



Stronger together

Collective Labor Agreement

August 1, 2019 up to and including August 31, 2020

A joint result of Signify and labor unions FNV, CNV Vakmensen.nl, De Unie, and VHP2.

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* The Collective Labor Agreement refers to regulations and brochures. These regulations and brochures can be found on the HR Portal. To find them, enter the name of the scheme or brochure you are looking for in the search function.



Sustainable working & personal development

The new Collective Labor Agreement (CLA) runs from August 1, 2019 up to and including August 31, 2020. Signify and the labor unions have agreed on a modern package of terms of employment that suits a company that is a global market leader and is continually committed to innovation. Not only on the innovation of its products, but that is also progressive in terms of HR and its policy on employment conditions.

Create your own future

Signify aims to use lighting to improve the quality of life and contribute to a sustainable world. If you share this passion and want to make a difference, then we will help you with a very complete package of terms of employment and associated instruments to work toward realizing your ambitions. Create your own future and discover what kind of potential you have to offer.

Developing for a lifetime

In the rapidly changing world of work, it is a challenge to stay agile, healthy and vital. Tasks, powers and responsibilities change and functions evolve continuously at the same pace as the changes in the outside world. To promote sustainable development Signify offers you the Learning@Signify platform, where your development and that of your colleagues go hand in hand with the development of the organization. We stimulate a learning culture that supports your personal ambitions and our growth ambitions as a company and also provide you with

'learning time' for this. We believe in sharing knowledge.

Moving forward together

Labor unions strive to maintain job security and Signify contributes to this by offering employment opportunities and therefore perspective, not only for people who already work at Signify, but also for people distant from the labor market. We recognize the importance of economic independence and how 'job market fitness' (Fit for Future) for work of today and tomorrow plays a crucial role in this.

On our way to 2021

Signify and the trade unions are preparing for the next collective labor agreement together. The agenda includes the revision of the departmental structure appropriate to an organization under development, the joint investigation of the wishes of employees, and the organization of a "Sustainable Employability Day" with the labor unions.'

“Signify shows its commitment to sustainability with its **‘brighter lives, better world’** campaign. By continuing to **invest in the development of our employees**, we can also contribute to innovative lighting solutions and thus create a sustainable future.”



I. Target group and term of Collective Labor Agreement

If you have an employment contract with Signify, the agreements in this Collective Labor Agreement also apply to you. The Collective Labor Agreement is an agreement between Signify and the labor unions.

1.1 Target group

This Collective Labor Agreement is applicable when you are employed by Signify(*) and have been assigned to the professional groups 10 through 90.

(*) This includes: Signify Netherlands B.V. and Modular Lighting Nederland B.V.

This collective labor agreement does not apply to:

- a. participants in the employment program;
- b. managers assigned by Signify after consultation with the labor unions;
- c. employees who work in the Netherlands on a temporary basis, based on an Expatriation Agreement or a Global Professional Agreement.

1.2 Term of the Collective Labor Agreement and aftereffect of the previous collective labor agreement

1 Term of validity

This Collective Labor Agreement runs from August 1, 2019 up to and including August 31, 2020. The Collective Labor Agreement will end automatically on August 31, 2020; the signatory parties are not obligated to cancel the agreement.

2 Any previous provisions that remain in effect

The provisions in this collective labor agreement will replace any previous provisions of the collective labor agreement that would otherwise remain in effect. These previous collective labor agreement provisions will no longer have a sustained effect. All other provisions have lapsed. However, individual agreements which did not result from previous collective labor agreements will remain in force.

2. Obligations of the Collective Labor Agreement

In order to guarantee compliance with this Collective Labor Agreement and enforcement of its provisions, both Signify and you need to fulfill a number of obligations.

2.1 Obligations of Signify

1 Deviation from agreements

Signify is not allowed to deviate from the agreements in this Collective Labor Agreement, if such deviations would work to your disadvantage. Deviation that works to your advantage is possible when it is permitted by laws and regulations. If this deviation deals with an advantage for all employees of a business unit or for groups of employees, that deviation is only permitted after consulting with the trade unions.

2 Availability of the Collective Labor Agreement

Signify will make the Collective Labor Agreement digitally available to its employees.

3 Protection of personal privacy

In providing information, Signify will take measures to protect your personal privacy.

2.2 Your obligations

1 Behavior

Your behavior will be in line with the provisions in this Collective Labor Agreement and the instructions provided by or on behalf of Signify. This also includes the General Business Principles (Integrity Code) which Signify adopts after consultation with the Works Council.

2 Representing the interests of Signify

As a person, you always represent the interests of Signify; also when you are not explicitly told to do so. You carry out reasonable assignments, including activities that are not part of your regular work.

3. Your employment contract

You enter into an individual employment contract with Signify. Specific rules apply with regard to entering into and terminating an employment contract.

3.1 Start and duration of employment contract

1 Start

At the start of your employment, you will enter into an individual written employment contract with Signify. At that time, we mutually agree that this collective labor agreement and all subsequent ones also apply to you.

2 Duration

Signify will enter into this employment contract with you for an indefinite period of time, unless otherwise mentioned in your employment contract.

3 Content

Your individual employment contract will specify your date of employment, your position, the location where you will start your work, your professional group and your starting salary.

Your employment contract will also include provisions about:

- work that you do in addition to your work at Signify at other companies or for yourself;
- confidentiality regarding corporate affairs and publications;
- waiver of intellectual property rights to inventions. If you are in professional group 25 or lower, Signify will not exercise its rights to this provision regarding inventions.

If you are in professional groups 50 through 90, your employment contract will also include provisions on:

- copyright;
- patents;
- a non-competition clause.

4 Consecutive employment contracts

Signify counts consecutive employment contracts at companies with which we are affiliated at the start of your employment to calculate the duration of your employment.

3.2 Notice period for an employment contract for an indefinite period

1 Giving notice of termination of an employment contract

You can terminate your employment contract yourself. Signify has that same option. The notice period begins on the first day of the calendar month following the date of the termination notice. Your employment contract ends at the end of the notice period. If Signify gives notice, we will confirm that in writing.

2 Signify notice period

The notice period for Signify is dependent on the duration of your employment contract on the day of termination.

It is:

- a. For employees in the professional groups 10 through 45 employed for
 - less than 5 years: 1 month
 - between 5 to 10 years: 2 months
 - between 10 to 15 years: 3 months
 - from 15 years or longer: 4 months
- b. For employees in the professional groups 50 through 90 employed for
 - less than 15 years: 3 months
 - from 15 years or longer: 4 months

3 Your notice period

Your notice period is dependent on the professional group to which you have been assigned. For the professional groups this is:

- a. 10 to 45 inclusive: 1 month
- b. 50 to 90 inclusive: 3 months

In mutual consultation, it is possible to agree to a shorter notice period.

3.3 Termination of employment by operation of law

1 Employment contract for a definite period of time

Your employment contract is terminated without prior notice by operation of law when your employment contract for a definite period of time has passed.

2 Employment contract in a successive chain

If Signify enters into an employment contract for a definite period with you, or plans to extend it, the following statutory chain regulation applies: we will enter into a maximum of 3 employment contracts for a definite period of time with you within the space of 24 months.

The Collective Labor Agreement leaves room for 2 exceptions to the aforementioned statutory chain regulation:

- Did you first work at Signify as a temporary worker (see article 7:690 of the Dutch Civil Code) and will you enter an employment contract with Signify consecutively or within the next 6 months? In that case, the entire period in which you worked as temporary worker at Signify will count as the first employment contract for a definite period in the chain, even if this has been interrupted by sickness.
- Did you enter into your employment contract for the purpose of scientific research and/or PhD research? In that case, the 24-month period is not applicable to you if you need a longer period to finish your scientific research and/or doctorate.

3 Age of 68 years old

Your employment contract is terminated without prior notice by operation of law on the last day of the month in which you turn 68 years old, unless termination takes place earlier or if you agree otherwise with Signify.



4. Your choices regarding the allocation of your terms of employment

Signify offers you the opportunity to make as many personal choices as possible in the allocation of your terms of employment. For instance, you might want to invest part of your salary in shares. Or maybe you would like to convert vacation days or overtime into money. Or you might prefer additional days off. Whatever your choice may be, Signify à la Carte provides plenty of options.

4.1 Your Signify à la Carte

1 Purposes

With Signify à la Carte, you can spend the money you receive from Signify – your monthly salary, your variable salary, and so on – for purposes that you choose yourself. In addition, you can convert 'time' into 'money'. The gross value will remain the same.

2 Allocation options

With Signify à la Carte, you have the following allocation options:

- Days purchased (also see Article 8.3);
- Shares;
- Lifecycle funds savings plan;

- Bicycle;
- Bicycle accessories;
- Home office;
- Union membership fee;
- Commuting expenses.
- You can also reserve your holiday allowance (*) and have that amount paid in full at a later date.

3 Convert 'time' into 'money'

You can convert the following forms of 'time' into 'money':

- Vacation days in excess of the statutory entitlement left at the end of the year;
- Compensation for overtime ('time for time');
- Saving for leaves of absence;
- Compensation for collective vacation days.

(*) From February 1, 2020 your personal budget is part of your monthly salary. Your holiday allowance will continue to be paid out separately.

More information about the effects, the conditions and the moments for decisions is available in the 'Signify à la Carte' brochure.

4 Adverse effects

If you use your salary for these allocation options, this may decrease your daily pay. This could have an adverse effect on your social security benefits, such as

unemployment benefits and occupational disability benefits. These adverse effects, including the risk due to any changes in fiscal laws and regulations, will be at your own expense. Signify will not offer compensation for them.

Signify offers you the opportunity to make as many personal choices as possible.

5. Your remuneration

Most people consider remuneration to be the most important aspect of the terms of employment. This aspect can have the biggest impact on your life. It also determines which activities you can undertake in addition to your work. Signify is well aware of this. That is why we continue to promote an appealing system of remuneration. It goes beyond the monthly salary and holiday allowance.

5.1 Monthly salary

1 System of remuneration in the Collective Labor Agreement

Signify's remuneration system is described in the brochure entitled "System of remuneration in Collective Labor Agreement." It includes information about pay scales and salary guarantees. Signify will only make structural changes to pay scales after consulting the labor unions. You can see the pay scales in Appendix F of this collective labor agreement.

2 Determining the monthly salary

Signify determines your monthly salary based on:

- assignment to a professional group;
- the salary scale for your professional group;
- the assessment of your work performance.

More details can be found in Article 5.7.

3 Payment of the monthly salary

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

5.2.1 Personal budget (this provision shall apply until 31-01-2020)

From February 1, 2020 your personal budget will be integrated into your basic salary. This provision will lapse on February 1.

1 Personal budget

The payment of your monthly salary at the end of each calendar month will also include a personal budget.

2 Holiday allowance

Your holiday allowance (see Article 5.2.2) is also part of your personal budget.

3 Personal budget level

Your personal budget is a percentage of your monthly salary, your shift bonus and all other designated income components.

Signify continues to promote an appealing system of remuneration.

4 Percentages

The percentage mentioned in paragraph 3 amounts to:

You work in 5 or 4/5-day shifts with average weekly working hours of between 31.5 and 37.5 hours	19.12%
Other shift Schedule	24.57%

5 Reduction of personal budget

If you choose the option of buying 13 leave days in one go at the end of the year for the following year, Signify will reduce your personal budget/ monthly salary by 5.91%.

5.2.2 Holiday allowance (this provision applies from February 1, 2020)

The statutory percentage for the holiday allowance (8%) is part of your personal budget (see Article 5.2.1) up to and including January 31, 2020. As of February 1, 2020, the holiday allowance will be paid monthly and the remaining part of the personal budget will be included in the basic salary. You can also reserve your holiday allowance and have that amount paid in full at a later date.

Minimum amount at age 22 or older

If you are 22 years or older, your holiday allowance will be at least € 2,148 on an annual basis. Signify will adjust this amount by the percentage of the collective pay scale adjustment (see Article 5.4).

