

OVERVIEW OF TNO TERMS OF EMPLOYMENT

Overview of TNO Terms and Conditions of Employment	Description as of 1 July 2021
GENERAL	
Employment contract	<p>Indefinite period of time and fixed-term</p> <p>Statutory probationary period: zero to two months Statutory notice period: employer (one to four months); employee (one month)</p>
Flexible terms of employment	<p>Flexible terms of employment available. Salary, holiday allowance, thirteenth month's salary, flexible budget and leave exceeding the statutory minimum can be used as sources for various targets.</p>
Ancillary activities	<p>The ancillary activities policy is geared to providing as much insight and transparency as possible into the (professional) ancillary activities of TNO personnel.</p> <p>In principle, TNO has a positive attitude towards ancillary activities because these can be of added value for both personnel and TNO. Ancillary activities may have a favourable impact on one's work, they may be important in terms of the connection between TNO and society, and they may enhance the reputation of TNO. On the other hand, we must prevent the interests of TNO from being harmed through, for example, a conflict of interests arising or the activities competing with those of TNO. In some cases such a conflict could arise that TNO may prohibit the ancillary activities.</p> <p>In line with this policy, you are obliged to register whether or not you are engaged in any ancillary activities and keep this information up to date.</p>
WORKING HOURS AND LEAVE	
Working week (standard)	40 hours
Working hours	<p>During business hours (7 a.m. to 8 p.m.)</p> <p>Standard working day is eight hours</p> <p>If the maximum amount of leave has been bought or in the event of sufficient balance of leave from the previous year, or if an employee has a 36-hour contract, a reduction of working hours arrangement is possible: four nine-hour days with either one day off every fortnight or a half day off every week.</p>
Holiday	<p>Statutory leave: 160 hours per year (the hours lapse after six months following the calendar year in which the hours were accrued)</p> <p>Leave exceeding statutory minimum: 104.6 hours per year, 40 of which is leave under the reduction of working hours scheme (ATV) (the hours lapse after five years from the calendar year in which they were accrued)</p> <p>Employees in employment on 31-12-2009, aged (on 31-12-2009): 40-44 years: 8 hours additional age-related time off 45-49 years: 16 hours additional age-related time off 50-54 years: 24 hours additional age-related time off 55 years and older: 32 hours additional age-related time off</p> <p>(the hours lapse after five years from the calendar year in which they were accrued)</p> <p>NB. All amounts apply to full-time tenure</p>
Public holidays	<p>New Year's Day Easter Monday King's Day National Liberation Day* Ascension Day Whit Monday Christmas Day and Boxing Day</p>

	*This day off can be used at a different time, for instance, as additional time off between Christmas and New Year's Day. Approval of the Works Council is required.
Trading leave	Every calendar year a maximum of 168 hours can be bought. Maximum leave balance is 500 hours (up to the fiscal maximum) Selling leave that exceeds the statutory minimum is permitted. This time off can also be used for sabbatical leave NB. All amounts apply to full-time tenure
Age-related reduction of working hours	Employees aged 57 and older can buy additional time off. When purchasing 168 hours, it is possible to buy off a further 40 hours a year from the age of 57. 500-hour maximum does not apply. Any leave bought can be used for early retirement, extended holiday or reduction of working hours NB. All amounts apply to full-time tenure
Short-term care leave	Maximum of twice the weekly working week per period of 12 consecutive months (based on full-time employment); partly paid (at least 70% minimum salary, up to the daily wage)
Emergency leave and other forms of short-term leave	For situations referred to in the law, for example: Partner giving birth Registration of birth of a child Voting Death and funeral of family members (from one day up to the entire period until the funeral) Emergencies
Long-term care leave	Maximum of 30 days (240 hours) per period of 12 consecutive months (based on full-time employment); unpaid;
Adoption leave / care leave	6 consecutive weeks of paid leave (can be taken spread)
Pregnancy and maternity leave	In accordance with the statutory provisions; at least 16 weeks of paid leave.
Parental leave	Unpaid, in accordance with the statutory provisions Possibility of continuing pension accrual (at own cost)
Partner leave	5 days of paid leave (excluding the day on which the child is born). Partners can take up to 5 weeks of additional paternity leave. They will then receive a benefit amounting to 70% of their daily wage. However, there is a maximum of 70% of the maximum daily wage. The UWV pays for these weeks' leave. It has been agreed that TNO will supplement the payment up to a maximum of 100% of the maximum daily wage*. If the actual salary is lower than the maximum daily wage, it will be supplemented to the actual salary. Part-timers will receive the supplement pro rata.
SALARY AND SALARY SCHEME	
Job rating	Six groups, 18 scales, minimum and maximum (see appendix 1) TNO has a different remuneration policy in place for management functions (1 st , 2 nd and 3 rd level) (see appendix 2)
Annual individual salary adjustment	As of 1 January of each year. Dependent on the relative salary position (RSP), see appendix 3. Independent of the appreciation (good, not good enough, excellent).
Annual general salary measure	Is 1.0% as of 1 January 2021
OTHER ALLOWANCES AND REMUNERATION	
Thirteenth month's salary	8.33% of the gross annual salary (including salary surcharges and taking into account choices of the 'flexible' terms of

