating roster. In such a case sections 2 to 4 do apply to you.

3.4 Working hours and workload

- 1 In deciding on your working hours, your manager will take your personal situation as much into account as is reasonably possible, insofar as you have made such a request. If your manager is unable to comply with your request, he will notify you personally.
- 2 The task of deciding your working hours includes a decision on rosters, the scheduling of stand-by services, working outside normal hours, and overtime.
- 3 Your personal situation could pertain to your age or stage of life, your home situation - such as the need to care for children or other family members dependent on you - your health or any physical or other restrictions, and any community responsibilities you may have.
- 4 If you think that your manager has wrongly failed to take account of your personal situation or has not dealt properly with your request, you can ask an independent HR manager to review the decision. The relevant rule - 'The role of HR in the case of a discretionary power of a manager' - can be found on TEAMKPN Online. If after this you are still dissatisfied with the procedure followed, you can appeal to the Complaints Committee under Article 1.6 of this Collective Agreement.

3.5 Role of the Works Council

In consultation with the Works Council, KPN may:

- Prescribe, change or withdraw the working hours arrangements;
- Impose rules for the maximum time of performance of certain activities attached to a position;
- Agree that work will be performed on Sundays and public holidays due to exceptional circumstances;
- Shorten the time for making known a roster.

Vacations and leave

3.6 Accrual of vacation entitlement

- 1 Each calendar year you are entitled to vacations. Over the period of one calendar year you will accrue an entitlement equal to four times the working hours applicable to you. Agreements covering the purchase of additional vacation hours are set out in Appendix 2.
- 2 If you join KPN in the course of the calendar year, KPN will calculate your entitlement pro rata the number of hours that you would have accrued over a full calendar year.
- 3 If you leave KPN in the course of the calendar year KPN will calculate your entitlement on the basis of the time that you were in its employ in that year. Your vacation accrual will be calculated pro rata the number of full calendar months of your employment. If your employment contract lasted less than two months, KPN will calculate your vacation entitlement according to the exact number of days of your employment.
- 4 If you become incapacitated for work during your vacation but are entitled to continued payment of your monthly income, the days on which you are sick during your vacation will not be deducted from your vacation entitlement. You must then be able to prove that you were sick during your vacation, for example with a doctor's note.

3.7 Taking vacations

- 1 You must request any vacation via MijnHR. You must state the start and finish dates. Your request will be subject to the approval of your manager. Your manager may deviate from your wishes only if there are pressing reasons for doing so. This could be the case, for example, if it is essential to ensure minimum staffing at your department or due to unforeseeable exceptional circumstances.
- 2 In consultation with the Works Council, KPN may designate certain days as vacation days for its entire workforce or large groups of personnel.
- 3 Vacations are taken in hours. Your vacation entitlement will be reduced by the number of hours that you should have worked on your vacation day according to the roster.
- 4 KPN may set further conditions for how you take your vacation. Where applicable vacation requests will be approved based on rules agreed with the Works Council. If this is not possible, your manager will arrive at a solution in consultation with you.
- 5 During your vacation KPN will pay you your monthly income, Collective Agreement Budget supplement and any personal supplement(s) you receive due to the increase in your contribution to the cost of the pension scheme as of 1 July 2010 and 1 January 2011.
- 6 If you leave your employment in the course of the calendar year your manager will determine your surplus or deficit of vacation. If you have a deficit, this will be settled in your final salary payment. If you have a surplus, your manager will discuss with you whether this surplus is to be settled in your final salary payment or you are to take the remaining vacation before you leave the company.
- 7 You may take a vacation day to celebrate a non-Christian holiday. In this case, section 1 of this article applies.

3.8 Special leave

- 1 You are entitled to special leave in the following situations:
 - 4 days' leave on the death of your spouse, of one of your parents, stepparents or parents-in-law or your child, stepchild or child related by marriage/affinity; or
 - 2 days' leave on the death of your brother or sister, the brother or sister of your spouse, your grandparents or the grandparents of your spouse or of your grandchild.KPN will pay your monthly income for these days as well as the Collective Agreement Budget supplement and the personal supplement(s) you receive due to the increase in your contribution to the cost of the pension scheme as of 1 July 2010 and 1 January 2011.
- 2 Can you get special leave for other matters? Yes. You must ask your manager for such leave. Your manager will decide whether to grant you leave and what conditions will be attached. He will also decide whether your monthly income will continue to be paid during this leave.
- 3 If you are not married, but cohabit with a life partner, the life partner will, for the purposes of special leave, be deemed equivalent to a spouse. However, you must have given your manager prior written notification of your cohabitation.

- 4 You may also qualify for special leave regulated by law. This may be the case with leave stated in the Work and Care Act, for example, such as pregnancy/childbirth leave or adoption leave. KPN will continue to pay your monthly income for the time that you have maternity leave. Any benefits that you receive under the Work and Care Act will be deducted from your monthly income.
- 5 With effect from 1 July 2016, contrary to the provisions of the Work and Care Act, you are entitled to five days' paid parental leave within a four-week period after your spouse or partner gives birth. This right arises on the first day on which the child and the mother actually live at the same address.
- 6 If you take special leave due to the death of a family member and such leave coincides with vacation leave, this leave will not be deducted from your vacation entitlement.

3.9 Parental leave

- 1 You are entitled to parental leave, if you meet certain conditions. You will find the conditions in Chapter 6 of the Work and Care Act. At KPN 'parental leave' means that for an uninterrupted period of 52 weeks you can work half the number of hours that you normally work each week. For example: if you normally work 32 hours per week, you will be required to work only 16 hours per week for a period of one year.
- 2 Subject to the approval of your manager, you may use your maximum budget differently. In the above example, the budget is 52 weeks x 16 hours = 832 hours. You can opt to have complete parental leave for 26 weeks (26 x 32 hours = 832 hours), if you wish. Another possibility is to choose to take eight hours of parental leave per week for two years. This allows you to extend your period of leave. However, there are two limits:
 - parental leave stops when your child reaches age 8; and
 - if you choose to work 36 hours per week on parental leave, your working week will be divided over five working days.
 Your manager may not refuse this kind of different use of your budget unless it might harm the company's interests.
- 3 You must inform your manager in writing that you wish to take parental leave. You must do so at least two months before the leave begins. Your request must state how long you wish to take as parental leave, the number of hours per week and the days and hours when you want to take the leave. You can let the start and finish of the leave depend on the date of childbirth, the end of maternity leave or the start of care for your child.

Your manager may change your requested days and hours of parental leave, but only if there are important reasons for doing so and after consultation with you. An example of an important reason is the wish of other employees to take parental leave at the same times in the same period. Your manager may change the distribution of the hours over the week up to four weeks before the leave starts.
- 4 During parental leave you will be a part-time worker. You will receive salary for the hours that you work during the leave. You will not be paid for the time spent on leave. Similarly, you will receive other employee benefits in proportion to the time worked. However, your pension accrual will remain unchanged, i.e. you will accrue just as much pension as you would have done had you not taken parental leave.
- 5 A period of parental leave counts fully when establishing the number of service years.
- 6 KPN will pay the costs of a course of study that you take in KPN's interests during your parental leave. A precondition for this payment is that you must successfully complete the course.

3.10 Life-course leave (Levensloopverlof)

KPN has entered into a group insurance with two insurance companies for savings for life-course leave. You can see on TEAMKPN Online, whether you can use the balance for the purposes referred to in Appendix 3. You will also find information on how you can take up the savings.

3.11 Sabbatical leave

- 1 You are entitled to sabbatical leave if you have been continuously employed by KPN for at least 36 months. Sabbatical leave is a period in which you take completely unpaid leave. A period of sabbatical leave lasts no more than six months and must be agreed in advance between the employee and the manager. The period between two periods of sabbatical leave cannot be less than 36 months.
- 2 Your employment contract with KPN during your sabbatical leave remains binding. Following your period of sabbatical leave, KPN will place you back in your former job, provided that this period of leave has not been longer than six months. This does not apply if during your sabbatical leave you are given notice in accordance with Article 2.2/3.2 of the 2014-2015 or 2016-2017 KPN Social Plan (the supernumerary notice). You will then become supernumerary as of the final day of the sabbatical leave or such later date as supernumerary notice takes effect.
- 3 During sabbatical leave you must be available to receive information about reorganisations that are relevant to your employment contract with KPN. Your manager and you will make arrangements concerning your contactability.
- 4 During sabbatical leave neither you nor KPN are liable for any premiums. If wages or any wage components are paid out during sabbatical leave, KPN will deduct the employee's premiums payable on these, in the same way as if you had not taken any sabbatical leave.
- 5 If you are entitled to any payments based on a period that you have worked, such as variable remuneration, then the period of sabbatical leave is disregarded in calculating such payment. Any payment will be calculated pro rata the period worked.
- 6 The collective accidents insurance cover as referred to in Article 1.11 remains in force throughout the sabbatical leave.
- 7 No vacation entitlement is accrued during a period of sabbatical leave.
- 8 During a period of sabbatical leave you are not entitled to allowances, supplements or contributions, including the contribution towards commuting costs, (Article 6.2 or 6.3), telephone costs (Article 6.6 and the company regulations) or the reimbursement of other costs.
- 9 If you so request, the pension scheme can be continued, but at your expense. This means that during your period of leave you are liable to pay both the employer's and the employee's contributions. If you so choose, supplementary insurance and the surviving dependants' shortfall insurance cover will automatically be continued. These two types of insurance cover can only be continued if you continue with your pension scheme. During sabbatical leave you will continue to have WIA and WGA top-up insurance for as long as there is a contract of employment, unless you sign a statement of waiver. For the time that you receive zero salary during sabbatical leave, you are not liable for any premiums for the WIA and WGA top-up insurance.
- 10 If you have loaned property belonging to KPN such as a company car, mobile phone, or notepad, these must be returned to KPN before the start of the sabbatical leave. During your sabbatical leave you may not use such company property.
- 11 If you die during a period of sabbatical leave, KPN will pay out the death benefit as described in Article 5.8 of this Collective Agreement on the basis of the monthly income you received prior to the period of sabbatical leave.

3.12 Purposes for individual assignment of vacation entitlement for employees who were employed by KPN Contact BV on 31 December 2014.

If you were employed by KPN Contact BV on 31 December 2014 and you have an individually assigned vacation entitlement of 85 or 92 hours for full-time employment, you may use these hours for the purposes shown in Appendix 12.

CHAPTER 4 - Remuneration

Salary

4.1 Where to find the agreed remuneration arrangements

Chapters 8 to 12 and, until 1 July 2016, Chapter 13 contain the arrangements agreed for your fixed and variable remuneration. This chapter deals only with the arrangements that apply to all employees. The group into which your position falls (General, Retail, Sales, Customer Expert or, until 1 July 2016, ITS) makes no difference.

4.2 Payment of your monthly income

You will receive your monthly income not later than on the 23rd of the calendar month through transfer to the bank account number you have given to KPN.

4.3 Determination of salary

- 1 Your salary will be based on the salary table that applies to you (see Chapters 8 to 12 and, until 1 July 2016, Chapter 13). Your position level determines your salary scale, having regard to the relevant exceptions by virtue of Chapters 12 or 13 (and Appendices 17, 18 and 19).
- 2 The level of your position is determined using the Hay method as a job grading system.
- 3 KPN has a position matrix for positions covered by the Collective Agreement. The matrix consists of standard positions. Your manager decides the standard position appropriate to the content of your job. You have a standard position that has been graded. Your manager will indicate the salary scale that applies to your position.
- 4 If your job content changes, your manager will decide whether the burden attached to your position remains the same, increases or decreases. Your manager will also decide whether you will remain in the same scale.
- 5 If you believe that the standard position is not in keeping with the substance of your work and that your work package has not been placed in the correct scale, you should first discuss the matter with your manager. Your manager will then take a decision and inform you of it in writing. If you disagree with that decision, you may lodge a complaint.
- 6 KPN will update the KPN Collective Agreement Position Matrix during the term of this Collective Agreement. The reference positions will be decided on again with the trade unions, and be published on TEAMKPN Online. After the update, the reference positions will be systematically tested and recalibrated by KPN and there will be comparable consultations with the trade unions with regard to this.
- 7 In the period following the updating of the KPN Collective Agreement Position Matrix, as described in section 6, KPN will collectively phase the placement of the substance of the work of yourself and your colleagues within the standard positions of the updated Position Matrix and related salary scale. This could result in you being placed in an equal, lower, or higher scale. For the purposes of placing the substance of your individual work, KPN will draw up a placement process during 2015. A placement committee will form part of this process. There are procedures by which you can object to the placement of the substance of your individual work within the chosen standard position in the KPN Collective Agreement position matrix with corresponding salary scale. The procedures for objections is set out in Appendix 5.
- 8 As an exception to sections 3 and 4, after the period specified in section 7, KPN will decide on the basis of the placement process referred to in that section the standard position that applies to the substance of your work and thus the salary scale applicable to the substance of your work.
- 9 As an exception to section 5, after the period specified in section 7, if you find that the core of your work does not fit the standard position and that the substance of your work has not been placed within the correct scale, you will be able to file an objection under the objections process as referred to in section 7.
- 10 On the case of a transfer to a lower scale (as referred to in this article) as a result of a substantive change to the substance of your work, or a (re)placement of the substance of your work within a standard position, you will retain your own salary scale for a period of 18 months. After 18 months, you will be placed in the lower scale. If your most recently earned monthly salary is lower than the normative salary of the new (lower) salary scale, you will be

placed in the scale at the normative salary of the lower scale. You will then receive as a transfer allowance the difference compared with your most recently earned salary. If you already had a relative salary position above 100%, the higher percentage will continue to apply in the new salary scale. You will then receive the difference compared to your most recently earned monthly salary as a transfer allowance. KPN will reduce in all cases the transfer allowance by the amount of future increases in your monthly salary. This section will apply as appropriate.

- 11 If you move to a higher scale, your salary increase will be determined by the difference between the starting salaries of the old and new scales. The increase will amount to half of that difference.
- 12 If the substance of your work is placed within a lower scale as a result of a replacement of the substance of your work within a standard position as described in section 7, the transfer allowance will be used in this situation only as a calculation basis for the Social Plan 2016-2017.
- 13 Within the salary scale, you will receive a salary appropriate to your experience and your job performance. The amounts stated in the salary scales are gross amounts per month. The amounts apply to a full-time employee. If you work part-time, the amounts will be reduced in proportion to your working time.
- 14 You might not yet have enough experience to perform your position fully. If so, your manager may place you, for not more than six months, in a salary scale lower than the one applicable to the level of your position.
- 15 If you receive a transfer allowance and are placed in a position with a higher scale level that is equal to the scale level of the position that entitled you to the transfer allowance, you will be placed in the scale of your new position at such a level that the transfer allowance will lapse.
- 16 If you were employed by ITS on 31 March 2016 and on 31 December 2014 came within the KPN Corporate Market Collective Agreement, your current position will be converted to a position within the updated KPN Position Matrix during the term of this Collective Agreement.
- 17 If due to a harmonisation you are placed in the KPN salary scale and your salary resulting from the harmonisation is less than the starters' salary of that scale, the harmonisation protocol in question may deviate from that provided in sections 1 and 13.
- 18 Did you fall within the Young Talent Program when you joined KPN, and have you completed a higher education course? Contrary to the first sentence of section 13, your starting salary is then 80% of the normative salary of scale 9 for the group into which you are placed at the start of your employment by KPN on the basis of your work.

4.4 Vacation pay

You are not entitled to separate vacation pay. This forms part of the Collective Agreement Budget.

4.5 Additional hours

- 1 Additional hours are hours that you work as a part-timer over and above the hours agreed with you in your contract. If you work more than your agreed normal working hours (see Chapters 8 to 12 and, until 1 July 2016, Chapter 13), the hours that you work in excess of your normal working hours will be considered overtime (see Article 4.10) rather than additional hours.
- 2 For working additional hours you will receive the hourly salary that applies to you. You will accrue vacation over these hours. Additional hours also count towards:
 - payment during work incapacity;
 - the size of benefits under voluntary early retirement;
 - your pension;
 - the Collective Agreement Budget.You may also qualify for the allowance for working unusual hours (see Article 4.7) for these hours.
- 3 In certain situations your manager will decide the period over which it will be calculated whether you worked more or less hours than agreed with you. This will be the case, if:
 - your roster has been changed, or
 - your working hours were not determined beforehand.If you worked more hours, you will have worked 'plus' hours. If you worked fewer hours, the 'minus' hours will be set off against any 'plus' hours over subsequent periods. Twice each year, in March and September, your 'minus' hours outstanding at that time will be wiped out.

- 4 Are you placed in the Customer Expert group and placed within a rotating roster? Instead of being bound by provisions in sections 1 to 3, you are governed by sections 5 to 8. This does not apply to you if as at 1 November 2014 you are placed in the Customer Expert group, were before this date placed in the General group, and are placed within a rotating roster. In such a case sections 1 to 3 do apply to you, whereas sections 5 to 8 do not.
- 5 If you are a part-time employee and work more hours than contracted at your manager's request, this may involve additional hours. KPN sets a part-time quarterly hour standard for you in this case. KPN derives this proportionate to your working hours from the full-time quarterly hour standard for the relevant quarter. In this case the additional hours of work are the additional hours you work at your manager's request in excess of your part-time quarterly hour standard up to the full-time quarterly hour standard applicable for that quarter. You are compensated for working these additional hours. Unpaid break time does not count towards the calculation of this compensation.
- 6 The additional hours worked are compensated in time off. This time off is equal to the number of hours by which you exceeded the part-time quarterly hour standard in a particular quarter.
- 7 You take your compensatory time off in the calendar year in which the additional hours were worked.
- 8 Your manager may decide that time off is not in the interests of KPN. In that case, you will receive compensation in money equal to your hourly salary for each additional hour. You will accrue vacation over these hours. Additional hours also count towards:
- payment during work incapacity;
 - the size of benefits under voluntary early retirement;
 - your pension;
 - the Collective Agreement Budget.

Allowances

4.6 Labour market allowance

Your manager may award you a labour market allowance in the interests of the company. Your manager will decide the period for which you will receive this temporary allowance. The allowance may take the form of a gross monthly payment. The labour market allowance may also be a separate on-target-percentage as part of the variable remuneration. In such a case any extra bonus payment will be calculated in accordance with the variable remuneration scheme that applies to you.

4.7 Allowance for working unusual hours ('Tot.')

- 1 You may qualify for an allowance for working unusual hours, if:
- a. You have been placed in any of the salary scales between 1 and 10 inclusive and
 - b. You regularly work unusual hours, and
 - c. There is no overtime.
- 2 The allowance is a percentage of your hourly salary. The percentage depends on the day and time that you worked, as set out in the following table.

Hours:	0.00-6.00	6.00-7.00	7.00-8.00	8.00-14.00	14.00-18.00	18.00-19.00	19.00-22.00	22.00-24.00
Monday to Friday:	40%	20%	-	-	-	-	20%	40%
Saturday:	40%	40%	40%	-	25%	40%	40%	40%
Sunday:	100%	100%	100%	100%	100%	100%	100%	100%

If you work Mondays to Fridays between 06.00 and 07.00 or between 19.00 and 22.00, you will receive an allowance only if your work starts before 06.00 or ends after 20.00. You receive the allowance only over hours that you actually worked. You do not receive an allowance if you are on vacation or sick leave.

- 3 Different percentages will apply if you work in a 24-hour shift or continuous shift. The allowance will then be calculated according to the following table.

Hours:	0.00-6.00	6.00-8.00	8.00-14.00	14.00-18.00	18.00-22.00	22.00-24.00
Monday to Friday:	40%	20%	-	-	20%	40%
Saturday:	40%	40%	-	25%	40%	40%
Sunday:	100%	100%	100%	100%	100%	100%

If you work Mondays to Fridays between 06.00 and 08.00 or between 18.00 and 22.00, you will receive an allowance only if your work starts before 06.00 or ends after 19.00. You receive the allowance only over hours that you actually worked. However, you will also receive the allowance if you are incapacitated for work. You will then get the allowance that you would have received had you not become incapacitated for work. If it is impossible to determine how much this is, the average allowance for working unusual hours in the 3 months prior to your work incapacity will be used as a basis. A 3-month period sometimes fails to produce a fair outcome. If this occurs, a period of 12 months will be applied.

- 4 The allowance for working unusual hours will continue to be paid out for not more than 6 months if, on KPN's instructions and in its interests, you temporarily perform work that carries a smaller or no entitlement to such an allowance. The same applies if you take a job-related training course. The size of this allowance will equal the allowance for working unusual hours that you would have received in your 'own' roster. If KPN is unable to determine what this is, you will get per month the average monthly allowance for working unusual hours over the 3 most recent months before you temporarily undertook different work.
- 5 KPN will raise the total amount of the allowance for working unusual hours calculated in accordance with this provision by 8%.
- 6 Are you placed in the Customer Expert group and placed within a rotating roster and you were not placed in the General group before 1 November 2014? Then section 2 does not apply to you, and section 7 applies instead. Furthermore, sections 3, 4 and 5 do not apply to you.
- 7 Section 2 does not apply to employees as referred to in section 6, and the following applies instead. The allowance is a percentage of your hourly salary. The percentage depends on the day and time that you worked, in accordance with the following table.

	0.00-6.00	0.00-7.00 (*)	6.00-14.00	14.00-22.00	22.00-0.00
Monday to Friday	50%	50%	0%	0%	50%
Saturday	50%	50%	0%	30%	50%
Sunday	100%	100%	100%	100%	100%
Public holiday (**)	100%	100%	100%	100%	100%

(*) Only applies for employees working night shift.

(**) If the percentage alongside 'Public holiday' applies to you, none of the other lines in this table apply to you.

4.8 Pensionable salary

- 1 For pension accrual purposes the pension regulations of the KPN Pension Fund (Stichting Pensioenfonds KPN) make a distinction between fixed and variable pensionable salary.
- 2 The following payments are treated as fixed pensionable salary for pension accrual purposes:
 - monthly salary;
 - additional hours;
 - the labour market allowance (see Article 4.6);
 - the Flextime allowance (see Article 8.3 or 9.3);
 - the transfer allowance (see Article 4.3, section 10, of this Collective Agreement and Article 5.1/6.1 of the 2014-2015 KPN Social Plan, the 2016-2017 KPN Social Plan or the corresponding article under a previous KPN Social Plan);
 - the placement allowance;
 - the demotion allowance (see Article 7.16);
 - 75% of the Collective Agreement Budget awarded (see Appendix 2);
 - the compensation allowance for the amended OTP or the bonus opportunity as at 1 August 2014 (as referred to in Article 9.11, section 2), as at 1 November 2014 (as

- referred to in Appendix 13, Article 3), or as at 1 January 2015 (as referred to in Article 8.8, section 2);
- for employees who were employed by KPN Contact BV on 31 December 2014: any OVR1 allowance, any OVR2 salary allowance, and/or any placement allowance under Appendix 11, having regard in each case to any part-time factor.
- 3 For pension accrual purposes, the following payments are treated as variable pensionable salary:
- the allowance for working unusual hours (see Article 4.7).
- 4 In 2016 the maximum pensionable salary is €101,519. This sum can be amended each year on the basis of tax legislation.

Supplements

4.9 Collective Agreement Budget supplement

You will receive a supplement ('Collective Agreement Budget') equal to 12.5% of your gross monthly salary. You can have this supplement paid out or you can use it for a number of purposes. See Appendix 2 for more information about this supplement.

4.10 Overtime supplement

- 1 Your manager may request or require you to work more time than agreed with you. If this means that you must work more than the normal working hours applicable to you, it will be considered overtime. If you have been placed in any of the scales between 1 and 10 inclusive, you will receive compensation for this work. You will not receive compensation if you have to work less than half an hour of overtime.
- 2 In certain situations your manager will decide the period over which it will be calculated whether you worked more or less hours than agreed with you. This will be the case if:
- your roster has been changed, or
 - your working hours were not determined beforehand.
- If you worked more hours, you will have worked 'plus' hours. If you worked fewer hours, the 'minus' hours will be set off against any 'plus' hours over subsequent periods. Twice each year, in March and September, your 'minus' hours outstanding at that time will cease to exist.
- 3 There are some hours that do count as worked hours when determining the number of overtime hours, namely:
- the hours that you are incapacitated for work;
 - the hours taken as time off;
 - the hours taken as vacation or special leave.
- 4 The overtime compensation consists of:
- time off, equal to the number of overtime hours and
 - a supplement in money for each hour of overtime.
- 5 You will be awarded time off as quickly as possible. This will be not later than in the sixth month after the month you worked overtime. Your manager will make the fullest possible allowance for your wishes.
- 6 Your manager may decide that time off is not in the interests of KPN. In that case, you will receive a supplement in money equal to your hourly salary for each hour of overtime.
- 7 The supplement in money referred to in section 4 is a percentage of your hourly salary. The percentage is:

Monday 06.00 to Saturday 18.00 for the first 2 overtime hours per day	30%
Monday 06.00 to Saturday 18.00 for the overtime hours after the first 2 overtime hours per day	50%
Saturday 18.00 to Monday 06.00	100%
public holidays	200%
the day following a public holiday from 00.00 to 06.00	200%

- 8 If you have been placed in scale 11 or higher, you may still sometimes qualify for compensation for overtime. This will be the case if you are required to work overtime on public holidays or before 06.00 of the day that follows a public holiday. The supplement will be 200% of your hourly salary.
- 9 Are you placed in the Customer Expert group and placed within a rotating roster? Then sections 2 to 8, inclusive, do not apply to you, and sections 10 to 14 apply instead.

Have you been placed in the Customer Expert group as of 1 November 2014 and were you before that date placed in the General group and placed within a rotating roster? In that case sections 2 to 8 do apply to you, whereas sections 10 to 14 do not.

- 10 The overtime worked is compensated in time off. This time off is equal to the number of overtime hours worked.
- 11 You take this time off in the calendar year in which the overtime hours were worked.
- 12 Your manager may decide that time off is not in the interests of KPN. In that case, you will receive a compensation in money equal to your hourly salary for each hour of overtime.
- 13 In addition to overtime being compensated by time off (see section 10) or in money (see section 12), KPN will pay you an overtime supplement for every hour of overtime worked. This supplement is equivalent to 20% of your gross hourly wage. KPN will pay this supplement after the end of each quarter.
- 14 The following full-time quarterly hour standards have been set for the quarters of 2016 and 2017:

From 1 April 2016 to 30 June 2016	520
From 1 July 2016 to 30 September 2016	528
From 1 October 2016 to 31 December 2016	520
From 1 January 2017 to 31 March 2017	520
From 1 April 2017 to 30 June 2017	520
From 1 July 2017 to 30 September 2017	520
From 1 October 2017 to 31 December 2017	520

4.11 Stand-by supplement until 1 January 2017

- 1 The provisions of this article apply if you have been placed in any of the scales between 1 and 10 inclusive and applies until 1 January 2017.
- 2 You will receive a supplement if you have been scheduled to work stand-by hours. The supplement is a percentage of your hourly salary as follows:

Mondays to Fridays:	5%
Saturdays:	10%
Sundays and public holidays:	13%

- 3 It is also possible that you will receive a fixed monthly supplement. This will occur only if KPN has agreed arrangements in this regard with the Works Council for a group of employees. The fixed supplement will not be lower than the supplement that you would get under section 2 of these provisions.
- 4 You may sometimes be required to work stand-by hours. If so, you will receive compensation for the hours that you worked during the stand-by hours (including travel time). The compensation will be:
- time off in compensation for the number of hours that you worked and
 - a supplement in money. For each hour worked you will receive a percentage of your hourly salary. The percentage is:

Monday 06.00 to Saturday 18.00	50%
Saturday 18.00 to Monday 06.00	100%
public holidays	200%
the day following a public holiday from 00.00 to 06.00	200%

You will receive this compensation additional to the compensation under sections 2 or 3 of this article.

- 5 Your manager will decide in consultation with you when you may take the time off. Your manager may decide that time off is not in the interests of KPN. If this occurs, you will receive a supplement in money equal to your hourly salary for each hour worked.
- 6 Your manager may require you to be reachable by phone outside your working hours. For being reachable you will receive a supplement of €5.70 gross. This amount applies to each uninterrupted period of 24 hours at most. You will not then qualify for the other compensations under this provision.
- 7 Have you been placed in the Customer Expert group or were you employed as of 1 November 2014 by KPN Contact BV and as of that date placed in the General group? If so,

sections 1 to 6 do not apply to you, and the provisions of sections 8 to 10 apply to you instead until 1 January 2017.

This does not apply to you if as of 1 November 2014 you are placed in the Customer Expert group and before such date were placed in the General group. In such a case, until 1 January 2017 sections 1 to 6 do apply to you, whereas sections 8 to 10 do not.

8 Stand-by service involves being available for work at your manager's request for an uninterrupted time of 7 x 24 hours.