5.2.3 Occupational disability

If you suffer from occupational disability and you are on occupational disability benefits, you will only be paid holiday allowance if and for as long as you have authorized Signify to receive the holiday allowance you have been granted due to occupational disability benefits and settle that amount.

5.2.4 Fully occupationally disabled

You are not entitled to holiday allowance when you are fully occupationally disabled and are not entitled to payment by Signify as referred to in Article 9.3 and Appendix A.

5.3 Variable salary

1 Payment of variable salary or not

Signify will pay you a variable salary if you have been employed for an entire calendar year or part of it. You will not receive a variable salary after summary dismissal.

2 Percentage

The on-target percentage variable salary for all of 2019 for

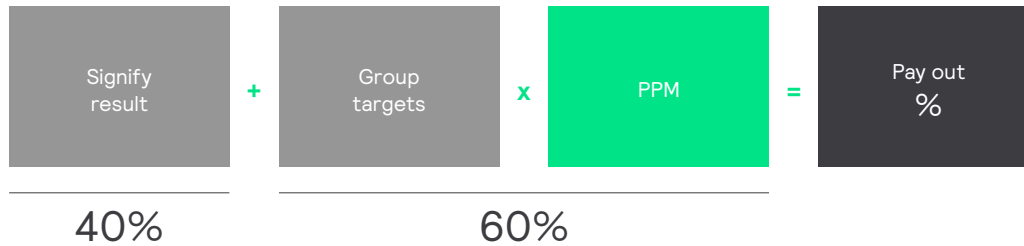
- professional groups 10 through 70 amounts to: 3%;
- for professional groups 80 and 90 amounts to: 6%.

The on-target percentage variable salary from January 1, 2020 for

- professional groups 10 through 70 amounts to: 4%;
- for professional groups 80 and 90 amounts to: 7%.

Your variable salary is calculated on the basis of your income on December 31 of the year for which the variable salary is granted. These are percentages of your income on December 31 of the year in which Signify has granted the variable salary.

For the year 2019, the following principles apply. From 2020 onward the variable salary calculation will be determined in consultation with the Central Works Council. As a result, as per January 1, 2020, the following provisions (up to and including Article 5.3.6) will lapse.



These percentages apply from the moment you are assigned to the relevant professional group. Your income consists of your monthly salary, your shift bonus, your fixed overtime allowance, your fixed special hours allowance and your personal allowance.

3 Amount

Signify determines the amount of your variable salary according to the following formula.

4 Payment of "Signify Group" component

The operating result of the Signify Group decides whether you are paid this variable salary component and the level of that component. The payment starts at 50% upon reaching the

lower limit and will increase proportionally up to 200% upon reaching the upper limit. If Signify Group exceeds the upper limit, the maximum payment will still be 200%. If the lower limit is not reached, the payout is 0%.

5 Payment of the group targets and PPM component

Signify establishes objectively measurable group targets. Depending on the achievement of these targets, we pay 50%, 75% or 100% of this variable salary component. If we do not achieve the group targets at all, we pay 30%. We multiply the payment percentage for the group targets by your PPM factor (see below table).

PPM rating	Performance	PPM factor
1	Significant improvement required	0%
2	Improvement required	50%
3	Good	100%
4	Exceeds	150%
5	Excellent	200%

NB: Signify has named the performance scores.

6 Assessment code

If you want to be eligible for a variable salary, your assessment code for that relevant calendar year needs to be at least 2. This also applies to the 'Signify Group' component.

7 Payment of variable salary

The variable salary will be paid in March of the year following the year to which the scheme applies. If you decide to leave employment during the calendar year, you will receive the variable salary proportionally at the final settlement based on the on-target realization.

8 Pro rata payment

In deciding the variable salary which will be paid, Signify will take into account the duration of your employment during the year of that applicable scheme, your part-time percentage, any unpaid leave and occupational disability (if you have suffered from occupational disability for a cumulative period of more than six months).

5.4 Collective scale adjustment

Signify increases the pay scales. On January 1, 2020 you will receive a collective increase in salary of 2.5% with a minimum of € 750 per year and on April 1, 2020 your salary will increase by 1% with a minimum of € 300 per year.

5.5 Payment account

You enable Signify to make the payments due by means of transfer to a payment account designated by you.

5.6 Salary scheme

1 Establishing job level

- a. Signify establishes the level of sample positions according to a job assessment system. These sample positions can be found in the file 'Reference positions'. We decide the level of your position by comparing it to the sample positions.
- b. If your position cannot be compared to the available sample positions, we establish the level based on the job assessment system.

2 Assigning to professional group

Signify assigns you to one of the following professional groups: 10, 15, 20, 25, 27, 30, 35, 37, 40, 45, 50, 60, 70, 80 or 90. In principle, we determine what professional group you are in based on the level of your position, unless:

- there is sufficient certainty about your suitability to fulfill your current position as well as other positions at the proposed level;
- and positions of at least this level remain available in this company or other Signify companies.



Richard op den Buijsch | Supply planner

3 Salary system

Structure

- Reference salary:
Each professional group has a reference salary. This is the minimum salary you will receive and continue to receive if you comply with all requirements of your position at a structural level.
- Minimum final salary for professional group:
If you comply with the minimum requirements for your position, you will attain at least the minimum final salary.
- Final salary for professional group:
If you continue to increase your contribution to Signify after reaching the minimum final salary, then your final salary may continue to increase beyond this minimum final salary. In general, you can continue to increase your salary to a level at least equivalent to the reference salary.
- The pay scales can be found in Appendix F of this Collective Labor Agreement.

Influence of the assessment

At least once a year, your manager will assess your contribution over the previous period in a mutual discussion. On that occasion, you and your manager will discuss the content and results of your work, but also your working methods and behavior. You will also discuss the main grounds for establishing your salary. In addition, you will make agreements for the period ahead.

Salary increase

The assessment will have consequences for your salary once a year, unless your contribution has grown and you have not yet achieved your (personal) final salary. Signify will add an assigned salary increase to your salary as of April 1 following the assessment.

4 Individual guarantees

Allocation guarantee

Once you have been assigned to a professional group, Signify will no longer place you in a lower professional group.

This does not apply to you if:

- a. you are younger than 55 years old and you have been working at a 'lower' level for a longer period of time due to lack of work at a suitable level for your professional group. In that case, Signify will assign you to a professional group 1 level lower than your current professional group;
- b. Signify will reduce your position level because your contribution has not complied with the requirements for your position for a long time;
- c. there are measures in place, such as:
 - the closure of a company or business unit;
 - drastic and structural changes to the workload;
 - drastic reduction of staffing of a company or business unit.

In these cases, Signify will make detailed arrangements in consultation with the labor unions.

Salary guarantee

- a. If you have not yet reached the minimum final salary for your professional group, then Signify will not grant you an increase in salary for a maximum of two consecutive years, unless there is a pending procedure for a change of position or termination of employment.
- b. Signify can only reduce a salary that has already been reached if your job performance justifies the reduction. If we are considering a reduction, we will notify you of this in writing.

You will then have six months to improve yourself. Two months before the expiration of this term, Signify will give you another warning. Only after that will we proceed to a reduction in salary.

Guaranteed salary growth

If you were employed by Philips on April 1, 2009 and if you were assigned to one of the professional groups 10 through 45 at that time, you will have the guarantee that – if you comply with the minimum requirements for that position – you will at least continue to increase your salary to a level that matches a certain pay scale position in the professional group to which you were assigned as of April 1, 2009.

The pay scale position intended for this is:

Job grade	Scale position	Job grade	Scale position
15	98	35	92
20	97	37	92
25	95	40	91
27	94	45	90
30	94		

Collective guarantees

As of April 1, Signify guarantees per professional group that with staffing of at least 50 employees:

- a. who have not yet reached the minimum final salary:
 - we will grant these employees on average an increase of at least 3% of the reference salary;
 - we will not assign any increase to a maximum of 10% of these employees.
- b. for those who have reached at least the minimum final salary, we will at least align the average of their salaries with 97% of the reference salary.

6. Your working time

We are living in an age and a society in which it is no longer a given that everyone works full-time. People cherish the freedom they have to pursue other activities besides work. And even if you work 40 hours a week now, you might have a different perspective in a few years' time. Perhaps you want to work fewer hours? Or work different hours? Particularly as you approach retirement age, it is nice to have an answer to these and other questions. Signify is pleased to support you in your choices regarding working time, but it goes without saying that we also take the company's interests into account.

6.1 Definitions

1 Gross standard working time

Your gross standard working time is the number of days in that calendar year minus all the Saturdays and Sundays of that year. We express working time in hours. In 2019 and 2020, your gross working time will amount to 2,088 hours.

2 Working time is 8 hours per day

The days mentioned in paragraph 1 consist of 8 working hours per day.

3 Shift-based schedule

If you work on a shift-based schedule, you work in different shifts at least once every four weeks. Different shifts are when there are at least 12 working hours (not counting breaks) between the end of your last shift and the beginning of your new shift.

6.2 Working hours

1 Provisions of the consultation regulations from the Working Hours Act

Signify has organized your working hours in a (shift-based) work schedule. The provisions of the consultation regulations of the Working Hours Act (in effect until April 1, 2007) apply:

- a. A (shift-based) work schedule comprises a maximum of 9.5 hours per shift, 190 hours per 4 weeks and 552.5 hours per 13 weeks;
- b. Your average working time on an annual basis are 40 hours per week;
- c. The working hours in a (shift-based) work schedule will consist of a minimum of half a shift;
- d. A shift consists of at least 6 hours.

Signify can only deviate from these regulations once the labor unions have agreed to it.

Signify is pleased to support you in your choices, but it goes without saying that we also take the company's interests into account.

2 Dayshift work schedule

In a dayshift work schedule, in principle you work from Monday to Friday.

3 Schedule announcement

Signify announces your work schedule at least 7 calendar days before it is implemented.

6.3 Establishing work schedules

1 Establishing work schedules

Signify establishes your work schedule.

2 Permission from the Works Council

If Signify wants to establish or change the work schedule for all employees or a group of employees, it needs the permission of the Works Council.

3 Company's interests

You are obligated to work at different times from your work schedule if Signify believes it is in the company's interests.

4 Overtime

If you work in professional groups 10 through 45 and it is necessary to work significant amounts of overtime in your business unit, Signify will discuss the number of employees and/or expected time with the Works Council.

5 Reduction of working hours

If, according to Signify, economic circumstances and/or operational interests make it necessary to come to an agreement regarding a reduction in working hours, including a corresponding reduction in income, we will do so within the legal regulations as well as after consultation with the labor unions.

6.4 Adjusting working time, workplace and working hours

1 Submitting and handling requests

You can submit a request for adjustment of working time, workplace and working hours according to the provisions in Article 2 of the Flexible Working Hours Act. Signify will therefore deal with all such requests according to these provisions.

2 Adjustment of working time

If Signify adjusts your working time, it will take place proportionally based on your terms of employment.

3 Mutual flexibility

Signify will always adopt a positive attitude to all of your requests for adjustment of working time, workplace and working hours. We will keep the operating conditions in mind and will operate on the basis of "mutual flexibility" between you and Signify. This means that both parties are willing to align their respective requirements for time,

place and organization of work and are aware of each other's wishes and possibilities. Signify will always provide written reasons when turning down a request.

6.5 Part-time schemes for employees aged 62 years and above (80-90-100 scheme)

1 Request for part-time work

From the age of 62 onwards, you can submit a request to work part-time. That request must be for a working time percentage of at least 80%. One year before your (chosen) retirement age, you have the right to work part-time.

You will be paid for this on the basis of 90% work. You will still take part in the pension scheme based on full-time employment. Your own share of the pension contribution will also be calculated based on full-time employment. You can make use of this scheme for a maximum of 6 years. This regulation enters into force on January 1, 2019.