	employment) increased by holiday allowance, normally paid in December (pensionable salary)
Holiday allowance	8% of the gross annual salary (including salary surcharges and taking into account choices of the 'flexible' terms of employment), normally paid in May (pensionable salary)
Flexbudget (flexible budget)	5.58% of gross annual salary (including holiday allowance and thirteenth month's salary) plus a nominal amount of EUR 180 per annum.
Other	Job allowance (pensionable salary) Special allowance (pensionable salary) (up to the scale's second maximum) Labour market allowance (not pensionable) Performance bonus
Anniversary bonus	25 years: half a month's salary (net) 40 years: full month's salary (net)
Stand-by	Hourly compensation and time off
Overtime	Compensation for the scales one to nine inclusive Monday to Friday: first two hours (25%), all subsequent hours (50%) Saturday up to 6 p.m.: 50% Saturday after 6 p.m., Sundays and public holidays, and Mondays or the day after public holidays until 7 a.m.: 100%. Holiday allowance of 8% will also be paid over the overtime bonus. Holiday allowance for overtime does not form part of the pensionable salary.
Unsocial hours	20 p.m.to 7 a.m.: 50% Saturdays after 6 p.m.: 50% Sundays and public holidays: 50%
Commuting allowance <i>(will be temporarily until 1 January 2022 replaced by the Interim scheme for reimbursing home-work travel expenses)</i>	Maximum of €85.83 per month Additional allowance available through 'flexible' terms of employment: €0.19 per kilometre (max. 75 kilometres single journey) or a bicycle up to €749 (in the event of waiving the reimbursement of commuting expenses) once every three years and an annual fixed amount of reimbursement for accessories and insurance. It is also possible to exchange €0.19 per kilometre through 'flexible' terms of employment.
Interim scheme for reimbursing home-work travel expenses <i>(provisionally valid until 1 January 2022)</i>	On the basis of a declaration, you will receive a kilometre allowance for the days you actually travel to your place of work: EUR 0.10 net per km, max 25 km one way. Supplement up to EUR 0.19 net per kilometre possible. Bicycle WWVK possible.
Temporary home workplace reimbursement scheme <i>(provisionally valid until 1 April 2022)</i>	The scheme provides for the possibility of claiming reimbursement of expenses for a number of workplace facilities subject to conditions as contained in the scheme, up to a maximum amount of € 1,000, inclusive of VAT.
Temporary compensation scheme for homeworking costs <i>(provisionally valid until 1 January 2022)</i>	A contribution of EUR 20 net per month if employed full time (part time on a pro rata basis) for additional costs incurred by working from home.
PENSION PROVISIONS	
Stichting Pensioenfonds TNO (TNO Pension Fund Foundation)	Retirement pension: Retirement pension is based on an average salary pension scheme with a conditional allowance (= conditional indexation). Contribution free allowance = €15,287 (2021) Accrual of 1.46% (2021) per participant year of the pensionable salary for a retirement pension. Pensionable salary equals the pension-bearing salary of no more than EUR 112,189 less the contribution-free allowance.

Part-time employees accrue a pension pro rata to the percentage of their working hours.

As of 1 January 2015 it is no longer statutorily permitted to accrue old-age and surviving dependants pension above a certain level of income, which was EUR 100,000 (pro rata for part-timers) in 2015. The government has index-linked this amount, raising the ceiling to EUR 112,189 as of 1 January 2021.

Via TNO Pension Fund you will be able, on an individual basis, to take out a voluntary net pension scheme above EUR 112,189. Nationale Nederlanden Investment Partners (NN IP) is responsible for the investment administration of individual accounts and the execution of investments. This pension scheme is an available premium scheme and thus has the same possibilities as the Extra Pension.

Employees who receive a gross salary of more than EUR 112,189 on or after 1 January 2021 will receive a gross supplement of 6.68% of the gross pensionable salary above EUR 112,189 to compensate for the loss of the employer contribution to the pension premium above EUR 112,189.

The fiscal pensionable age of 68 applies as the date for calculating the pension. Upon retirement all entitlements of the participant to the retirement pension will be recalculated to pension entitlements on the actual commencement date of retirement. If one continues working until the commencement date of the old-age pension, the commencement date of the old-age pension is, in principle, the retirement date.