9 You will receive a supplement of €158.82 gross per week for being on stand-by (7 x 24 hours).

10 The time that you work as part of the stand-by service will be compensated in time off in the two quarters following that in which the service is performed. If time off is not in KPN Customer Service's best interests, this time worked will be compensated according to the rules pertaining to additional hours and/or overtime that apply for you.

11 If on 31 December 2014 you were employed by ITS and on that date you came within the 2014 KPN Corporate Market Collective Agreement, then as from 1 January 2016 until 1 January 2017 sections 1 to 7 of this article and Appendix 18 Article 8.3 cease to apply to you. The supplemental compensation provisions further to the hardship clauses relating to this article also cease to apply to you. In this case the stand-by scheme under the 2014 KPN Corporate Market Collective Agreement (Articles 16.3.1 and 16.3.2) as set out in sections 12 to 15 and 17 of this article applies.

12 The term 'stand-by' means availability for work outside normal working hours.

13 Compensation for stand-by services can be applied on the basis of two schemes:

a. Fixed compensation:

This scheme applies if:

- the stand-by service is performed by a permanent team, and
- the services are distributed equally between the employees, and
- the stand-by service is provided on weekdays and at weekends.

The following compensation, as a percentage of gross monthly salary, is payable according to the number of employees who provide the stand-by service.

Number of staff	Weekdays and weekends
2	11.80%
3	7.87%
4	5.90%
5	4.72%
6	3.93%
7	3.37%
8	2.95%
9	2.62%
10	2.36%

b. Variable compensation

If management decides that the stand-by service is of such a variable or short-term nature, or only applies to weekdays, compensation will be variable.

Compensation will then be paid for the stand-by service performed on the basis of actual stand-by hours worked.

The following compensations apply:

- weekdays €2.15 gross per hour;
- weekends/public holidays €2.63 gross per hour.

14 You may sometimes be required to work stand-by hours. If so, you will receive compensation for the hours that you worked during the stand-by hours (including travel time). The compensation will be:

- time off in compensation for the number of hours that you worked and
- a supplement in money. For each hour worked you will receive a percentage of your hourly salary. The percentage is:

Monday 06.00 to Saturday 18.00	50%
Saturday 18.00 to Monday 06.00	100%
public holidays	200%
the day following a public holiday from 00.00 to 06.00	200%

- 15 Your manager will decide in consultation with you when you may take the time off. Your manager may decide that time off is not in the interests of KPN. If this occurs, you will receive a supplement in money equal to your hourly salary for each hour worked.
- 16 Sections 12 to 15 and section 17 also apply to you as from 1 January 2016 until 1 January 2017 if you were employed by ITS and, having regard to the transitional protocols Delta (dated 19 November 2013) and Scope (dated 21 December 2012) you transferred from ITS to KPN. As of 1 January 2016 the compensation provisions contained in the Delta and Scope transitional protocols with regard to the stand-by service and supplemental compensation agreements (resulting from the objections raised to the Scope transitional protocol on this point) lapse.
- 17 The type of compensation (fixed or variable as described in section 13) that you received as on 31 December 2014 or at the moment you transferred under Delta or Scope forms the basis for the award under the stand-by service, unless the nature of the service has changed since then. In such a case, the (changed) character of the service determines the type of compensation (fixed or variable). The type of compensation is determined on the basis of section 13.

4.12 Stand-by supplement from 1 January 2017

- 1 This provision comes into force on 1 January 2017, replacing the provisions of Article 4.11. In light of the below sections, from 1 January 2017 Article 8.3 of Appendix 18 and the supplemental compensation provisions further to the hardship clauses cease to apply.
- 2 You will then receive the supplement stated in section 3 of this article if you have been scheduled to work stand-by hours. The supplement will be paid out on the basis of the number of the actual stand-by hours you have worked.
- 3 The following hourly supplements apply:

Monday 0.00 to Friday 24.00	€2.15 gross
Saturday 0.00 to Sunday 24.00	€2.63 gross
Public holidays from 0.00 to 24.00	€2.63 gross

- 4 You may sometimes be required to work stand-by hours. If so, you will receive compensation for the hours that you worked during the stand-by hours (including travel time). The compensation will be:
- time off in compensation for the number of hours that you worked and
 - a supplement in money. For each hour worked you will receive a percentage of your hourly salary. The percentage is:

Monday 06.00 to Saturday 18.00	50%
Saturday 18.00 to Monday 06.00	100%
public holidays	200%
the day following a public holiday from 00.00 to 06.00	200%

- You will receive this compensation additional to the supplement under section 3.
- 5 Your manager will decide in consultation with you when you may take the time off. Your manager may decide that time off is not in the interests of KPN. If this occurs, you will receive a supplement in money equal to your hourly salary for each hour worked. Have you been placed in the Customer Expert group or were you employed as of 1 November 2014 by KPN Contact BV and as of that date placed in the General group? Then the following applies instead of section 4. If you have to work during your stand-by service, will be compensated in time off in the two quarters following that in which the service is performed. If time off is not in KPN Customer Service's best interests, this time worked will be compensated according to the rules pertaining to additional hours and/or overtime that apply for you.
- 6 Have you been placed in the Customer Expert group as of 1 November 2014 and were you before that date placed in the General group? In such a case sections 1 to 4 do apply to you whereas section 5 does not.

4.13 Waiting-time supplement

- 1 The provisions of this article apply if you have been placed in any of the scales between 1 and 7 inclusive.
- 2 Waiting time is time when you have a commitment to KPN, but without actually performing work, being on stand-by or working mobile. Waiting time occurs if your manager requires you to travel longer distances to work somewhere other than your usual workplace. Waiting time does not occur if you are required to attend courses or take training.
- 3 Waiting time is determined per day:
 - a. First, you calculate the basic time. The basic time is the time between leaving home and returning home, minus thirty minutes. If you are required to travel and spend the night away from home, the place of your overnight stay will be considered your home for the purposes of this calculation;
 - b. Then you add up your working hours, break, overtime and any additional hours on that day;
 - c. Then you deduct the total time from section 3b from the basic time from section 3a;
 - d. The difference will be the hours of waiting time.
- 4 Compensation for waiting time consists of time off for the number of hours of waiting time. Your wishes for taking this time will be taken into account as far as possible. Your manager may decide that time off is not in the interests of KPN. If so, you will receive compensation in money, equal to your salary per hour for each hour of waiting time.

4.14 Travel time supplement for mobile employees

- 1 The provisions of this article apply if you have been placed in any of the scales between 1 and 10 inclusive.
- 2 Your manager will decide whether you fall into the category of mobile employees. You must in any event satisfy one of the following descriptions:
 - your position requires interruption of your daily working periods by short periods of travel; or
 - your position requires that you generally perform your work at different places in the country.
 - Mobile working excludes attending courses and taking training.
- 3 If you have been placed in the category of mobile employees, you will qualify for compensation of travel time. The compensation for travel time consists of time off equal to the number of travel hours. Your wishes for taking this time will be taken into account as far as possible. Your manager may decide that time off is not in the interests of KPN. If so, you will receive compensation in money, equal to your hourly salary for each hour of travel.
- 4 The compensation/supplement will be calculated in the same way as described at 4.13 sections 3 and 4 (supplement for waiting time).

4.15 Supplement for working on public holidays

- 1 The provisions of this article apply if you are required to work on a public holiday in a situation other than overtime.
- 2 You will receive a supplement for each hour worked on a public holiday. The supplement is equivalent to 100% of your hourly salary. You will receive the supplement in addition to any entitlement to a supplement for working unusual hours. If a public holiday falls on a day other than a Saturday or Sunday, you will additionally receive time off equal to the number of hours worked.
- 3 If you are required to work before 06.00 on the day following a public holiday, you will receive a supplement equal to 100% of your hourly salary.
- 4 Sections 1, 2 and 3 do not apply to you if you are placed in the Customer Expert group and you are placed within a rotating roster, and were not placed in the General group before 1 November 2014.

Miscellaneous

4.16 Long-service bonus

- 1 Have you been employed by KPN or a predecessor in title of KPN for 25 or 40 years? if you have been employed by KPN or by its legal predecessor for 25 or 40 years. The bonus consists of:
 - 1 × your gross monthly salary up to a maximum of the normative salary for 25 years of service, and
 - 1.5 × your gross monthly salary up to a maximum of the normative salary for 40 years of service.

KPN withholds and pays your payroll tax and social insurance contributions. The bonus you receive is therefore a net amount.
- 2 KPN will calculate the long-service bonus based on your monthly salary at the date of your long-service milestone.
- 3 If you switched from full-time to part-time during your employment or vice versa, KPN will determine the amount of the long-service bonus proportionately, based on the time that you worked for KPN part-time or full-time.

CHAPTER 5 - Social insurance benefits

5.1 Payment during period of work incapacity

1

- a. Duration and level of payment
If you are unable to work because you are sick, you will be considered incapacitated for work. During your absence from work KPN will pay you the percentage stated in section b or c of your monthly income, Collective Agreement Budget supplement and any other personal supplements you receive due to the increase in your contribution to the cost of the pension scheme as of 1 July 2010 and 1 January 2011. Periods of work incapacity will be totalled if they follow each other with any periods of return to work in between of less than 4 weeks.
The payment will be based on the monthly income that you earned in the position you held at the time you became incapacitated for work.
- b. Did you become incapacitated for work before 1 July 2014? In the first 52 weeks of your work incapacity, KPN will top up to 100% your monthly income, your Collective Agreement Budget supplement and any personal supplements, previously referred to in this provision. In weeks 53 to 104, inclusive, of your work incapacity the top-up is 70%.
- c. Did you become incapacitated for work on or after 1 July 2014? In the first 26 weeks of your work incapacity, KPN will top up to 100% your monthly income, your Collective Agreement Budget supplement and any personal supplements, previously referred to in this provision. In weeks 27 to 52, inclusive of your work incapacity, the top up is 90% and from weeks 53 to 104, inclusive, the top up is 75%.
- d. During your work incapacity, you will accumulate your pension as if you were receiving 100% of your monthly income. Your contribution to your pension and any concession referred to in Article 5.6, sections 6 and 7, will, however, be calculated over your monthly income and your Collective Agreement Budget supplement only.

The table below shows the payment and pension accrual in the event of work incapacity occurring before 1 July 2014:

Work incapacity	Continued payment	Pension accrual
Weeks 1 to 52	100%	100%
Weeks 53 to 104	70%	100%

The table below shows the payment and pension accrual in the event of work incapacity occurring on or after 1 July 2014:

Work incapacity	Continued payment	Pension accrual
Weeks 1 to 26	100%	100%
Weeks 27 to 52	90%	100%
Weeks 53 to 104	75%	100%

- e. Coincidence with other benefits
If during the 104 weeks you also receive statutory benefits under the WAO (Incapacity for Work Act) or WIA (Work and Income According to Labour Capacity Act), these benefits will be deducted from the payment that you receive as referred to above.
- f. Additional hours
Any additional hours that you have worked will also count. Your monthly income will be increased by the average number of additional hours that you worked in the last three months. If this produces an unfair outcome, KPN will consider a period of 12 months.
- 2 KPN is not obliged to make payment, if:
- a. KPN or UWV (Employee Insurance Agency) impose a sanction on you, for example because you do not cooperate in returning to work;
- b. Your work incapacity was caused by another party and you are therefore able to claim damages. KPN will make the payment to you by way of an advance, pending the compensation received from the other party. A precondition for this arrangement is that you must assign the compensation claim to KPN;
- c. KPN is able to recover the lost wages from a third party and you fail to provide the required information despite having been requested to do so by KPN;

- d. You fail to apply for statutory benefits under the WAO (Incapacity for Work Act)/WIA (Work and Income According to Labour Capacity Act) even though you are entitled to them in principle. The same applies if you fail to authorise UWV to transfer your WAO/WIA benefits to KPN.

5.2 Occupational health supervision

- 1 You are entitled to occupational healthcare.
- 2 KPN provides good working conditions in accordance with the prevailing laws and regulations.
- 3 KPN may request a physician of its choosing to examine whether you are incapacitated for work. KPN will inform you of this in writing, stating its reasons for requiring such an examination. You are required to cooperate. KPN will inform you of the opinion given by the physician. You may ask UWV for a second opinion, if you disagree with the first opinion.
- 4 KPN will reimburse any travel and subsistence expenses you incur for the said medical examination. KPN will set the level of this reimbursement based on the KPN rules for allowances.

5.3 Prevention and reintegration

- 1 KPN takes the following measures to prevent work incapacity:
 - a. KPN keeps absenteeism records for annual discussion with the Works Council;
 - b. KPN performs risk analyses and, depending on the outcome, may conduct other research;
 - c. KPN devotes attention during the training of its managers to the prevention of sickness and work incapacity.
- 2 If you are incapacitated for work, KPN will promote your return to work by:
 - a. engaging medical and other specialisations at an early stage, where necessary, via the Organizational Health Coach or the company doctor;
 - b. engaging a reintegration consultant to look for a reintegration place or other suitable work for you;
 - c. reimbursing you for training expenses and associated travel and subsistence expenses, if training will promote your return to work;
 - d. giving you priority over other candidates if you are found to be suitable for a vacancy. This is similar to the priority given to a supernumerary employee in job application procedures under the KPN Social Plan.
- 3 Your manager may agree arrangements with you to ease the burden of your work.

5.4 Collective insurances for work incapacity

- Top-up insurance under the WIA top-up insurance (WIA-Bodemverzekering)
Provided that you satisfy the prevailing policy conditions, you can join an insurance scheme for WIA top-up insurance. This insurance will pay out if you:
 - are found by a WIA assessment to be 15 to 35% incapacitated for work;
 - have medical limitations; and
 - incur a loss of salary.The relevant policy conditions take precedence. For more information, visit TEAMKPN Online.
- 2 Top-up insurance under WGA top-up insurance (WGA Gat Verzekering)
You may join an insurance scheme for WGA top-up insurance if you meet the relevant policy conditions. This insurance will pay out if:
 - you are found by a WIA assessment to qualify for WGA benefits; and
 - in the follow-up phase you receive a WGA follow-up benefit from the UWV and you are unable to earn at least 50% of the residual earning capacity as determined by the UWV.The payment consists of a top-up to the maximum daily wage for social security purposes and is paid in proportion to your work incapacity. The relevant policy conditions take precedence. For more information, visit TEAMKPN Online.
- 3 KPN will deduct the premiums for these two policies from your salary and pay them to the insurer.
- 4 You are free to decide whether or not you wish to take out such insurance.

5.5 Voluntary early retirement (VUT)

- 1 You may retire early at 61 or on reaching 40 years of service, provided that you meet the following conditions:
 - a. you were employed by KPN on 31 March 1996; and
 - b. on 1 April 1996 you had 25 or more years of service; and
 - c. you were employed continuously by KPN BV from 31 March 1996 up to and including the date on which you can retire early; and
 - d. Appendix 7 applies to you.
- 2 You must register your early retirement in MijnHR at least three months in advance.
- 3 You will not qualify for flexible retirement or the transitional pre-pension provisions if you retire early in one of these ways.
- 4 If you were employed by KPN Contact BV on 31 December 2014, sections 1 to 3 of this article do not apply to you, and Article 5.9 applies to you instead, where relevant.

5.6 Pension

- 1 KPN will enrol you as a member of the KPN Pension Fund (Stichting Pensioenfonds KPN). Your membership is mandatory. The pension scheme as varied from time to time applies to you.
- 2 You will pay a contribution towards the costs of the pension scheme. KPN will deduct the contribution from your monthly income and remit it to the KPN Pension Fund.
- 3 You will contribute 7% of your pensionable salary to the costs of the pension scheme as defined in Article 4.8, less the offset. You do not accrue any pension entitlement on the offset, and do not pay any premiums, as you accrue entitlements to the state pension (AOW) on that amount. If you work part-time, the offset will be adjusted to the scale of your employment contract. The offset is adjusted annually to the level of the AOW benefits in the manner set out in the pension regulations.
- 4 If you were employed by KPN BV (not KPN Contact or ITS) before 1 January 2011 and have remained permanently employed by KPN BV since then, then as an exception to the preceding section, your contribution to the costs of the pension scheme amounts to 6% of your monthly income plus 75% of your Collective Agreement Budget supplement, less the offset.
- 5 Section 4 of this Article is a standard provision in the KPN Collective Agreement 2011 replacing provision 5.6 section 4 of the KPN Collective Agreement 2010. This means that the level of the personal contribution that applied on 31 December 2010 pursuant to provision 5.6 section 4 of the KPN Collective Agreement 2010 for employees as referred to in section 4 is ineffective as of 1 January 2011.
- 6 For those who qualified as employees before 1 January 2011 according to the KPN Collective Agreement 2010 and who on 31 December 2010 were not employed by KPN Contact BV, and have remained in the service of the company continually since then, a personal gross supplement applies as of 1 January 2011. This supplement serves as compensation for the increase in the costs of the pension scheme as of 1 January 2011, pursuant to Article 5.6 section 6 of the KPN Collective Agreement 2011.
- 7 For employees who qualified as employees on 30 June 2010 according to the KPN Collective Agreement 2008-2009 and remained in the service of the company continually since then, a personal gross supplement applies as of 1 July 2010. This supplement serves as compensation for the increase in the costs of the pension scheme as of 1 July 2010, as described in Article 5.6 sections 6 and 7 of the KPN Collective Agreement 2010.
- 8 Employees who were employed by KPN Contact BV on 31 December 2014 and whose contribution to the costs of the pension scheme as at 1 January 2015 is more than as at 31 December 2014, will be compensated by means of a normative personal gross supplement. This compensation is equal to 50 per cent of the difference between (i) the contribution as at 31 December 2014 calculated on the basis of the average of the age cohort applying on that date and the cohort immediately following, including the ANW top-up premium (set at a fixed amount), irrespective of whether this premium is actually due and (ii) the contribution as at 1 January 2015.
- 9 Changes in the pension scheme on 1 January 2014 in connection with the Raising of the State Pension Age and Standard Pension Retirement Age Act (Wet verhoging AOW- en pensioenrichtleeftijd) do not affect the rights and obligations of employees in the service of KPN (excepting those employed by KPN Contact on 31 December 2014 and ITS employees

who, on 31 December 2014, came within the KPN Corporate Market Collective Agreement) as set out in Appendices 5 and 6.

5.7 Transitional pre-pension provisions

- 1 You qualify for the transitional provisions compensating for the loss of the prospect of a pre-pension, as described in Appendix 6, if you have been employed by KPN BV continuously since 31 March 2000, otherwise than as a result of a transfer of undertaking/merger/demerger after 31 March 2000, and were born between 1 January 1950 and 1 January 1960.
- 2 If you were employed by KPN Contact BV on 30 September 2005, section 1 of this article does not apply to you, and Article 5.9 applies to you instead, where relevant.

5.8 Death benefit

- 1 On your death KPN will pay out any monthly income and any Collective Agreement Budget supplement not yet paid out at the time of your death plus a net lump sum payment of three times the gross monthly income.
- 2 This payment will be made to:
 - a surviving spouse; or in the absence thereof
 - children who are minors; or in the absence thereof
 - a person for whom you cared financially and incurred costs.
- 3 Any death benefits to which you are entitled under statutory sickness or industrial disability insurance will be deducted from this payment.
- 4 If you were receiving payment for additional hours, the monthly income will be based on the average number of paid hours over the three months immediately prior to your death.
- 5 If you are not married, but cohabit with a life partner, the life partner will, for the purposes of the death benefit, be deemed equivalent to a spouse. However, you must have given your manager prior written notification of your cohabitation.

5.9 Transitional provisions governing pension, VUT, FLO and pre-pension for employees who were employed by KPN Contact BV on 30 September 2005

- 1 If on 30 September 2005 you had prospects of the following on the basis of transitional arrangements:
 - VUT (early retirement), FLO or pre-pension, or
 - entitlement to a different pension allocation and/or premium allocation than indicated in the Collective Agreement 2004-2005 (in effect from 1 April 2004 to 30 September 2005),
 - one of the following provisions may apply to you:
 - if you were born on or after 1 January 1950, if you have been employed by KPN Contact continuously since 31 March 2000, otherwise than as a result of a transfer of undertaking/merger/demerger after 31 March 2000, and you had a prospect of VUT, then the regulations set out in Appendix 10 apply to you;
 - if you have the prospect of FLO, this prospect is retained;
 - if you were born on or after 1 January 1950, if you have been employed by KPN Contact continuously since 31 March 2000, otherwise than as a result of a transfer of undertaking/merger after 31 March 2000, and you had a prospect of pre-pension, then the regulations set out in Appendix 9 apply to you;
- 2 Changes to the pension scheme on 1 January 2014 in connection with the Raising of the State Pension Age and Standard Pension Retirement Age Act do not affect the rights and obligations as set out in Appendices 8 to 12.

CHAPTER 6 - Employer contributions

6.1 50% discount scheme

- 1 You can get a 50% discount on a number of products and services of KPN (brands), including up to one internet subscription.
- 2 Insofar as the discount does not exceed the amount stated on TEAMKPN Online, the tax due on the discount will be paid by KPN. Tax on any discount in excess of the amount stated on TEAMKPN Online will be paid by the employee.
- 3 KPN will decide to which brands, products and services the discount applies. You can view a list of these brands, products and services and the supplementary conditions which apply to this discount scheme at TEAMKPN Online.

6.2 Contribution towards commuting expenses until 1 July 2016

- 1 You will receive a contribution towards the costs that you incur in travel between home and work, provided you commute to your usual workplace on 60% or more of the days you work. No contribution will be paid for any part of a journey for which KPN has arranged the transport.
- 2 KPN will pay you the contribution each month. KPN will calculate the contribution on the assumption that you normally travel to your work the same number of days each week. The amount of the contribution is shown in the table below and depends on:
 - the number of kilometres that KPN calculates that you travel between home and work, and
 - the number of days per week that you make this journey.

Contribution towards commuting expenses in euros until 1 July 2016:

Number of kilometres (one way)	Number of commuting days per week				
	1	2	3	4	5
1	5.86	11.70	17.56	18.56	18.56
2	5.86	11.70	17.56	18.56	18.56
3	5.86	11.70	17.56	18.56	18.56
4	6.83	13.65	20.48	20.81	20.81
5	6.83	13.65	20.48	23.06	23.06
6	6.83	13.65	20.48	23.06	23.06
7	8.53	17.06	25.60	28.13	28.13
8	8.53	17.06	25.60	30.94	30.94
9	8.53	17.06	25.60	33.48	33.48
10	11.21	22.43	33.65	36.58	36.58
11	17.95	35.92	53.88	64.42	64.42
12	17.95	35.92	53.88	69.38	69.38
13	20.14	40.29	60.44	74.79	74.79
14	20.14	40.29	60.44	80.59	80.59
15	20.14	40.29	60.44	80.59	80.59
16	27.33	54.66	81.99	92.35	92.35
17	27.33	54.66	81.99	97.75	97.75
18	27.33	54.66	81.99	103.16	103.16
19	28.21	56.41	84.62	109.02	109.02
20	28.21	56.41	84.62	112.82	112.82
21	31.62	63.26	94.87	120.28	120.28
22	35.92	71.84	107.77	125.69	125.69
23	35.92	71.84	107.77	131.09	131.09
24	35.92	71.84	107.77	136.06	136.06
25	40.20	80.43	120.64	141.90	141.90
26	40.20	80.43	120.64	146.87	146.87
27	40.20	80.43	120.64	152.27	152.27
28	40.29	80.59	120.88	157.68	157.68
29	40.29	80.59	120.88	161.18	161.18
30	40.29	80.59	120.88	161.18	161.18

Contrary to the amounts stated in the table, the following minimum amounts will apply in the situations described below:

- €5.70, if you commute 1 day per week;
 - €11.40, if you commute 2 days per week;
 - €17.10, if you commute 3 days per week;
 - €22.80, if you commute 4 or more days per week.
- 3 If you do not commute the same number of days every week, you will receive an adjusted contribution. KPN will calculate this contribution based on the contribution applicable to one day's travel per week and the number of times that you actually commuted in a month. The contribution will not be higher than the amount in the table in section 2 that is payable for four or more days of commute. The minimum amounts are:
- €5.70, if you commute at least 4 days per month;
 - €11.40, if you commute at least 8 days per month;
 - €17.10, if you commute at least 13 days per month;
 - €22.80, if you commute at least 17 days per month.
- 4 You may ask your manager to provide you with a second-class public transport season-ticket, instead of a commuting expense contribution. This is possible provided that you meet the following conditions:
- you use public transport to commute between home and work; and
 - your one-way commuting distance exceeds 30 km; and
 - you normally commute four or more days a week.
- If you commute fewer than four days per week, you may submit an expense claim for the public transport costs you incurred. When you submit such claim you must provide proof that you have actually incurred these costs.
- 5 If you have not commuted to work for a whole month, you will stop receiving a contribution after the end of that month. You will get a contribution again from the day that you recommence commuting to work.
- 6 If, on average, you commute to your normal workplace 60% or more of your working days, KPN will ensure you can benefit from tax incentives available to employees using a bicycle or public transport to commute.
- 7 If, on average, you work a maximum of 40% of your working week at home or at a place other than your normal workplace, whether or not within the context of the 'The New Way of Living and Working' model, the above provisions will apply up to and including section 6.
- 8 If, on average, you work more than 40% of your working week at home or at a place other than your normal place of work, whether or not within the context of the 'The New Way of Living and Working model', the provisions of sections 1 to 6 will not apply to you. In such cases you will be completely compensated for any journey using public transport by using the NS Business Card issued to you. In this situation, your manager may also give you permission to use your own transport instead of public transport. The KPN Scheme for reimbursing domestic business travel published on TEAMKPN Online is applicable to such situations.
- 9 If you work continuous shifts at, for example, the SQC, WSD or AVMC in Hilversum or at Mobirail in Waalhaven, or within the CCC, it may be difficult or impossible to make use of public transport if you work a late shift, night shift, early shift or a weekend shift. In such cases, you may submit a claim for an extra six cents per kilometre for every kilometre commuted between your home and work.
- 10 Payroll taxes and social security contributions may be payable over the contribution that you receive. In this case KPN will withhold this payroll tax and the social insurance premiums due by you from the contribution.

6.3 Contribution towards commuting expenses from 1 July 2016

- 1 You will receive a contribution towards the costs that you incur in travel between home and work, provided you commute to your usual workplace on 60% or more of the days you work. No contribution will be paid for any part of a journey for which KPN has arranged the transport.
- 2 KPN will pay you the contribution each month. KPN will calculate the contribution on the basis of the average number of days that you normally travel to your work each week, up to a maximum of four days. Your manager will determine the average number of days that you normally travel to your work each week after consulting you.
- 3 The amount of the contribution is shown in the table below and depends on:

- a. the number of kilometres that KPN calculates that you travel between home and work, and
- b. the average number of days per week that you make this journey.

Contribution towards commuting expenses in euros from 1 July 2016:

Number of kilometres (one way)	Number of commuting days per week				
	1	2	3	4	5
1	5.86	11.70	17.56	18.56	18.56
2	5.86	11.70	17.56	18.56	18.56
3	5.86	11.70	17.56	18.56	18.56
4	6.83	13.65	20.48	23.57	23.57
5	7.37	14.73	22.10	29.47	29.47
6	8.84	17.68	26.52	35.36	35.36
7	10.31	20.63	30.94	41.25	41.25
8	11.79	23.57	35.36	47.15	47.15
9	13.26	26.52	39.78	53.04	53.04
10	14.73	29.47	44.20	58.93	58.93
11	17.95	35.92	53.88	64.83	64.83
12	17.95	35.92	53.88	70.72	70.72
13	20.14	40.29	60.44	76.61	76.61
14	20.63	41.25	61.88	82.51	82.51
15	22.10	44.20	66.30	88.40	88.40
16	27.33	54.66	81.99	94.29	94.29
17	27.33	54.66	81.99	100.19	100.19
18	27.33	54.66	81.99	106.08	106.08
19	28.21	56.41	84.62	111.97	111.97
20	29.47	58.93	88.40	117.87	117.87
21	31.62	63.26	94.87	123.76	123.76
22	35.92	71.84	107.77	129.65	129.65
23	35.92	71.84	107.77	135.55	135.55
24	35.92	71.84	107.77	141.44	141.44
25	40.20	80.43	120.64	147.33	147.33
26	40.20	80.43	120.64	153.23	153.23
27	40.20	80.43	120.64	159.12	159.12
28	41.25	82.51	123.76	165.01	165.01
29	42.73	85.45	128.18	170.91	170.91
30	44.20	88.40	132.60	176.80	176.80
31	45.67	91.35	137.02	182.69	182.69
32	47.15	94.29	141.44	188.59	188.59
33	48.62	97.24	145.86	194.48	194.48
34	50.09	100.19	150.28	200.37	200.37
35	51.57	103.13	154.70	206.27	206.27
36	53.04	106.08	159.12	212.16	212.16
37	54.51	109.03	163.54	218.05	218.05
38	55.99	111.97	167.96	223.95	223.95
39	57.46	114.92	172.38	229.84	229.84
40	58.93	117.87	176.80	235.73	235.73
41	60.41	120.81	181.22	241.63	241.63
42	61.88	123.76	185.64	247.52	247.52
43	63.35	126.71	190.06	253.41	253.41
44	64.83	129.65	194.48	259.31	259.31
45	66.30	132.60	198.90	265.20	265.20

- 4 If you have not commuted to work for a whole month, you will stop receiving a contribution after the end of that month. You will get a contribution again from the day that you recommence commuting to work.