2 Reducing part-time percentage

If you are already working part-time, you can, as described in paragraph 1, reduce your part-time percentage proportionally. Signify will then continue your pension accrual based on your income before this reduction. We will also calculate your part of the pension contributions based on that income.

7. Your allowances

Signify is committed to being an attractive employer to all employees, now and in future. This is expressed not just in our remuneration policy, but also in the allowances you will receive if you e.g. work overtime, work on public holidays, or are available outside your normal work schedule.

7.1 Overtime

1 Professional groups

You are eligible for an overtime allowance if you work in professional groups 10 through 50.

2 What is overtime?

Overtime comprises hours:

- that you work during day shifts and 2-shift schedules commissioned by Signify in excess of an established work schedule with a work time of at least 8 hours;
- that you work during 3, 4, 4/5 and 5-shift schedules commissioned by Signify in excess of 7.5 hours per shift;
- that you work on days that you are not assigned to a work schedule. These hours are considered overtime if you exceed a working time of 40 hours per week.

3 Compensation

In principle, you will receive compensation for overtime in the form of paid leave of absence.

4 Payment per hours worked in overtime

If paid leave is not possible according to Signify, you will receive a sum of money for each hour of overtime worked. This payment amounts to

0.575% of your monthly salary until January 31, 2020. As of February 1, 2020 this will be 0.498%. To calculate the payment, Signify uses a minimum monthly salary of € 1,668. We will adjust this amount by the percentage of the collective pay scale adjustment (see Article 5.4).

5 Additional payment of 25%

In addition to compensation or payment for each hour of overtime worked, you will receive an additional payment of 25% of your hourly wages per hour of overtime worked for the first 2 hours of overtime worked on a normal working day.

6 Additional payment of 50%

You will receive an additional payment of 50% of your hourly wages per hour of overtime worked that exceeds the number of two, as well as for hours worked in excess of 10 hours on a normal working day.

7 Additional payment for working on Saturdays

On Saturdays, the additional payment per hour of overtime worked consists of:

- 75% of your hourly wages if you have been assigned to the professional groups 10 through 45;
- 25% of your hourly wages if you have been assigned to professional group 50.



8 Additional payment for working on Sundays and national holidays

On Sundays and national holidays, the additional payment consists of 100% of your hourly wages per hour of overtime worked.

9 Paid leave

If you are allowed to take paid leave of absence for hours of overtime worked, you will only receive the allowances from paragraphs 5 through 8.

7.2 Special hours in work schedules

1 Professional groups

An allowance for special hours in work schedules only applies if you work in professional groups 10 through 60.

2 Allowance

If you do not yet receive any extra payment for working special hours through your shift work allowance or your normal salary, you will receive an additional payment in accordance with paragraph 3.

3 Scope of the allowance

This allowance consists of:

- 25% for hours on: Monday through Friday from midnight to 7:00 a.m. and from 7:00 p.m. to midnight;
- 75% for hours on Saturday from 6:00 a.m. to midnight;
- 100% for hours on Sunday from midnight to midnight.

4 Calculation

Signify calculates the allowances based on 0.575% of your monthly salary. This percentage is the hourly value of the monthly salary. As of February 1, 2020, this will be 0.498%.

7.3 Working on standby

1 Professional groups

You are eligible for an allowance for working on standby if you work in professional groups 10 through 60.

2 What is working on standby?

Working on standby means that you are available and reachable as assigned by Signify outside the working time of your work schedule.

3 Fixed remuneration

For working on standby, you will receive on:

- a. Monday to Friday: fixed remuneration of 1 hour of work at your normal salary.
A day refers to the time between the end of your work schedule on one day and the beginning of your work schedule on the following day (16 hours);
- b. a collective day off: fixed remuneration of 2 hours of work at your normal salary;
- c. Saturdays, Sundays and public holidays: fixed remuneration of 2 hours of work at your normal salary, plus an allowance for special hours in accordance with Article 7.2.

Signify has appropriate allowances for unusual working hours.

4 Paid leave

Signify can convert the fixed remuneration partly or fully into paid leave. We always remunerate the special hours allowance in money in accordance with Article 7.2.

5 Bonus hours

If you actually need to show up at work on Monday to Friday, Signify will pay 2 bonus hours at your normal salary. If this happens on Saturdays, Sundays and public holidays, we will pay 2.5 bonus hours at your normal salary.

6 Attendance hours

If you actually need to show up at work, Signify will pay the attendance hours in accordance with Article 7.1.

7 Attendance after midnight and before 5:00 a.m.

If the last attendance period ends after midnight and before 5:00 a.m., you will get a subsequent 8-hour period of rest.

If these hours coincide with the hours of your work schedule for that day, Signify will pay your salary for these hours as well.

8 Called for work between 5:00 a.m. and 6:00 a.m.

If you only receive a call between 5:00 a.m. and 6:00 a.m., you will get an 8-hour period of rest within 24 hours after 6:00 a.m.

9 Called for work between midnight and 5:00 a.m. and 5:00 a.m. to 6:00 a.m.

If you receive a call between midnight and 5:00 a.m. as well as between 5:00 a.m. and 6:00 a.m., paragraph 7 applies.

10 Called for work after 6:00 a.m.

If you are only called for work after 6:00 a.m., you will work according to your subsequent work schedule for that day. You are only allowed to work a maximum total of 13 hours in that way. Over a period of 13 weeks, you are not allowed to work in excess of 45 hours per week on average.

7.4 National holidays

1 What are national holidays?

You do not work on Sundays, New Year's Day, Easter Monday, Ascension Day, Whitsun Monday, Christmas Day, Boxing Day, the day on which

King's Day is celebrated, or May 5 (celebrated once every 5 years; the next one will be in 2020), unless you need to work for operational or commercial reasons or for reasons of general interest.

2 Remuneration

On national holidays, you will receive your normal salary, including any shift work allowance.

3 Replacement free shift and additional compensation

If you work in professional groups 10 through 50 and you work on national holidays in accordance with paragraph 1, you will receive, in addition to your normal salary from paragraph 2 for the hours worked in a shift that ends on a national holiday, a free shift as compensation and an additional payment of 100%. In consultation with Signify, you can receive payment for the free shift as compensation. If you work in professional group 60 and you work on a national holiday in accordance with paragraph 1, in addition to your normal salary from paragraph 2 for the hours worked in a shift that ends on a national holiday, you will receive a free shift as compensation. In consultation with Signify, you can receive payment for the free shift as compensation.

4 Objections of a religious or philosophical nature

Signify will take your objections against working on Sundays and widely recognized religious holidays into account as much as possible.

5 Vacation day

Signify provides you with the opportunity to take a vacation day on a widely recognized religious holiday, unless compelling operational conditions prevent this.

7.5 Shift work

1 Monthly salary for shift work

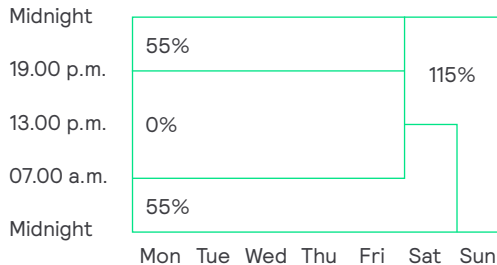
If you work in shifts according to an established shift work schedule, you will receive a monthly salary based on shift work. Signify decides this salary based on your working time. The monthly salary will affect the related income components. In addition to your shift work monthly salary, you will also receive a shift work allowance.

2 Shift work allowance

Signify will pay the shift work allowance from the time that you work in shifts and for as long as you continue to do so. An explanation of the method used to calculate your shift work monthly salary and the shift work allowance can be found in Appendix B. The size of the shift work allowance depends on the level of inconvenience of your work and break times.

3 Inconvenience schedule

To identify the inconvenience involved, Signify uses the following chart.*



* To identify the shift work allowance of the 2-shift work day/night, Signify calculates an allowance-free zone of 12 hours for Monday to Friday.

4 Increase in shift work allowance

Signify increases the shift work allowance by 1.5% if you carry out activities during which you have variable breaks on a daily basis without those breaks being specified on your work schedule or if you do not have a continuous half-hour break. We need to multiply this percentage increase by the basic percentage that applies to you (see Appendix B).

5 Calculation of shift work allowance

Signify pays the shift work allowance based on the sum of designated income components. We base this on a minimum amount of € 2,167 per month. We will adjust this amount by the percentage of the collective pay scale adjustment (see Article 5.4).

6 Income reduction scheme

The current Signify income reduction scheme can be found in Appendix C.

7.6 Inconvenience allowance

1 Professional groups

You are eligible for an inconvenience allowance if you work in professional groups 10 through 45.

2 Inconvenience allowance

If you work in inconvenient circumstances, Signify may grant you an inconvenience allowance. We will endeavor to eliminate inconvenient circumstances. If you work in inconvenient circumstances, Philips Lighting may grant you an inconvenience allowance.

3 Inconvenient circumstances

The following inconvenient circumstances are included in the inconvenience allowance agreement:

- Dirt;
- Climate;
- Air pollution;
- Personal Protective Equipment;
- The extent of heavy labor.

In addition, Signify grants an allowance if your work schedule involves 3 or more shifts with a consecutive series of at least 5 night shifts. The amount of the allowance shall be equal to level 1 as mentioned in paragraph 4.

4 Four levels of inconvenience

Ascending in measure of inconvenience, Signify distinguishes 4 levels. The associated allowances per month consist of:

Level	Allowance
0	Nil
1	€ 28.60
2	€ 50.40
3	€ 76.25

5 Calculation of allowance

Signify bases the allowance on the uninterrupted presence of inconvenience throughout all working hours. If you only have to deal with this inconvenience during part of your working hours, we will pay you the allowance proportionate to your exposure to the inconvenience.

6 Payment

In general, Signify pays the inconvenience allowance on a monthly basis.



8. Your leisure time and leave

It is important to have sufficient leisure time to relax and do fun things, in addition to your work. After all, it is also in Signify's best interests that you go to work feeling fit and able, recharged to take on the challenges of the job. That is why we offer you a wide range of options for taking various forms of leave.

8.1 Vacation

1 Vacation allowance

- a. Your vacation year coincides with the calendar year.
- b. If you enter employment on the first day of the calendar year, you are entitled to 25 vacation days for that year, except when the provisions from paragraph 3 and 4 of this article apply.
- c. For a collective holiday period of 2 or 3 weeks, you will be compensated with 1 or 2 extra days of vacation, respectively.

2 Vacation days if you start work during the course of the calendar year

- a. If you commence your employment during the course of the calendar year, you are entitled to a corresponding number of vacation days for that year. If you commence your employment over the course of a month, that month will be included in the calculation of your proportionate number of vacation days.
- b. If you can show upon commencing employment that you are still entitled to unpaid leave due to unused vacation days from your previous employer, Signify will allow you to take those days over the calendar year in which you commence employment. This type of unpaid

leave of absence is subject to the other provisions of this article.

3 Vacation days in case of termination of employment during the calendar year

If your employment is terminated during the calendar year, you are entitled to a proportionate number of vacation days for that year. If you terminate your employment with Signify before the end of a month, that month will not be included in the calculation of your proportionate number of vacation days. If you have used too many vacation days, we will settle that excess with the final payment.

4 Accrual of vacation days during special circumstances

- a. You will not accrue any vacation days in a period in which you are not entitled to receive a salary because you are not working. You will accrue vacation days in cases and in periods such as those mentioned in Section 7:635 of the Dutch Civil Code (including long-term care leave, pregnancy, childbirth, adoption leave and incapacity for work), in case of unpaid leave as referred to in paragraph 2b and in case of leave permitted by Signify as referred to in Article 14.5 (labor union leave).

- b. The provisions in paragraphs 2 and 3 on how your proportional part of vacation days is calculated also apply to the beginning or end of a period in which you do not accrue vacation days based on paragraph 4a.

5 Illness during vacation and paid leave

If you suffer from illness during (collective) vacation days or if you are involved in an incident as specified in Article 8.9, Signify does not consider those vacation days as having been used. This rule only applies if you report it in the prescribed way.

