

DSM NL SERVICES B.V.

# Regulation Book



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The schemes may be amended in consultation with the Works Council, on the understanding that the trade union organizations will be consulted if the amendment has a financial impact on the schemes worked out in the collective labor agreement.

# General

This Regulation book applies to employees subject to the Collective Labor Agreement (CLA). The definitions in the CLA apply.

DSM is entitled to amend any schemes or arrangements in this Regulation book. This will take place in consultation with the Works Council. If the amendment has a financial impact on the scheme, DSM will consult with the labor unions. DSM is entitled to amend or abolish a scheme unilaterally as a result of changes to fiscal regulations.

Where the text contains he, him or his, she and her are also intended.



# 1. Offsetting commuting expenses against tax

## Applicability and definitions

An employee is entitled to waive part of his annual salary in a tax-friendly manner, in return for a reimbursement of commuting expenses provided net. The scope, for tax purposes, is the difference between the payment of commuting expenses and the amount of commuting expenses that, from a fiscal perspective, can be paid out untaxed.

The tax scope that can be utilized is determined with reference to:

- the distance traveled
- the number of traveling days
- the reimbursement amount than can be paid out untaxed
- the reduction in traveling days required by law in connection with leave and/or incapacity for work and
- the amounts already received in reimbursement of expenses for commuting.

## Participation

An employee is entitled to participate in this scheme using any means of private transport for the purpose of commuting.

## Choice

The employee must opt to receive the net reimbursement of commuting expenses in euHReka no later than November 30 of the calendar year.

## Reimbursement and amendment of terms and conditions of employment

If the employee applied for participation to this scheme, DSM will pay an untaxed reimbursement for commuting expenses in December. The employee will waive a proportionate part of his salary. The amount of the reimbursement will depend on the unused tax scope in connection with commuting expenses and the amount contributed by the employee via his gross salary.

With the December payroll, if the employee is waiving part of his annual salary, DSM will take account of the unutilized tax scope accrued in the period from January to the end of December of that year.

## Employee's declaration

The employee declares that he is aware of and agrees with the terms and conditions of this scheme, by confirming this in euHReka.

The employee forgoes part of his annual salary and any fixed allowances through the deduction in the month in which the reimbursement is paid. The forgoing of salary may affect the amount of any social insurance benefits for unemployment, invalidity or incapacity for work (WW/WAO/WIA) and/or for the continued payment of salary in the event of sickness, etc.

If the tax authorities establish that the employee does not fulfill the conditions, he may receive an additional tax assessment for income tax, social insurance premiums and may also be required to pay interest and/or a penalty. DSM will recover the costs of these from the employee.

## Conditions deriving from legislation and regulations

The conditions are:

- the reduction of the annual salary must take place on a temporary basis
- each year, the employee must choose to receive the reimbursements that form part of the optional model (cafeteria system)
- the total amount of all reimbursements giving rise to a reduction in salary may not exceed 30% of the employee's customary annual salary (in other words, 70% of his annual salary must remain)
- the reimbursement may only apply for the current calendar year
- this reimbursement will be applicable to 214 working days, based on 5 days of traveling per week: the number of standard working days per year, minus the average number of days' leave
- the total traveling distance (outward and return) must not exceed 150 kilometers.

## Calculation formula on an annual basis

The calculation formula on an annual basis when traveling 5 days is:  $214 \text{ (days)} \times \text{the number of km (outward and return)} \times € 0.19 = \text{the amount of the fixed reimbursement.}$

If the employee travels less than 5 days a week, the fixed remuneration determined using the formula above will be adjusted by a factor of 1/5 to 4/5.

The number of kilometers per year will change if there are any changes to the number of traveling days per week, or if the number of kilometers traveled between home and work changes.

If the employee does not travel for a whole year, as could be the case if he enters into service during the course of the year, the amount of the reimbursement will be reduced proportionally.



## 2. Bicycle scheme offering a tax incentive

This scheme is subdivided into:

- 2.1 Bicycle scheme offering a tax incentive
- 2.2 Bicycle 'for free' scheme

### 2.1 Bicycle scheme offering a tax incentive

#### General

DSM wishes to make purchasing a bicycle for commuting a more attractive proposition, by offering this scheme that enables employees to buy a bicycle with a tax incentive. Employees are able to buy a bicycle and to offset up to € 749 in a tax-friendly way via their salary slip. As of 1 July 2019, this bicycle scheme has been extended with the possibility to offset up to € 1.500 for an electric bicycle.

#### Conditions

Employees who hold a permanent employment contract or limited-term employment contract, the term of which, on the date the bicycle is purchased, has at least 3 years left to run, are entitled to take part in the bicycle plan.