- 5 You may ask your manager to provide you with a second-class public transport season-ticket, instead of a commuting expense contribution. This is possible provided that you meet the following conditions:
- you use public transport to commute between home and work; and
 - your one-way commuting distance exceeds 30 km; and
 - you commute an average of four or more days a week.
- If you commute fewer than four days per week, you may submit an expense claim for the public transport costs you incurred. When you submit such claim you must provide proof that you have actually incurred these costs.
- 6 If, on average, you commute to your normal workplace 60% or more of your working days, KPN will ensure you can benefit from tax incentives available to employees using a bicycle or public transport to commute.
- 7 If, on average, you work a maximum of 40% of your working week at home or at a place other than your normal workplace, whether or not within the context of the 'The New Way of Living and Working' model, the above provisions will apply up to and including section 6.
- 8 If, on average, you work more than 40% of your working week at home or at a place other than your normal place of work, whether or not within the context of the 'The New Way of Living and Working model', the provisions of sections 1 to 6 will not apply to you. In such cases you will be completely compensated for any journey using public transport by using the NS Business Card issued to you. In this situation, your manager may also give you permission to use your own transport instead of public transport. The KPN Scheme for reimbursing domestic business travel published on TEAMKPN Online is applicable to such situations.
- 9 If you work continuous shifts at, for example, the SQC, WSD or AVMC in Hilversum or at Mobirail in Waalhaven, or within the CCC, it may be difficult or impossible to make use of public transport if you work a late shift, night shift, early shift or a weekend shift. In such cases, you may submit a claim for an extra six cents per kilometre for every kilometre commuted between your home and work.
- 10 Payroll taxes and social security contributions may be payable over the contribution that you receive. In this case KPN will withhold this payroll tax and the social insurance premiums due by you from the contribution.

6.4 Contribution towards removal expenses

- 1 If you are relocated in the interests of the company and move home to live closer to your new workplace, your manager may decide to give you a contribution towards your removal costs until 1 July 2016, if:
- a. your manager considers the move to be necessary, and
 - b. you move to the city where you are going to work, and
 - c. you are moving to an address more than 30 km away from your current address.
- your manager may decide to give you a contribution towards your removal costs from 1 July 2016, if:
- a. your manager considers the move to be necessary, and
 - b. you move to the city where you are going to work, and
 - c. you are moving to an address more than 45 km away from your current address.
- You get the contribution as soon as your manager has approved your new place of residence.
- 2 The contribution towards removal costs consists of:
- a. the costs of transporting your personal effects, including the packing and unpacking costs, and
 - b. a lump sum for all other expenses that you have incurred in connection with your move.
- 3 The size of the lump sum is:
- 2 x your gross monthly salary plus 8%, if you had your own household before and after the move;
 - $\frac{3}{4}$ x your gross monthly salary plus 8% in all other cases.
- For this calculation, KPN will apply as a minimum the normative salary for scale 6 and as a maximum the normative salary for scale 13.
- 4 If joining KPN requires that you move home, you will in any event receive reimbursement for your removal costs, including packing and unpacking costs.
- 5 To qualify for the contribution towards your removal costs, you must move within one year after being transferred or joining the company.

- 6 You will receive an extra contribution if you are partially incapacitated for work, find a suitable position and must move as part of your re-integration. This extra contribution is €7,500 gross, if you have your own household. If you do not have your own household the extra contribution is €3,750 gross.
- 7 Payroll taxes and social security contributions may be payable over the contribution that you receive. If so, KPN will deduct them from the contribution.

6.5 Contribution towards commuting expenses on relocation in the company's interests

- 1 If you are relocated in the interests of the company, you can receive a contribution for a period of three years towards the expenses that you incur in commuting, based on the table shown in section 3. This is possible until 1 July 2016, if:

- you originally lived 30 km or less from your work and the new travelling distance is more than 30 km, or
- you originally lived more than 30 km from your work and the new travel distance has increased by 10 km or more.

This is possible from 1 July 2016, if:

- you originally lived 45 km or less from your work and the new travelling distance is more than 45 km, or
- you originally lived more than 45 km from your work and the new travel distance has increased by 10 km or more.

In both situations, you will get the contribution only if you do not move home and your manager has not asked you to do so.

- 2 The table below shows the size of the contribution until 1 July 2016. The contribution you receive replaces the contribution payable under Article 6.2, but will not be less than this contribution. If you work part-time, KPN will calculate the contribution in proportion to the number of days that you work.

Table applicable to travel on at least 60% of your working days	Monthly amount in euros
31 to 39 kilometres	161.18
40 to 49 kilometres	176.43
50 to 59 kilometres	201.36
60 to 69 kilometres	222.45
70 to 79 kilometres	235.83
80 kilometres or more	241.31

- 3 The table below shows the maximum size of the contribution from 1 July 2016. The contribution you receive replaces the contribution payable under Article 6.3, but will not be less than this contribution. If you work part-time, KPN will calculate the contribution in proportion to the number of days that you work.

Table applicable to travel on at least 60% of your working days	Monthly amount in euros
45 to 54 kilometres	265.20
55 to 64 kilometres	280.00
65 to 74 kilometres	295.00
75 to 84 kilometres	310.00
85 kilometres or more	325.00

- 4 KPN will ensure you can benefit from tax incentives available to employees using a bicycle or public transport to commute.
- 5 If, on average, you work more than 40% of your working week at home or at a place other than your normal place of work, whether or not within the context of the 'The New Way of Living and Working' model, you will not receive the concession in this provision. In such cases you will be completely compensated for any journey using public transport by using the NS Business Card issued to you. In this situation, your manager may also give you permission to use your own transport instead of public transport. The KPN Scheme for reimbursing domestic business trips published on TEAMKPN Online is applicable to such situations.
- 6 Payroll taxes and social security contributions may be payable over the contribution that you receive. In this case KPN will withhold this payroll tax and the social insurance premiums due by you from the contribution.

6.6 Contribution towards telephone expenses

Your manager may decide that you qualify for a contribution of €11 net per month towards your telephone expenses, if:

- you do not have a company mobile phone;
- you do not receive any other form of contribution for telephone costs and you must make business phone calls from your home with your own fixed or mobile phone;
- more than 10% of the use of the telephone is for business calls.

CHAPTER 7 - Sustainable employability: Expertise, Energy and Enterprise

7.1 Reason for this Chapter

The world around us is changing, not least due to changing customer requirements, new technologies, and new market parties and economies. These dynamics require a flexible KPN. This means that job security can no longer be a given because new products and services will be developed, and new skills, which will themselves change or even disappear over time. Where we provide you with significant support is in creating employment security, by making above-average investment in keeping you in work, within or outside KPN. The initiative lies with you. You set your own short-term and longer-term goals for discussion with your manager, as a part, for example, of performance management. KPN offers you a range of tools to enable you at any time, even before such time as you could be rendered supernumerary, to invest in the three Es: Expertise, Energy and Enterprise. 'Expertise' is the ability to add value based on the tasks you are good at, where your talents lie, and what you like doing. These are things where people ask for you in particular, that you talk to colleagues about, and whose developments you follow. 'Energy' is the result of a good balance between work and private life, effort and relaxation, and the absence of systemic restrictions at physical, mental or emotional level, leaving you able to perform to your best, and to maintain this level for as long as possible. This is important for being able to use your expertise optimally in practice, and thereby add value, not least having regard to the increasing retirement age. Finally, 'Enterprise' is your capacity for changing with, and adapting to, changing circumstances resulting, for example, from technological developments, thus remaining successful in the long term. The Three-Phase Model that we introduce in this Collective Agreement as of 1 July 2016 supports you in investing in the three Es by offering facilities at each phase of your career within KPN that can help you remain in employment.

7.2 The Three-Phase Model

We have identified three phases that you could experience in respect of employment security within KPN. Which of these three phases you find yourself in will be decided and clearly communicated by KPN.

We set out below a description of each phase.

1 Phase I:

This is the phase that will apply to most people. Being in this phase means that there are no substantive indications of employees within your job (group) in the unit in which you work becoming supernumerary in the short term. That is not to say that you don't need to think about future-proofing yourself. There are a number of tools that you can deploy in consultation with your manager that can help you in Phase I achieve and maintain maximum value on the labour market.

2 Phase II:

If KPN anticipates concrete organisational changes that could result in a reduction in FTEs such that within your job (group) and within your unit employees may become supernumerary, KPN will disclose this expectation by means of an information memorandum sent to the relevant Works Council and you will be notified of this situation. This information memorandum does not replace any necessary advisory procedure through the Works Council at any later stage. The information memorandum will indicate the date on which Phase II commences. In Phase II you have access to more tools that you can use as you think fit. This can help you in preventing any supernumerary situation or limiting its consequences. We are endeavouring to ensure that Phase II continues for as long as enables these tools to have the greatest effect. Only where there are exceptional circumstances can KPN decide that there should be no Phase II prior to Phase III.

3 Phase III:

Phase III commences on the date of the letter stating that you are supernumerary. Phase III is described in more detail in the prevailing KPN Social Plan.

- 4 Depending on the circumstances, it may be that after Phase II or Phase III you again come under Phase I. In such a case you retain the increase in your Employability Budget from Phases II or III (see article 7.5) and may continue a scheme already started with KPN Perspective (see article 7.8).
- 5 For the Three-Phase Model to work effectively, there must be dialogue between the manager and employee with regard to sustainable employability. This could include the discussions regarding performance management but, of course, they need not be limited to these. Other sources to increase understanding are strategy sessions, information shared on TEAMKPN Online and various initiatives in the context of the Future of Work and sustainable employability.

The following articles describe the tools available in each of the phases.

7.3 KPN Academy

KPN Academy Self Service Portal provides answers to your career and training questions. It provides opportunities for working, learning and developing. KPN Academy is the place where all the courses as described in Article 7.4 sections 2 and 4 of this Collective Agreement are offered.

7.4 Courses

- 1 KPN distinguishes between three reasons for taking a course:
 - a. the course is necessary for you to perform your job;
 - b. the course is necessary for you to retrain for a new position in a growth area within KPN; and
 - c. the course will improve your employability and is not directly to the benefit of KPN; you select this type of course yourself.
- 2 A job training course, as referred to in section 1(a), is one that you need to take in order to perform your work. The results of the course must be usable immediately in your job. Your choice of course will take account of:
 - the job description and
 - the knowledge and skills you possess.
 KPN will pay for the job training, which you will take during working hours.
- 3 A conversion course, as referred to in section 1.b, is a course that enables you to perform another job in a growth area within KPN. This course will be decided in consultation with your manager. A conversion course is only possible where you and KPN both intend for you to work in this growth area within KPN upon completion of the course. In such a case, the costs of this course will be paid by KPN and the course will be taken during your working hours.
- 4 You can select a course to improve your employability, as referred to in section 1(c), from the training courses available in KPN Academy. If the course is not available in the KPN Academy, you can submit a 'Request for a Course not in the Catalogue'. KPN Academy will see if this request satisfies a number of conditions. For more information, visit TEAMKPN Online.
- 5 If a course to improve your employability costs more than your Employability Budget, your manager may at his discretion decide that KPN will pay the additional part.
- 6 Regardless of the amount paid by your manager in excess of the Employability Budget for your training course, if you do not complete the course and this is your own fault, you will pay back the supplementary part paid by KPN.

7.5 Employability Budget

- 1 You have an Employability Budget of €1,000 per calendar year. If you join KPN in the first half of the calendar year, you will get the entire budget. If you join KPN on or after 1 July you will get a budget of €500. This section also applies if you are a temporary worker as described in

- Article 2.2 section 4, with the proviso that in the event that the period of 26 weeks expires after 1 July the temporary worker will receive an Employability Budget for that year of €500.
- 2 You can spend the budget on services offered in KPN Academy during the year it was allocated as referred to in Article 7.4 section 4. If you can completely pay for the course from your Employability Budget, you do not need the approval of your manager.
- 3 You may want to start a course that costs more than you can afford based on your budget. In that case, you may request your manager's permission to add the required portion of the current calendar year's budget to the full budget for the next calendar year. That will allow you to start the more expensive training course in the next calendar year, provided you selected and scheduled the course in the previous year and have reached agreement with your manager.
- Your manager may not refuse this without compelling company interests.
- 4 If you have spent a minimum of €900 of your annual Employability Budget or if you have carried forward at least €900 of your Employability Budget from one year to the next, as described in section 3, your Employability Budget for the next year will be €1,500.
- 5 If your Employability Budget is €500 as described in section 1, you will be awarded the increased Employability Budget described in section 4 if you have used up at least €400 of your Employability Budget.
- 6 If you have selected a technical course and have agreed this with your manager, you may receive an additional Employability Budget of up to €1,000 for this purpose. The definition of a technical course will be placed on TEAMKPN Online on 1 July 2016. This additional Employability Budget may be awarded once per calendar year. This section also applies if you are a temporary worker as described in Article 2.2 section 4.
- 7 If you move from Phase I to Phase II, you will be awarded an additional Employability Budget of €1,000 on that date. This award may be made once per calendar year.
- 8 If you move from Phase II to Phase III, you will be awarded an additional Employability Budget of €1,000 on that date. This award may be made once per calendar year.
- 9 The unused part of the budget will be forfeited:
- at the end of the calendar year;
 - on termination of your employment, either by you or by KPN.

7.6 Time spent on courses financed through the Employability Budget

- 1 The first two course days, or the first sixteen hours, of time spent on training courses and tools fully financed from your Employability Budget will take place entirely during working hours. Of the remainder of the time spent on training courses, half of that time will take place during working hours, and half in your own free time. You must agree these arrangements with your manager. In addition, the costs you incur in travelling to the course are payable by KPN (see 'KPN rules for allowances' on Team KPN Online). This also applies if you are a temporary worker as described in Article 2.2 section 4.
- 2 If you start a course to improve your employability that is paid for in part or in full by your manager, as described in the first sentence of Article 7.4 section 5, you should make agreements about what proportion of the time to be invested should take place in your own time and what proportion during working hours.

7.7 Labour market scan

As from 1 July 2016 you can ask for a labour market scan which will inform you about your labour market position within and outside KPN. If you are in Phase I, you may have this scan once every three years. You will decide with your manager when to have the scan. KPN strongly advises you to take advantage of this option. This also applies if you are a temporary worker as described in Article 2.2 section 4.

If you have moved to Phases II or III you can request and carry out the labour market scan without needing the permission of your manager.

In all the above cases, the costs are payable by KPN and the labour market scan will be conducted during working hours.

7.8 KPN Perspective mobility scheme

- 1 As of 1 July 2016, having regard to sections 2 and 3, you can make use of the mobility scheme that KPN Perspective will draw up for you personally and implement with you, thus supporting you in finding out about or obtaining other work outside KPN. This support may include the tools as described in article 5.1 section 2 of the 2016-2017 Social Plan, such as a mobility scan, various training courses, participation in job fairs, matching you to vacancies, job-searching and job mediation. The deployment of these tools and the duration of the scheme will be determined by KPN Perspective on an individual basis. You can find more information about KPN Perspective on the HR site on TEAMKPN Online.
- 2 If you are in Phase I, then you need to obtain the permission of your manager to participate in this scheme. If your manager agrees, then 25% of the contact hours will take place during working hours and 75% in your own time. Homework must be done entirely in your own time. This section also applies if you are a temporary worker as described in Article 2.2 section 4.
- 3 If you are in Phase II, then you can decide for yourself whether to follow the scheme described in section 1, in which case 50% of the contact hours will take place during working hours and 50% in your own time. Homework must be done entirely in your own time.
- 4 The costs of the KPN Perspective mobility scheme are payable by KPN.

7.9 Financial advice

- 1 As from 1 July 2016 you can choose to obtain advice from a financial adviser which for tax reasons will be given at a KPN (office) location. This advice will provide you with greater understanding about your financial situation and the financial consequences of the various options available to you concerning your future career.
- 2 If you are in Phase I, then 50% of the costs are payable by KPN and the other 50% can be met from your Employability Budget, if available. If you have no, or an insufficient, Employability Budget, your own contribution to the costs will be a maximum of 50%. 50% of the time spent obtaining this advice will be taken during your working hours and 50% in your free time. This section also applies if you are a temporary worker as described in Article 2.2 section 4.
- 3 If you are in Phases II or III, the costs are fully payable by KPN and all the time spent obtaining this advice may be taken during working hours.

7.10 Internal Mobility Centre

- 1 On 1 July 2016 KPN launches its Internal Mobility Centre to provide information on current and future internal vacancies, and to inform employees interested in a different job, with the aim, where possible, of bringing these together. You can use the services provided by the Mobility Centre up to the end of the first month in which you become supernumerary. As from 1 July 2016 information explaining how the Mobility Centre works will be posted on TEAMKPN Online.
- 2 In filling internal vacancies a decision as to (potential) suitability will take account of your possible preferential position depending on the phase in which you are placed. If you are in Phase III and (potentially) suitable for the internal vacancy, then you will have preference over your colleagues in Phases I or II. If you are in Phase II and (potentially) suitable for the internal vacancy, then you will have preference over your colleagues in Phase I. The phase you are in determines the extent to which you have preference. This means that if you are in Phase III and are potentially suitable for the internal job, you have preference over a colleague in Phase II who is also suitable for the internal job. If you and another colleague who is (potentially) suitable for the internal job are in the same phase, the person who is the most suitable for the job will be preferred. 'Potentially suitable' means that in the assessment of KPN you are able, with or without the need for further training, to develop within a reasonable period so that you can fill all requirements of that job.
- 3 If you are (potentially) suitable and declared to be supernumerary, a manager will assign you the internal vacancy, having regard to the preferential rules in section 2, above, unless there are compelling reasons for not doing so. If such compelling reasons exist, they must be supported by evidence and notified to the employee and the relevant VP HR.
- 4 If you are (potentially) suitable and declared to be supernumerary, and do not accept the offer of a suitable internal job in respect of which the preferential rules have been applied, you will

lose any (possible) right to payment under Article 4.6 (payment for signing) and Article 4.7 (earlier departure payment) under the 2016-2017 Social Plan. A 'suitable internal job' here means a job for which you are potentially suitable with no more than one salary scale difference compared to the job level of your current or last job.

7.11 Retirement Scheme

- 1 As from 1 July 2016 if you are in Phase II and the Retirement Scheme applies to you, you can leave KPN under a settlement agreement and receive a payment equivalent to the statutory Transition Payment. By signing the settlement agreement, you will also receive a payment towards the cost of obtaining legal advice of up to € 900.00. To be absolutely clear: the Social Plan and the payments listed therein do not apply to you in Phase II. The date on which you retire from KPN will be determined by agreement. If you wish, your notice period will be honoured.
- 2 What are the main features of the Retirement Scheme? KPN will inform the Works Council in the information memorandum (as referred to in Article 7.2 section 2) of the maximum number of employees that may make use of the Retirement Scheme and any conditions that may be applied in this regard. The Retirement Scheme will operate on a 'first come, first served' basis. This means that:
 - those who are the first to sign up (up to the maximum number that according to the information memorandum may make use of the scheme), and
 - those who sign the settlement agreement within a defined period (to be determined per announced Phase II)may actually make use of the scheme. However, the scheme cannot be applied if and insofar as this would result in the final tax levy (52%) that applies to schemes that in fact facilitate the voluntary early retirement of older employees.
- 3 Insofar as they apply to Phase II, the tools as described in Article 7.5, 7.7, 7.8 and 7.9, also remain available to you if you make use of the Retirement Scheme up to your retirement date.
- 4 Further details of the Retirement Scheme will be worked out and as of 1 July 2016 posted on TEAMKPN Online.

Other tools concerning Expertise, Energy and Enterprise

7.12 Accreditation of Prior Learning (APL)

For the duration of this Collective Agreement KPN shall endeavour to maximise awareness of APL among relevant groups and offer them facilities to participate in an APL scheme. Temporary workers as defined under Article 2.2 section 4 may also be included within these relevant groups.

7.13 KPN Training & Development Fund

There is a KPN Training & Development Fund. The fund exists to promote extra training, retraining, and education.

7.14 Health check

In KPN Academy you may opt for a health check that you pay for out of your Employability Budget. If, after this health check, you are advised to follow a 'care or lifestyle scheme', as referred to on TEAMKPN Online, KPN will offer you this scheme. This will be payable by KPN. This also applies if you are a temporary worker as described in Article 2.2 section 4.

7.15 Orientation internships

You can arrange with your manager to work as a trainee for no longer than two weeks per period of twelve months in a position that, given your current position, abilities and ambitions, might be a suitable next position for you. The internship can take place, if you, your manager and the receiving manager agree upon this. An orientation internship gives no right to financial compensation. Furthermore, an orientation internship gives no right to a job.

7.16 Voluntary demotion

- 1 If you are no longer able to meet the requirements of your position and/or to promote your sustainable employability, you can agree with your manager that you will accept a job in a lower position. This is voluntary demotion.
- 2 If you and your manager agree upon voluntary demotion you will be placed in the salary scale of your new position on the date that you transfer. If your most recently earned monthly salary is lower than the normative salary of the new lower salary scale, you will be placed in the scale at the normative salary of the lower scale. You will then receive as a demotion allowance the difference compared with your most recently earned salary. If you already had a relative salary position above 100%, the higher percentage will continue to apply in the new salary scale. You will then receive the difference compared with your most recently earned monthly salary as a demotion allowance.
- 3 The demotion allowance referred to in the preceding section is calculated once on the date that you transfer to the lower position and is not indexed after that. The allowance will be gradually reduced over 36 months. In the first 12 months you will receive the full demotion allowance, in the second 12 months two thirds, and in the third twelve months one third of the demotion allowance.
- 4 The demotion allowance counts as fixed pensionable salary and is continued to be paid in the event of sickness. The allowance is not a basis for Flextime nor for hour-related supplements. If you have a demotion allowance and are placed in a position in a higher scale that is the same as the scale of the position in respect of which the demotion allowance is paid, you will be placed in the scale of your new position at such a level that the demotion allowance will lapse.

7.17 50% scheme

- 1 In specific situations in which for reason of capacity or medical reasons you can no longer function well, if you retire or take early retirement within a certain period you can also apply to take advantage of the 50% scheme. In appropriate circumstances KPN can offer this scheme to you.
- 2 In essence, the scheme means that for a maximum period of one year you work 50% of your working hours and receive 100% of your salary, provided that the following conditions are satisfied:
 - there is 50% of your work actually available for you to perform, and you do actually perform this work every week;
 - you will retire/take early retirement within one year, in respect of which you have signed a settlement agreement without a termination payment.
 - If you fall within Appendix 6 or Appendix 9 of the KPN Collective Agreement, your (early) retirement date will be no later than 1.5 years after you first reach possible retirement age as referred to in article 2 of Appendix 6 or Appendix 9 of the KPN Collective Agreement.
 - If you do not fall within Appendix 6 or Appendix 9 then your retirement date will be at least twelve months before you reach state retirement age.
- 3 During the period in which you make use of this scheme, your employment conditions will remain the same, with the provisos that:
 - the payment you receive for commuting will be adjusted to the number of days you actually commute or you will keep your company car to no later than the end of the lease contract;
 - any of your additional hours of Flextime remain valid only for the current calendar year.
- 4 KPN will decide whether you may take advantage of this scheme. If KPN turns down your request to take advantage of this scheme, it will explain its decision to you in writing.
- 5 The scheme is not a right and can only be agreed if it complies with the regulatory and legislative framework.

Work and private sphere

7.18 Working in accordance with the ‘The New Way of Living and Working’ model (‘Het Nieuwe Leven & Werken’)

- 1 KPN is gradually introducing the ‘The New Way of Living and Working’ model for work that is independent of time and place. Your manager will decide whether, and if so, when, this model will be introduced to your department. If the ‘The New Way of Living and Working’ model is introduced within your department, your manager and you will agree on the way in which work that is independent of time and place will be performed in your case, unless your manager decides that you are unable to work in line with this model. In the latter case, he will give you his reasons for such decision.
- 2 This provision shall apply in place of Article 3.3 if you work in accordance with the ‘The New Way of Living and Working’ model. One of the aspects of this model is that an employee may work independently of a specific time or place. In such a situation, your working hours will not be scheduled in a roster. However, the supply of work always determines the time when and the place where the work is undertaken.
- 3 As an employee you are responsible for ensuring that when you work at a location other than a KPN building your working conditions meet the requirements laid down by law in relation to employment conditions. You can check this with the help of the Risk Assessment and Evaluation (RIE) Home Office. This also applies if you are a temporary worker as described in Article 2.2 section 4.
- 4 The Collective Agreement parties aim to investigate whether the introduction of the ‘self-scheduling’ module is possible and desirable within departments where ‘The New Way of Living and Working’ cannot be applied.

7.19 Informal care

- 1 As an employer KPN aims to accommodate informal care. Informal care is unpaid care for sick or disabled family members or friends. More specifically, informal care is intensive care provided over a longer period of time, for more than eight hours per week and/or for longer than three months.
- 2 If you want to provide informal care, you should discuss this with your manager. Informal care can be made possible by applying ‘The New Way of Living and Working’, insofar as this applies to you and/or by taking advantage of leave schemes under the Work and Care Act. Your manager will also discuss with you the work that cannot be performed as a consequence of your absence.
- 3 Your manager can decide to provide extra facilities, tailored to your individual circumstances.

Miscellaneous provisions

7.20 Position of people disadvantaged on the labour market

KPN has a policy of inclusivity in which it welcomes all talent, regardless of sex, cultural background, sexual orientation, occupational disability or age. KPN makes at least 20 temporary jobs specifically available at any one time for people with a disadvantage on the labour market (including the group targeted by the Jobs Quota for Disabled Persons Act (Wet banenafspraak)).

PART B

This part of the Collective Agreement contains the employment conditions that apply to different groups of employees. Your manager will already have informed you of the group you are in.

CHAPTER 8 - Employment conditions specific to employees placed in the General group

8.1 Categorisation

- 1 If KPN decides, on the basis of your work, that you fall into this group, your employment conditions are set out in this Chapter.
- 2 If on 31 October 2014 you were placed within this group you have been placed in the Customer Expert group on the basis of the nature of your work including the criteria set out in Appendix 16 as of 1 November 2014. In this case the specific employment terms applicable to the General group continue to apply to you. Where relevant, a number of specific transitional provisions in this Collective Agreement also apply to you.
- 3 Have you been placed in Chapter 13 of the 2015 KPN Collective Agreement (staff directly employed by KPN Contact) as at 31 October 2014 and placed in this Chapter as of 1 November 2014? Your salary scale will have been calculated on the basis of Appendix 17 of the 2015 KPN Collective Agreement ('Conversion matrix KPN Contact job matrix to KPN job matrix').
- 4 This chapter applies to you in any event if on 31 December 2014 you were employed by ITS, at such time came within the KPN Corporate Market Collective Agreement, and as of 1 January 2015 were placed in the General group by virtue of Article 1 section 2 of Appendix 19. The transitional provisions set out in Appendices 18 and 19 apply to you.
- 5 This chapter applies to you in any event if on 30 June 2016 Chapter 13 applied to you and as of 1 July 2016 you were placed in the General group by virtue of Article 13.1 section 2. The transitional provisions set out in Appendix 17 apply to you.

8.2 Working hours

The normal working hours for a full-time employee are an average 37 hours per week.

8.3 Flextime

If you are a full-time employee and wish to work an average of 36, 38, 39 or 40 hours per week, you may do so by means of Flextime. Appendix 4 explains the conditions applicable to Flextime. The same Appendix describes the implications, if you opt for Flextime.

8.4 Vacations

Each calendar year you are entitled to vacations. Over the period of one calendar year you will accrue an entitlement equal to four times the working hours applicable to you.

8.5 Salary

The salary scale that applies to you depends on the level of your position (see also 4.3).

As of 2 January 2016 the following salary table will apply. The gross amounts per month for a full-time employee working 37 hours per week are set out.

Salary table General group as of 02/01/2016

Monthly full-time salaries in euros

scale	starting salary	normative salary
1	1.612	1.893
2	1.639	2.033
3	1.705	2.228
4	1.773	2.354
5	1.915	2.494
6	2.037	2.667
7	2.270	2.947
8	2.461	3.292
9	2.690	3.746
10	3.076	4.245
11	3.452	4.896
12	3.915	5.699
13	4.487	6.689

As of 1 January 2017 the following salary table will apply. The gross amounts per month for a full-time employee working 37 hours per week are set out.