6 Payment and expiration of vacation days

- a. Signify will continue to pay your salary when you use your vacation days.
- b. Your entitlement to unused vacation days expires after 5 years, calculated from the end of the year in which that entitlement was established.
- c. It is possible to have a maximum of 5 (non-statutory) vacation days paid at the end of the year.

7 Spending vacation days

- a. In principle, you need to use vacation days in the calendar year in which you receive them.
- b. If there is no collective vacation period and you submit your preferred consecutive vacation period in writing to your manager well in advance, that manager will in principle confirm that vacation period. If the required staffing for that specific period does not allow your vacation to be scheduled in that period, you will work out another vacation period in consultation with your manager.
- c. You can use your other vacation days in oral consultation with your manager.
- d. Signify will establish the collective vacation period with the permission of the Works Council.
- e. Taking into account the provision from paragraph 7d, Signify is allowed to designate a

maximum of 15 working days as a consecutive vacation period. In principle, this needs to be done before January 1 of that vacation year.

- f. If it is in the company's interests, Signify is allowed to change a confirmed vacation in consultation with you. We will compensate you for any loss suffered as a result.

8 Vacation days for employees working in flexible (shift) work schedules

- a. If you work in schedules with a working time which deviates from 8 hours per shift with due observance of Article 6.2, Signify will specify the scope of your vacation days in hours.
- b. When you take a vacation, Signify will deduct the actual number of hours from your total vacation according to the work schedule.

8.2 Collective days off

In consultation with the Works Council, Signify can establish 5 days off for all employees concerned or a group of them. If you work in a 5-day shift or 4/5 shift with average weekly working hours of between 31.5 and 37.5 hours, we can only establish 1 day off. To establish more days off, we require the permission of the Works Council.

8.3 Days purchased

1 Purchasing days off

You can purchase 20 days off each year.

2 Half-days or full days

You can purchase half-days or full days.

2 Using days you purchased

When using the days you purchased, the same terms apply as when using vacation days (see Article 8.1, paragraphs 7b and 7c).

4 Value of a day you purchased

The value of a day you purchased is:

- the number of hours x 0.682% of your full-time monthly salary. As of February 1, 2020 this will be 0.591%.

5 End of year

You can choose to use the option of buying 13 days off in one go at the end of the year, to be used in the following calendar year.

8.4 Life-course savings scheme

1 Participation

The government has discontinued the life-course savings scheme as of 1 January 2012. This means that it is no longer possible to start participating. If you had a balance of at least € 3,000 (including interest) by December 31, 2011, you are still allowed to participate in the life-course scheme savings from 2012 onwards.

2 Two parts

The life-course savings scheme consists of 2 parts: the life-course savings scheme and the life-course leave scheme. The life-course savings scheme describes how you can accrue savings. In the life-course leave scheme, there are several types of leave for which you can use those savings.

3 Life-course leave

Life-course leave is long-term leave of absence. Signify makes a distinction between:

- **Interim leave:**
This type of leave has a lower limit of 4x your weekly working time and an upper limit of 52x your weekly working time. You can take a leave of absence on a part-time basis or on a full-time basis. The maximum period between the start date and end date of the leave of absence is 1 year. You can request a full-time leave of absence

if you have been employed at Signify for at least 1 year;

- **Leave of absence prior to your retirement:**
The maximum period between the start date and end date of the leave of absence is 3 years. You can take a leave of absence on a part-time basis or on a full-time basis. When taking life-course leave, you must compensate at least 50% of the loss of income due to this leave of absence from your life-course savings balance. In principle, life-course leave is subject to the same employment regime as part-time work.

4 Compensation for loss of income

You can also use your life-course savings to compensate for the loss of income when taking a leave of absence based on the Work and Care Act (see Article 8.5).

8.5 Care leave

1 Types of care leave

The Work and Care Act grants you specific rights for the following types of care leave: urgent leave, short-term care leave, long-term care leave, paternity leave, pregnancy and maternity leave, adoption and foster care leave, partner leave and parental leave.

Additional partner leave from July 1, 2020

As of 1 July 2020, partners can take up to 5 working weeks of additional partner leave. As a partner, you are entitled to additional partner leave if your child is born on or after July 1, 2020. You will then receive a benefit amounting to 70% of your daily wage (with a maximum of 70% of the maximum daily wage). The UWV pays for these weeks of leave to Signify and Signify will settle this with the employee. If you want to make use of these leave weeks, you have to take them within 6 months after the birth of your child.

2 Paid or unpaid

Some of these forms of leave are paid leave (or partly paid), others are unpaid leave.

It is important that you go to work feeling fit and able, recharged to take on the challenges of the job.

3 Full payment of income

During pregnancy and maternity leave as well as during adoption and foster care leave, as referred to in Articles 3:1 and 3:2 of the Work and Care Act respectively, Signify will pay 100% of your income.

However, in these situations, Signify does require you to confirm the start date of the leave of absence in consultation with Signify 10 weeks before the estimated delivery date, adoption or foster care date.

4 Other options for care leave

This Collective Labor Agreement offers a number of options which you can use for care leave in addition to the arrangements based on the Work and Care Act.

They are:

- days purchased;
- Life-course leave;
- (temporary) part-time work.

5 Compensation for loss of income

You can use the savings balance from your life-course savings scheme to compensate for your income loss in case of unpaid leave.

8.6 Payment during vacation and leave

Signify pays your salary, including applicable shift work allowance, during vacation days and paid leave, as established in Article 8.9 and Article 14.5.

8.7 Percentage in case of payment of unused vacation days

When Signify pays your unused vacation days, you will receive 0.682% of your full-time monthly salary for each hour. As of February 1, 2020, this is 0.591% because of the integration of the personal budget.

8.8 Unpaid leave

1 No work

Signify does not need to pay you for the time in which you did not work.

2 No payment

You are not entitled to payment in cases such as those referred to in articles 7:628 and 7:629 of the Dutch Civil Code and Articles 4:1 and 4:2 of the Work and Care Act, unless Articles 8.9 and 14.5 as well as Appendix A of this collective labor agreement state otherwise.

3 Without permission

If you have taken leave of absence from your work without the explicit permission of Signify, such leave is only permitted in the event of occupational disability.

4 Compensation for loss of income

You can use the savings balance from your life-course savings scheme (see Article 8.4) to compensate for your loss of income in case of unpaid leave.

5 Taking a sabbatical

Once every three years, you are entitled to take a sabbatical for a period of 3 consecutive months. For this period of unpaid leave, you can use the vacation days to which you are entitled in the year in which your leave of absence starts.



8.9 Paid leave

1 Event participation/attendance

You are allowed paid leave of absence to participate in or attend the following events, if you cannot attend otherwise:

- a. Death of your spouse or partner, child, parent, grandparent, sibling, daughter-in-law or son-in-law: the required time up to a maximum of 1 working day;
- b. Death of your spouse or partner, child or parent living in your home: the working days between the death and the funeral;
- c. Funeral of your spouse or partner, child, parent, grandparent, sibling, sister or brother-in-law, daughter-in-law or son-in-law, or grandchild: 1 day;
- d. Celebration of your 25th or 40th work anniversary: 1 working day;
- e. In the 3 years before your retirement age, for the purpose of attending a course in preparation for your retirement: a maximum of 5 working days;
- f. To anticipate the upcoming retirement, employees aged 57 and older are offered the opportunity to make one-off use of a financial scan during worktime offered by Signify in combination with a personal consultation;
- g. For the birth of your child, your marriage or registered partnership, and your 25th or 40th wedding anniversary: 1 day per event;
- h. After the birth of your child for the partner: 10 days (from January 1, 2019).

Please note:

In addition to registered partnership, if you cohabit and share a joint household with someone, Signify also considers them your partner. However, this status does need to be proven by notarial deed. When “parents” or “grandparents” are mentioned in this paragraph, this also refers to the “parents” or “grandparents” of your spouse or partner.

2 Birthday leave

In 2020, you will be off on your birthday if your birthday falls on a regular working day. If you have a birthday on an official Dutch public holiday, you may take another day of your choice as compensation.

3 Visit to a physician, etc.

If you are unable to visit your physician, dentist, midwife, specialist or physiotherapist in your own time and it is not possible to change your working hours, Signify will pay your salary during the time needed for your visit.

4 Exceptional circumstances

If Signify considers that exceptional circumstances justify it, you are also allowed paid leave of absence for other events and for a longer period of time than stated in paragraph 1.

8.10 Paid leave for employees aged 60 years and over (60-hours scheme)

1 Professional groups

This article applies to people who have been assigned to the professional groups 10 through 45.

2 60-hours scheme

From the age of 60 onward, you can take 60 hours of paid leave annually. You can make use of this leave scheme for a maximum of 8 years. If you are ill during part of such a year or if you are working part-time, Signify will calculate the corresponding number of hours of paid leave. If you use the option to change your working hours based on Article 6.5 (80-90-100 scheme), you are not entitled to these hours of paid leave.

3 Consultation

You decide in consultation with Signify when you use those additional hours. You are not allowed to replace this leave of absence with a sum of money.

9. Your other terms of employment

In addition to the terms of employment in Chapters 5 to 8, you also take part in the Flex pension and you are eligible to participate in the Signify share savings scheme. In addition, we also have a payment plan during occupational disability.

9.1 Signify shares savings scheme

1 Participation

If you have been employed for 6 months or more, you are eligible to participate in the Signify share savings scheme.

2 Buying shares

You are allowed to spend a maximum of 10% of your annual salary on buying shares in Signify N.V. at a 15% discount.

3 Lock-up period

A six-month lock-up period applies from the date on which shares are purchased.

4 Conditions

The conditions of the share savings scheme will be announced by Signify in the brochure entitled "Share savings scheme."

9.2 Pension scheme

1 Participation in the pension scheme

- a. You are taking part in the Flex pension scheme. The Philips Pension Fund Foundation will implement this pension scheme.
- b. Your rights and obligations resulting from participation in the pension scheme can be found in the articles of association and the 'Flex Pension Scheme' of the Philips Pension Fund Foundation. You can also access these documents via the website of the fund. You can also request a version of the articles of association and the prevailing pension scheme from the Fund.
- c. You will not take part in this pension scheme if you have serious objections based on religion or creed (= conscientious objections) and have been exempted from insurance obligation for the purpose of social security

contributions. If you would still like to participate in the Flex pension scheme, then participation at your own request is still possible at any given time.

2 Standard retirement age / (chosen) legal retirement age

- a. If you take part in the Flex Pension Scheme, the standard retirement age will be 68 years.
- b. Your legal retirement age is 68 years, unless you choose a different retirement age (see sub c).
- c. You are entitled to make a one-time choice of an early retirement age that is between 60 and 68 years. You can make that choice at the earliest at age 58 and you need to make it at the latest 6 months before your intended retirement. After permission by Signify, you can also choose to retire at the maximum age of 70 years. You need to have arranged this officially no less than six months before you reach the age of 68 years.

3 Premium contribution

You will pay a personal income-dependent contribution to the pension premium. The Collective Labor Agreement parties determine the amount of that personal contribution. Starting January 1, 2015, the personal contribution amounts to 2% of the pensionable earnings. From February 1, 2020, the personal contribution amounts to 5% of the pensionable earnings. Salaries and salary scales will be increased with effect from February 1, 2020 in such a way as to compensate employees in full. The pensionable earnings

are the part of your income from which you accrue your pension. Signify will deduct the contributions you owe for the retirement premium from your gross monthly salary. We will contribute the total payable pension premiums to the Philips Pension Fund Foundation.

4 Pension allowance

If you participate in the Flex pension scheme and your permanent pensionable salary exceeds the maximum pensionable salary from the pension scheme, you are entitled to a pension allowance of 15% of the difference. Together with your monthly salary, Signify pays your pension allowance at the end of the calendar month, taking into account any part-time percentages.