Commencement of the retirement pension date earlier or later than the retirement date is possible while part-time pension, high/low pension or an old-age pension bridging arrangement are also possible choices. The retirement pension entitlements will then be recalculated by actuarial method.

The employment contract ends according to the TNO terms and conditions of employment upon commencement of the old-age pension, which legislation will cause to shift further in the future. For all employees who reach the age of 66 years and 4 months in 2021, the old-age pension will take effect in 2021.

While in employment the pension accrual and premium contribution continue until the old-age pension begins. If the employee is offered a new employment contract by the respective employer after the commencement of his old-age pension, then also for the duration of this employment contract the pension accrual for that part to which this employment contract applies will continue up to but no later than his 68th birthday with pension contribution payable.

Partner pension for surviving dependants:

The partner pension is 70% of the accruable retirement pension on the basis of 1.46% (2021). Upon the death of a employee the partner pension is based on 70% of the accruable old-age pension on the basis of 1.75% until the commencement date of the old-age pension had the participant still been alive The partner pension commences on the 1st of the month following the death.

Just as for the retirement pension, the partner pension will also be calculated as of 1 January 2021 on income up to a maximum of EUR 112,189. This cap is not applicable when calculating the pension accrued by the participant up to 1 January 2015.

The partner who is younger than the age for entitlement to old-

	<p>age pension upon the death of the employee will receive a temporary supplement of 10% on the partner pension such that this reaches 80% of the (fictive) level of the retirement pension; this supplement expires on the date that he/she reaches the age where he/she is entitled to old-age pension. Here, the age of entitlement to old-age pension is the entitlement age as it prevails when the payment of the partner pension commences. Also in relation to this temporary supplement, with effect from 1 January 2021 this will be calculated on the income up to a maximum of EUR 112,189. This cap does not apply to the temporary supplement calculated on the participant's pensionable period until 1 January 2015.</p> <p>Upon commencement of the retirement pension the partner pension (if accrued after 1-1-2002) will be exchanged for a higher retirement pension; for single participants this occurs automatically but for participants with a partner such an exchange must be agreed.</p> <p>Orphans pension: When a participant dies: 16% of the (fictive) retirement pension to be reached.</p> <p>As of 1 January 2021 the orphans pension will be calculated on the income up to a maximum of EUR 112,189. This cap does not apply to the calculation of the orphans pension accrued during the participant's pensionable period until 1 January 2015. The orphans pension takes effect on the 1st of the month following death until the end of the month when the orphan reaches 21. Full orphans have a right to 32%.</p> <p>NB. The percentages stated for the partner and orphans pension may be lower due to the conversion of retirement pension entitlements to a higher fiscal pensionable age and from 1 January 2021 by the accumulation of partner pension of 70% of 1.46%. The retirement pension is higher because of this conversion whereby the ratio is no longer aligned with the stated percentages. One option is to exchange the retirement pension at the end of the participation or on the pension date for a partner pension up to the partner pension of a maximum of 70% of the retirement pension.</p> <p>Supplementary partner and orphans pension insurance: The cap can have significant consequences for the surviving dependants pension therefore as of 1 January 2015 it is possible to choose a separate supplementary insurance to cover that part of the surviving dependants pension on income above the cap of EUR 112,189 (indexation 1-1-2021). This insurance is taken out with an insurance company and involves the deduction from the net salary of an age-dependent premium.</p> <p>Disability pension (WGA): In the event that an employee is entitled to a disability payment, the disability insurance pension is a maximum of 70% of the pensionable salary (effective on or after 1-1-2013) that exceeds the maximum daily wage (for full disability; pro rata for partial disability). During the period of entitlement to a disability payment, the accrual of retirement pension and the partner and orphans pension is continued free of premium pro rata of the extent of disability. The (fiscal) cap also that takes effect on 1 January 2015 also applies here (as of 1 January 2021 EUR 112,189).</p> <p>For more extensive information see the Pension Fund website and information for new employees.</p>
Pension contribution	Employer's contribution: 20.33% (2021) less the employee's contribution.