Salary table General group as of 01/01/2017

Monthly full-time salaries in euros

scale	starting salary	normative salary
1	1,642	1,929
2	1,670	2,071
3	1,737	2,270
4	1,806	2,398
5	1,951	2,541
6	2,075	2,717
7	2,312	3,002
8	2,507	3,353
9	2,740	3,816
10	3,133	4,324
11	3,516	4,987
12	3,988	5,805
13	4,571	6,813

8.6 Individual salary adjustment on 2 January 2016

Your monthly salary for December 2015 will be increased on 2 January 2016 depending on your appraisal for 2015 and your relative position in the salary scale (RSP) on 31 December 2015. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you will receive. The increase for the months from January to no later than July 2016 will be allocated and paid no later than July 2016.

Increments table as of 2 January 2016

Percentage of the actual salary

	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.3	4.2	6.7
80 to 90%	1.0	2.4	4.0	5.4
90 to 100%	1.0	1.65	3.0	4.7
100 to 105%	1.0	1.5	1.65	3.6
>105 to 115%	1.0	1.0	1.0	1.8
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 2 January will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 2 January 2016 only if you were already in the service of the company on 30 September 2015.

8.7 Individual salary adjustment on 1 January 2017

Your monthly salary for December 2016 will be increased on 01 January 2017 depending on your appraisal for 2016 and your relative position in the salary scale (RSP) on 31 December 2016. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you will receive. The increase for the months from January 2016 to no later than May 2017 will be allocated and paid no later than May 2017.

Increments table as of 01/01/2017

Percentage of the actual salary

	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.5	4.4	6.9
80 to 90%	1.0	2.6	4.2	5.6
90 to 100%	1.0	1.85	3.2	4.9
100 to 105%	1.0	1.7	1.85	3.8
>105 to 115%	1.0	1.0	1.0	2.0
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 1 January 2017 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 1 January 2017 only if you were already in the service of the company on 30 September 2016.

8.8 KPN Plan

1 You qualify for the KPN Plan. Appendix 1A contains the arrangements agreed for the KPN Plan. The table below shows the percentages achievable, if you meet the agreed collective targets and your appraisal score is 'development needed', 'successful' or 'excellent'. The salary scale determines the percentage that applies to you.

Percentages for KPN Plan as of 02/01/2016	
Percentage of the actual salary	
scale	percentage
1	4.5%
2	4.5%
3	4.5%
4	4.5%
5	5.0%
6	5.0%
7	5.0%
8	5.0%
9	5.0%
10	7.0%
11	7.0%
12	9.0%
13	9.0%

- 2 If as at 1 January 2015, as a result of the Special Collective Agreement Bonus scheme no longer applying to you and the KPN Plan applying to you instead, your bonus opportunity was reduced, you have been paid a gross allowance as of 1 January 2015. This allowance has been calculated as 40 per cent of the difference between the bonus opportunity applying to you as at 31 December 2014 and the bonus opportunity applying to you as at 1 January 2015, multiplied by your salary for December 2014. This allowance is not indexed and also not varied in line with salary increases, with the proviso that in the case of a change to a higher salary scale within KPN the amount of the allowance will be converted to salary insofar as the normative salary is not yet reached on the new scale. This allowance is the basis for calculating the Collective Agreement Budget, the variable remuneration, pension accrual, and hours-related supplements as allocated by KPN and is still paid in the event of sick leave. For this specific situation this allowance is also the benefit basis for any Social Plan calculation.
- 3 Sections 1 and 2 of this article will apply as appropriate.
- 4 Is the transitional arrangement under Article 9.13 applicable to you? If so, the above sections of this article do not apply to you up to 1 January 2019.

CHAPTER 9 - Employment conditions specific to employees placed in the Retail group

9.1 Categorisation

If KPN decides, on the basis of your work, that you fall into this group, your employment conditions are set out in this Chapter.

Are you placed in this group as at 31 October 2014 and do you have job code SSS11 (regional manager) on that date? If so, you will be placed in the General group as of 1 November 2014, from which time the specific employment conditions of Chapter 8 and (if relevant) the transitional arrangements under Article 9.13 will apply to you instead, therefore, of the other specific employment conditions under this Chapter.

9.2 Working hours

The normal working hours for a full-time employee are an average 37 hours per week.

9.3 Flextime

If you are a full-time employee and wish to work an average of 36, 38, 39 or 40 hours per week, you may do so by means of Flextime. Appendix 4 explains the conditions applicable to Flextime. The same Appendix describes the implications, if you opt for Flextime.

9.4 Vacations

Each calendar year you are entitled to vacations. Over the period of one calendar year you will accrue an entitlement equal to four times the working hours applicable to you.

9.5 Salary

The salary scale that applies to you depends on the level of your position (see also Article 4.3).

As of 2 January 2016 the following salary table will apply. The amounts stated in the salary scales are gross amounts per month. The amounts apply to a full-time employee aged 21 years or older working 37 hours a week.

Salary table Retail as of 02/01/2016		
Monthly full-time salaries in euros		
scale	starting salary	normative salary
3	1,534	2,077
4	1,574	2,194
5	1,598	2,327
6	1,711	2,487
7	1,983	2,894
8	2,167	3,233
9	2,566	3,679
10	3,021	4,168
11	3,387	4,805
12	3,844	5,597
13	4,407	6,569

As of 1 January 2017 the following salary table will apply. The amounts stated in the salary scales are gross amounts per month. The amounts apply to a full-time employee aged 21 years or older working 37 hours a week.

Salary table Retail as of 01/01/2017

Monthly full-time salaries in euros

scale	starting salary	normative salary
3	1,563	2,116
4	1,604	2,235
5	1,628	2,371
6	1,743	2,534
7	2,020	2,948
8	2,208	3,293
9	2,614	3,748
10	3,077	4,246
11	3,450	4,894
12	3,916	5,701
13	4,489	6,691

9.6 Individual salary adjustment on 2 January 2016

Your monthly salary for December 2015 will be increased on 2 January 2016 depending on your appraisal for 2015 and your relative position in the salary scale (RSP) on 31 December 2015. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than July 2016 will be allocated and paid no later than July 2016.

Increments table as of 02/01/2016

Percentage of the actual salary

RSP	unsatisfactory	development needed	successful	excellent
up to 80%	1.0	3.3	4.2	6.7
80 to 90%	1.0	2.4	4.0	5.4
90 to 100%	1.0	1.65	3.0	4.7
100 to 105%	1.0	1.5	1.65	3.6
>105 to 115%	1.0	1.0	1.0	1.8
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 2 January 2016 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 2 January 2016 only if you were already in the service of the company on 30 September 2015.

9.7 Individual salary adjustment on 1 January 2017

Your monthly salary for December 2016 will be increased on 01 January 2017 depending on your appraisal for 2016 and your relative position in the salary scale (RSP) on 31 December 2016. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than May 2017 will be allocated and paid no later than May 2017.

Increments table as of 01/01/2017

Percentage of the actual salary

	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.5	4.4	6.9
80 to 90%	1.0	2.6	4.2	5.6
90 to 100%	1.0	1.85	3.2	4.9
100 to 105%	1.0	1.7	1.85	3.8
>105 to 115%	1.0	1.0	1.0	2.0
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 1 January 2017 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 1 January 2017 only if you were already in the service of the company on 30 September 2016.

9.8 Age-linked salary on 2 January 2016

If you are under the age of 21, you will receive a salary appropriate to your age. The table below shows what that salary will be, indicating the gross monthly amounts as of 2 January 2016. The amounts apply to a full-time employee aged under 21, with a 37-hour working week.

Age-linked salaries Retail as of 2 January 2016

Monthly full-time salaries in euros

age	16	17	18	19	20
scale					
3	955	1082	1209	1335	1462
4		1126	1258	1389	1523
5			1359	1501	1548
6				1595	1649

On your birthday your salary will be adjusted to your new age. This will occur on the first day of the month in which you have your birthday. Once you reach the age of 21, you will receive the starting salary of the regular scale applicable to you.

If you were aged 21 on 30 September 2015, you will receive a salary adjustment based on your appraisal as of 2 January 2016. This adjustment is shown in the table in Article 9.6. The increase for the months from January to no later than July 2016 will be allocated and paid no later than July 2016.

9.9 Age-linked salary on 1 January 2017

If you are under the age of 21, you will receive a salary appropriate to your age. The table below shows what that salary will be, indicating the gross monthly amounts as of 1 January 2017. The amounts apply to a full-time employee aged under 21, with a 37-hour working week.

Age-linked salaries Retail as of 01/01/2017					
Monthly full-time salaries in euros					
age scale	16	17	18	19	20
3	973	1,103	1,232	1,360	1,490
4		1,147	1,282	1,415	1,552
5			1,385	1,529	1,577
6				1,625	1,680

On your birthday your salary will be adjusted to your new age. This will occur on the first day of the month in which you have your birthday. Once you reach the age of 21, you will receive the starting salary of the regular scale applicable to you.

If you were aged 21 on 30 September 2016, you will receive a salary adjustment based on your appraisal as of 1 January 2017. This adjustment is shown in the table in Article 9.6. The increase for the months from January to no later than May 2017 will be allocated and paid no later than May 2017.

9.10 KPN Sales Plan

You qualify for the KPN Sales Plan. Appendix 1B contains the arrangements agreed for the KPN Sales Plan.

The table below shows the percentages that apply if you fulfil the agreed arrangements.

Bonus percentages KPN Sales Plan as of 02/01/2016	
Percentage of the actual salary	
scales 1 - 13	12%

9.11 Transitional arrangement for staff with job code PSI04A, PSI05A, PSI06A, PSI07A or PSI09A (shop salesperson)

- 1 If you were employed on 27 May 2014 in any of the aforesaid job codes and were continuously employed in such job codes up to 1 August 2014 then the transitional arrangement under section 2 applies to you. This also applies if you received confirmation on or before 27 May 2014 that you have been appointed to one of these jobs, from the date on which you start such job, but not before 1 August 2014. The transitional arrangement applies to you for as long as you are employed in a job placed within this group and is not cumulative with the transitional arrangement under Articles 9.12 and 9.13.
- 2 As from 1 August 2014 you will receive an allowance equal to 2 per cent of your monthly salary on 1 August 2014. This allowance is not indexed and not varied in line with salary increases, and thus remains unchanged. In the case of a transfer to a higher salary scale within KPN, the amount of the allowance will be converted to salary insofar as the normative salary in the new scale has not yet been reached. This allowance is the basis for calculating the Collective Agreement Budget, the variable remuneration, pension accrual, and hours-related supplements as allocated by KPN and is still paid in the event of sick leave. This allowance also forms the benefit basis for any Social Plan calculation.

9.12 Transitional arrangement for staff with job code SSS07, SSS08 or SSS09 (shop manager)

- 1 If you were employed on 27 May 2014 in one of the job codes SSS07, SSS08 or SSS09 and were continuously employed in such job codes up to 1 August 2014 then the transitional arrangement under section 2 applies to you. This also applies if you received confirmation on or before 27 May 2014 that you have been appointed to one of these jobs, from the date on which you start such job, but not before 1 August 2014. The transitional arrangement applies to you for as long as you are employed in a job placed within the Retail group and is not cumulative with the transitional arrangement under Articles 9.11 and 9.13.

- 2 In the period 2014 to 2018 if the agreements made are reached, Payplan/KPN Sales Plan percentages set out in the following table apply:

Percentages for Payplan Retail/KPN Sales Plan in the context of Article 9.12					
Percentage of the actual salary					
year level	2014	2015	2016	2017	2018
7	21.50	19.13	16.75	14.38	12.00
8	26.00	22.50	19.00	15.50	12.00
9-10	29.50	25.13	20.75	16.38	12.00

9.13 Transitional arrangement for staff with job code SSS11 (regional manager)

- 1 If you were employed on 27 May 2014 in the job code SSS11, and were continuously employed in such job code up to 1 November 2014 then the transitional arrangements under sections 2 and 3 apply to you. This also applies if you received confirmation on or before 27 May 2014 that you have been appointed to this job, from the date on which you start such job, but not before 1 November 2014. The transitional arrangement applies to you for as long as you are employed as a regional manager (job code SSS11) and is not cumulative with the transitional arrangement under Articles 9.11 and 9.12.
- 2 Up to the end of 2018 the KPN Plan does not apply to you, and instead the KPN Sales Plan, in accordance with the percentages set out in the following table:

Percentages for Payplan Retail/KPN Sales Plan in the context of Article 9.13					
Percentage of the actual salary					
year level	2014	2015	2016	2017	2018
11	29.50	25.13	20.75	16.38	12.00

- 3 As of 1 January 2019 the KPN Plan applies to you instead of the KPN Sales Plan.

CHAPTER 10 - Employment conditions specific to employees placed in the Sales group

10.1 Categorisation

1. If KPN decides, on the basis of your work, that you fall into this group, your employment conditions are set out in this Chapter.
2. This chapter applies to you in any event if on 31 December 2014 you were employed by ITS, at such time came within the KPN Corporate Market Collective Agreement, and as of 1 January 2015 were placed in the Sales group/salary grade by virtue of Article 1 section 3 of Appendix 19. The transitional provisions set out in Appendices 18 and 19 apply to you.

10.2 Working hours

The normal working hours for a full-time employee are an average 40 hours per week.

10.3 Flextime

If you are a full-time employee and wish to work an average of 36, 37, 38 or 39 hours per week, you may do so by means of Flextime. Appendix 4 explains the conditions applicable to Flextime. The same Appendix describes the implications, if you opt for Flextime.

10.4 Vacations

Each calendar year you are entitled to vacations. Over the period of one calendar year you will accrue an entitlement equal to four times the working hours applicable to you.

10.5 Salary

The salary scale that applies to you depends on the level of your position (see also Article 4.3).

As of 2 January 2016 the following salary table will apply. The gross amounts per month for a full-time employee working 40 hours per week are set out.

Salary table Sales as of 02/01/2016		
Monthly full-time salaries in euros		
scale	starting salary	normative salary
1	1,707	2,005
2	1,738	2,154
3	1,807	2,362
4	1,881	2,492
5	2,030	2,643
6	2,159	2,826
7	2,406	3,124
8	2,608	3,490
9	2,851	3,973
10	3,260	4,500
11	3,659	5,191
12	4,151	6,043
13	4,758	7,092

As of 1 January 2017 the following salary table will apply. The gross amounts per month for a full-time employee working 40 hours per week are set out.

Salary table Sales as of 01/01/2017

Monthly full-time salaries in euros

scale	starting salary	normative salary
1	1,739	2,043
2	1,771	2,194
3	1,841	2,406
4	1,916	2,539
5	2,068	2,692
6	2,199	2,879
7	2,451	3,182
8	2,657	3,555
9	2,904	4,047
10	3,321	4,584
11	3,727	5,288
12	4,228	6,155
13	4,847	7,224

10.6 Individual salary adjustment on 2 January 2016

Your monthly salary for December 2015 will be increased on 2 January 2016 depending on your appraisal for 2015 and your relative position in the salary scale (RSP) on 31 December 2015. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than July 2016 will be allocated and paid no later than July 2016.

Increments table as of 02/01/2016

Percentage of the actual salary

	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.3	4.2	6.7
80 to 90%	1.0	2.4	4.0	5.4
90 to 100%	1.0	1.65	3.0	4.7
100 to 105%	1.0	1.5	1.65	3.6
>105 to 115%	1.0	1.0	1.0	1.8
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 2 January 2016 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 2 January 2016 only if you were already in the service of the company on 30 September 2015.

10.7 Individual salary adjustment on 1 January 2017

Your monthly salary for December 2016 will be increased on 01 January 2017 depending on your appraisal for 2016 and your relative position in the salary scale (RSP) on 31 December 2016. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than May 2017 will be allocated and paid no later than May 2017.

Increments table as of 01/01/2017

Percentage of the actual salary

RSP	unsatisfactory	development needed	successful	excellent
up to 80%	1.0	3.5	4.4	6.9
80 to 90%	1.0	2.6	4.2	5.6
90 to 100%	1.0	1.85	3.2	4.9
100 to 105%	1.0	1.7	1.85	3.8
>105 to 115%	1.0	1.0	1.0	2.0
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 1 January 2017 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 1 January 2017 only if you were already in the service of the company on 30 September 2016.

10.8 KPN Sales Plan

You qualify for the KPN Sales Plan. Appendix 1B contains the arrangements agreed for the KPN Sales Plan. The table below shows the percentages that apply if you fulfil the agreed arrangements. The salary scale determines the percentage that applies to you.

Percentages for KPN Sales Plan as of 2 January 2016

Percentage of the actual salary

level	percentage
5	16.75%
6	16.75%
7	22.75%
8	31.25%
9	31.25%
10	36.25%
11	36.25%
12	36.25%
13	36.25%

CHAPTER 11 - Employment conditions specific to employees placed in the Customer Expert group

11.1 Categorisation

- 1 If you fall into this group, which KPN will determine on the basis of your work, including the criteria from Appendix 16, your employment conditions will be those stated in this chapter.
- 2 At the time the text of the 2014 Collective Agreement was drawn up, this chapter included, but was not limited to, the job groups listed in Appendix 16 that are referred to in this chapter as 'job groups that come within the Customer Expert salary grades'. The Appendix also included a number of job groups that at the time the text of the 2014 Collective Agreement was drawn up did not fall within the Customer Expert group, but within the General group.
- 3 Have you been placed in Chapter 13 of the 2014 KPN Collective Agreement (staff directly employed by KPN Contact on 31 December 2014) as at 31 October 2014 and placed in the Chapter Customer Expert as of 1 November 2014? Your salary scale will have been calculated on the basis of Appendix 2 of the 2014 KPN Collective Agreement ('Conversion matrix KPN Contact job matrix to KPN job matrix').
- 4 Have you been placed in the General Chapter as at 31 October 2014 and placed under this Chapter as of 1 November 2014? If so, as an exception to the last sentence of section 1, the employment conditions for the General group will apply to you. Where relevant, a number of specific transitional provisions in this Collective Agreement also apply to you.

11.2 Working hours

The normal working hours for a full-time employee are an average 40 hours per week.

11.3 Flextime

If you are a full-time employee and wish to work an average of 36, 37, 38 or 39 hours per week, you may do so by means of Flextime. Appendix 4 explains the conditions applicable to Flextime. The same Appendix describes the implications, if you opt for Flextime.

11.4 Vacations

Each calendar year you are entitled to vacations. Over the period of one calendar year you will accrue an entitlement equal to four times the working hours applicable to you.

11.5 Salary

The salary scale that applies to you depends on the level of your position (see also 4.3).

As of 2 January 2016 the following salary table will apply. The gross amounts per month for a full-time employee working 40 hours per week are set out.

Salary table Customer Expert as of 02/01/2016

Monthly full-time salaries in euros

scale	starting salary	normative salary
1	1,539	1,539
2	1,539	1,715
3	1,612	1,801
4	1,661	2,000
5	1,814	2,286
6	2,006	2,627
7	2,454	3,187
8	2,662	3,559
9	2,909	4,051
10	3,326	4,590
11	3,732	5,294
12	4,233	6,162
13	4,851	7,232

As of 1 January 2017 the following salary table will apply. The gross amounts per month for a full-time employee working 40 hours per week are set out.

Salary table Customer Expert as of 01/01/2017

Monthly full-time salaries in euros

scale	starting salary	normative salary
1	1,568	1,568
2	1,568	1,747
3	1,642	1,835
4	1,692	2,037
5	1,848	2,329
6	2,044	2,676
7	2,500	3,246
8	2,712	3,625
9	2,963	4,126
10	3,388	4,675
11	3,802	5,392
12	4,312	6,276
13	4,941	7,366

11.6 Individual salary adjustment on 2 January 2016

Your monthly salary for December 2015 will be increased on 2 January 2016 depending on your appraisal for 2015 and your relative position in the salary scale (RSP) on 31 December 2015. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than July 2016 will be allocated and paid no later than July 2016.

Increments table as of 02/01/2016				
Percentage of the actual salary				
	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.3	4.2	6.7
80 to 90%	1.0	2.4	4.0	5.4
90 to 100%	1.0	1.65	3.0	4.7
100 to 105%	1.0	1.5	1.65	3.6
>105 to 115%	1.0	1.0	1.0	1.8
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 2 January 2016 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 2 January 2016 only if you were already in the service of the company on 30 September 2015.

11.7 Individual salary adjustment on 1 January 2017

Your monthly salary for December 2016 will be increased on 01 January 2017 depending on your appraisal for 2016 and your relative position in the salary scale (RSP) on 31 December 2016. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than May 2017 will be allocated and paid no later than May 2017.

Increments table as of 01/01/2017				
Percentage of the actual salary				
	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.5	4.4	6.9
80 to 90%	1.0	2.6	4.2	5.6
90 to 100%	1.0	1.85	3.2	4.9
100 to 105%	1.0	1.7	1.85	3.8
>105 to 115%	1.0	1.0	1.0	2.0
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 1 January 2017 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 1 January 2017 only if you were already in the service of the company on 30 September 2016.

11.8 KPN Plan

You qualify for the KPN Plan. Appendix 1A contains the arrangements agreed for the KPN Plan. The table below shows the percentages achievable, if you meet the agreed collective targets and your appraisal score is 'development needed', 'successful' or 'excellent'. The salary scale determines the percentage that applies to you.

Percentages for KPN Plan as of 02/01/2016	
Percentage of the actual salary	
scale	percentage
1	4.5%
2	4.5%
3	4.5%
4	4.5%
5	5.0%
6	5.0%
7	5.0%
8	5.0%
9	5.0%
10	7.0%
11	7.0%
12	9.0%
13	9.0%

CHAPTER 12 - Specific employment conditions for employees employed up to, on or after 1 April 2016 by ITS / KPN Consulting BV and who were/will be placed in the Consulting group

12.1 Categorisation

- 1 Were/will you be employed up to, on or after 1 April 2016 by ITS / KPN Consulting BV? If KPN decides, on the basis of your work, that you fall into this group, your employment conditions will be those stated in this chapter.

12.2 Working hours

The normal working hours for a full-time employee are an average 40 hours per week.

12.3 Vacations

Each calendar year you are entitled to vacations. Over the period of one calendar year you will accrue an entitlement equal to four times the working hours applicable to you.

12.4 Mandatory free days

If you are working for an external client and this client has prescribed fixed collective vacation days, then these fixed collective vacation days are binding upon you for the period that you work for this client.

12.5 Salary

- 1 The salary scale that applies to you depends on the level of your position (see also Article 4.3 of this Collective Agreement).
- 2 As of 2 January 2016 the following salary table will apply. The amounts set out in this table are gross amounts per month for a full-time employee working 40 hours per week.

Salary table Consulting as of 2 January 2016			
Monthly full-time salaries in euros			
scale	starting salary	normative salary	maximum salary
1	1,537	2,119	2,224
2	1,537	2,242	2,354
3	1,537	2,393	2,512
4	1,547	2,575	2,833
5	1,680	2,798	3,077
6	1,839	3,065	3,371
7	2,032	3,386	3,724
8	2,264	3,773	4,338
9	2,442	4,238	4,874
10	2,641	4,800	5,520
11	3,015	5,481	6,304
12	3,472	6,311	7,257
13	3,772	6,855	7,879

As of 1 January 2017 the following salary table will apply. The amounts set out in this table are gross amounts per month for a full-time employee working 40 hours per week.

Salary table Consulting as of 01/01/2017			
Monthly full-time salaries in euros			
scale	starting salary	normative salary	maximum salary
1	1,566	2,159	2,266
2	1,566	2,284	2,398
3	1,566	2,438	2,559
4	1,576	2,623	2,886
5	1,712	2,850	3,134
6	1,874	3,122	3,434
7	2,070	3,449	3,793
8	2,306	3,843	4,419
9	2,488	4,317	4,965
10	2,690	4,889	5,623
11	3,071	5,583	6,421
12	3,537	6,428	7,392
13	3,842	6,982	8,025

12.6 Individual salary adjustment on 2 January 2016

Your monthly salary for December 2015 will be increased on 2 January 2016 depending on your appraisal for 2015 and your relative position in the salary scale (RSP) on 31 December 2015. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than July 2016 will be allocated and paid no later than July 2016.

Increments table as of 02/01/2016				
Percentage of the actual salary				
RSP	unsatisfactory	development needed	successful	excellent
up to 80%	1.0	3.3	4.2	6.7
80 to 90%	1.0	2.4	4.0	5.4
90 to 100%	1.0	1.65	3.0	4.7
100 to 105%	1.0	1.5	1.65	3.6
>105 to 115%	1.0	1.0	1.0	1.8
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 2 January 2016 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 2 January 2016 only if you were already in the service of the company on 30 September 2015.

12.7 Individual salary adjustment on 1 January 2017

Your monthly salary for December 2016 will be increased on 01 January 2017 depending on your appraisal for 2016 and your relative position in the salary scale (RSP) on 31 December 2016. The

relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than May 2017 will be allocated and paid no later than May 2017.

Increments table as of 01/01/2017				
Percentage of the actual salary				
	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.5	4.4	6.9
80 to 90%	1.0	2.6	4.2	5.6
90 to 100%	1.0	1.85	3.2	4.9
100 to 105%	1.0	1.7	1.85	3.8
>105 to 115%	1.0	1.0	1.0	2.0
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 1 January 2017 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 1 January 2017 only if you were already in the service of the company on 30 September 2016.

12.8 Variable remuneration

1. Right to variable remuneration
You are entitled to variable remuneration.

The following table applies to you:

Salary scale	Non fee earner (until 1 July 2016)	Fee earner	Management (until 1 July 2016)
1	5%	10%	
2	5%	10%	
3	5%	10%	
4	5%	10%	
5	5%	15%	
6	5%	15%	
7	7%	15%	
8	7%	15%	
9	7%	15%	
10	10%	15%	12%
11	10%	15%	12%
12	10%	15%	12%
13	10%	15%	12%

In accordance with the timelines as set out in the procedural arrangements for variable remuneration (Appendix 20 of this Collective Agreement) you will be given information concerning your on-target percentage, and defined position (fee earner, non fee earner, or management).

Fee earners: employees with a deployment ratio as a parameter, whose hours worked are invoiced directly to the client.

Management: employees placed within a salary scale of 10 or higher and who occupy a general management position (such as Unit Manager, Manager Unit I).

Non Fee-earners: employees that do not fall within either of the two above definitions.

2. Basis for variable remuneration

The basis for your variable remuneration is your fixed annual income (fixed gross monthly salary less any supplements, x 12.96). Other components are excluded for this basis.

3. Payment threshold

If you come within the categories of Management or Non fee earners, your variable remuneration will only be paid to you if at least 80% of the targets (results) stipulated for the relevant group of employees, as well as your personal targets, are met overall.

If you are a Fee earner, then the payment threshold is linked to the billability levels fixed for the relevant calendar year within the organisational unit within which you work. The calculation methods may differ per unit, with the proviso that all Fee earners are subject to a payment threshold. The method that applies to you also applies to all other Fee earners within your organisational unit.

4. Payments scale

The following payments scale applies:

Payment is made if you achieve results of 80% or more. Payment is made gross.

Results %	Payment per % results	Cumulative % of the basis
From 0% to 80%		0%
From 80% to 85%	-	12.5%
From 85% to 90%	-	15%
90%		60%
From 91% to 95%	4%	80%
From 96% to 100%	4%	100%
From 101% to 110%	2.5%	125%
From 111% to 120%	2.5%	150%
121% and above	3%	

5. Maximum payment

Your maximum annual income is 150% of the total of your fixed annual salary (fixed gross monthly salary x 12.96) and the on-target variable remuneration. Given that the fixed annual salary is included in this calculation, the maximum payment of variable salary is also calculated.

6. Consultation structure

Appendix 20 sets out the procedural arrangements for the application of parameters and the respective weighting of these parameters, the timeline for announcement of the targets and parameters, and an evaluation.

7. Variable remuneration of Non Fee-earners/Management as from 1 July 2016

As from 1 July 2016, if you are or become a Non-Fee earner or Management as described in section 1 of this article then the KPN Plan will apply to you as from the date on which you commence such job (Article 8.8 sections 1 and 3 and Appendix 1A). Sections 1 to 6 of this article will apply as appropriate.

If after 1 July 2016 the nature of your work changes from Fee-earner to Non-Fee-earner/Management or vice versa, your variable remuneration scheme will change. Depending on the nature of your work, you will then be eligible for either the KPN plan (Non-Fee-earner/Management) in accordance with section 7 of this article or the Fee-earners scheme of KPN Consulting in accordance with sections 1 to 6 of this article.

If on 30 June 2016 you are placed in the Consulting group, the transitional provisions as specified in Appendix 17 Article 6 section 2 applies to the period(s) in which you are eligible for

the KPN Plan (on the basis of sections 7 or 8) up to and including 31 December 2019. This transitional period applies as from 1 July 2016 and ends on 31 December 2019.

Variable remuneration under the relevant schemes will be payable over the period in which these schemes apply to you by virtue of this article.