5 Temporary pension allowance

If you were already participating in the Flex pension scheme on December 31, 2014 and you had an annual salary of € 80,000 or more, then you are entitled to a temporary pension allowance. Signify will pay that allowance on a monthly basis from January 1, 2015 to December 31, 2021. In 2022, 2023 and 2024 we will pay 75%, 50% and 25% of this amount respectively. We determine the temporary pension allowance once according to the diagram on the following page based on your salary as at December 31, 2014.

For the purpose of determining the temporary pension allowance, Signify considers the annual salary to be 12 times the monthly salary excluding personal budget.

9.3 Payment during occupational disability

The arrangement for payment during occupational disability can be found in Appendix A. If you continue working after your national pension entitlement age, that arrangement will not be applicable, unless you reach that national pension entitlement age before the age of 68. This arrangement also does not apply if you have already reached the national pension entitlement age when you start working for Philips Lighting.

9.4 Supplementary WW and WGA benefits

Signify has concluded a private supplementary WW / WGA insurance with effect from July 1, 2018. Signify is a member of the Collective Labor Agreement for Industry and Technology for this purpose. Your participation is mandatory. The full premium (for both administration and benefit expenses) will be deducted monthly from your salary.

More information can be found on the website of this foundation: www.spaww.nl

Temporary pension allowance per month on a full-time basis

			VG70		VG 80/90	
Annual salary			Temporary pension allowance		Temporary pension allowance	
€ 80,000	tot	€ 85,000	€ 60.00		€ 105.00	
€ 85,000	tot	€ 90,000	€ 95.00		€ 145.00	
€ 90,000	tot	€ 95,000	€ 130.00		€ 185.00	
€ 95,000	tot	€ 100,000	€ 165.00		€ 225.00	
€ 100,000	tot	€ 105,000	€200.00		€ 265.00	
€ 105,000	tot	€ 110,000			€ 300.00	
€ 110,000	tot	€ 115,000			€ 340.00	
€ 115,000	tot	€ 120,000			€ 380.00	
≥ € 120,000					€ 420.00	



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10. Your employment opportunities and sustainable employability

Signify and the labor unions greatly value your sustainable employability. We want you to keep enjoying your work and to remain energetic throughout your career. For that reason, we also consider it important that you are aware of your talents and qualities, and that you make optimum use of them. Keep on developing and investing in yourself. That is of course in your own best interests, but your expertise is also essential for Signify. The organization is evolving constantly and the developments in the external job market are proceeding at a rapid pace. That requires flexibility and the ability to keep on evolving with your surroundings. To keep you and your colleagues 'in good shape' for the job market and to help you retain a sharp focus on your own development, Signify provides a wide range of tools, products and services to increase your job security. Think, for example, of training and tools to take a closer look at your career. These resources will enable you to shape your own future – and that is a key priority for us.

10.1 Employment opportunities

1 Continuity of employment

Signify considers job retention a high priority. Good employment relations, working conditions and terms of employment are key in making that possible. However, we are not able to offer solid job guarantees.

2 Mass redundancy

While this collective labor agreement remains in effect, Signify will not implement any mass redundancies of employees who were in Signify's employment when the Collective Labor Agreement was agreed or who have entered employment while it is in effect. Such measures will only occur if special circumstances make it necessary. If that is the case, Signify will only make the decision for mass redundancy after in-depth and intense consultations with the labor unions and the Works Council involved. In this consultation, the involved parties will pay particular attention to the circumstances mentioned previously.

3 Alternative employment opportunities

In case of a permanent or temporary reduction or cancellation of work activities, Signify will try to provide alternative employment opportunities. If this requires secondment, reassignment to another job, or transfer to a different department, location or affiliate of Signify, then it is reasonable for you to cooperate. Signify and the labor unions acknowledge that such cooperation is also key in facilitating mass redundancies in special circumstances (see paragraph 2).

4 External job openings

Signify will notify UWV WERKbedrijf of all its job openings that need to be filled with external

candidates. We will also indicate to what extent young employees or employees with occupational limitations are eligible for these job openings and to what extent part-time work is an option.

5 Workers contracted from outside the company

Signify only uses contracted workers if the normal procedure to fill job openings is not possible, or is no longer possible within the preferred period or when dealing with temporary work activities. We remain within the boundaries of prevailing statutory regulations. If we need to use contracted workers in a business unit on a larger scale, we will only make that decision after receiving advice from the relevant Works Council.

6 Redundancies

In spite of pursuing continuity of employment, redundancies may still be unavoidable. If Signify considers it necessary to implement mass redundancies, the provisions in paragraph 2 apply.

10.2 Sustainable employability

1 Joint responsibility

Your performance and that of Signify, now and in the future, are closely linked. 'Development' is an important condition for safeguarding that performance and promoting job security in the short and long term. Signify, you, and all your colleagues share responsibility in terms of time, effort and costs.

2 Responsibilities of Signify

Signify:

- pursues a policy which improves your employability now and in the future;

- is responsible for creating conditions and facilities that enable you to develop personally and professionally and makes a learning platform available for this purpose and encourages you to spend at least 40 hours of learning time per year on this platform;
- provides you with the opportunities to develop your knowledge and skills and continue to adapt to technological and other developments.
This will increase your chances of continuing to occupy a suitable position in the company and to be eligible for job openings as they become available;
- acknowledges the right to training and will lend you assistance in participating in internal and external training activities. Depending on the reason for the training as well as the nature of the training, you will attend the courses either within working hours or outside them;
- will provide at least 4 training days per year. You can carry over unused training days from the previous year, up to a maximum savings balance of 8 days. Unused training days therefore remain valid for a maximum of 24 months;
- continues the “Dare to Start” training experiment during the course of this Collective Labor Agreement to meet the training needs of employees who want to improve their position on the job market. The Veerkracht@werk investment fund will free up financial means to that end;
- provides tools, products and services on the “Create your own future” portal to improve your job security and personal development;
- Organizes a Sustainable Employability Day during the term of this Collective Labor Agreement, in which you can participate during working hours.

We improve your employability, now and in the future.

3 Responsibilities of employees

You:

- are aware of your responsibility for increasing your employability and you are willing to make an effort to make that possible;
- take responsibility for developing in such a way that your employability and your job security will be maintained, now and in the future.

4 Structured feedback

You are entitled to structured feedback with regard to your performance. In order to manage and assess your employability, your manager will have one mid-year interview and one end-year PPM interview with you each year. Your development is part of the mid-year interview. This interview could be about your short-term or long-term career prospects as well as about increasing your job security in the future. During the interview you can make agreements about how long you want to remain in your current position, your need for development, the development of your competencies and your personal aspirations regarding development.

5 Functional mobility

Horizontal mobility within your professional field or vertical mobility towards another professional field (= job mobility) is a prerequisite in keeping your employability up to par. That is why a transparent job market within Signify is vitally important. In principle, we publish all job openings on our vacancy site on the HR Portal. We prefer to fill our job openings with people who are already employed at our company. In this situation, we take your future opportunities and personal circumstances into account as much as possible. In relation to the promotion of horizontal, lateral and vertical career steps, a study agreement was made to start a project called “Career Changes.”

We will look at limiting and promoting factors that negatively or positively influence this choice process.

10.3 Internal and external counseling and (career) coaching

1 Importance

Signify considers counseling and (career) coaching activities very important because of the continuous changes in the organization. We want to pay as much attention as possible to your mobility and employability, among others. Counseling activities may be relevant here.

2 External parties

For the purpose of increasing your mobility and employability, Signify may use external parties to support you in this process. The labor unions may also provide their members with this support – at their own expense.

3 Counseling support

Support for counseling and career coaching may include:

- (re)focusing on your personal options, including by means of career coaching;
- training, retraining and refresher training;
- job application training and support in creating your resume or LinkedIn profile, completing your Talent Card, preparing for job interviews

and networking;

- acquiring insight into job opportunities, both internally and externally (job market orientation);
- targeted search for suitable job openings (job hunting).

4 Supervisory committee

To promote counseling and (career) coaching activities following reorganizations, a central Supervisory Committee has been set up. Separate guidance committees are set up for the Flight Forum, Maarheeze and Winterswijk locations. This central Supervisory Committee consists of at least one HR manager and one member from the company are appointed by the director.

Labor unions shall be given the opportunity to appoint an employee representative. In addition to an employee representative appointed by the Works Council, the latter will join the Committee. If no employee representative is appointed by the labor unions, the Committee on the employees' side shall be composed of at least two representatives appointed by the Works Council.

5 Other positions

If there are no redundancies, both you and Signify – together with the relevant manager and/or HR department – may still take the initiative to explore options for transferring to other positions.

II. Your working conditions

Signify wants to keep its employees as healthy as possible. That is why we take great care to provide optimum working conditions. But no matter how much we want you to be fit and able, you can always still get sick or suffer from physical symptoms. Such issues will affect your work performance or may even cause (temporary) occupational disability. That is why we provide plans to prevent your absence or inability to work and to expedite your recovery or return. They are part of the health support package. Signify also pays specific attention to your well-being, because your well-being matters. We consider it very important that you have a healthy and safe working environment and that you are always able to discuss maintaining a healthy work-life balance with your manager.

1.1 Working conditions

1 Good and safe

Signify provides good and safe working conditions. We also want you to be able to use and develop your talents and abilities to the full in your work. That is why we will always enable you to bear your own responsibilities in your position.

Your well-being
is important

2 Obligations

- a. Signify continually monitors working conditions (physical and otherwise), for instance by means of:
 - Risk Inventories and Evaluations (RI&Es) and executing corresponding plans of approach;
 - adopting targeted measures on behalf of employees;
 - providing information and consulting the Works Councils about health, safety and well-being;
 - informing and instructing you about job hazards, the prevailing safety regulations and the measures that need to be taken during malfunctions and irregularities;
 - providing Personal Protective Equipment to you as needed.

- b. You keep a close eye on your own safety as well as that of your colleagues. For instance, you do so by:
- keeping up to date on regulations, obeying the safety rules and following the instructions that are given;
 - contributing to the maintenance or improvement of safety at each level of consultation;
 - reporting existing hazards to your manager;
 - using your Personal Protective Equipment.

Signify provides efficient equipment and organization of the services that provide assistance to you and your colleagues to prevent your absence or inability to work and to expedite your recovery or return. The Health Guide contains the Absenteeism Protocol and describes

various trajectories and interventions to prevent absenteeism and to promote return to work after an absence. It also addresses explicitly the issue of informal care and the guidance that can be offered to informal caregivers in this context.

3 Social misconduct

Signify's policy on social misconduct in the workplace – discrimination, aggression and violence, bullying and sexual harassment – aims to achieve prevention and a proper complaints handling procedure. That is why we have appointed a confidential counselor in consultation with the Central Works Council, have developed a complaints handling procedure for social misconduct and a Complaints Committee. Signify has also set up an "Ethics hotline," which employees can also contact.



Signify

BHV

HEARTS

PHIPPS

12. Information and consultation

Signify puts considerable effort into providing proper information to employees and ensuring careful consultation with the Works Councils. That is in line with an organization which embraces the core value of 'Stronger together'.

12.1 Works Councils

1 Participation

Each technical or organizational Signify business unit assigned by Signify to have the minimum number of employees eligible to vote as indicated in the Works Council Act will have a Works Council as an internal body for consultation and advice.

2 No disadvantage

Signify will ensure that you do not suffer any disadvantage in your position as a Signify employee because of your Works Council membership or because of the way you do your work as part of that position.

12.2 Notifications for employees

Notifications for employees which Signify has collectively announced in the company or business unit, through the use of e.g. a company magazine or notice boards, are deemed hereby to also be given separately and personally to each individual employee.

13. Company discipline and individual dispute resolution

Signify trusts you will comply with the obligations in your employment contract. If not, we are allowed to impose disciplinary measures on you. Signify and you must behave toward each other as a good employer and good employee. However, a dispute may arise between you and Signify. Specifically for that purpose, we have created rules on the settlement of individual disputes in consultation with the Central Works Council.