	Employee's contribution: 11.37% (2021) above the annual contribution-free amount of EUR 28,572 (2021) on a maximum of EUR 112,189.
Extra pension (gross)	For the collective pension not all of the financial scope is utilised. There is an option for the employee to voluntarily (gross) pay for an extra pension up to a maximum (gross) contribution per year. The maximum depends on the age as of 1 January of the respective calendar year, for which there is an age-dependent table.
Net Pension	In relation to the (fiscal) cap of EUR 112,189 (2021) the employee may choose voluntarily to accrue a net pension on the salary component of this limit. This maximum investible percentage has been established for tax reasons and depends on the age as of 1 January of the respective calendar year. This is based on an age-dependent chart. The required contribution will be settled against the net salary.
LIFE-COURSE SAVINGS SCHEME	
Life-course savings scheme	<p>Group contract with Aegon In accordance with statutory provisions The life-course savings scheme was in fact already abolished on 1 January 2012, but for employees with a life-course credit balance of € 3,000 or more on 31 December 2011, transitional arrangements have been made until 31 December 2021 at the latest. If the life-course credit balance has not been taken up before 1 January 2022, the value of the life-course balance will be taxed.</p> <p>This transitional rule runs into practical difficulties, which is why it is being adjusted. If the life-course balance has not been paid out before 1 November 2021, the notional benefit date will be 1 November 2021. The institution where the life-course credit balance has been placed will be obliged to withhold taxes. The institution does not take tax credits into account. These can be cashed in with the income tax return.</p> <p>This means that all life-course credits taken up before 31 October 2021 will be paid out by TNO. Deposits that have not been withdrawn by 1 November 2021 will be paid out by the institution where the life-course credit balance has been placed.</p>
ILLNESS	
Salary during illness	<p>First year: 100% Second year: 70% (Pension accrual unchanged for 2 years)</p>
Disability	<p>After two years of illness possibly WIA benefit: maximum of 75% of the (maximum) daily wage WIA (Work and Income according to Labour Capacity Act) excess covered (through TNO pension fund) at 35% to 100% disability.</p> <p>WGA gap payment: TNO contributes to the loss of income of former and current employees for whom the first day of illness is on or after 1 January 2015 and who, by reason of a UWV order: a. are entitled to a WGA continuation benefit or b. have 80% or more work disability and are entitled to a WGA salary-related or WGA salary-supplemented payment.</p>
Health care insurance	<p>Group contract with Zilveren Kruis Achmea 3 packages: Basis Budget, Basis Zeker (Certain) and Basis Exclusief (Exclusive) 5% discount on basic insurance contribution 15% discount on supplementary insurance</p>

	Employer's contribution: €70 per year, if both basic insurance and supplementary insurance coverage are provided by Zilveren Kruis Achmea 1.00% discount if a full year's contributions are paid all at once; 0.5% discount if paid semi-annually.
OTHER	
Smart Working	Possible (in consultation with supervisor)
Empower	The appreciation and remuneration policy through which there is a mature, equal relationship between the organisation and its employees, with continuous feedback being given and received by both sides. Clarity on mutual expectations regarding personal development and performance.
Business trip allowances	Public transport or €0.35 per kilometre (€0.19 net allowance, €0.16 tax)
Professional training	Development goals: position and career The urgency and return on investment for TNO will determine how much TNO invests
Staff discounts/facilities	Subscription to Wegnahetwerk.nl (paid by TNO); various Insurance policies with personnel discount via AON and Centraal Beheer Achmea. An overview of additional discounts and facilities is published on the intranet.
Lease car	Lease car for specific groups of employees and/or depending on the number of business-related kilometres each year: Up to and including scale 13 or L and ≥ 30,000 business-related kilometres each year Scale 14 or L and higher and ≥ 15,000 business-related kilometres each year Waving possibility

This is an overview of the TNO Terms and Conditions of Employment. More information can be found on the intranet. No rights may be derived from this overview.

APPENDIX 1

MONTHLY AMOUNTS AS FROM 1 JULY 2021 in €

Scale	Minimum	Maximum
1	*	2,287
2	*	2,498
3	*	2,637
4	*	2,778
5	*	2,918
6	2,116	3,257
7	2,396	3,707
8	2,828	4,256
9	3,259	4,697
10	2,744	5,386
11	3,713	6,277
12	4,847	7,042
13	5,610	7,843
14	5,880	8,593
15	6,390	9,812
16	6,926	10,860
17	7,517	11,884
18	8,141	13,064

*at least minimum (juvenile) wage:

Age	minmum pay
15	510.30
16	586.85
17	671.90
18	850.50
19	1,020.60
20	1,360.80
≥ 21	1,701.00

APPENDIX 2

MONTHLY AMOUNTS AS FROM 1 JULY 2021 In €

Scale	Minimum	Maximum
M	5,647	8,118
L	6,393	9,192
K	7,226	10,387
J	8,367	12,030
I	9,416	13,537
H	10,710	15,397

APPENDIX 3

Increment table for individual remuneration policy valid from 1 January 2021:

	<= 65.0	<= 70.0	<=75.0	<= 80.0	<=85.0	<= 90.0	<=93.0	<100.0	>=100%
Increase (%)	5.5%	4.5%	3.5%	3.0%	2.0%	1.0%	0.25%	0% (discr)	0%
Multiplier	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
FW increase (%)	8.0%	8.0%	7.0%	6.0%	5.0%	3.0%	3.0%	0%	0%