CHAPTER 13 - Specific employment conditions for employees who up to 1 April 2016 were employed by ITS and/or between 1 April 2016 and 1 July 2016 were employed by KPN, and were placed in the ITS group

This Chapter lapses as of 1 July 2016.

13.1 Categorisation

- 1 Were you employed by ITS (up to 1 April 2016) or by KPN between 1 April 2016 and 1 July 2016? If KPN decides, on the basis of your work, that you fall into this group, your employment conditions will be those stated in this chapter.
- 2 This Chapter lapses as of 1 July 2016. If you were placed in this group as at 30 June 2016 then as from 1 July 2016 you are placed in the General Group and Chapter 8 applies to you. The relevant transitional provisions are set out in Appendix 17.

13.2 Working hours

The normal working hours for a full-time employee are an average 40 hours per week.

13.3 Vacations

Each calendar year you are entitled to vacations. Over the period of one calendar year you will accrue an entitlement equal to four times the working hours applicable to you.

13.4 Overtime

As of 1 January 2015 the overtime scheme as set out in this Collective Agreement (Article 4.10) applies to you. This means that you are required to work outside your normal working hours. You are no longer required to work overtime once you reach the age of 58.

13.5 Salary

- 1 The salary scale that applies to you depends on the level of your position (see also Article 4.3 of this Collective Agreement).
- 2 As of 2 January 2016 the following salary table will apply. The amounts set out in this table are gross amounts per month for a full-time employee working 40 hours per week.

Salary table ITS as of 2 January 2016			
Monthly full-time salaries in euros			
scale	starting salary	normative salary	maximum salary
1	1,537	1,999	2,099
2	1,537	2,114	2,221
3	1,537	2,256	2,370
4	1,537	2,432	2,673
5	1,585	2,640	2,904
6	1,735	2,891	3,180
7	1,918	3,193	3,514
8	2,137	3,559	4,093
9	2,282	3,997	4,596
10	2,491	4,527	5,207
11	2,844	5,170	5,946
12	3,275	5,952	6,845
13	3,944	7,169	8,243

13.6 Individual salary adjustment on 2 January 2016

Your monthly salary for December 2015 will be increased on 2 January 2016 depending on your appraisal for 2015 and your relative position in the salary scale (RSP) on 31 December 2015. The relative salary position is your actual salary divided by the normative salary for the salary scale. The table below shows what kind of increase you may receive. The increase for the months from January to no later than July 2016 will be allocated and paid no later than July 2016.

Increments table as of 02/01/2016				
Percentage of the actual salary				
	unsatisfactory	development needed	successful	excellent
RSP				
up to 80%	1.0	3.3	4.2	6.7
80 to 90%	1.0	2.4	4.0	5.4
90 to 100%	1.0	1.65	3.0	4.7
100 to 105%	1.0	1.5	1.65	3.6
>105 to 115%	1.0	1.0	1.0	1.8
> 115%	1.0	1.0	1.0	1.0

If your RSP is 100% or more and your appraisal score is 'successful' or higher, your new RSP as of 2 January 2016 will not be lower than 100%.

The maximum RSP attainable is:

- 105% for an appraisal score of 'development needed';
- 105% for an appraisal score of 'successful';
- 115% for an appraisal score of 'excellent'.

You will receive an increase on 2 January 2016 only if you were already in the service of the company on 30 September 2015.

13.7 Salary higher than salary scale

If your salary exceeds the maximum salary for the scale within which your job is placed, your salary will be subject to a 'claw-back process'. In such a case you will not be eligible for any increase in salary until such time as your monthly salary comes within the maximum for this salary scale.

Claw-back process

The claw-back process will apply as follows:

1. If your salary is above the maximum for the relevant salary scale, your gross monthly salary will remain nominally the same.
2. However, you will not be eligible for any salary increase.
3. Your monthly salary will be split into one part equal to the maximum salary for the relevant salary scale ('gross monthly salary') and another part equal to the amount by which your actual salary exceeds this maximum salary ('supplement').
4. If the maximum according to the salary scale is increased, your gross monthly salary is increased by the difference between your gross monthly salary and the maximum according to the salary scale. The salary increase thus calculated will be set off against the supplement. On balance, if you are paid above the maximum salary, the amount of the new gross monthly salary and the new supplement will remain the same as the total amount under the previous situation. The aim of this claw-back process is to reduce the amount by which your salary exceeds the maximum amount for the relevant salary scale to zero.
5. Once this is achieved, you no longer earn above the maximum salary and you are therefore eligible for salary increases.
6. This supplement is the basis for calculating the Collective Agreement Budget, pension accrual, and hours-related supplements as allocated by KPN.

13.8 Variable remuneration

- 1 Right to variable remuneration
You are entitled to variable remuneration.

The following table applies to you as from 1 January 2015:

Salary scale	Non fee earner	Management
1	5%	
2	5%	
3	5%	
4	5%	
5	5%	
6	5%	
7	7%	
8	7%	
9	7%	
10	10%	12%
11	10%	12%
12	10%	12%
13	10%	12%

In accordance with the timelines as set out in the procedural arrangements for variable remuneration (Appendix 20 of this Collective Agreement) you will be given information concerning your on-target percentage, and defined position (non fee earner or management).

Management: employees placed within a salary scale of 10 or higher and who occupy a general management position (such as Unit Manager, Manager Unit I).

Non Fee-earners: employees that do not fall within the above definition.

- 2 Basis for variable remuneration
The basis for your variable remuneration is your fixed annual income (fixed gross monthly salary less any supplements, x 12.96). Other components are excluded for this basis.
- 3 Payment threshold
If you come within the categories of Management or Non fee earners, your variable remuneration will only be paid to you if at least 80% of the targets (results) stipulated for the relevant group of employees, as well as your personal targets, are met overall.
- 4 Payments scale
The following payments scale applies:
Payment is made if you achieve results of 80% or more. Payment is made gross.

Results %	Payment per % results	Cumulative % of the basis
From 0% to 80%		0%
From 80% to 85%	-	12.5%
From 85% to 90%	-	15%
90%		60%
From 91% to 95%	4%	80%
From 96% to 100%	4%	100%
From 101% to 110%	2.5%	125%
From 111% to 120%	2.5%	150%
121% and above	3%	

- 5 **Maximum payment**
Your maximum annual income is 150% of the total of your fixed annual salary (fixed gross monthly salary x 12.96) and the on-target variable remuneration. Given that the fixed annual salary is included in this calculation, the maximum payment of variable salary is also calculated.

- 6 **Pro rata payment**
Did a part of 2016 come under Chapter 13 of this Collective Agreement for you? If so, you will receive the variable remuneration referred to in this chapter pro rata the number of months that you fell under this provision. This will therefore also take account of the lapse of Chapter 13 as of 1 July 2016, the transition to the General group (Chapter 8) and the application of the KPN Plan as from that date.

- 7 **Consultation structure**
Appendix 20 sets out the procedural arrangements for the application of parameters and the respective weighting of these parameters, the timeline for announcement of the targets and parameters, and an evaluation.

Agreed and signed by the parties
in The Hague on 7 June 2016.

For Koninklijke KPN N.V.,
Chief HR Officer

Janine Vos

For the trade unions,
FNV in Utrecht

Bob Bolte

Qlix in Leidschendam,

Caspar Vlaar

CNV Connectief in Utrecht,

Anselma Zwaagstra

VHP2 in Eindhoven,

Casper Vaandrager

CNV Vakmensen.nl in Utrecht,

Marten Jukema

Piet Fortuin

De Unie in Culemborg,

Harma Pethke

APPENDICES

APPENDIX 1A KPN Plan

1 Do you fall under this scheme?

This scheme applies to you as of 1 January 2016 if the specific employment conditions set out in Chapters 8 (General) and 11 (Customer Expert) apply to you. It therefore also applies to the employees as referred to in Article 8.1 sections 2, 4 and 5. This scheme may also apply if you transfer to the KPN Plan pursuant to Article 12.8 sections 7 or 8. If you fall within the KPN plan, the KPN Sales Plan (Appendix 1B) and the variable remuneration intended for Fee-earners described in Article 12.8 sections 1 to 6, inclusive, do not apply to you.

2 Amount of the KPN Plan remuneration

You may receive remuneration under the KPN Plan that will be dependent upon the following elements:

- a. bonus opportunity;
- b. achievement of collective targets expressed as a collective bonus percentage;
- c. modifier.

The applicable bonus percentage will be determined by multiplying the bonus opportunity by the collective bonus percentage and by the modifier. Your actual salary is the base for the bonus. In this appendix 'actual salary' means your monthly salary plus any transfer allowance and/or placement allowance.

Re a: bonus opportunity

The percentages that you can obtain if you have achieved the agreed collective targets and have received a job performance appraisal of 'development needed', 'successful' or 'excellent' are based on your salary scale. The table of percentages is set out in Chapters 8 and 11.

Re b: collective bonus percentage

KPN will determine the collective targets in line with the targets that are decided at any time for the Board of Directors. If the targets for the Board of Directors are changed in full or part, then such full or part changes will also apply to you as from the date when the changes apply to the Board of Directors. KPN will outline the collective targets to the Works Council.

KPN sets for each target a threshold value, an 'on target' value, and a maximum value. A percentage is linked to each of the three values. These percentages are shown below:

- | | |
|--------------|------|
| - Threshold: | 25% |
| - on target: | 100% |
| - Maximum: | 200% |

The result achieved per collective target determines the allocation of a percentage. At least the threshold value must be achieved and the score cannot exceed the maximum value of 200%. If the result in respect of a collective target does not correspond exactly with one of the three values to which the above percentages are linked, but lies between two of these values, the associated percentage will be calculated linearly between these two values.

The extent to which a collective target affects your KPN plan remuneration depends on the weighting of that target. This may differ per target. The collective bonus percentage is the weighted average of the percentages achieved in respect of each target. On TEAMKPN Online you can find a sample calculation on the basis of which this system is explained.

Re c: Modifier

Your modifier is based on the result of your job performance appraisal:

- | | |
|-------------------------------|---|
| excellent appraisal: | 1 |
| successful appraisal: | 1 |
| development needed appraisal: | 1 |
| unsatisfactory appraisal: | 0 |

The percentage of your KPN Plan remuneration is calculated by first multiplying the bonus opportunity by the collective bonus percentage and by your modifier. The result of this is the actual bonus percentage that is then multiplied by the total of the monthly salaries actually paid out to you in the

calendar year concerned. The KPN Plan remuneration is paid out in April of the year following the year in which the targets are realised.

3 Pension

You do not accrue any pension on the KPN Plan remuneration.

4 KPN Plan remuneration in exceptional situations

- 1 If you are unable to work fully due to sickness or otherwise for 4 months or less, you will receive the KPN Plan remuneration which you would have received if you had been able to work in this period.
- 2 If you are unable to work fully for more than 4 months due to sickness or otherwise (even if this falls in two calendar years), you will receive:
 - Over the period starting from the date you report sick until the end of the month in which you are sick plus four calendar months, the KPN Plan remuneration you would have received if you had been able to work in this period. However, if you report sick on the first day of a month the above does not apply and you will receive the KPN Plan remuneration you would have received if you had been able to work in this period plus the next three consecutive months.
 - After the period specified in the previous indent, as long as you are incapacitated for work and subject to section 3, each calendar month your average degree of incapacity will be assessed based on the absentee registration in MijnHR. This will be done up to and including the month in which you are reported as fit to work in MijnHR. Over this period you will receive the KPN Plan remuneration in proportion to your capacity for work.
 - From the month following the month in which you are reported fully fit for work in MijnHR, you will receive the full KPN Plan remuneration.

The factor by which the outcome of the KPN Plan remuneration over that year, as described in section 2, is multiplied, is determined over the 12 months of a calendar year on the basis of the above.

- 3 When determining the period during which you are unable to work, periods will be linked together if they succeed one another without an interruption of more than 4 weeks. This also applies to periods in which you cannot work but which fall within different calendar years.
- 4 Leave for reasons of maternity and childbirth will not be included in any calculation of the periods in which you were unable to work.
- 5 Your manager may set the KPN Plan remuneration over the calendar year in proportion to the time that you worked in your position. This will occur in the following situations:
 - if you join the company in the calendar month;
 - if you move to a different position, such that different targets will apply and/or the bonus opportunity will change;
 - if the organisation changes, as a result of which different targets apply and/or the bonus opportunity changes;
 - on termination of your employment contract. You will then receive the KPN Plan remuneration over the months that you were employed by KPN in the calendar year. The calculation will be made using the modifier linked to a 'successful' job performance appraisal, unless the job appraisal process has been completed, in which case the modifier is based on the job appraisal score or unless manager and employee have agreed upon the application of a different modifier.

APPENDIX 1B KPN Sales Plan

1 Do you fall under this scheme?

These arrangements apply to you if you are covered by the specific employment conditions set out in Chapters 9 or 10. The provisions in those Chapters and in Chapters 1 to 7 apply to you unless otherwise stated in this KPN Sales Plan. If you fall under the KPN Sales Plan, the KPN Plan (Appendix 1A) does not apply to you.

2 Amount of KPN Sales Plan remuneration

Depending on the group within which you are placed - Retail or Sales - KPN will determine a percentage of your actual salary depending on your on-target performance (OTP). This percentage is set out in Chapters 9 or 10. If you do not fully achieve the targets for on-target performance, you will receive a proportionate part of the KPN Sales Plan remuneration. However, you must always achieve a minimum target set by your manager. Similarly, if you beat the targets applicable to 'on-target performance', you will receive the KPN Sales Plan remuneration in proportion to your achievement.

In this appendix 'actual salary' means your monthly salary plus any transfer allowance and/or placement allowance.

3 Pension

You do not accrue any pension over the KPN Sales Plan remuneration.

4 KPN Sales Plan remuneration in exceptional situations

- 1 If you are unable to work fully due to sickness or otherwise you will receive your KPN Sales Plan remuneration if the duration is 4 months or shorter. If you are placed in the Retail group (Chapter 9), you will receive the same KPN Sales Plan remuneration as your colleagues doing jobs on the same level as yours in the same shop during the same period. If you are placed in the Sales group (Chapter 10), you will receive KPN Sales Plan remuneration based on the effect of the achievement from your personal client group. Your job level is also taken into account.
- 2 If you are unable to work fully for more than 4 months due to sickness or otherwise (even if this falls in two calendar years), you will receive:
 - Over the period starting from the date you reported sick until the end of the month in which you are sick plus four calendar months, the KPN Sales Plan remuneration you would have received if you had been able to work in this period. However, if you report sick on the first day of a month the above does not apply and you will receive the KPN Sales Plan remuneration you would have received if you had been able to work in this period plus the next three consecutive months.
 - After the period specified in the previous indent, as long as you are incapacitated for work and subject to section 3, each calendar month your average degree of incapacity will be assessed based on the absentee registration in MijnHR. This will be done up to and including the month in which you are reported as fit to work in MijnHR. Over this period you will receive the KPN Sales Plan remuneration in proportion to your capacity for work.
 - From the month following the month in which you are reported fully fit for work in MijnHR, you will receive the full KPN Sales Plan remuneration.
- 3 When determining the period during which you are unable to work, periods will be linked together if they succeed one another without an interruption of more than 4 weeks. This also applies to periods in which you cannot work but which fall within different calendar years.
- 4 Leave for reasons of maternity and childbirth will not be included in any calculation of the periods in which you were unable to work.
- 5 If you move to a different position or sales area, and on termination of your employment contract, your manager will determine your KPN Sales Plan remuneration in proportion to the time that you held the position or worked in the sales area concerned.

5 Other

If you fall under the KPN Sales Plan, you will not qualify for the allowances and/or supplements described in provisions 4.7 and 4.10 to 4.14 of Chapter 4. The same applies to the provisions contained in the 2016-2017 KPN Social Plan about the phasing out of the allowance for working unusual hours and the phasing out of stand-by duty. This provision does not apply if you hold a sales position in the Retail group.

6 Other obligations

- 1 You must adhere to the guidelines that KPN has set out for the implementation of the KPN Sales Plan. KPN will inform you of these guidelines.
- 2 You must comply with the instructions given by KPN regarding the KPN Sales Plan. Your manager may impose disciplinary measures if you fail to comply with these rules.
- 3 These measures include:
 - a. a written warning or dismissal; and/or
 - b. a suspension or removal from your job, temporary or permanent; and/or
 - c. non-payment of some or all of the KPN Sales Plan bonus, whereby the manager will decide the percentage of non-payment based on the facts of the case; and/or
 - d. suspension of the implementation of the KPN Sales Plan for such period as the manager shall decide based on the facts of the case (temporary cessation).
- 4 Irrespective of the above, the KPN Sales Plan bonus may be corrected at any time if it appears that the results on which it was based are incorrect. If the KPN Sales Plan bonus has already been paid at the time of correction, you must repay the amount that was overpaid.

7 Establishing the implementation guidelines and setting targets

KPN will consult with its partners regarding the implementation guidelines and the setting of targets, which KPN will determine.

APPENDIX 2 Collective Agreement Budget supplement

You are entitled to a Collective Agreement Budget supplement each month. The budget equals 12.5% of your gross monthly salary.

You may use the supplement or part thereof to:

- purchase extra vacation hours. Each will cost you 1.15 times your prevailing hourly salary. If you work 40 hours (Sales, Customer Expert, Consulting and ITS (until 1 July 2016)) or 37 hours (General and Retail) you can purchase up to 47 vacation hours per year. There is, however, an exception to this scheme, if at the time you wish to buy extra vacation hours you have a balance of more than 200 vacation hours. In such cases, you may only use the supplement or part of it to buy extra vacation hours if you have your manager's permission. Your manager will give permission if you need the extra vacation hours for a good reason. If you are a part-timer, this maximum will be calculated in proportion to your working hours. Subject to the approval of your manager, you can increase the number of purchasable extra vacation hours to not more than three times your working hours.

Summary of maximum number of purchasable vacation hours

	For a 37-hour working week	For a 40-hour working week
Without permission (balance <200 hours)	47 hours	47 hours
With permission from your manager	111 hours	120 hours

- save for a life-course scheme;
- make a deposit or extra deposit for your pension (IPS);
- purchase a bicycle from your gross salary until 31 December 2016;
- pay gym fees from your gross salary until 31 December 2016;
- purchase furniture from your gross salary until 31 December 2016, if you are participating in the New Way of Living and Working and, consequently, need to furnish a workplace at home;
- pay union dues from your gross salary;
- pay for participation in sport from gross salary as from 1 January 2017, up to a maximum of €125.00 per year;
- 'Green driving'.

There are statutory limits to what you may save for a life-course scheme and the level of a pension contribution or extra contributions that you may make. The way you spend your budget must be within these limits. This also applies to expenditure from your gross salary. These limits are often related to maximum amounts. For more information, visit TEAMKPN Online.

You can also have the Collective Agreement Budget paid out monthly.

Part of the supplement is pensionable. You accrue pension over 75% of the supplement.

APPENDIX 3 Regulations on leave under the life-course savings scheme (Levensloopverlof)

1 Taking life-course leave during employment, other than immediately before your retirement date

- 1 You can take an uninterrupted period of life-course leave equal to the entire working hours that apply to you. This period of leave must be at least one month and at most six months. If you wish to use the life-course leave for care leave or for parental leave, you may opt in this period to take the life-course leave for part of your working hours.
- 2 You can take a period of life-course leave once every three years.
- 3 For the financing of your life-course period, you can withdraw any amount you want from your life-course balance. However, your monthly income during your life-course leave cannot exceed your monthly income immediately prior to your period of leave.
- 4 During your life-course leave, you will not be entitled to any of the employment conditions under the KPN Collective Agreement, the KPN company regulations or other arrangements, individual or otherwise. This condition does not apply to risk-based partner pensions. If you have life-course leave for part of your working hours, these entitlements to employment conditions will apply proportionately.
- 5 You must submit a written request to take life-course leave to your manager, not later than three months before the date you want the leave to start.
- 6 Your manager may reject your request on the grounds of compelling company interests. If this occurs, your manager will inform you in writing, explaining the reasons.

2 Using a life-course balance for parental leave

You may use your life-course balance to finance unpaid parental leave. However, your monthly income during your life-course leave cannot exceed your monthly income immediately prior to your period of leave.

3 Taking life-course leave immediately prior to your retirement date

- 1 Life-course leave in this article concerns leave taken immediately before you retire. This leave may be for all or some of your working hours.
- 2 Life-course leave for part of your working hours must be for at least one continuous month.
- 3 For the financing of your life-course period, you can withdraw any amount you want from your life-course balance. However, your monthly income during your life-course leave cannot exceed your monthly income immediately prior to your period of leave.
- 4 During your life-course leave, you will not be entitled to any of the employment conditions under the KPN Collective Agreement, the KPN company regulations or other arrangements, individual or otherwise. This condition does not apply to risk-based partner pensions. If you have life-course leave for part of your working hours, these entitlements to employment conditions will apply proportionately.
- 5 You must submit a written request to take life-course leave to your manager, not later than six months before the date you want the leave to start.

4 Converting your life-course balance to pension

You may use your life-course balance that you do not take up for life-course leave to make an extra contribution to your pension. This is only possible immediately prior to your retirement date. Another condition is that this extra contribution must not lead to an excessive entitlement within the meaning of the Payroll Tax Act 1964.

APPENDIX 4 Flextime scheme

1 Reason for choosing Flextime

If you fall under Chapters 8, 9, 10 or 11, Flextime gives you an opportunity to determine your own average working hours per week. If you fall under Chapters 10 or 11, you can reduce your average weekly working hours to 36, 37, 38 or 39 hours. If your job is placed in Chapters 8 or 9, you can opt to work shorter hours (an average of 36 hours per week) or to work longer hours (an average of 38, 39 or 40 hours per week). To work longer or shorter hours under these arrangements you need the permission of your manager. Your manager may refuse permission to work longer hours only if there is an insufficient volume of work, in which case he must inform you of this reason.

2 Participation in this scheme

You can register for Flextime once per year in MijnHR. The choice you make will apply throughout the calendar year. Interim changes are not possible unless you move to a different job with different average weekly working hours, for example, from a 37-hour per week job to a 40-hour per week job, or vice versa.

If you join KPN in the course of the calendar year, you will be able to participate in Flextime as from the first day of a calendar month if you start work on that date. If you join the company on a different day of the month, you can participate in Flextime from the first day of the next month.

3 Flextime allowance if you work extra hours

You receive any extra Flextime hours that you have worked as an allowance each month. This allowance will amount to 2.9% of your monthly salary for each hour worked extra. You accrue pension over this allowance.

4 Adjustment of monthly salary, if you work fewer hours

If you wish to work fewer than the normal working hours of 37 or 40 hours per week, your monthly salary will be reduced proportionately. For example: you normally work 40 hours but under Flextime wish to work an average of 37 hours per week. Your monthly salary will then be 37/40th part of the monthly salary applicable to an average working week of 40 hours.

5 Continued payment of allowance during work incapacity

If you opted for Flextime but fall sick, the rules stated in Chapter 5 of this Collective Agreement will apply with regard to continued payment of the Flextime allowance.

6 Part-time employees

Part-time employees cannot participate in the scheme, but if you are a part-time employee and wish to increase or reduce your working hours, you may submit a request to your manager under the provisions of the Flexible Work Act. If you do this you will be subject to the rules contained in that act.

APPENDIX 5 Objections procedure via the Position Matrix Objections Committee

1 Process

You can file an objection to the placement of the substance of your individual work within the chosen standard position in the KPN Collective Agreement position matrix and the corresponding salary scale with the Position Matrix Objections Committee. This objections committee deals with specific complaints about job categorisation (in contrast with the general KPN complaints committee by virtue of Article 1.6 of this Collective Agreement) given that specific expertise is required.

The objections procedure follows the following three steps:

Step 1:

You should meet with your manager and HR to ask for an explanation concerning your categorisation, and at the same time explain why you believe this categorisation to be incorrect. This step must always precede any step 2 and 3.

Step 2:

Within 4 weeks of being informed of your formal categorisation you may file a written objection to the Internal Objections Committee. The objection will be dealt with at an oral hearing. You will then receive a written decision on your objection within two months of filing the objection.

The Internal Objections Committee will reach a decision on a majority vote.

The Internal Objections Committee may make two kinds of decision: it may either confirm the current categorisation or advise that there be a re-categorisation. An advice for re-categorisation cannot be ignored by the manager except in very exceptional circumstances; in such an event, the manager must give notice to you in writing of this decision within two weeks following the advice of the Internal Objections Committee for a re-categorisation.

If you have not yet completed Step 1, then you can formally submit your objection in order to ensure that this is done within the time period for filing an objection of 4 weeks. Once Step 1 is completed, you can decide whether or not to pursue your objection.

Step 3:

If you have completed Steps 1 and 2, but you are not happy with the decision of the Internal Objections Committee not to change the categorisation or your manager has decided to depart from its advice for a re-categorisation, then:

You can appeal to an External Objections Committee within 4 weeks of:

- being informed of the decision of the Internal Objections Committee to confirm the categorisation, or
- being informed of the decision of your manager to depart from the advice of the Internal Objections Committee for a re-categorisation.

There will then be an oral hearing. You will then receive a written decision on your objection within two months of filing the appeal.

A decision of the External Objections Committee requires a unanimous vote.

The External Objections Committee will either confirm the original categorisation or determine a new categorisation. A decision of the External Objections Committee is binding upon all parties.

2 Membership of the Objections Committees

1

Internal Objections Committee (Step 2)

The Internal Objections Committee is made up equally of:

- two members appointed internally by the trade unions;
- two members appointed internally by KPN.
- The chairperson is to be appointed by the members.

- NB: external Fuwa expert from HAY available as required.

Requirements on members:

- Possess a global vision of the entire organisation.
- Possess a good understanding and knowledge of the categorisation system in place.

2

External Objections Committee (Step 3)

If the employee filing the objection is a member of a trade union, the External Objections Committee comprises:

- a Fuwa expert from the relevant trade union;
- an independent expert from the Hay Group.

If the employee filing the objection is not a member of a trade union, the External Objections Committee comprises:

- a Fuwa expert from UNIE
- an independent expert from the Hay Group.

APPENDICES SPECIFICALLY APPLYING TO KPN EXCEPT FOR (I) EMPLOYEES WHO AFTER 1 APRIL 1996 (APPENDIX 7) OR AFTER 1 APRIL 2000 (APPENDIX 6) AS A RESULT OF A TRANSFER OF UNDERTAKING / MERGER AUTOMATICALLY BECAME EMPLOYEES OF KPN B.V., AND (II) EMPLOYEES WHO ON 31 DECEMBER 2014 FELL WITHIN THE KPN CORPORATE MARKET COLLECTIVE AGREEMENT

APPENDIX 6 Transitional provisions for loss of prospect of pre-pension for employees born on or after 1 January 1950

1 Applicability

This scheme applies to employees born on or after 1 January 1950 and for whom the prospect of the transitional pre-pension provisions, as included in the Collective Agreement that applied on 31 December 2005, has ceased to apply. These employees will be compensated for this in the manner indicated in Article 2 of this Appendix.

2 Compensation

An employee shall receive compensation for the loss of the prospect of pre-pension provisions by conditionally being awarded an extra entitlement to pension within the meaning of the 2004 Social Accord Implementation Decree on Pension Matters ('soft pension'). Actual granting and funding takes place on the retirement date. The claim to the conditional entitlement ceases to apply if the employment is terminated before the 'departure date'. The size of the conditional pension is determined once only on 31 December 2005 and based on a departure age and benefit percentage according to the table below.

Year of birth	Departure age	Benefit until the age of 65 as a percentage of the basis for supplements as of 31 December 2005, as referred to in Appendix 8, Article 2, of the KPN Collective Agreement 2004/2005 (in force on 31 December 2005)
1950	62 years	75%
1951	62 years and 2 months	75%
1952	62 years and 4 months	75%
1953	62 years and 6 months	75%
1954	62 years and 8 months	75%
1955	62 years and 10 months	74%
1956	63 years	73%
1957	63 years and 2 months	72%
1958	63 years and 4 months	71%
1959	63 years and 6 months	70%

3 Funding

The following will be taken into account in the calculation of the conditional pension entitlement:

- the pension entitlements of the employee before the age of 65 years which were accrued between 1 April 2000 and 1 January 2006. These entitlements are increased actuarially and paid out from the expected departure age until 65 years;
- the employee's higher pension accrual after the age of 65 until the departure age, in comparison with the accrual under the pension scheme that applied for the employee until 1 January 2006;
- half pension accrual during the period from the departure age until the age of 65 (up to no more than 40 years of participation);
- an allocation with 2% interest accrued by the employer of 1.5% of the employee's salary into the life-course savings account over the period from 1 January 2006 until the departure age.