13.1 Disciplinary measures

If you fail to comply with the obligations of your employment contract, Signify is allowed to impose the following disciplinary measures on you, depending on the seriousness of the issue:

- a. Reprimand;
- b. Suspension without pay for a maximum of 5 working days;
- c. Demotion;
- d. Termination of employment with due observance of the applicable notice period;
- e. Termination of employment without due observance of the applicable notice period.

The last disciplinary measure is only possible in case of termination of employment due to compelling reasons (see Article 7:678 of the Dutch Civil Code).

13.2 Individual dispute resolution

1 Adoption of dispute resolution

Signify has established an individual dispute resolution procedure in consultation with the Central Works Council based on rules agreed by both parties.

2 Definition of dispute

A dispute is an unresolved difference of opinion between Signify and you about how Signify, or someone on behalf of Signify, takes (or has taken) your interests into account in your work situation. The dispute must be about your terms of employment or your legal status. This procedure is not intended for complaints or disputes which are covered by a specific procedure. This could include the Complaints

Procedure for Undesirable Behavior or the procedure based on the Integrity Code.

3 Court

The introduction of the individual dispute resolution does not remove your options to go to court.

4 Handling disputes

Signify informs the Central Works Council within the framework of Article 31b of the Works Councils Act in writing about the handling of disputes at Signify at least once a year.

14. Arrangements for labor unions

Signify and the labor unions have jointly developed this Collective Labor Agreement. Both parties aim to observe and enforce this collective labor agreement in close consultation. They meet regularly throughout the year to discuss e.g. employment conditions in centralized consultations and local meetings. They also make agreements about labor union activities by the labor unions and individual Signify employees.

14.1 Obligations of the labor unions

The trade unions encourage their members to observe the provisions of this collective labor agreement.

14.2 Reciprocal obligations

1 Observe and enforce

Signify and the labor unions will observe and enforce this Collective Labor Agreement.

2 Terms of employment

During the course of this collective labor agreement, neither party will undertake any action among employees to change the terms of employment in this collective labor agreement.

3 Exceptional circumstances

If one of the two parties deems that a change of the collective labor agreement is necessary while it is in effect, due to exceptional circumstances, said party will notify the other party in writing. Signify and the labor unions will then negotiate about this in cooperation and trust.

14.3 Industrial peace, strikes and exclusion

1 Uninterrupted operations

The labor unions will promote uninterrupted operations at Signify as much as possible and will try to prevent disturbances of industrial peace. They will not organize any strikes during the course of this collective labor agreement.

2 Merger or reorganization

Paragraph 1 is not applicable if Signify decides or considers to:

- enter into a merger;
- close a business unit or drastically reorganize staffing when the labor unions have serious objections to such measures from the perspective of the employees' best interests. The labor unions will only organize a strike after consultation with Signify.

3 Exclusion

It is only possible for Signify to use exclusion, forbidding employees to do their agreed work, as a countermeasure in case of a strike after consultation with the labor unions.

4 Continued operations

In case of a strike or industrial conflict, the trade unions will try to ensure that operations which are necessary for maintaining materials and installations can continue.

14.4 Disputes between Signify and labor unions

1 Handling disputes

Signify and the labor unions will as much as possible handle their mutual disputes in close consultation.

2 Court cases

If Signify and the labor unions are unable to come to an agreement within two months of written notification of the dispute, they have the option of taking the dispute to court.

3 Interim proceedings

Both parties may also always ask the court for a preliminary ruling in interim proceedings.

14.5 Trade union leave

If operations permit and at your labor union's request, Signify will allow you to take paid leave to participate:

- a. in education and training sessions of your labor union;
- b. as a representative at official meetings of the bodies mentioned in the articles of association of your labor union or similar bodies;
- c. in consultations with paid officials of the labor unions under the supervision of Signify. One (executive) labor union member can participate per labor union. Signify will give these paid officials the opportunity to meet with their relevant (executive) members for consultation 1 hour before and after this meeting.

The provisions under a. and b. can be found in the 'Arrangement for trade union leave'.

14.6 Labor union work at Signify

Signify wants to facilitate contact between the labor unions and their members, as well as among the members. We also provide labor unions with the opportunity to support chosen members of the Works Council in their activities. That is why we cooperate with the trade unions in the following ways:

1 Chairperson of the corporate members group

If you are the chairperson of the corporate members group or if you are a board member of the corporate members group appointed by the chairperson, then, in due observance of the prevailing guidelines, you are allowed to:

- a. have contact with members of your labor union outside working hours. If both parties agree there are exceptional circumstances, you are also allowed to do so during working hours;
- b. have contact with paid officials of your labor union during working hours when this is not possible outside working hours in the short term;
- c. have contact with members of the Works Council outside working hours.

2 Labor unions

With due observance of the applicable guidelines, Signify will:

- a. provide the labor unions with the opportunity to make use of the notice boards provided by Signify under their own responsibility. Their notifications may only relate to Signify or the operation of the labor unions. They should not be about individual people;
- b. provide the labor unions with the opportunity to announce labor union meetings on the notice boards in the companies, provided that the notice boards mentioned in a. are not available. If the content of these notifications goes beyond mentioning the time, location and subject of the meetings, the Signify's consent will be required for those notifications;
- c. send the labor unions copies of general company notifications to employees;
- d. send the labor unions documents which Signify

sends to the members before the Works Council meetings. They will also receive the agendas and reports of the Works Council meetings, insofar as the Works Councils agree to that. The labor unions are only allowed to publish excerpts from these internal documents with Signify's consent;

- e. provide the labor unions with the opportunity to hold informal meetings with company officials appointed by Signify.

3 Shift workers

If you are a shift worker and you are a member of the corporate members group of your labor union, you can participate in a labor union meeting with full pay, if Signify considers it possible within the constraints of the work.

4 Executive members

- a. An executive member is a member of the board of the corporate members groups, a member of the board of a section or an employee member of the collective labor agreement negotiation delegation. However, your labor union must register you as an executive member with Signify.
- b. Signify will ensure that, as an executive member, you do not suffer any disadvantage in your position as a Signify employee because of the way you do your work as a labor union representative.
- c. Termination can only take place for reasons unrelated to the fact that you are an executive member.
- d. You can mention your work as an executive member as a competence on your CV and e-portfolio.

5 Keeping membership lists up-to-date

Once a year at the request of the labor unions, Signify cooperates in keeping their membership lists up-to-date.

14.7 Payment to labor unions

Signify pays the labor unions a sum of money according to the “Arrangement for payment to labor unions.”

14.8 Consultations about employment opportunities

1 General state of affairs

Signify informs the labor unions in the central consultation at least twice a year about the general state of affairs in the company. We pay particular attention to developments regarding the economic situation, investments and employment opportunities, such as the position of women, age-aware personnel policy, improving entrepreneurship, the employment plan and training.

2 Social consequences

If Signify considers:

- a. make investments which will lead to significant reduction, expansion or change in the activities of a business unit,
- b. close down a business unit or drastically change staffing,
- c. enter into a merger as referred to in the “Merger Code 2000 of the Social and Economic Council (SER),” then Signify will

include the social consequences in its decision-making process.

3 Notification of the parties involved

Regarding the social consequences mentioned in paragraph 2, Signify will inform the labor unions, the relevant Works Councils and the employees about the intended measures as soon as possible.

4 Discussion of intended measures

Further to paragraph 3, Signify will discuss the intended measures and any consequences for (a number of) employees with the labor unions and the relevant Works Council(s).

5 Financial schemes

The financial schemes in the social plan will be covered by Signify, insofar as there are no statutory regulations stating otherwise.

14.9 Government measures

If the government introduces legal measures which touch upon the agreements between Signify and the labor unions, such as on wages, social insurance laws or working time, then those relevant provisions from this Collective Labor Agreement will end on the date on which those legal measures enter into force. Both parties will then meet in consultation as soon as possible and jointly decide which provisions will apply from then on. If necessary, they will arrange for temporary measures until such time as they agree on the new provisions.

14.10 Local consultations

In addition to the centralized consultations (see Article 14.8, paragraph 1), regular consultations also take place in business units at the initiative of the relevant management or the trade unions. In these consultations, both parties can discuss e.g. the following subjects:

- **General state of affairs:**
Turnover and financial results of the relevant business unit, as well as exceptional projects or activities;
- **Employment opportunities:**
Expected developments in the nature and scope of local employment opportunities, measures in the field of sustainable employability and vitality that have been taken or are expected to be taken;
- **Flexibility:**
Tangible effects of flexibility models, such as types of flexible contracts, temps, flexible work schedules, part-time work or working on Saturdays;
- **Employment plan:**
Local activities in the employment plan, such as attention to special categories on the job market and training activities for participants in this plan;
- **Position of women:**
Attention to women in recruitment and selection, career and education, including topics such as parental leave, childcare and work-life balance;
- **Education and training:**
Training-related endeavors in the relevant business unit, total participation in training, participation based on job level, age and type of training;
- **Career policy:**
Implementation of the career policy within the relevant business unit, depending on the nature of the activities, staff composition, educational level, etc.;
- **Salary and allocation policy:**
Implementation of the assessment policy, salary and allocation policy, statistics of the salary policy (including collective guarantees) at plant and company level.



Tilly van den Eertwegh | Strategy & Marketing Executive Assistant



Thus agreed in Eindhoven on December 12, 2019.

On behalf of Signify Netherlands B.V.(*) and Modular Lighting Nederland BV

General Manager
F. van der Vloed

HR Business Partner
C. Kramers

On behalf of the labor unions

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Labor union Director
R. Peters

VHP2
Representative
J. Sauer

CNV Vakmensen.nl
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Appendices

Appendix A

Payment during occupational disability

1 Payment of salary during the first 104 weeks of occupational disability

- a. By way of derogation from what is stated in Article 7:629 paragraph 1 of the Dutch Civil Code about the level of your remuneration during occupational disability, Signify will pay the following in the event of occupational disability:
 1. in the first 6 months: 100% of your salary;
 2. after the first 6 months: 90% of your salary.
- b. If you are engaged in suitable work activities for at least 75% of your working time after the first 6 months of your occupational disability, Signify will pay 95% of your salary.
- c. During the period that in the second 6 months of your incapacity for work you are entitled to a benefit according to chapter 6 of the Work and Income according to Labor Capacity Act (WIA), the Income Provision Scheme for Fully Occupationally Disabled Persons (IVA), Signify pays out 100% of your wages.
- d. If the company physician determines that you are not occupationally disabled and you request an expert assessment from the Employee Insurance Agency (UWV), then both you and Signify will abide by the assessment of the UWV.
- e. In the context of this article, Signify will add up all periods of occupational disability if they are consecutive with a hiatus of less than 4 weeks.

- f. If UWV requires Signify to also continue to pay your salary after the first 104 weeks, Signify will pay 90% of your salary or 95% if you work at least 75% of your working hours in suitable employment.
- g. You are obligated to cooperate with a medical examination by a medical adviser assigned by Signify and to follow their directions. You are also obligated to comply with the prevailing code of conduct during your occupational disability.
- h. If you do not cooperate with a medical examination, if you do not comply with the prevailing code of conduct and/or you do not follow the directions of the medical adviser, then you are no longer entitled to supplementation of the statutory right to payment of salary during occupational disability.

2 Payment after 104 weeks of occupational disability

- a. If you are fully incapacitated for work within the meaning of the WIA (Work and Income according to Labor Capacity Act), Signify will supplement your statutory benefit up to 90% of your salary for a maximum of 1 year. This will only happen if and insofar as you authorize Signify to receive the benefits in accordance with the occupational disability legislation.

The income you earn with suitable work, together with WGA (Return to Work (Partially Disabled) Regulations) benefits and the supplementation Signify pays, amounts to:

- $80\% \times (A - B) + B$, while receiving the salary-related benefits and the wage supplement, and if you make use of at least your remaining earning capacity;
- $80\% \times (A - C) + B$, while receiving the wage supplement, and if you make use of at least 50% of your remaining earning capacity.