If the tax scope for this conditional pension entitlement is insufficient, the employee will be granted an extra employer's contribution for life-course savings, so that the said compensation together with the conditional pension commitment can be achieved. If the employee has received the notification referred to in Article 2.2/3.2 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding article in a previous KPN Social Plan and the employment contract is terminated for these reasons, the additional contributions the employer made payable to the relevant employee under the life-course scheme during the employment for the purpose of departure based on the content of this Appendix will

be deducted from the payments referred to in Article 3.3/4.3 and – where relevant – Article 3.4/4.4 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding articles in any previous KPN Social Plan, irrespective of whether or not the employee has transferred these additional employer contributions to a life-course account.

4 Supplementary pre-pension benefit

If the employee had the prospect of a supplementary pre-pension benefit, as referred to in Article 3 of Appendix 8 of Collective Agreement 2004/2005, it will be added to the benefit indicated in the table above.

5 Actual departure date and actual size of benefit

Employees can choose a departure date that precedes their retirement age. An employee who chooses a departure age as indicated in 2 shall have a benefit level as stated in 2, based on the adopted starting points, from the departure age until the age of 65. However, the actual benefit will be determined on the basis of the actual return on the life-course savings account and the extent to which the (conditional) pension entitlements are indexed.

6 Conditional pension entitlement adjustment

The conditional pension entitlement referred to in Article 2 of this Appendix is adjusted in accordance with the adjustment of the pension entitlements referred to in the KPN Pension Fund rules and regulations.

7 Miscellaneous provisions

An increase in the old-age pension on the basis of any balance in individual pension savings (IPS balance) is not taken into account. If the provisions of Article 17 of the pension scheme rules and regulations of the KPN Pension Fund have been applied in a divorce or upon the termination of cohabitation, this calculation will be made as if the divorce or termination of cohabitation had not taken place.

8 Group health insurance

Participants in the transitional arrangement can continue to participate in the group contract for health insurance taken out by the employer.

APPENDIX 7 Transitional provisions for loss of prospect of early retirement for employees born on or after 1 January 1950

1 Applicability

This scheme applies to employees born on or after 1 January 1950 and for whom the prospect of the voluntary early retirement transitional provisions, as included in the Collective Agreement that applied on 31 December 2005 (who on 31 March 1996 were employed by KPN BV otherwise than as a result of a transfer/merger/demerger) has ceased to apply.

These employees will be compensated for this in the manner indicated in Article 2 of this Appendix.

2 Compensation

The employee will be compensated for the loss of the prospect of voluntary early retirement. The starting point for the compensation is 75% of the employee's monthly salary, plus the accrued emoluments pension up to 1 January 2006 from the date on which the employee had had a prospect of early retirement (the 'departure date'), by virtue of the Collective Agreement that applied to the relevant employee on 31 December 2005.

The compensation will be realised by means of:

- the employee's higher pension accrual after the age of 65 from 1 January 2006, in comparison with the accrual under the pension scheme that applied for the employee until 1 January 2006;
- conditional granting of an extra pension entitlement, as referred to in the Social Accord Implementation Decree on Pension Matters 2004 ('soft pension'). The size of the conditional pension is determined once only on 31 December 2005. Awarding and financing shall occur at the retirement date, but in any event not later than on 1 January 2021. The claim to the conditional entitlement ceases to apply if the employment is terminated before the 'departure date'.
- If the tax scope for this conditional pension entitlement is insufficient, the employee will be granted an extra employer's contribution for life-course savings, so that the said compensation together with the conditional pension commitment can be achieved. The extra employer's contribution will be granted for the period from 1 January 2006 until the 'departure age'. The starting point for determining the size of this is a return on the life-course savings account of 2%. The size of the contribution will be determined once only on 31 December 2005.
- If the conditional pension entitlement that is granted together with the extra employer's contribution for life-course savings is insufficient for departure on the 'departure date', the employee will be offered the opportunity to take paid leave for the missing period at 75% of the most recent monthly salary plus the emoluments pension. The payment of 75% of the last-earned monthly salary will be increased by 1.65 per cent as at 2 January 2016, if the relevant employee took the paid leave referred to here on 2 January 2016. The increase for the months from January to July 2016 will be allocated and paid no later than July 2016. The payment of 75% of the last-earned monthly salary will be increased by 1.85 per cent as at 1 January 2017, if the relevant employee took the paid leave referred to here on 1 January 2017. The increase for the months from January to May 2017 will be allocated and paid no later than May 2017. The increase of the normal working hours as of 1 May 2008 to an average of 40 hours per week for those employees placed in the IT or Sales groups will be disregarded when the salary in the last full month is determined. The effect of the increase of the normal working hours for those employees will be discounted in the emoluments pension. In the case of participants who received payment for additional hours in the 12 months immediately preceding the month in which the paid leave commences, the benefit in the period of paid leave will be increased by the average number of paid additional hours in that period, multiplied by 75% of the salary per hour (including vacation pay) that applies to the participant concerned. For an employee who uses this scheme on or after 1 January 2009, the income determined in this way during the period of paid leave will be increased by 8% because from that date employees covered by the prevailing KPN Collective Agreement will stop receiving vacation allowance. The vacation entitlements the employee accrues during the period of paid leave will be considered to have been taken during this period. These accrued entitlements shall not be paid out upon the termination of the employment contract.

For the purposes of this article, 'monthly salary' also includes placement allowance and/or relocation allowance and the vacation pay on the salary and allowance(s).

If the employee has received the notification referred to in Article 2.2/3.2 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding article in a previous KPN Social Plan and the employment contract is terminated for these reasons, the additional contributions the employer made payable to the relevant employee under the life-course scheme during the employment for the purpose of departure based on the content of this Appendix will be deducted from the payments referred to in Article 3.3/4.3 and – where relevant – Article 3.4/4.4 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding articles in any previous KPN Social Plan, irrespective of whether or not the employee has transferred these additional employer contributions to a life-course account.

3 Actual benefit size

The calculation of the compensation on the grounds of Article 2 of this Appendix is based on a benefit level of 75% plus the emoluments pension. However, the actual benefit will depend on the extent to which the pension entitlements (conditional or otherwise) are indexed and the actual return on the life-course savings account. In the case of employees who make use of paid leave before leaving at the 'departure age', the benefit during the paid leave will be 75% of the employee's monthly salary plus the emoluments pension.

4 Conditional pension entitlement adjustment

The conditional pension entitlement referred to in Article 2 of this Appendix is adjusted in accordance with the adjustment of the pension entitlements referred to in the KPN Pension Fund rules and regulations.

5 Miscellaneous provisions

An increase in the old-age pension on the basis of any balance in individual pension savings (IPS balance) is not taken into account. If the provisions of Article 17 of the pension scheme rules and regulations of the KPN Pension Fund have been applied in a divorce or upon the termination of cohabitation, this calculation will be made as if the divorce or termination of cohabitation had not taken place.

6 Premium contribution

Employees are obliged to pay a premium of 1.64% of their monthly salary up to the departure date. The premium contribution is calculated on the salary up to the normative salary, vacation pay and any relocation allowance/placement allowance. The premium contribution is deducted monthly from the salary.

7 Pension fund participation

In the case of employees who are participants in the KPN Pension Fund pension scheme on the day before their departure, participation pursuant to the pension scheme rules and regulations of the KPN Pension Fund shall continue. Half the period of paid leave and life-course leave shall count as participation time, insofar as the maximum participation period of 40 years is not exceeded.

8 Group health insurance

Participants in the transitional arrangement can continue to participate in the group contract for health insurance taken out by the employer.

APPENDICES SPECIFIC TO KPN CONTACT

APPENDIX 8 Transitional provisions

A. Agreements concerning OVR1 and OVR2 (2003 Transitional provisions SNT Collective Agreement, amended as of 1 January 2007 and 1 July 2008)

1 Origin and elements of OVR1 and OVR2

OVR1 provides for the 'Transitional arrangements in the context of the start of the KPN Call center company, for KPN employees who are covered by the KPN Collective Agreement and who transferred to the KPN Call center company on 7 April 1999' and 'Transitional measures for employees of the Business telephone post (hereinafter referred to as 'BTP') dated 1 October 2001'. These agreements and measures were given substance upon the establishment of the SNT Collective Agreement 2003, under the name OVR1, by means of a personal gross allowance and schemes that are temporarily in place.

OVR2 provides for the transition from the employment conditions in effect on 31 December 2002 (SNT indirect, SNT Collective Agreement direct, KPN Collective Agreement, KCC Collective Agreement) to the SNT Collective Agreement 2003. OVR2 consists of two personal gross allowances, schemes that have since been bought off and schemes that are temporarily in place.

2 OVR1 personal gross allowance

1. The OVR1 personal gross allowance is part of the monthly income as defined in this Collective Agreement and as such is a basis for pension, vacation allowance actually accrued until 1 January 2012 and benefits while incapacitated for work. The OVR1 supplement will be increased by 8%, once only, on 1 January 2012 as a result of the introduction of the Collective Agreement Budget supplement at KPN Contact.
2. The OVR1 allowance depends on the choice made by the employee, either a fixed amount determined on 31 December 2004 that expires on 31 December 2006 (or on 30 September 2008 for BTP employees), or an amount phased out over time, whereby 11.11% of the value determined on 31 December 2004 is reduced every six calendar months from 1 January 2005 to 1 January 2009 (or from 1 October 2006 to 1 October 2010 for BTP employees) (the 'soft landing').
3. If the employee accepts a higher level position, the temporary allowance is replaced insofar as possible with salary.
4. The OVR1 allowance is nominal as of 1 January 2010. That is to say, it does not change in response to salary increases from this moment.

3 OVR2 personal gross allowance

The OVR2 personal gross allowance comes in two forms:

1. OVR2 salary; OVR2 salary is part of the monthly income as defined in this Collective Agreement and as such is a basis for pension, vacation allowance actually accrued until 1 January 2012 and benefits while incapacitated for work. The OVR2 supplement will be increased by 8%, once only, on 1 January 2012 as a result of the introduction of the Collective Agreement Budget supplement at KPN Contact.
2. OVR2 pension; OVR2 pension is not part of the monthly income as defined in this Collective Agreement.
3. If the employee has not yet reached the maximum of his salary range, an individual salary adjustment may be granted in line with the appraisal system and adjustment table of this Collective Agreement. In that case, the OVR2 personal gross allowance will be replaced insofar as possible with salary.
4. If the employee accepts a higher level position, the allowance is replaced insofar as possible with salary.
5. For employees who have a relative salary position (RSP) of higher than 100% as the result of placement in the salary table of the 2003 SNT Collective Agreement, an appraisal of 'standard / good' results in a salary adjustment of 0%, in deviation from the provisions of Article 39.
6. The OVR2 salary allowance is nominal as of 1 January 2010. That is to say, it does not change in response to salary increases from this moment.

4 Application of general salary increase for employees with an OVR1 allowance and/or OVR2 allowance

Expired as at 1 January 2010

5 Level of the work

During the term of the Collective Agreement the parties will make further agreements in order to ensure that the level of the work performed is in line with the individual monthly salary that applies plus the OVR1 personal gross allowance and/or the OVR2 personal gross allowance.

6 Hourly wage guarantee scheme

A '2002 guaranteed hourly wage' has been determined for every employee in service on 31 December 2002, based on the gross salary and gross hourly wage definition in the employment conditions regime applying to him on 31 December 2002. If the 'gross hourly wage', based on the salary table and hourly wage definition of the Collective Agreement, differs adversely from the 2002 gross guaranteed hourly wage, the '2002 gross guaranteed hourly wage' applies for the following hourly wage-based remuneration elements: additional work supplement, overtime supplement, working times supplement and hourly value of vacation hours. As soon as the new gross hourly wage exceeds the 2002 guaranteed hourly wage, the new, higher gross hourly wage applies.

7 Temporary schemes

For BTP employees who were entitled to the following schemes on 31 December 2002, these will be kept in place until 30 September 2008.

For OVR1:

- 'Perceptive Mental Workload' Scheme
For employees for whom agreements in relation to a reduction of working hours still apply in this context, these agreements will be continued until the end of the term of the OVR1. These agreements expire after this point.
- Company Product Reimbursement Scheme
The employee receives a contribution towards the expenses related to the use of company products at consumer rates of €4.50 net for every month in which the employee was employed in the calendar year. For OVR1, the contribution is paid out once per year in November.
- Special leave
 1. The employee is entitled to leave with continued payment of monthly income for the following events:
 - a. If the employee marries: 4 days;
 - b.
 - Upon the death of the employee's spouse, parent, step-parent, father or mother-in-law, child, step-child or son or daughter-in-law: 4 days;
 - Upon the death of a relative by blood or affinity in the second degree: 2 days;
 - Upon the death of a relative by blood or affinity in the third or fourth degree, at most one day;
 - If the employee is in charge of arranging the funeral or administering the estate or both, leave of at most 4 days;
 - c. Upon the employee's 25th and 40th wedding anniversary, upon the employee's parents', step-parents', in-laws', child's or step-child's 25th, 40th, 50th and 60th wedding anniversary and upon the employee's, employee's spouse's, employee's parent's, employee's step-parent's, employee's mother or father-in-law's, employee's child's or step-child's 25th, 40th and 50th anniversary with the company: one day;
 - d. In order to search for a home in the event of transfer: at most 2 days;
 - In the event of a move after being transferred: 2 days;
 - In the event of a move other than after being transferred: once in a calendar year and at most 2 days;
 - e. In order to satisfy a statutory obligation: the time needed to do so, insofar as this cannot take place in the employee's free time and it is impossible to adjust the employee's working hours. In this case the monthly income will continue to be paid with deduction of any compensation that can be obtained from third parties for these activities.
 2. Depending on the concrete situation, the employer may grant the employee special leave with continued payment of the monthly income, if and as long as no other care can be arranged for sick children, a sick spouse or sick parents. The employer will make agreements with the employee on the duration and scope of the leave, whereby the

employee is expected to be willing to use vacation and any other restitution in time for the time off.

3. The employer can also grant leave with or without continued payment of monthly income, at the employee's request and under certain conditions, if necessary, in the cases that make this necessary.
4. For the purposes of this article, the person with whom the unmarried employee cohabits as life partner is equated with the employee's spouse. This is only the case, if the employee has informed the employer in writing of this cohabitation.
5. For the purposes of this article, 'official notice of an intended marriage' includes the official notice of a registered partnership as described in Book 1, Article 80a, section 6 of the Dutch Civil Code. For the purposes of this article, 'marriage' includes the registration of a partnership as described in Book 1, Article 80a, section 5 of the Dutch Civil Code.

For OVR1 and OVR2:

- Age-related hours

1. The basic vacation (see Article 29) is increased by 16 hours for a full-time employee who has not yet reached the age of 19 in the particular calendar year.
2. Depending on the age reached by the employee in the particular calendar year, the basic vacation (see Article 29) is increased for the full-time employee in accordance with the table below:

Age	Increase
35 to 44 years	8 hours
45 to 49 years	16 hours
50 to 54 years	24 hours
55 to 59 years	39 hours
60 years or older	47 hours

3. As an exception to the provisions of sections 1 and 2, the table below applies to the full-time employee who was covered by the KCC Collective Agreement on 31 December 2002:

Age	Increase
45 to 49 years	8 hours
50 to 54 years	16 hours
55 years or older	24 hours

The entitlement of an employee as at 31 December 2006 arising from the age-related hours scheme in this appendix is frozen as of 1 January 2007. For BTP employees the entitlement of an employee as at 30 September 2008 is frozen as of 1 October 2008.

- Age-aware personnel policy

1. An employee who is 60 years or older and who performs no paid ancillary work can, if desired, be eligible for a half-hour reduction of working time per day with retention of his monthly salary. For employees aged 63 or older, this reduction is one hour. If organisational reasons make it impossible to grant the reduction each day, alternative compensation in free time may be arranged.
2. The reduction stated in section 1 applies both for an employee with a standard employment contract and for a part-time employee who works the same number of hours per day as an employee with a standard employment contract.

- Reduction in working hours for older employees

1. An employee who:
 - a. is 55 years or older, has a standard employment contract and performs no paid ancillary work, can exercise a right, if desired, to a one-day reduction in the working hours per week, resulting in an average of 32 hours, making him a part-time employee.
 - b. is 58 years or older, has a standard employment contract and performs no paid ancillary work, can exercise a right, if desired, to a two-day reduction in the working hours per week, resulting in an average of 24 hours, making him a part-time employee.
2. If and insofar as the employee makes use of the working hours reduction as referred to in section 1 of this article, the accrual of pension and early retirement entitlements is continued as if he were still a full-time employee. The employee's contribution to participation in the

pension scheme and the early retirement premium are, in that case, also calculated as if the employee were still a full-time employee.

B.

8 Transitional provision for phase-out arrangements for working at unusual hours (Tot.)

For employees who were entitled to phase-out arrangements for working unusual hours (Tot.) on or after 31 December 2002 and who still benefit from this phase-out scheme, this scheme will remain in place until 31 December 2006 in line with Article 93 of the Collective Agreement 2003-2004.

C. New transitional provisions (Transitional provisions SNT Collective Agreement)

9 Commutation arrangement for working times supplement/ Tot.

1. This commutation arrangement is in effect for the period from the implementation date (expected 1 January 2005) of the quarterly hour standard and the corresponding special remuneration (additional work and overtime compensation and the new working times supplement table) until 1 January 2007.
2. This commutation arrangement exclusively pertains to any deterioration in terms of working times supplement / Tot. The other forms of special remuneration are not included in the commutation arrangement.
3. Employees are eligible if they:
 - are covered by the SNT Collective Agreement;
 - are placed in job group A to H;
 - upon the introduction of the new working times supplement table, experience a deterioration compared to the tables for working times supplement and Tot. of the SNT Collective Agreement 2003.
4. The reference period for which any deterioration is determined is the year 2004. The average working times supplement per month for 2004 based on the SNT Collective Agreement 2003 (tables and system) is compared to the average working times supplement based on the SNT Collective Agreement 2004/2005 (table and system). The negative difference between the SNT Collective Agreement 2003 and the SNT Collective Agreement 2004/2005 serves as basis for the commutation arrangement.
5. The presumed number of months in service in 2005 and the presumed number of months in service in 2006 are set at 12, subject to the provisions of section 8 of this article.
6. In the spring of 2005, the employees that are in service at that time will be granted a lump-sum benefit equal to 12 times the basis.
7. In the spring of 2006, the employees that are in service at that time will be granted a lump-sum benefit equal to 12 times the basis.
8. For employees who leave the company before 1 January 2007 because of VUT, FLO or (pre-) pension entitlements, the commutation arrangement will be calculated for the period from 1 January 2005 until the departure date and paid out according to the tranches above.
9. The current guarantee allowances based on Article 102 of the SNT Collective Agreement 2003 and the individual scheme for 24-hour services in Eindhoven remain in effect for those employees who were still entitled to this on 1 January 2005. During the remaining term of the guarantee schemes, the employee will be paid a lump-sum benefit in the context of this commutation arrangement only on any additional deterioration.
10. For BTP employees, the commutation arrangement is in effect for the period from the implementation date (expected 1 January 2005) of the quarterly hour standard and the corresponding special remuneration (additional work and overtime compensation and the new working times supplement table) until 1 October 2008. In the spring of 2007 and 2008, these employees will be granted a lump-sum extra benefit in the amount of 12 and 9 times the basis, respectively. For VUT, FLO and (pre-) pension, see section 8.

10 Supplementary scheme for reimbursement of travel expenses

Social Plan agreements and individual agreements

- 1 Social Plan agreements and individual agreements on supplementary travel expense reimbursement expired as of 1 January 2005.

- 2 The supplementary scheme is in effect from 1 January and the end date of the supplementary agreements from the relevant Social Plan. If the supplement is not based on a Social Plan, the end date of the supplementary scheme is set at 31 December 2006.
- 3 Employees are eligible if they:
 - a. were eligible for a supplement to the standard travel expense reimbursement until 31 December 2004 on the basis of a Social Plan or individual agreements;
 - b. would receive a lower reimbursement based on the new travel expense reimbursement scheme, assuming a presumed optimal number of travel days (261 workable days per year, less the maximum number of leave days to be taken).
- 4 For the eligible employees, the difference between the new and old reimbursement will be determined from the implementation date of the new travel expense reimbursement scheme during the term of the original agreements from the Social Plan or, at the latest, to 1 January 2007 if these agreements were not based on a Social Plan. (The new travel expense reimbursement is assessed on the basis of the optimal number of travel days of the employee.)
- 5 Any difference ascertained will be bridged by payment of a lump-sum advance.
- 6 An employee with a prospect of VUT/FLO or (pre-) pension receives a supplement for the period up to maximum the start date of the said schemes. If the employee does not exercise this right, the entitlement to the supplementary scheme for travel expense reimbursement is revived.
- 7 An employee with a fixed-term contract receives a supplement for the period up to maximum the end date of the said contract. If the employee's contract is extended, the entitlement to the supplementary scheme for travel expense reimbursement is revived.
- 8 For employees who have been granted an annual public transport/train pass in the context of a Social Plan, any payroll tax or national insurance contributions owed on the supplement are payable by the employer.
- 9 For employees who received a supplement to the travel expenses for own transport until 31 December 2004, any payroll tax and national insurance premiums owed on the supplement are at the employee's expense.
- 10 If the employee leaves the company during the period for which the supplement is calculated, any payroll tax and national insurance premiums owed on the supplement are payable by the employee.

APPENDIX 9 Transitional provisions for loss of prospect of pre-pension for employees born on or after 1 January 1950

Article 1 Applicability

This scheme applies to employees born on or after 1 January 1950 and for whom the prospect of the transitional pre-pension provisions in effect on 30 September 2005 have ceased to apply. These employees will be compensated for this in the manner indicated in Article 2 of this Appendix.

Article 2 Compensation

An employee shall receive compensation for the loss of the prospect of pre-pension provisions by conditionally being awarded an extra entitlement to pension within the meaning of the 2004 Social Accord Implementation Decree on Pension Matters ('soft pension'). Actual granting and funding takes place on the retirement date. The claim to the conditional entitlement ceases to apply if the employment is terminated before the 'departure date'. The size of the conditional pension is determined once only on 31 December 2005 and based on a departure age and benefit percentage according to the table below.

Year of birth	Departure age	Benefit until the age of 65 as a percentage of the basis for supplements as of 31 December 2005 (scale salary, vacation pay, OVR1, OVR2 salary)
1950	62 years	75%
1951	62 years and 2 months	75%
1952	62 years and 4 months	75%
1953	62 years and 6 months	75%
1954	62 years and 8 months	75%
1955	62 years and 10 months	74%
1956	63 years	73%
1957	63 years and 2 months	72%
1958	63 years and 4 months	71%
1959	63 years and 6 months	70%

Article 3 Funding

The following will be taken into account in the calculation of the conditional pension entitlement:

- the pension entitlements of the employee before the age of 65 which were accrued between 1 April 2000 and 1 January 2006. These entitlements are increased actuarially and paid out from the expected departure age until 65 years;
- an allocation by the employee to the life-course account, increased by 2% interest, for the period from 1 January 2006 until the departure age, in the amount of the lowering of the pension premium from 33% of the BPR sliding scale (62 years old) to 15% of the BPR sliding scale (65 years old) as of 1 January 2006;
- half pension accrual during the period from the departure age until the age of 65 (up to no more than 40 years of participation).

If the tax scope for this conditional pension entitlement is insufficient, the employee will be granted an extra employer's contribution for life-course savings, so that the said compensation together with the conditional pension commitment can be achieved. If the employee has received the notification referred to in Article 2.2/3.2 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding article in a previous KPN Social Plan and the employment contract is terminated for these reasons, the additional contributions the employer made payable to the relevant employee under the life-course scheme during the employment for the purpose of departure based on the content of this Appendix will be deducted from the lump sum payments that the employee may be entitled to pursuant to Article 3.3/4.3 and – where relevant – Article 3.4/4.4 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding articles in any previous KPN Social Plan, irrespective of whether or not the employee has transferred these additional employer contributions to a life-course account.

Article 4 Supplementary pre-pension benefit

If the employee had the prospect of a supplementary pre-pension benefit, as referred to in Article 3 of Appendix 11 of the 2014 KPN Collective Agreement, it shall be added to the benefit indicated in the table above.

Article 5 Actual departure date and actual size of benefit

Employees can choose a departure date that precedes their retirement age. An employee who chooses a departure age as indicated in Article 2 of this Appendix shall have a benefit level as stated in Article 2, based on the adopted starting points, from the departure age until the age of 65. However, the actual benefit will be determined on the basis of the actual return on the life-course savings account and the extent to which the (conditional) pension entitlements are indexed.

Article 6 Conditional pension entitlement adjustment

The conditional pension entitlement referred to in Article 2 is adjusted in accordance with the adjustment of the pension entitlements referred to in the regulations of the Stichting Pensioenfonds KPN (KPN Contact pension scheme).

Article 7 Miscellaneous provisions

An increase in the old-age pension on the basis of any balance in individual pension savings (IPS balance) is not taken into account. If the provisions of Article 7 of the regulations of the Stichting Pensioenfonds KPN (KPN Contact pension scheme) and/or Article 17 of the regulations of the KPN Pension Fund have been applied in the event of a divorce or upon the termination of cohabitation, this calculation will be made as if the divorce or termination of cohabitation had not taken place.

Article 8 Group health insurance

Participants in the transitional arrangement can continue to participate in the group contract for health insurance taken out by the employer.

APPENDIX 10 Transitional provisions for loss of prospect of early retirement for employees born on or after 1 January 1950

Article 1 Applicability

This scheme applies to employees born on or after 1 January 1950 and for whom the prospect of the transitional provisions for voluntary early retirement in effect on 30 September 2005 has ceased to apply.

These employees will be compensated for this in the manner indicated in Article 2 of this Appendix.

Article 2 Compensation

The employee will be compensated for the loss of the prospect of voluntary early retirement. The starting point for the compensation is a benefit of 75% of the scale salary, OVR1 and OVR2 salary plus the emoluments pension accrued up to 1 July 2004 from the date on which the employee had had a prospect of early retirement (the departure date), by virtue of the Collective Agreement that applied to the relevant employee on 30 September 2005.

The compensation will be realised by means of:

- conditional granting of an extra pension entitlement, as referred to in the Social Accord Implementation Decree on Pension Matters 2004 ('soft pension'). The size of the conditional pension is determined once only on 31 December 2005. Actual granting and funding takes place on the retirement date. The claim to the conditional entitlement ceases to apply if the employment is terminated before the departure date;
- If the tax scope for this conditional pension entitlement is insufficient, the employee will be granted an extra employer's contribution for life-course savings, so that the said compensation together with the conditional pension commitment can be achieved. The extra employer's contribution will be granted for the period from 1 January 2006 until the 'departure age'. The starting point for determining the size of this is a return on the life-course savings account of 2%. The size of the contribution will be determined once only on 31 December 2005;
- If the conditional pension entitlement that is granted together with the extra employer's contribution for life-course savings is insufficient for departure on the departure date, the employee will be offered the opportunity to take paid leave for the missing period at 75% of the most recent scale salary earned, OVR1 and OVR2 salary, plus the emoluments pension accrued to 1 July 2004. The payment of 75% of the last-earned scale salary, OVR 1 and OVR 2 salary plus the emoluments pension accrued to 1 July 2004 will be increased by 1.65 per cent as at 2 January 2016, if the relevant employee took the paid leave referred to here on 2 January 2016. The increase for the months from January to July 2016 will be allocated and paid no later than July 2016. The payment of 75% of the last-earned scale salary, OVR 1 and OVR 2 salary plus the emoluments pension accrued to 1 July 2004 will be increased by 1.85 per cent as at 1 January 2017, if the relevant employee took the paid leave referred to here on 1 January 2017. The increase for the months from January to May 2017 will be allocated and paid no later than May 2017. In the case of participants who received payment for additional hours in the 12 months immediately preceding the month in which the paid leave commences, the benefit in the period of paid leave will be increased by the average number of paid additional hours in that period, multiplied by 75% of the salary per hour (including vacation pay) that applies to the participant concerned. The vacation entitlements the employee accrues during the period of paid leave will be considered to have been taken during this period. These accrued entitlements shall not be paid out upon the termination of the employment contract.

In this article the scale salary is regarded as including the vacation pay on the scale salary.

If the employee has received the notification referred to in Article 2.2/3.2 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding article in a previous KPN Social Plan and the employment contract is terminated for these reasons, the additional contributions the employer made payable to the relevant employee under the life-course scheme during the employment for the purpose of departure based on the content of this Appendix will be deducted from the lump sum payments that the employee may be entitled to pursuant to Article 3.3/4.3 and – where relevant – Article 3.4/4.4 of the 2014-2015 or 2016-2017 KPN Social Plan or the corresponding articles in any previous KPN Social Plan, irrespective of whether or not the employee has transferred these additional employer contributions to a life-course account.