In this, A represents your income, B represents the income you earn by doing suitable work, and C represents the remaining earning capacity which UWV determines.

That supplementation will be as follows in your year of illness:

- 3 $80\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 4 $70\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 5 $60\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 6 $50\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 7 $40\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 8 $30\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 9 $20\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 10 $10\% \times (90\% \text{ of your income} - \text{the remaining earning capacity});$
- 11 $0\% \times (90\% \text{ of your income} - \text{the remaining earning capacity}).$

If your employment is terminated at the start of that year or during that year, Signify will pay you the supplementation to the statutory benefits of the remaining period of that year in a lump sum upon termination.

- b. If you are entitled to a salary-related benefit or a salary supplement on the basis of chapter 7 of the WIA (= WGA scheme, Return to Work (Partially Disabled) Regulations) and you work in suitable employment, you will receive a supplement to this WGA benefit if and for as long as you grant Signify the

power of attorney to receive the benefits for settlement. This applies to the wage supplement benefit only if you earn an income with work that is equal to or higher than your determined earning capacity by the UWV.

- c. If you are not entitled to a benefit on the grounds of the WIA (Work and Income according to Labor Capacity Act) because you are less than 35% incapacitated for work and you work in suitable employment, Signify will give you a supplement to your lower income.

Appendix B

Explanatory notes for calculation of monthly salary for shift work and shift work allowance (corresponding to Article 7.5)

- Signify establishes the monthly salary of a shift worker by multiplying the monthly salary by the basic percentage according to Article 5.1.
- We calculate the basic percentage as follows:

the number of hours that you actually worked in a cycle

_____ x 40*

- Signify will identify the shift work allowance by dividing the inconvenience of the working time and break time in a cycle, as determined by the inconvenience schedule from Article 7.5 paragraph 3, by the number of hours that you actually worked in a cycle. Then we multiply the result by the basic percentage.

* The calculations for non-stop work schedules (4/5 and 5-shift work) and derived schedules will take place based on 38 hours per week.

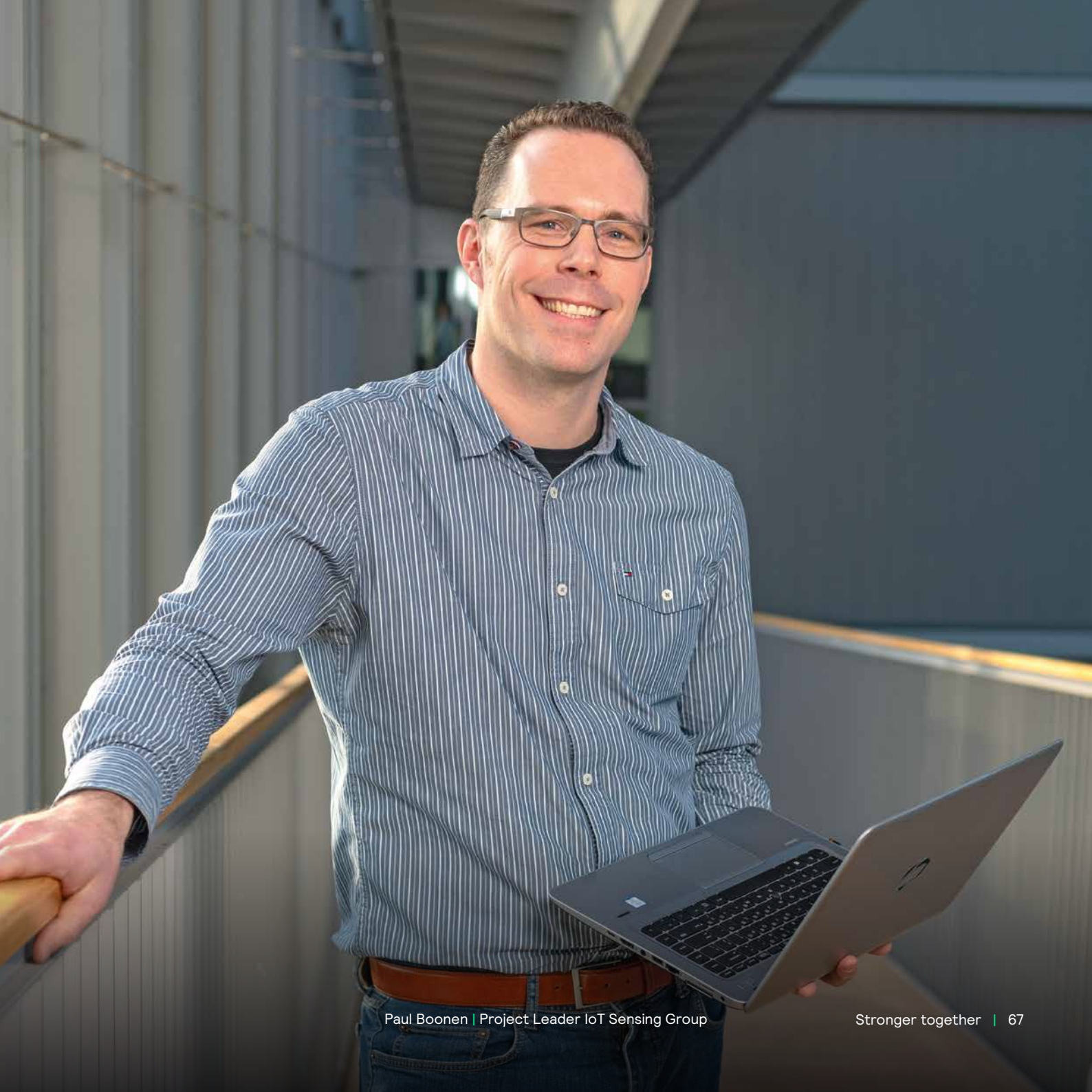
- The formula for the calculation of the shift work allowance will be:

total allowance in a cycle

_____ x basic percentage
the number of hours that you actually worked in a cycle**

- A sample calculation of the monthly salary for shift work and the shift work allowance can be found in the brochure entitled “Remuneration schemes for shift workers.” (corresponding to Article 7.5)

** In calculating the monthly salary of a 4-shift worker, Signify will assume 150 workable hours in a cycle; in calculating the shift allowance, we assume 157.5 hours in a cycle.



Appendix C

Income reduction scheme for employees working in shifts

1 Scope and duration

- If you leave shift work and switch to another work schedule with a reduced monthly income, you are eligible for the gradual income reduction scheme.
- The amount to be reduced is equal to the difference between your old monthly income including shift work allowance and your new monthly income including any allowances (such as shift work allowance).
- Signify will derive the duration of your gradual income reduction scheme from the number of full and uninterrupted years of shift work. Each full year of shift work entitles you to 1 month of gradual reduction. If you are aged 45 or older, then each full year of shift work entitles you to 2 months of gradual reduction.
- In the first half of the gradual reduction scheme, you will receive 75% of the amount to be reduced; in the second half, you will receive 25%. If you leave shift work voluntarily and you are younger than 55 years old, you will receive half of these percentages: 37.5% in

the first half and 12.5% in the second half.

- If you are aged 55 or older and you have done at least 10, but fewer than 20 full and uninterrupted years of shift work, you will receive at least 25% of the amount to be reduced, with due observance of the gradual income reduction scheme, up until the date of your retirement. If you have at least 20, but fewer than 30 full and uninterrupted years of shift work, you will receive at least 50%. If you have at least 30 full and uninterrupted years of shift work, you will receive 75%.

2 Medical grounds

- If you leave the shift work on medical grounds and the UWV (Employee Insurance Agency) grants you benefits under the WIA (Work and Income according to Labor Capacity Act), you are eligible for the scheme in Appendix A. You are also eligible for the income reduction scheme, provided this does not lead to a reduction in your incapacity for work percentage.

- If you leave shift work for medical reasons and you have been transferred to the day shift without limitations, then, upon the cancellation of your WIA benefits, you are eligible for the gradual income reduction scheme if and insofar as it has not already been granted for another reason. The gradual reduction will still take place up to the monthly income based on the provisions in Appendix A.

3 Eligible for monthly income based on full-time day shift work schedule

- If you leave shift work involuntarily and you had a monthly income at least equivalent to that of a similar full-time day shift worker, you are eligible to a work schedule structured in such a way that your monthly income will be equivalent to that of a similar employee working in a full-time day shift work schedule.
- If you are a shift worker aged 55 or older and you leave shift work voluntarily, this provision also applies.

4 Discontinuation of gradual income reduction scheme

- The payment according to the gradual income reduction scheme will be discontinued if you transfer to a work schedule (or shift work schedule) which entitles you to a monthly income including an allowance (and/or shift work allowance) that is at least equal to your previous monthly income including allowance (and/or shift work allowance).
- The gradual income reduction scheme will be discontinued once your employment ends. If you start working for Signify again,

the previous shift work years will not count towards the gradual income reduction scheme.

5 Signify will also apply the collective salary increases to the gradual income reduction amount.

6 Accrued rights for shift work allowance guarantee scheme

If you have accrued rights based on the shift work allowance guarantee scheme which was applicable up until January 1, 1989, the following scheme applies to you:

- a. Signify will guarantee all payments based on the current shift work allowance guarantee scheme at the level which you have reached on the day prior to the implementation of the new shift work structure;
- b. In the implementation of the new gradual income reduction scheme, all shift work years that you worked prior to the implementation of the new shift work structure will count, insofar as the shift work allowance guarantee scheme prevailing at that time has not already been applied.

7 Gradual reduction of shift work allowance

If you were covered by the shift work allowance guarantee scheme from before January 1, 1989 and you start working shifts again, and you then leave shift work again, Signify will gradually reduce your shift work allowance to the guaranteed level you had reached on the basis of the guarantee scheme that applied before January 1, 1989.

Appendix D

Corporate Social Responsibility

1 Resilience@work

On December 22, 2014 Signify and the labor unions reached an agreement about the “2014–2018 Central Social Plan.” In this plan, both parties reached agreements about an innovative approach to the improvement of your job market position. For the duration of this plan, an investment fund has been established. When this Collective Labor Agreement was drawn up, the parties agreed to once again release financial resources for the period 2019–2021, totaling € 1.3 million, and to continue the “Resilience@work” program. With the Resilience@work program, we aim to increase your job security, both within the company and beyond, by ensuring that you:

- obtain and retain insight into your job market position;
- know which products and services you can use;
- have taken tangible steps to remain up to the changing requirements demanded by your position and your surroundings, as well as reinforcing your job market position within the company and beyond.

From the perspective of joint responsibility, as well as in view of the developments and experience at Signify as well as on the external

labor market, Signify and the labor unions believe that additional investment is needed to improve your job security as well as to achieve the desired working environment. Changes take place rapidly and require a flexible, resilient and proactive way of thinking. In each calendar year, we choose a number of key issues that contribute to the objective of the fund. This is done by means of projects, research and the provision of adequate facilities.

2 Employment plan

Signify will continue the employment plan during the term of this Collective Labor Agreement. We aim to have a maximum of 1% of staffing at the level of work experience positions. That requires good support to increase the market value of the participants. Next to learning on the job through the work experience position, they get the opportunity to participate in trainings, which support the personal learning needs as elaborated in the personal development plan.

In addition, a career coach will assist them in finding a regular job. They can also participate in various workshops which will increase their chances of finding work.

We take an active approach to counseling the participants in their search for work. In the implementation of the employment plan, Signify will be aligned as closely as possible with the groups in society that are part of “hard-core” unemployment. We emphatically take into account the target group criteria according to the Participation Act, which needs to ensure that more people with an illness or handicap will be able to find a job. In the employment plan, we pay particular attention to:

- tackling youth unemployment;
- attaining professional qualifications at vocational levels 3 and 4 through the use of work-study programs (BBL);
- creating work experience positions through job creation, in which particular attention is paid to people with physical or other limitations.

As part of the employment plan, Signify provides a contribution to the objective similar to projects of other companies. We do that by providing knowledge, experience, resources and support in implementation. The trade unions can nominate projects for this. Signify will inform the labor unions twice a year about the progress of the employment plan. Both parties also discuss activities which will, in part in view of relevant social developments, strengthen the position of groups of employees who are in need of that.

3 Corporate Social Responsibility

In principle, Signify has a positive attitude with regard to employees participating in activities in society for people from a disadvantaged background. We would also like to help think about that in a constructive way.

Appendix E

Agreements between parties to the Collective Labor Agreement

1 Grading project

The parties will work on a new grading structure during the course of the project, with the intention of reaching agreements to revise the current professional groups structure.

2 Simplification of remuneration structure

The parties will examine, also in connection with the grading project, how the current remuneration structure can be simplified.

Appendix F

Pay scales

Monthly pay scale up to and including professional group 45 as per January 1, 2020
(including the collective scale adjustment of 2,5% as per January 1, 2020)

Scale position	10	15	20	25	27	30	35	37	40	45
115	2,490	2,524	2,623	2,765	2,920	3,081	3,425	3,666	4,007	4,531
110	2,382	2,415	2,509	2,644	2,793	2,947	3,276	3,507	3,832	4,334
105	2,273	2,305	2,395	2,524	2,666	2,813	3,127	3,347	3,658	4,137
Reference 100	2,165	2,195	2,281	2,404	2,539	2,679	2,978	3,188	3,484	3,940
95	2,057	2,085	2,167	2,284	2,412	2,545	2,829	3,029	3,310	3,743
90	1,949	1,976	2,053	2,164	2,285	2,411	2,680	2,869	3,136	3,546
85	1,840	1,866	1,939	2,043	2,158	2,277	2,531	2,710	2,961	3,349
80	1,732	1,756	1,825	1,923	2,031	2,143	2,382	2,550	2,787	3,152
75	1,624	1,646	1,711	1,803	1,904	2,009	2,234	2,391	2,613	2,955
70	1,516	1,537	1,597	1,683	1,777	1,875	2,085	2,232	2,439	2,758
65	1,407	1,427	1,483	1,563	1,650	1,741	1,936	2,072	2,265	2,561
60	1,299	1,317	1,369	1,442	1,523	1,607	1,787	1,913	2,090	2,364

Monthly pay scale up to and including professional group 45 as of February 1, 2020

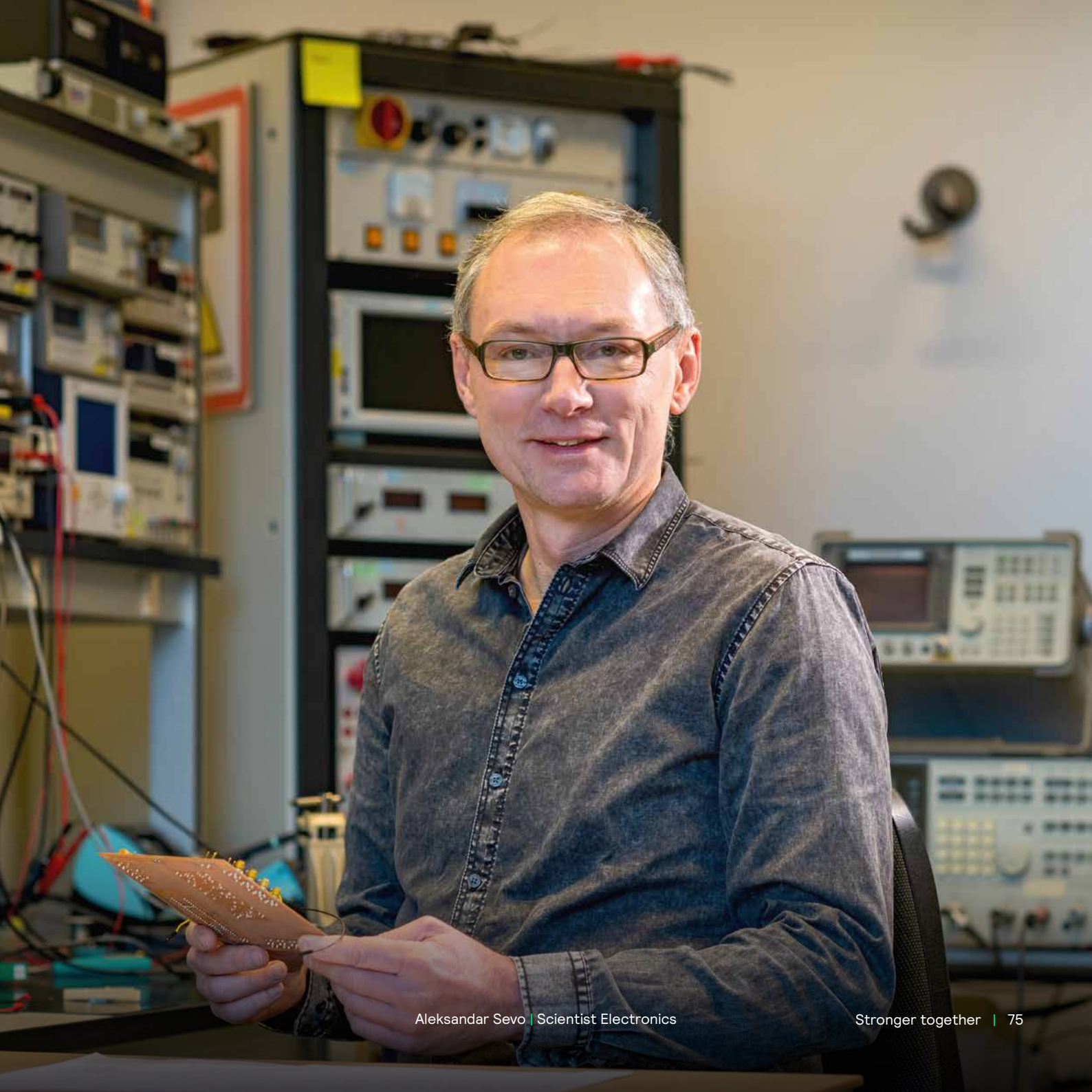
(including the integration of the personal budget into the basic salary and compensation for the personal pension contribution as per February 1, 2020)

Scale position	10	15	20	25	27	30	35	37	40	45
115	2,917	2,957	3,075	3,243	3,426	3,618	4,026	4,313	4,717	5,339
110	2,790	2,829	2,941	3,102	3,277	3,461	3,851	4,125	4,512	5,107
105	2,663	2,700	2,808	2,961	3,128	3,303	3,676	3,938	4,307	4,875
Reference 100	2,536	2,572	2,674	2,820	2,979	3,146	3,501	3,750	4,101	4,642
95	2,409	2,443	2,540	2,679	2,831	2,989	3,326	3,563	3,896	4,410
90	2,282	2,315	2,407	2,538	2,682	2,831	3,151	3,375	3,691	4,178
85	2,156	2,186	2,273	2,397	2,533	2,674	2,976	3,188	3,486	3,946
80	2,029	2,057	2,139	2,256	2,384	2,517	2,801	3,000	3,281	3,714
75	1,902	1,929	2,005	2,115	2,235	2,359	2,626	2,813	3,076	3,482
70	1,775	1,800	1,872	1,974	2,086	2,202	2,451	2,625	2,871	3,250
65	1,648	1,672	1,738	1,833	1,937	2,045	2,276	2,438	2,666	3,018
60	1,522	1,543	1,604	1,692	1,788	1,888	2,100	2,250	2,461	2,785

Monthly pay scale up to and including professional group 45 as per April 1, 2020

(including the collective scale adjustment of 1% as per April 1, 2020)

Scale position	10	15	20	25	27	30	35	37	40	45
115	2,946	2,987	3,106	3,275	3,461	3,654	4,066	4,356	4,764	5,392
110	2,818	2,857	2,971	3,133	3,310	3,495	3,889	4,166	4,557	5,158
105	2,690	2,727	2,836	2,990	3,160	3,336	3,713	3,977	4,350	4,923
Reference 100	2,561	2,597	2,701	2,848	3,009	3,177	3,536	3,788	4,142	4,689
95	2,433	2,468	2,566	2,706	2,859	3,019	3,359	3,598	3,935	4,454
90	2,305	2,338	2,431	2,563	2,708	2,860	3,182	3,409	3,728	4,220
85	2,177	2,208	2,296	2,421	2,558	2,701	3,005	3,219	3,521	3,985
80	2,049	2,078	2,161	2,278	2,407	2,542	2,829	3,030	3,314	3,751
75	1,921	1,948	2,025	2,136	2,257	2,383	2,652	2,841	3,107	3,517
70	1,793	1,818	1,890	1,994	2,106	2,224	2,475	2,651	2,900	3,282
65	1,665	1,688	1,755	1,851	1,956	2,065	2,298	2,462	2,693	3,048
60	1,537	1,558	1,620	1,709	1,806	1,906	2,122	2,273	2,485	2,813



**Monthly pay scale for professional group
50 and above as per January 1, 2020**
(including the collective scale adjustment
of 2.5% as per January 1, 2020)

Scale position	50	60	70	80	90
130	5,637	7,076	9,021	10,728	12,878
125	5,420	6,804	8,674	10,315	12,383
120	5,203	6,532	8,327	9,902	11,887
115	4,986	6,259	7,980	9,490	11,392
110	4,770	5,987	7,633	9,077	10,897
105	4,553	5,715	7,286	8,665	10,401
100	4,336	5,443	6,939	8,252	9,906
95	4,119	5,171	6,592	7,839	9,411
90	3,902	4,899	6,245	7,427	8,915
85	3,686	4,627	5,898	7,014	8,420
80	3,469	4,354	5,551	6,602	7,925
75	3,252	4,082	5,204	6,189	7,430
70	3,035	3,810	4,857	5,776	6,934
65	2,818	3,538	4,510	5,364	6,439
60	2,602	3,266	4,163	4,951	5,944

**Monthly pay scale for professional group
50 and above as per February 1, 2020** (including
the integration of the personal budget into the
basic salary and compensation for the personal
pension contribution as per February 1, 2020)

Scale position	50	60	70	80	90
130	6,646	8,354	10,662	12,661	15,141
125	6,390	8,032	10,252	12,174	14,559
120	6,135	7,711	9,842	11,687	13,976
115	5,879	7,390	9,432	11,200	13,394
110	5,623	7,069	9,022	10,713	12,812
105	5,368	6,747	8,612	10,226	12,229
100	5,112	6,426	8,201	9,739	11,647
95	4,857	6,105	7,791	9,252	11,065
90	4,601	5,783	7,381	8,765	10,482
85	4,345	5,462	6,971	8,278	9,900
80	4,090	5,141	6,561	7,791	9,318
75	3,834	4,819	6,151	7,304	8,735
70	3,578	4,498	5,741	6,817	8,153
65	3,323	4,177	5,331	6,330	7,571
60	3,067	3,856	4,921	5,843	6,988

**Monthly pay scale for professional group
50 and above as per April 1, 2020**
(including the collective scale adjustment
of 1% as per April 1, 2020)

Schaal- positie	50	60	70	80	90
130	6,713	8,438	10,769	12,788	15,293
125	6,455	8,114	10,355	12,296	14,705
120	6,197	7,789	9,941	11,804	14,117
115	5,939	7,465	9,527	11,313	13,529
110	5,680	7,140	9,112	10,821	12,940
105	5,422	6,816	8,698	10,329	12,352
100	5,164	6,491	8,284	9,837	11,764
95	4,906	6,166	7,870	9,345	11,176
90	4,648	5,842	7,456	8,853	10,588
85	4,389	5,517	7,041	8,361	9,999
80	4,131	5,193	6,627	7,870	9,411
75	3,873	4,868	6,213	7,378	8,823
70	3,615	4,544	5,799	6,886	8,235
65	3,357	4,219	5,385	6,394	7,647
60	3,098	3,895	4,970	5,902	7,058



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April 2020