Article 3 Actual benefit size

The calculation of the compensation on the grounds of Article 2 of this Appendix is based on a benefit level of 75%. However, the actual benefit will depend on the extent to which the pension entitlements (conditional or otherwise) are indexed and the actual return on the life-course savings account. In the case of employees who make use of paid leave before leaving at the departure age, the benefit during the paid leave will in any event be 75% of the employee's scale salary, OVR1 and OVR2 salary plus the emoluments pension accrued to 1 July 2004.

Article 4 Conditional pension entitlement adjustment

The conditional pension entitlement referred to in Article 2 of this Appendix is adjusted in accordance with the adjustment of the pension entitlements referred to in the regulations of the Stichting Pensioenfonds KPN (KPN Contact pension scheme).

Article 5 Miscellaneous provisions

An increase in the old-age pension on the basis of any balance in individual pension savings (IPS balance) is not taken into account. If the provisions of Article 7 of the regulations of the Stichting Pensioenfonds KPN (KPN Contact pension scheme) and/or Article 17 of the pension scheme have been applied in the event of a divorce or upon the termination of cohabitation, this calculation will be made as if the divorce or termination of cohabitation had not taken place.

Article 6 Premium contribution

Employees are obliged to pay a premium of 1.64% of their monthly salary up to the departure date. The premium contribution is calculated on the salary up to maximum the final salary and the vacation pay. The premium contribution is deducted monthly from the salary.

Article 7 Pension fund participation

In the case of employees who are participants in the Stichting Pensioenfonds KPN (KPN Contact pension scheme) on the day before their departure, participation pursuant to the pension scheme of this pension fund shall continue. Half the period of paid leave and life-course leave shall count as participation time, insofar as the maximum participation period of 40 years is not exceeded.

Article 8 Group health insurance

Participants in the transitional arrangement can continue to participate in the group contract for health insurance taken out by the employer.

APPENDIX 11 Agreement on transitional arrangements KPN-KPN Contact dated 27 April 2006

1 Scope of application

As of 1 July 2006, the Collective Agreement for KPN Contact and SNT Nieuw 1 October 2005 to 1 January 2007 and the Agreement on transitional agreements below dated 27 April 2006 apply to employees employed by KCC Nederland BV (business division KPN Contact) after transfer from KPN Telecom B.V. and/or KPN Mobile The Netherlands B.V. (business division Consumer Market Telephone Customer Feedback KPN (KR) and/or KPN Mobile Contact Center (KMCC)). The provisions of the Collective Agreement for Koninklijke KPN N.V. are not applicable to these employees from 1 July 2006.

2 Agreement on transitional agreements KPN-KPN Contact dated 27 April 2006

Parties:

KCC Nederland B.V. in The Hague, represented in this matter by Mr H.J.M. Knaapen, director of Human Resources KPN N.V.

and

- ABVAKABO FNV, in Zoetermeer, represented in this matter by Ms D.T.C. Wiek-Meulman
- Union of Telecom Employees, in Leidschendam, represented in this matter by Mr R. Pol
- CNV Publieke Zaak, in The Hague, represented in this matter by Ms B.J. Bakker
- CMHF/VPP, in The Hague, represented in this matter by Mr. R. Koopman (referred to hereinafter collectively as: 'the trade unions'),

Whereas:

- On 1 July 2006, KPN employees employed at Consumer Market Telephone Customer Feedback KPN and KPN Mobile Contact Center transfer to KCC Nederland B.V. (business division KPN Contact), where the KPN Contact Collective Agreement applies;
- The KPN Contact Collective Agreement applies to these employees from the date of transfer;
- There are differences between the KPN Contact Collective Agreement and the package of employment conditions of the relevant employees;
- The parties have reached agreement concerning these differences;

The parties are agreed that:

1 Transfer of employees

The relevant employees transfer to KCC Nederland B.V. with retention of the character of the current employment contract (fixed term/indefinite term) and with retention of the service years they have accrued. From the moment of transfer, the KPN Contact Collective Agreement, subject to the amendments to this over time and the transitional agreements included in this agreement apply.

2.1 Working hours

The standard working hours are 40 hours combined with a standard leave right of 292 hours based on the KPN Contact Collective Agreement. Age-related hours at KPN expire with the transfer to the KPN Contact Collective Agreement. During 2006 and 2007, however, the employee still accrues age-related days in accordance with the KPN Collective Agreement 2006/2007. The salary, income and hourly wage definitions of the KPN Contact Collective Agreement will apply to the employees.

2.2 Categorisation and placement in the salary scale

Employees will be categorised and placed in the KPN Contact salary scales on the basis of the job grading system of the KPN Contact Collective Agreement. Employees will be placed in the salary scale based on the placement income. The placement income is the gross salary as of 30 April 2006 (excluding compensation for payment of pension premium at KPN) plus any special allowance and any relocation allowance. The gross salary is therefore increased based on the increments table as of

1 January 2006 as included in the KPN Collective Agreement 2006-2007. The placement income is multiplied by the factor net working hours KPN Contact / net working hours KPN. The term 'net working hours' is defined as the gross working hours on an annual basis less 292 KPN Contact leave hours or 195 KPN vacation hours, respectively. Finally, this amount is increased by the premium for the WIA supplementary insurance and an amount equal to what the employee must pay as personal contribution to pension at KPN Contact. For employees born before 1 January 1950 this is 33% of the Defined Premium applicable for them; for employees born on or after 1 January 1950, this is 15%. For employees who had a prospect of voluntary early retirement based on the KPN Collective Agreement 2004-2005 and who were born before 1 January 1950, this percentage is also 15%.

The result of this calculation is the placement income. The placement income is placed in the applicable KPN Contact salary scale. If the placement income is lower than the starting salary of the relevant salary scale, the employee is granted the starting salary. If the placement income exceeds the relevant final salary (for scales G and higher this is an RSP of 110), the excess is converted into a placement allowance.

For full-time employees the working hours are determined in line with the KPN Contact standard working hours of 40 hours per week. Part-time employees continue to work the same number of hours worked at KPN. Their salaries are determined proportionately to the standard working hours in the KPN Contact Collective Agreement. Consequently, the salary turns out to be lower. This is compensated, however, by increasing the number of leave hours.

The salary and any placement allowance will be increased after 1 May 2006 in line with the system of the KPN Contact Collective Agreement. The placement allowance becomes a nominal amount as of 1 January 2010 however. This placement allowance will be increased by 8%, once only, on 1 January 2012 as a result of the introduction of the Collective Agreement Budget supplement at KPN Contact.

2.3 Placement allowance and future salary increases

The placement allowance is part of the monthly income as referred to in the KPN Contact Collective Agreement. In the event of sickness or leave, this allowance continues to be paid in accordance with the provisions stipulated for this in the KPN Contact Collective Agreement. The allowance is taken into account when determining the hourly salary. The amount of the allowance is determined once only. During the years 2006 and 2007 this amount is increased by the general salary increase as agreed in the Collective Agreement for KPN Contact. After this the allowance changes in response to salary increases, in the sense that as of the date of a salary increase based on Article 38 or Article 40 of this Collective Agreement, 50% of this increase will be granted on the total amount in monthly salary plus placement allowance. This allowance will become a nominal amount and no longer change in response to salary increases with effect from 1 January 2010. If the employee advances to a higher salary scale, the placement allowance will be decreased proportionate to the increase in the salary. Employees who have an RSP of higher than 100% as a result of placement in the KPN Contact salary scale receive an individual salary adjustment of 0% if they receive a performance appraisal score of standard/good.

2.4 Voluntary early retirement

For employees who had a prospect of voluntary early retirement based on the KPN Collective Agreement 2004-2005, this prospect of voluntary early retirement is respected in the same way provided for in the KPN Collective Agreement 2006-2007.

Employees born before 1 January 1950

The transitional arrangement included in Appendix 11a of the KPN Collective Agreement 2006-2007 remains in place for employees born before 1 January 1950. Employees are required to pay an unchanged voluntary early retirement premium.

Employees born on or after 1 January 1950

The transitional arrangement for voluntary early retirement has expired for employees born on or after 1 January 1950. The relevant employees are compensated for this in the same way provided for in Appendix 11b of the KPN Collective Agreement 2006-2007, on the understanding that Article 2, third bullet, line 4 should read as follows: '(...) 75% of his monthly salary in December 2005' (...) increased

by the general salary increases that are agreed in the KPN Contact Collective Agreement until the departure date. Employees are obliged to pay a personal contribution of 1.64% up to the departure date.

Employees who, in 2007, are able to use the former early retirement scheme as referred to here will continue to participate in the KPN Pension Fund and will therefore not participate in the SNT Pension Fund. As a result of this, in deviation from the provisions of Article 2.2 of this Appendix, for these employees the gross salary from KPN will not be reduced by the compensation for payment of the pension premium at KPN. Nor will the amount specified there be increased by an amount equal to what the employee must pay in personal contribution to pension at KPN Contact, since the employee will continue to pay the KPN Pension premium for which he has already been compensated in his gross salary from KPN.

2.5 Pre-pension

For employees who had a prospect of pre-pension based on the KPN Collective Agreement 2004-2005, this prospect of pre-pension is respected in the same way provided for in the KPN Collective Agreement 2006-2007.

Employees born before 1 January 1950

The transitional arrangement included in Appendix 10a of the KPN Collective Agreement 2006-2007 remains in place for employees born before 1 January 1950.

Employees born on or after 1 January 1950

The transitional arrangement for pre-pension has expired for employees born on or after 1 January 1950. The relevant employees are compensated for this in the same way provided for in Appendix 10b of the KPN Collective Agreement 2006-2007.

Employees who, in 2007, are able to use the former pre-pension scheme as referred to here will continue to participate in the KPN Pension Fund and will therefore not participate in the SNT Pension Fund. As a result of this, in deviation from the provisions of 2.2, for these employees the gross salary from KPN will not be reduced by the compensation for payment of the pension premium at KPN. Nor will the amount specified there be increased by an amount equal to what the employee must pay in personal contribution to pension at KPN Contact, since the employee will pay the KPN Pension premium for which he has already been compensated in his gross salary from KPN.

2.6 Life-course savings

KPN Contact does not grant an employer contribution to the Life-course savings scheme. During 2006 and 2007, the employee born on or after 1 January 1950 will receive a benefit for the life-course savings in the amount of 2% of 12 times his monthly salary plus any placement allowance from September 2006 and 2007, respectively. This percentage is 0.5% per year for employees born before 1 January 1950.

The above applies regardless of any contribution into life-course savings that may be agreed in the SNT Nieuw/KPN Contact Collective Agreement 2007. The benefit will be granted to an employee who is employed by KCC Nederland B.V. on 1 September 2006 and 1 September 2007, respectively, and will be paid with his salary for September 2006 and September 2007, respectively.

Employees born after 1 January 1950 to whom the provisions of Article 2.5 of this Appendix apply receive a one-time benefit of 0.5%, in deviation from the provisions of the previous paragraph.

3 Other employment conditions

3.1 Individual salary adjustment

The system included in the KPN Contact Collective Agreement applies for the determination of the annual salary adjustment from 1 January 2007.

3.2 Results-based compensation

KPN Contact does not have a similar Results-based compensation scheme. In terms of results-based compensation for 2006 and 2007 (payment in 2007 and 2008, respectively), employees receive a

payment of 3% of 12 times their monthly salary plus any placement allowance from December 2006 and December 2007, respectively. The payment is made in January 2007 and January 2008, for an employee employed by KCC Nederland B.V. on 1 January 2007 and 1 January 2008, respectively.

3.3 Employment conditions provisions concerning absenteeism

The KPN Contact Collective Agreement has absenteeism measures that limit leave and a bonus/deduction scheme in the context of limiting absenteeism. These schemes shall apply to the employees.

3.4 Working hours supplement

Employees will be covered by the KPN Contact working times supplement scheme as of the transfer date. This scheme replaces the Allowance for working unusual hours (Tot.). If the allowance for working unusual hours from the 2006/2008 KPN Collective Agreement would have resulted in a higher amount than the employee received based on the Working times supplement scheme in 2006 or 2007, this difference is compensated for the years 2006 and 2007. This compensation is provided in the form of a subsequent payment at the beginning of 2007 or 2008, respectively.

3.5 Overtime supplement

Employees will be covered by the KPN Contact overtime scheme as of the transfer date. If the overtime scheme from the KPN Collective Agreement 2006/2008 would have resulted in a higher compensation in 2006 or 2007, respectively, than the employee received based on the Overtime scheme under the KPN Contact Collective Agreement, whereby the allowance received on the basis of the working times scheme is also taken into account, this difference is compensated. This compensation is provided in the form of a subsequent payment at the beginning of 2007 or 2008, respectively.

3.6 Commuting expenses reimbursement scheme

The commuting expenses reimbursement scheme included in the KPN Contact Collective Agreement applies as of the transfer date. The loss of the reimbursement is compensated over a period of maximum two years for employees who travel 10 kilometres or less between home and work (one way). The commutation amount is paid out in two equal parts to employees employed by KCC Nederland BV on 1 September 2006 and 1 September 2007, respectively, and will be paid with the salary for September 2006 and September 2007, respectively.

3.7 Discount on company products

The KPN Contact Collective Agreement does not have a scheme for discounts on company products. The employee may utilise the Company Products Discount scheme from the KPN Collective Agreement during 2006, 2007 and 2008.

3.8 Vacations

Employees can bring their accrued entitlements to vacation hours with them to KPN Contact.

3.9 Employee option schemes

After the date of transfer, the options granted to employees may be exercised throughout the full remainder of the exercise period, once these become eligible for exercise.

3.10 Supplementary work incapacity pension

Employees who currently receive an allowance as a result of their 'supplementary incapacity pension' will retain this allowance at KPN Contact.

3.11 Guaranteed hourly wage

The 'guaranteed hourly wage' is taken into account for the payment of the additional work supplement, the working times supplement and the overtime supplement as referred to in the KPN Contact Collective Agreement.

The guaranteed hourly wage is the employee's hourly wage applicable for him in May 2006 at KPN on the basis of the KPN Collective Agreement. For the avoidance of doubt: the guaranteed hourly wage is exclusively calculated for the three supplements mentioned. The guaranteed hourly wage is therefore not paid for the worked hour for which the supplement applies and also not as an hourly wage for the part-time employee for instance.

3.12 One-time payment

In January 2008 the employee receives a one-time payment of 75% of the monthly salary plus any placement allowance applicable at that time, if he is employed by KCC Nederland BV on 1 January 2008.

3.13 Individual commitments

Individual agreements between the employee and KPN recorded in writing may only be amended in consultation with the relevant employee.

3.14 Changing legislation and regulations

In the event of drastic changes to legislation or regulations which impact the provisions of these transitional arrangements, the parties may decide to make interim revisions.

3.15 Reorganisations

In the event a reorganisation takes place at KPN Contact in 2006 and/or 2007 whereby employees become supernumerary, the parties will meet at that point to make supplementary agreements on top of the current 'SNT Social Plan'.

Drawn up and signed in eight copies,
on 16 May 2006 in The Hague;

on behalf of KCC Nederland B.V.:

Mr H.J.M. Knaapen
director of Human Resources KPN N.V.

on behalf of the trade unions:

D.T.C. Wiek-Meulman
ABVAKABO FNV in Zoetermeer

R. Pol
Union of Telecom Employees in Leidschendam

Mr B.J. Bakker
CNV Publieke Zaak in The Hague

Mr R. Koopman
CMHF VHP-KPN & TPG in The Hague

APPENDIX 12 Purposes for individual assignment of vacation entitlement

Article 1 General

1. Employees with individually assigned vacation entitlements (Article 3.12) have the option of matching the design of their individual employment conditions package with their personal needs and requirements each year, within the limits set for this, by deploying the individual vacation hours assigned to them. The exchange takes place on the basis of cost-neutrality for the employer.
2. An employee with full disability benefits pursuant to the WIA is excluded from this.
3. Employees who are partially incapacitated for work within the meaning of the WIA and who work fewer hours than a full-time employee are treated as part-time employees for the hours they actually work.
4. The purposes that can be chosen are described in Articles 4 to 7.
5. An exchange cannot lead to a change in the total scale of the individual employment conditions package, nor can the individual choices alter the other rights and obligations of the employer and the employee in respect of each other.

Article 2 Definitions

1. Vacation hours: the hours described in Article 3.12.
2. Gross salary: the monthly salary, described in Article 1.1(d).
3. Hourly value: the gross hourly salary plus a financial supplement of 33%. For employees who are entitled to a guaranteed gross hourly wage pursuant to the transfer agreements in relation to the incorporation in the SNT Collective Agreement 2003, this guaranteed gross hourly wage plus the financial supplement of 33% is deemed to be the hourly value.

Article 3 Choices

1. The employee is given a once-only opportunity two months prior to the start of the calendar year to give notice in writing of his choices for that calendar year. The choices may not be changed in the course of the year.
2. The employer will honour the choices made by the employee, unless there are compelling objections to this on the grounds of serious business interests.

The Purposes

Article 4 Gross salary

1. The employee may exchange vacation hours for gross salary.
2. The gross salary chosen will be paid out as a gross lump sum in the month of May of the year for which the choice applies, through the sale of vacation hours for the hourly gross salary applying at that time, plus the financial supplement in accordance with Article 2 of this Appendix.

Article 5 Long-term leave

1. The employee may deploy vacation hours each year to save for a consecutive period of long-term leave.
2. The total leave saved and the vacation hours/compensation hours on the statement of vacation hours may not exceed 50 times the weekly working hours at the end of a calendar year, in compliance with the fiscal maximum set in Article 11(1) (r) of the Payroll Tax Act.
3. The limitation term of 5 years, as referred to in Book 7, Article 642 of the Dutch Civil Code, does not apply for the leave savings.
4. Long-term leave cannot be taken within a year prior to the commencement of the old-age pension or an early retirement facility.
5. The consecutive leave period may not exceed 13 times the agreed weekly working hours.
6. The employee may take up the saved hours, as referred to in Article 2.1, no more than once every four years.

7. The employee may submit a written request to the employer no later than six months prior to the commencement date of the long-term leave.
8. The employer must grant or reject the employee's application in writing, stating the reasons, no later than one month following the submission of the employee's written request.
9. The employer will grant the request for long-term leave, unless there are compelling business interests to justify refusal.
10. Immediately following the commencement of the long-term leave, all expenses or allowances relating to the performance of the job and facilities will be halted.
11. The employee has a guarantee that following the completion of the long-term leave, he may return to his former position, unless the employer and employee reach other agreements in that regard.
12. In the event of long-term leave, the income for days taken will be determined on the basis of the monthly income, as defined in the Collective Agreement, that would be enjoyed for normal work.
13. If the employee becomes sick during the leave period, the procedure described in the brochure entitled 'KPN, A Healthy Company' must be followed. The leave period will be suspended during the period of sickness.

Article 6 Salary savings

1. In addition to the regular salary savings scheme, the employee may deploy vacation hours to finance salary savings, in compliance with the provisions of the SNT salary savings scheme, in observance of the fiscal maximum.
2. The hourly value is defined in accordance with the provisions of Article 2 of this scheme.
3. This Article lapsed on 1 January 2012 as a result of amended legislation.

Article 7 Pension

1. In addition to the regular possibilities of the pension scheme for extra pension contributions, the employee may deploy vacation hours to improve his pension, subject to the relevant regulations of Stichting Pensioenfonds KPN (KPN Contact pension scheme) and the statutory and fiscal possibilities and limits.
2. The hourly value is defined in accordance with the provisions of Article 2 of this scheme.
3. This Article lapsed on 1 January 2016.

Article 8 Buying and selling vacation hours in the same year

Vacation hours may not be sold pursuant to this Appendix in the same year as extra vacation hours are purchased on the grounds of the Collective Agreement Budget supplement (Article 4.9).

Article 9 Consequences

1. The employee is personally responsible for the consequences of his choice(s).
2. If the vacation hours are deployed for the purpose of gross salary, these hours are paid as a lump sum in the month of May of the year for which the choice applies. This is treated as gross salary before the wage tax and social insurance and employee contributions.
3. If the vacation hours are deployed for a purpose other than gross salary, this has no consequences for the gross salary, wage tax and social insurance and employee contributions.

Article 10 Request, application procedure and decisions

1. The employee gives notice of his choice by completing and signing an application form for that purpose. The form must be signed for consent by the employee's manager. The employee sends the application form to the HR Department, which further processes it.
2. The choice is fixed for one calendar year and may not be changed in the interim. A change in the number of hours of employment has consequences only for the following calendar year.

Article 11 Switch from Collective Agreement to Above Collective Agreement

If an employee transfers to a position valued at 'Above Collective Agreement' and has saved vacation hours, individual agreements will be reached on their deployment.

Article 12 Termination of employment

On termination of the employment contract, the saved hours as referred to in Article 5 will be paid out at the rate of the gross hourly salary at that time. To the extent that the hours have been deployed on the basis of leave rights since 2003, the supplement referred to in Article 2 applies. The statutory deductions will be made from the payout.

Article 13 Change in personal circumstances

The employee is required to report each change in his personal circumstances that could affect the application of the purposes chosen to the employer, in writing, without delay.

Article 14 Tax legislation

If changes in tax legislation affect the content of this Appendix, lapsed net benefits for the employee will not be converted to a gross amount.

Article 15 Hardship clause

The employer shall decide in all cases for which this Appendix does not provide.

**APPENDICES CONCERNING:
CHANGES TO DIVISION OF CHAPTERS AS OF 1 NOVEMBER 2014
INTRODUCTION OF CUSTOMER EXPERT GROUP CHAPTER AS OF 1 NOVEMBER 2014
CHANGES TO DIVISION OF CHAPTERS AS OF 1 JULY 2016**

APPENDIX 13 Transitional provisions for employees who as at 31 October 2014 have been placed in the IT group and as at 1 November 2014 in the General group

1 Application

These transitional provisions apply to you if, following the transition of the IT group to the General group you are placed in the General group.

2 Working hours

- 1 Are you a part-time employee as at 31 October 2014 and are your normal working hours 37 hours per week or less? Your working hours and salary remain unchanged as a result of your transfer to the General group.
- 2 Are you as at 31 October 2014 a full-time employee or a part-time employee whose normal working hours are 37 hours per week or more? As of 1 November 2014:
 - a. you have a full-time employment contract for 37 hours per week;
 - b. your salary is adjusted pro rata these 37 hours;
 - c. up to the end of 2017 you are guaranteed entitlement to Flextime in accordance with the amount specified in your employment contract as at 31 October 2014, unless you indicate that you do not want this.

3 Variable remuneration

As of 1 November 2014 your bonus percentage will be 1.5 percentage points lower than on 31 October 2014 as a result of your transfer to the General group. For this reason, as at 1 November 2014 you will be paid an allowance of 0.6% of your salary for October 2014, after correction for your new working hours as of 1 November 2014.

This allowance is not indexed and also not varied in line with salary increases, with the proviso that in the case of a change to a higher salary scale within KPN the amount of the allowance will be converted to salary insofar as the normative salary is not yet reached on the new scale. This allowance is the basis for calculating the Collective Agreement Budget, the variable remuneration, pension accrual, and hours-related supplements as allocated by KPN and is still paid in the event of sick leave. For this specific situation this allowance is also the basis for any Social Plan calculation.

4 Collective Agreement Budget

If Article 2 section 2 of this Appendix applies to you, then as from 1 November 2014 up to and including 31 December 2017 you will receive an additional monthly gross supplement based on the number of hours of Flextime you are guaranteed (depending on your contractual working hours as at 31 October 2014) and for as long as Article 2 of this Appendix applies to you, irrespective of whether you actually take advantage of Flextime.

The amount of this supplement is the difference between:

- your gross monthly salary* based on the number of hours for which you were employed as on 31 October 2014 (40, 39 or 38 hours) and the Collective Agreement budget on the basis of this number of hours, and
- your gross monthly salary* based on 37 hours, the Collective Agreement budget based on 37 hours and the Flextime allowance for the guaranteed number of hours of Flextime as at 1 November 2014.

This monthly gross supplement is calculated once only and not adjusted during the period of the Flextime guarantee. This supplement is not pensionable.

*It also covers any placement allowance and/or transfer allowance.

5 Additional transitional measure for variable remuneration

If Article 2 section 2 applies to you, you will receive as from 1 November 2014 for the duration of your Flextime guarantee an additional annual KPN Plan remuneration. This is calculated by multiplying the Flextime allowance you receive in the relevant year excluding vacation allowance (8%) by the bonus opportunity times the collective bonus percentage times the modifier (all as specified in Appendix 1A). You receive this additional payment in the month after the KPN Plan is paid out in the relevant year.

APPENDIX 14 Transitional provisions for employees who as at 31 October 2014 have been placed in the Strategic Recruitment group and as at 1 November 2014 in one of the General, Retail, Sales or Customer Expert groups

1 Application

These transitional provisions apply to you if, following the transition of the Strategic Recruitment group to the General, Retail, Sales or Customer Expert groups you are placed within one of such groups.

2 Working hours

Are you placed in a group for which as at 1 November 2014 a normal working week of 37 hours applies? As of 1 November 2014:

- a. you have a full-time employment contract for 37 hours per week;
- b. your salary is adjusted pro rata these 37 hours;
- c. for the duration of the Young Talent Program you are guaranteed entitlement to three hours' Flextime unless you indicate that you do not want this.

3 Salary scale

As at 1 November 2014 you will be placed in the scale that applies to your job title. If on 31 October 2014 the provisions of Article 4.3, section 5 applied to you and the period specified in that section has not expired on 1 November 2014, that section continues to apply to you.

4 Collective Agreement Budget

If Article 2 applies to you, then during the Young Talent Program you will receive an additional monthly gross supplement based on the number of hours of Flextime you are guaranteed (depending on your contractual working hours as at 31 October 2014) and for as long as Article 2 of this Appendix applies to you, irrespective of whether you actually take advantage of Flextime.

The amount of this supplement is the difference between:

- your gross monthly salary* based on the number of hours for which you were employed as on 31 October (40, 39 or 38 hours) and the Collective Agreement budget on the basis of this number of hours, and
- your gross monthly salary* based on 37 hours, the Collective Agreement budget based on 37 hours, and the actual number of hours of Flextime as at 1 November 2014.

This monthly gross supplement is calculated once only and not adjusted during the period of the Flextime guarantee. This supplement is not pensionable.

*It also covers any placement allowance and/or transfer allowance.

5 Additional transitional measure for variable remuneration

If Article 2 applies to you, then you will be paid an additional KPN Plan payment during the Young Talent Program. This is calculated by multiplying the Flextime allowance you receive in the relevant year excluding vacation allowance (8%) by the bonus opportunity times the collective bonus percentage times the modifier (all as specified in Appendix 1A section 2). You receive this additional payment in the month after the KPN Plan is paid out in the relevant year.

APPENDIX 15 Transitional provisions for employees who as at 31 October 2014 have been placed in Chapter 13 (staff directly employed by KPN Contact on 31 December 2014) and as of 1 November 2014 in the General group

Working hours

- 1 Are you a part-time employee as at 31 October 2014 and are your normal working hours 37 hours per week or less? Your working hours and salary remain unchanged as a result of your transfer to the General group.
- 2 Are you as at 31 October 2014 a full-time employee or a part-time employee whose normal working hours are 37 hours per week or more? As of 1 November 2014:
 - a. you have a full-time employment contract for 37 hours per week;
 - b. your salary is adjusted pro rata these 37 hours;
 - c. up to the end of 2017 you are guaranteed entitlement to Flextime in accordance with the amount specified in your employment contract as at 31 October 2014, unless you indicate that you do not want this.

APPENDIX 16 Criteria for Customer Expert salary grades

You are placed in the Customer Expert group on the basis of your work and the following criteria:

- You have contact with unspecified customers/random customers via a general customer input. This contact is made over the telephone, online, chat, e-mail, letters, etc. You have no face-to-face-contact except for webcam contact.
- You answer service questions about, for example, service, breakdown, usage, invoicing, complaints and sales activities.
- You provide back office support (order and ticket management) and/or perform second-line activities and/or you have a specialism (e.g. internet, mobile, fibre optic).
- You have direct short-cycle customer contact.
- Your customers are end users and/or purchasers of standard KPN products and services.
- Your work relates to volume-driven services with standard processes.

APPENDIX 17 Transitional provisions for employees who as at 30 June 2016 have been placed in the ITS group and as at 1 July 2016 in the General group

1 Application

These transitional provisions apply to you if pursuant to Article 1, section 2 of Chapter 13 you transfer from the ITS group to the General group, and for as long as you are thereafter placed in the General group.

2 Working hours/adjustment of salary

- 1 If you were placed in the ITS Group (Chapter 13 of this Collective Agreement) on 30 June 2016, then as of 1 July 2016 you are placed in the General group (Chapter 8 of this Collective Agreement). The full-time employees placed in the General group work a standard 37-hour week. According to whether as at 30 June 2016 you are in full-time or part-time work, either section 2 or section 3 will apply, respectively, to you.
- 2 Are you a part-time employee as at 30 June 2016 and are your contractual working hours 37 hours per week or less? Your working hours and salary remain unchanged as a result of your transfer to the General group.
- 3 Are you as at 30 June 2016 a full-time employee or a part-time employee whose contractual working hours are 37 hours per week or more? As of 1 July 2016:
 - you have a full-time employment contract for 37 hours per week; This is a standard provision.
 - your salary is adjusted pro rata these 37 hours as follows;
 - in the case of a previous contract for 40 hours on 30 June 2016, your new monthly salary will be 37/40 of your old monthly salary;
 - in the case of a previous contract for 39 hours on 30 June 2016, your new monthly salary will be 37/39 of your old monthly salary;
 - in the case of a previous contract for 38 hours on 30 June 2016, your new monthly salary will be 37/38 of your old monthly salary.

3 Flexitime

Are you contracted to work more than 37 hours per week as at 30 June 2016? Then as from 1 July 2016 up to and including 31 December 2019 you receive 'guaranteed Flexitime' of at least 3 hours. This means that if by virtue of Appendix 4, Flexitime, you indicate that you are willing to work longer hours than the standard 37 hours, such a request – up to the maximum stated below - cannot be refused.

- If as at 30 June 2016 you work a contractual 40-hour week, there is a maximum 'guaranteed Flexitime' of 3 hours;
- If as at 30 June 2016 you work a contractual 39-hour week, there is a maximum 'guaranteed Flexitime' of 2 hours;
- If as at 30 June 2016 you work a contractual 38-hour week, there is a maximum 'guaranteed Flexitime' of 1 hour.

If after 30 June 2016 your contract is amended such that your contractual working hours are reduced to below 37, then you lose the aforesaid 'guaranteed Flexitime' as from the time that such change is made to your contract.

4 Placement allowance

- 1 If – by virtue of the calculation in Article 2 – your monthly salary in the salary scale for the General group grade is higher than 105% of your salary scale, being 105% of the standard salary for the salary scale applying to you under this Collective Agreement, then you will receive a placement allowance.
- 2 In the situation described in section 1 of this article your gross monthly salary by virtue of Article 2 of this Appendix will be split between a part equal to the 105% point of the salary scale and the part that exceeds that. The part that exceeds the 105% point is referred to as the placement allowance.

- 3 The placement allowance is awarded in the form of a monthly gross payment. The placement allowance does not benefit from any increase under the Collective Agreement. This placement allowance remains nominally unchanged, with the proviso that in the case of a change to a higher salary scale the amount of the placement allowance will be converted to salary insofar as the normative salary is not yet reached on the new scale.
- 4 The placement allowance is taken into account (i) for calculating the Collective Agreement Budget, (ii) for awarding the hour-related supplements as applied as from 1 July 2016, (iii) for continued payment during sick leave, (iv) in calculating the basis for any variable salary payable under the KPN Plan), and (v) for accrual of your pension.

5 Below scale

If – by virtue of the calculation in Article 2 of this Appendix– your gross monthly salary in the salary scale for the General group grade is lower than the starting salary for the relevant scale, then:

- If the difference between your gross monthly salary as at 1 July 2016 (calculated in line with Article 2 of this Appendix) and the gross starting salary for the relevant salary scale for the General group grade is less than or equal to €75 gross, then your gross monthly salary will be increased as from 1 July 2016 by the full amount of the difference.
- If the difference is more than €75 gross then your gross monthly salary as at 1 July 2016 will be increased by 50% of the difference between your gross salary as at 30 June 2016 and the gross starting salary for the relevant salary scale for the General group grade, with a minimum of €75 gross. As of 2 January 2017 your gross monthly salary will be increased to the gross starting salary for the relevant salary scale, provided that your appraisal score for the year 2016 is 'development needed' or above. This increase for the months from January to no later than May 2017 will be paid no later than May 2017.

6 Variable remuneration

- 1 As of 1 July 2016 the KPN Plan incentives scheme applies by virtue of Article 8.8 of part B of the Collective Agreement (Appendix 1A of this Collective Agreement). The variable remuneration scheme as described in Chapter 13.8 of this Collective Agreement applies up to 1 July 2016, on which date it lapses.
- 2 During a period of 3.5 years as from 1 July 2016 (i.e. up to 31 December 2019) there is a transitional provision to the effect that the scheme that produces the highest payment will be paid out, namely:
 - Either the variable remuneration scheme as described in Chapter 13.8 of this Collective Agreement (with the basis, on target incentive percentages, payment threshold, payment grades and maximum payment percentage pertaining thereto);
 - Or the prevailing KPN Plan as described in Chapter 8 and Appendix 1A of this Collective Agreement at any time in the future, subject to any changes in the period up to the end of 2019 (with the basis, on target incentive percentages, payment threshold and maximum payment percentage pertaining thereto).

7 Variable remuneration and Flextime

If Article 3 of this Appendix applies to you and you use Flextime (appendix 4), you will receive an additional annual KPN Plan remuneration from 1 July 2016 to 31 December 2019. This is calculated by multiplying the Flextime allowance you receive in the relevant year excluding vacation allowance (8%) by the bonus opportunity times the collective bonus percentage times the modifier (all as specified in Appendix 1A). You receive this additional payment in the month after the KPN Plan is paid out in the relevant year.

8 Collective Agreement Budget

- 1 If Article 3 of this Appendix applies to you, then as from 1 July 2016 up to 31 December 2019 you will receive an additional monthly gross supplement based on the number of hours of Flextime you are guaranteed (as described in the bullet points of Article 2 section 3) and for as long as Article 2 of this Appendix applies to you, irrespective of whether you actually take advantage of Flextime.

- 2 The amount of this supplement is the difference between:
 - your gross monthly salary* based on the number of hours for which you were employed as on 30 June 2016 (40, 39 or 38 hours) and the Collective Agreement budget on the basis of this number of hours, and
 - your gross monthly salary* based on 37 hours, the Collective Agreement budget based on 37 hours, and the actual number of hours of Flextime as at 01 July 2016.
- 3 This monthly gross supplement is calculated once only and not adjusted during the period of the Flextime guarantee. This supplement is not pensionable.

*It also covers any placement allowance and/or transfer allowance.

9 Overtime

If this Appendix applies to you and during the period July 2016 to the end of December 2017 you are or become 58 years or older, you are not obliged after reaching such age to work overtime in line with Article 4.10 of this Collective Agreement.

As of 1 January 2018 this measure lapses and Article 4.10 applies in full.

**APPENDICES RELATING TO EMPLOYEES OF ITS WHO ON 31 DECEMBER 2014 FELL
WITHIN THE KPN CORPORATE MARKET COLLECTIVE AGREEMENT**

APPENDIX 18 Transitional provisions for all ITS employees who as at 31 December 2014 were employed by ITS and on that date fell within the KPN Corporate Market Collective Agreement

1 Applicability

1. This appendix does not apply to you if you fell within the KPN Collective Agreement 2014 and remained within this collective agreement after your transfer from KPN to ITS prior to this Collective Agreement coming into effect. If you come within this category, then this Collective Agreement applies to you in the same way as it applies to employees of KPN, and Chapters 12 and 13, and Appendices 17 to 19, inclusive, do not apply to you. Were you an employee of ITS as at 31 December 2014 and did the KPN Corporate Market Collective Agreement apply to you on that date? Then the provisions of this Collective Agreement, including these transitional arrangements, replace the provisions of the KPN Corporate Market Collective Agreement and your employment contract covering matters including, but not limited to, working hours and pension. Accordingly, any standard employment condition previously applied that by virtue of the KPN Corporate Market Collective Agreement or your employment contract applied to you before 1 January 2015, but that differs from the employment conditions in this Collective Agreement, thereby lapse and are not deemed to constitute a valid deviation from the terms of this Collective Agreement.
2. Individual agreements recorded in writing between you and ITS continue to be binding for the period for which these agreements were entered into. However, this does not affect the already available possibility to amend these agreements if, for example, there is a change in circumstances.
3. If you are placed within the General or Sales groups/salary grades by virtue of Article 1 sections 2 or 3 of Appendix 19 of this Collective Agreement then Appendices 6 to 17, inclusive, of this Collective Agreement do not apply to you. If you are placed within the Consulting or ITS groups by virtue of Chapters 12 or 13 of this Collective Agreement then Appendices 6 to 17, inclusive, of this Collective Agreement do not apply to you.

2 Collective Agreement Budget supplement

- 1 As of 1 January 2015 in addition to your monthly salary you will also receive 12.5% Collective Agreement Budget as defined in this Collective Agreement. This 12.5% is based on the monthly salary you were receiving as on 31 December 2014. The conversion of your monthly salary is explained further in Article 3 of this appendix.

For the purposes of this Collective Agreement, the Collective Agreement Budget is made up as follows:

- 8% holiday allowance
- 2% life-course scheme contribution
- 2.4% vacation hours in excess of the statutory minimum
- 0.1% special leave

75% of the Collective Agreement Budget is pensionable. The vacation allowance credit that you have accrued up to 31 December 2014 with ITS will be paid out in May 2015. Appendix 2 to this Collective Agreement applies in respect of the use of the Collective Agreement Budget.

- 2 Life-course scheme contribution
As indicated in Article 2 of this appendix the life-course scheme contribution forms 2% of the Collective Agreement Budget as from 1 January 2015. Since the KPN Corporate Market Collective Agreement did not include an employer's life-course scheme contribution, the monthly salary which you could claim as of 31 December 2014 will be reduced by 1.6%. The percentage difference arises because the monthly salary forms the basis for the Collective Agreement Budget.

- 3 Leave days
Under the KPN Corporate Market Collective Agreement you had a right to 25 vacation days (assuming full-time employment) and any Surplus vacation days. Under this Collective Agreement you have a right to 20 vacation days, assuming full-time employment. The value of the 5 vacation days is incorporated into the Collective Agreement Budget. If under the KPN Corporate Market Collective Agreement you were entitled as at 31 December 2014 to Surplus vacation days, you will retain these vacation rights. Your Surplus vacation days are added to your basic right to 20 vacation days.
Your vacation day balance as at 31 December 2014 remains as at 1 January 2015 and is not bought out.

3 Calculation of monthly salary

The sequence by which the income to which you were entitled as at 31 December 2014 is converted to the income to which you are entitled under this Collective Agreement is as follows:

- Has there been a change to your working hours? If so, your monthly salary will be changed in line with the change in your working hours (this only applies if you are placed within the General group (Chapter 8)).
- Your monthly salary will then be changed as a result of the 2% life-course scheme contribution which forms a part of the Collective Agreement Budget (see Article 2.2 of this Appendix).
- Your monthly salary may then be changed as a result of the compensation under the Wang/Raet Bonus Guarantee provisions (see Article 6 of this Appendix).
- An assessment is then made of whether compensation as a result of a difference in your variable remuneration is necessary in your case (pursuant to Article 6.2b of Appendix 19) and, if so, this will be incorporated into your monthly salary.
- Finally an assessment is made of whether a placement Allowance is necessary (see Appendix 19 Article 4) and, if so, this will be incorporated into your monthly salary (this only applies if you are placed in the General or Sales groups (Chapters 8 and 10, respectively)).

4 Method for calculating salaries

1. As of 1 January 2015 the system as set out in the increases table in the KPN Collective Agreement 2014 will apply to you.

For the year 2014 you will still be appraised on the basis of the PMP method of ITS. Your appraisal scores are included as input for calculating any future salary adjustment in accordance with the system used in the increases table.

Because the appraisal scores under this Collective Agreement and the KPN Corporate Market Collective Agreement are divided according to different scales, your appraisal score for 2014 will be converted in line with the following table.

Final appraisal ITS	ITS	KPN	Final appraisal KPN
Excellent	5	4	Excellent
Very good	4	4	Excellent
Good	3	3	Successful
Improvement needed	2	2	Development needed
Unsatisfactory	1	1	Unsatisfactory

If you have earned a score of '3 -' on the basis of the PMP method of ITS, this means: 'good, but with points that have been clearly discussed with you over the year'. A '3-' will be converted to a '2' under the KPN appraisal scale in this Collective Agreement.

5 Salary adjustment 2015

1. As of 1 April 2015 any salary adjustment in 2015 will be in accordance with the system of the increases table set out in the KPN Collective Agreement 2014. If there is to be any salary adjustment in 2015, an increases table pursuant to the system described above will be

included in the next Collective Agreement. In line with the appraisal method described in Article 4 of this appendix, the above 'conversion table' will apply as the basis for any salary adjustments in 2015.

2. The increases table for the salary adjustment made as of 1 April 2014 (Articles 8.6 and 11.6 of Part A of the 2014 KPN Collective Agreement) do not result in any salary increase for you since this is an increase relating to 2014.

6 Wang/Raet Bonus guarantee provisions

Did the 'Wang and Raet transitional provisions' give you a guarantee to a minimum bonus percentage, a thirteenth month or a three-week payment (referred to jointly and individually as guaranteed payment)? Then instead of this you will receive compensation of 75%, 85% or 90% of that guaranteed payment as a part of your fixed salary. If as at 31 December 2014 your guaranteed payment accrued vacation allowance and was pensionable, then in place of this you will be paid compensation equal to 90% of this guaranteed payment. If as at 31 December 2014 your guaranteed payment was only pensionable (and therefore did not accrue vacation allowance) then in place of this you will be paid compensation equal to 85% of this guaranteed payment. If as at 31 December 2014 your guaranteed payment was neither pensionable nor accrued vacation allowance then in place of this you will be paid compensation equal to 75% of this guaranteed payment. The compensation you receive accrues pension, bonus and Collective Agreement Budget entitlements. The previously guaranteed payment thereby lapses. You will receive written notification of the calculation made in your particular situation.

7 Pension

1. As of 1 January 2015 the KPN Pension scheme applies to you. This means that as of 1 January 2015 you become a 'sleeper' within the SVG scheme. For the duration of your employment with KPN (the active period) the annual administration costs – insofar as charged by SVG (currently 0.75%) – are payable by your employer.
2. Cover for the risk-based surviving dependants' pension over the years in which you participated in the SVG lapses. To ensure that for the duration of your active period you are not faced with a shortfall in the accrual of risk-based surviving dependants' pension within the KPN pension scheme, arrangements have been made with the KPN pension fund. The date on which you start to participate in the SVG scheme is deemed to be the start date for cover for the risk-based surviving dependants' pension.
3. You will be bound by future changes to the KPN pension scheme, including any changes to your own contribution. At the request of your employer, the pension fund administrators have indicated that in the event of any future request for a group value they will act constructively to achieve this, having regard to current laws and regulations and that the respective parties' interests are fairly weighed up.

8 Other employment conditions

1. Special leave provisions
The Special leave provisions of the KPN Corporate Market Collective Agreement lapse with effect from 1 January 2015. To compensate for the lapse of these provisions, 0.1% of income is included in the Collective Agreement Budget.
2. Anniversaries scheme
As of 1 January 2015 the anniversaries scheme applies to you. If during the period 1 January 2015 to 31 December 2020 you are eligible for an anniversary payment and entitled to a personal budget, then your employer will deduct your personal budget for the last four years from your anniversary payment.

3. **Stand-by duty**
 Were you on stand-by duty in 2014 (as described in the KPN Corporate Market Collective Agreement) and are you on stand-by duty in 2015 (as described in this Collective Agreement)? If so, then up to 1 January 2016 you are eligible under the phase-out arrangements, provided that your average standby supplement during 2014 exceeded €125 gross per month under the ITS stand-by scheme.
 The average supplement for 2014 is calculated on the basis of stand-by hours claimed by you in that year. If you were paid a fixed stand-by payment then it is this fixed payment that constitutes your average stand-by supplement for 2014.
 The average stand-by supplement for 2014 is a guaranteed sum. If there is a difference in money between your average stand-by supplement for 2014 and the actual amount claimed under this Collective Agreement, then you will be compensated each month for this difference up to the amount of your average stand-by supplement for 2014 as defined in this provision. In the first year (2015) this difference will be fully compensated (100%). In the second year (2016) 66% of this difference will be compensated. In the third year (2017) 33% of this difference will be compensated. There is no further right to compensation.
4. **Payments in the event of sick leave**
 Under the KPN Corporate Market Collective Agreement, the statutory provision requiring payment of 70% of annual salary during a second year of sick leave had been increased to 80%. This Collective Agreement has new provisions covering the first and second years of sick leave. If on 30 June 2015 you have been on sick leave for an uninterrupted period of more than six months, you will be paid during the second part of the first year of sick leave to cover up to 100% of your salary. During your second year of sick leave you will be paid to cover up to 80% of your salary. If you become sick after 31 December 2014 the provisions of this Collective Agreement will apply to you.
5. **Death benefit**
 Under the KPN Corporate Market Collective Agreement the death benefit was four months' salary. Under this Collective Agreement, you are entitled to a death benefit of three months' salary. As a transitional provision, were you to die in 2015 or 2016, you would be entitled to a death benefit of four months' salary. Thereafter, you are bound by the scheme under this Collective Agreement.
6. **Promotion**
 Under the KPN Corporate Market Collective Agreement you were entitled to an increase in gross salary in the event of promotion in line with the table set out in that Collective Agreement. Under this Collective Agreement, you are entitled to an increase of 50% of the difference between the starting salary of the old scale and the starting salary of the new scale for the relevant group. As a transitional provision, if you are promoted during 2015, 2016 or 2017 to salary scales 1 to 5, inclusive, then you are entitled to an increase in your gross salary of 100% of the difference between the starting salary of the old scale and the starting salary of the new scale for the relevant group. If you are promoted during the said years to salary scales 6 to 10, inclusive, then you are entitled to an increase in your gross salary of 75% of the difference between the starting salary of the old scale and the starting salary of the new scale for the relevant group.

9 Company regulations

1. **General**
 The ITS company regulations applicable to you on 31 December 2014 are replaced by the KPN company regulations, subject to the following transitional provisions. The ITS company regulations will therefore cease to apply to you as of 1 January 2015.
2. **Company cars**
 Do you have a company car? Then as of 1 January 2015 the KPN company car scheme applies to you subject to the following provisions of this Article 9.2. If as at 31 December 2014 you drive a company car procured under the ITS company car scheme the provisions of that scheme will remain binding for as long as you drive that car. Accordingly, your own contribution remains the same as that that you paid on 31 December 2014 under the ITS

scheme. When your car is next replaced the entire KPN company car scheme will apply to you, including the policy of allocation, your own contribution, and the standard lease amount. If your company car contract ends in 2015 or 2016 and you cease to be eligible thereafter for a company car, then up to 1 January 2017 you can make use of a car from the car pool. The provisions of this article give no rights to a company car. Your employer will assess whether for the purposes of the performance of your job it is beneficial for you to have a company car. If there are terms in your individual employment contract covering this, these will remain unchanged.

3. **Mobility scheme**

If up to 1 January 2015 you took advantage of the ITS Mobility scheme, you can continue to do so in the same way up to 1 January 2018. If there are terms in your individual employment contract covering this, these will remain unchanged.

4. **ADSL scheme**

This Collective Agreement does not include any ADSL scheme. To give you the opportunity to transfer to a KPN subscription and to make use of the KPN 50% discount scheme, the ITS ADSL scheme will continue in operation for the first half of 2015. The ITS ADSL scheme ends on 1 July 2015.

10 One-time payment

You will receive a one-time payment of €375 gross. You will receive this payment in January 2015, provided that this is practically feasible in terms of organising it within the system. Part-timers will receive a pro rata amount.

The one-time payment made on 1 April 2014 (Article 4.16 of Part A of the 2015 KPN-ITS Collective Agreement) does not apply to you since this payment relates to the year 2014.

11 Hardship clause

If, due to unforeseen circumstances, the consequences of combining the KPN Corporate Market Collective Agreement and the KPN Collective Agreement 2014 are disproportionately disadvantageous to you, your employer will endeavour to take appropriate measures.

APPENDIX 19 Transitional provisions for ITS employees who as at 31 December 2014 were employed by ITS and on that date fell within the KPN Corporate Market Collective Agreement, and who as of 1 January 2015 were placed in the General or Sales groups.

Article 1 Applicability

1. Placement in the Sales or General groups will be tested by the trade unions. Thereafter, employees are individually placed.
2. Employees covered by this Appendix 19 and who work within one of the job groups listed in Appendix 21 of the 2015 KPN-ITS Collective Agreement will be placed in the General group/salary grade as of 1 January 2015.
3. Employees covered by this Appendix 19 and who work within one of the job groups listed in Appendix 22 of the 2015 KPN-ITS Collective Agreement will be placed in the Sales group/salary grade as of 1 January 2015.

Article 2 General group

1. If you are placed in the General group, the conversion of your monthly salary (as this was on 31 December 2014) to your monthly salary under this Collective Agreement is in line with the following provisions:
2. The number of contract hours for a full-time employee in the General group is 37 hours. If prior to 1 January 2015 you had an employment contract for fewer than 37 hours, then your number of working hours will remain the same. Your old monthly salary will then be used as your new monthly salary as of 1 January 2015 on the basis of the number of hours specified in your employment contract. If prior to 1 January 2015 you had an employment contract of 37 hours or more, then as of 1 January 2015 you will have a full-time contract of 37 hours. Your salary will be reduced proportionately (in the case of a previous contract for 40 hours, your new monthly salary will be $37/40$ of your old monthly salary; in the case of a previous contract for 39 hours, your new monthly salary will be $37/39$ of your old monthly salary; in the case of a previous contract for 38 hours, your new monthly salary will be $37/38$ of your old monthly salary). There is also a correction factor of 1.6% (see Article 2, section 2 of Appendix 18). For the calculation of your monthly salary under this Collective Agreement, see Article 3 of Appendix 18.

If your monthly salary excluding the Flextime allowance, exceeds the normative salary for the relevant salary scale under this Collective Agreement as calculated in accordance with this Article 2, then the provisions of Article 4 concerning the placement allowance will apply.

3. If you worked more than 37 hours (fixed contractual hours) as at 31 December 2014 and continue to do so in 2015 and 2016, then for these years you will be guaranteed a maximum of 3 hours Flextime allowance, depending on the working hours specified in your contract as at 31 December 2014 and your contractual working hours for the years 2015 and 2016. The Flextime allowance is calculated as 2.9% of your full-time 37-hour monthly salary for each Flextime hour. The Flextime allowance is included as your pension base.

Article 3 Sales group

1. If you are placed in the Sales group, the conversion of your monthly salary (as this was on 31 December 2014) to your monthly salary under this Collective Agreement is in line with the following provisions:
2. The number of contract hours for a full-time employee in the Sales group is 40 hours. The number of working hours specified in your employment contract (full-time and part-time) remains unchanged.

If you are placed in the Sales group, then the monthly salary you received before 1 January 2015 will be used as your monthly salary under this Collective Agreement, subject to a correction factor of 1.6% (see Article 2, section 1 of Appendix 18).

If your monthly salary exceeds the normative salary for the relevant salary scale under this Collective Agreement then the provisions of Article 4 concerning the placement allowance will apply.

Article 4 Placement allowance

1. If as a result of the preceding sections the monthly salary in the salary scale for the relevant group (General or Sales) exceeds the 100% point of the scale under this Collective Agreement, the employee will be paid a placement allowance.
2. In this situation the monthly salary calculated under this Collective Agreement will be split between one part that is equal to the 100% point on the salary scale, and the other part that exceeds this amount. The part that exceeds the 100% point is referred to as the placement allowance.
3. The placement allowance is awarded in the form of a monthly gross payment. The placement allowance does not benefit from any increase under the Collective Agreement. This placement allowance remains unchanged, with the proviso that in the case of a change to a higher salary scale the amount of the placement allowance will be converted to salary insofar as the normative salary is not yet reached on the new scale. For the calculation of your monthly salary under this Collective Agreement, see Article 3 of this Appendix.
4. The placement allowance is taken into account (i) for calculating the Collective Agreement Budget, (ii) for awarding the hour-related supplements as applied as from 1 January 2015, (iii) for continued payment during sick leave, (iv) in calculating the basis for any variable salary payable to you under the KPN Plan or Sales Plan), and (v) for accrual of your pension.

Article 5 Prospect for KPN Collective Agreement scales

If the phase-out of your scale under this Collective Agreement is lower than the phase-out as applied to you as at 31 December 2014, then up to and including 31 December 2016 you will continue to receive the phase-out up to the average of the comparable scale as applied to you as at 31 December 2014. The comparison of the prospects will be made as between the old scale maximum in the KPN Corporate Market Collective Agreement and the 100% point of the comparable/parallel scale in this Collective Agreement, having regard to the increases system for the scales and the increases table for salaries as set out in this Collective Agreement.

Article 6 Incentives scheme

1. Allocation of variable remuneration scheme
As of 1 January 2015, by virtue of either 8.8 or 10.8 of Part B of this Collective Agreement, you fall entirely within the incentives scheme of either the KPN Plan (Appendix 1A of this Collective Agreement) or the KPN Sales Plan (Appendix 1B of this Collective Agreement). The on-target percentage (OTP) allocated depends on the scale and the group (General or Sales) within which you are placed.
The variable remuneration system in this Collective Agreement is based on 12 months' salary.
2. Compensation scheme for the General group
 - a. If you are placed in the General group, your new on-target incentive (basis multiplied by OTP) under this Collective Agreement is lower than your on-target incentive under the KPN Corporate Market Collective Agreement, and for at least the years 2013 and 2014 you were entitled to an incentives scheme, then you will receive a single payment as compensation.

The gross compensation is based on the average gross variable remuneration paid out in respect of 2010, 2011, 2012, 2013 and 2014, and the difference between the 'new OTP' and the 'old OTP'.

The following formula is applied:

$$\frac{\text{average variable remuneration paid out for 2010/2011/2012/2013/2014} \times (\text{'old OTP'} - \text{'new OTP'})}{\text{'old OTP'}}$$

If on 1 April 2016 you are still employed by KPN, you will receive a single payment of gross compensation in April 2016.

- b. If in both 2013 and 2014 you had a bonus opportunity of more than 20% then, alongside the allocation of the KPN Plan and the single compensation payment as described above, you are entitled to compensation of salary up to a maximum of 3%. The compensation is calculated in the following way:

(ITS bonus opportunity – 20%) x average bonus percentage achieved for 2010, 2011, 2012, 2013 and 2014.

3. Allocation of Sales Plan to Sales group

If you are placed in the Sales group, then the KPN Sales Plan (Appendix 1B of this Collective Agreement) applies to you by virtue of Article 6, section 1 of this Appendix.

The Sales Plan scheme in this Collective Agreement is based on 12 months' salary. The OTP is dependent on job level and falls between 31.25% and 36.25%.

For job scales 9 and above, the on-target earnings (OTE, annual salary plus on-target incentive) are the same.

If you fall within the Sales Plan you will not be compensated under the compensation scheme set out in Article 6 section 2 of this appendix.

4. Settlement of variable Remuneration 2014

The variable remuneration for the year 2014 will be paid out in April 2015 in accordance with the KPN Corporate Market Collective Agreement and targets and objectives of ITS based thereon.

APPENDIX 20 Procedural arrangements for variable remuneration for employees covered by Chapters 12 or 13 (until 1 July 2016)

Concerning the method of applying the parameters and the respective weighting to be given to these parameters.

Determining the parameters / weighting of the variable remuneration

Drawing up or amending of the variable remuneration scheme in consultation with the Works Council on the basis of Article 27 of the Works Councils Act. The periodic calculation of the parameters and their respective weighting within the context of the variable remuneration scheme is done in accordance with the following process.

- a. On behalf of the employer, a working group will consult with a committee of the Works Council with regard to the details of the scheme as well as the incorporation of the proposals of the Works Council regarding such details.
- b. The advice from the working group and the Works Council committee will be set out and discussed at the Works Council consultative meeting. If all parties are of like mind, the detail of the parameters and their weighting will be adopted by the employer.
- c. If the consultation as referred to under a or b, above, does not result in agreement, the working group and the Works Council committee will set out in writing the arguments for and against.
- d. On the basis of these arguments the executive boards of the Works Council and the employer will consult each other with the aim of reaching agreement. Should these consultations not lead to agreement, the employer will draw up the definitive parameters and their weighting.
- e. Any intermediate change of the targets, parameters and weighting set by the employer require the prior agreement of the Works Council following consultation.
- f. As regards the timelines for the targets, parameters and weighting of the parameters, notice of those parameters that are not dependent on financial data (the Personal Objectives and the Non-Financial parameters) will in principle be given no later than 28 February of the relevant year. In principle, notice of the financial parameters will be given no later than 1 June. If there is a risk that these dates will not be met, the Works Council and the relevant employees will be notified in good time, informing them of the reasons.

Relevant definition: the variable remuneration scheme: This scheme sets out the provisions governing variable remuneration. It therefore deals with the area between the provisions included in the Collective Agreement (percentages, thresholds, sliding scales, etc.) and the parameters and their respective weighting as drawn up by the board of directors. The scheme will therefore include:

1. the definitions of the parameters;
2. the dates when payments will be made;
3. rules applying to maternity leave and the start or end of employment at a midway point;
4. rules applying to a change in job at a midway point, part-time work and death.