The other conditions are:

- the employee must have completed his probationary period
- the employee must not make use of this bicycle scheme more than once every 3 calendar years
- the employee must be able to demonstrate that he will make use of the bicycle to travel between home and work for over half of his number of working days. This may be combined with carpooling or traveling via public transport.

#### Rules

The employee pays the bicycle. DSM will then offset the cost to the employee's favor, up to a maximum of € 749 for a standard bicycle and € 1.500 for an electric bicycle. When completing the participation form, the employee must select the way in which DSM will offset that amount.

Employees can buy a bicycle at any bicycle shop. The bicycle will be the property of the employee as soon as it is delivered. The employee will complete the participation form and will submit it, along with the purchase invoice, to NGA.

Once the declaration and the invoice have been checked, DSM will offset the costs in the manner selected by the employee on the participation form.

The employee can offset the cost of insurance against his salary in a tax-friendly way. To do this, he must submit the invoice to NGA. In addition, the employee may purchase a maximum of 3 sets of €80 bicycle vouchers. The employee can have the bicycle vouchers offset in a tax-friendly way up to a maximum value of € 240. The employee can make use of the bicycle vouchers for future maintenance and/or repairs to the bicycle or to purchase cycling accessories.

### 2.2 Bicycle 'for free' scheme

#### General

By means of the Bicycle 'for free' scheme, DSM wishes to make traveling by bicycle a more attractive proposition for commuting. Employees are able to buy a bicycle and receive a contribution of no more than € 749 from DSM towards the cost.

#### Conditions

Employees who hold a permanent employment contract or limited-term employment contract, the term of which, on the date the bicycle is purchased, has at least 3 years left to run, are entitled to take part.

The other conditions are:

- the employee must have completed his probationary period
- the employee must live less than 10 km from work (the shortest distance, determined by means of the ANWB route planner)
- the employee must not make use of the bicycle plan more than once every 3 calendar years
- the employee must be able to demonstrate that he will make use of the bicycle to travel between home and work for over half of his number of working days. This may be combined with carpooling or traveling via public transport
- the employee must not have a lease car
- the employee must forgo his commuting allowance for at least 3 calendar years.

#### Rules

The employee pays the bicycle. DSM will then offset the cost to the employee's favor, up to a maximum amount of € 749. Employees who wish to buy a bicycle costing more than € 749 must cover the additional cost themselves. When completing the participation form, the employee must select the way in which DSM will offset that amount.



Employees can buy a bicycle at any bicycle shop. The bicycle will be the property of the employee as soon as it is delivered. The employee will complete the participation form and will submit it, along with the purchase invoice, to NGA. Once the declaration and the invoice have been checked, DSM will offset the costs in the manner selected by the employee on the participation form.

The employee can offset the cost of insurance against his salary in a tax-friendly way. To do this, he must submit the invoice to NGA. In addition, the employee may purchase a maximum of 3 sets of €80 bicycle vouchers. The employee can have the bicycle vouchers offset in a tax-friendly way up to a maximum value of € 240. The employee can make use of the bicycle vouchers for future maintenance and/or repairs to the bicycle or to purchase cycling accessories.

### **Repayment requirement**

Upon termination of the employee's employment contract less than 3 years after purchasing a bicycle, the employee will repay an amount on a pro rata basis. This amount will be offset against his (final) net salary payment.



## 3. Staff Option plan – DSM Nederland

### 3.1 Definitions

For the purpose of this scheme, the terms below will be understood to have the following meanings:

<b>Stock</b>	A common bearer stock, with a nominal value of €1.50 per stock, in the capital of Royal DSM N.V., listed on Euronext Amsterdam
<b>Bank</b>	ING Bank N.V.
<b>CLA</b>	The DSM NL Services B.V. Collective labor agreement applicable to the Participant
<b>Date of award</b>	The day, in the sense of Article 3.4 of these Regulations
<b>Participant</b>	An employee who satisfies the stipulations of Article 3.5 of these Regulations
<b>DSM Nederland B.V.</b>	DSM Nederland B.V., country organization within Royal DSM N.V., headquartered in Heerlen
<b>EBITDA realization</b>	The realization as referred to in the
<b>Euronext Amsterdam</b>	The trading platform of Euronext Amsterdam N.V.
<b>Dependant(s)</b>	The spouse or partner of a deceased employee (if the partnership is registered at the civil registry or by means of a cohabitation agreement drawn up by a civil-law notary), or, in the absence of a spouse or partner, the employee's legitimate or acknowledged natural child or children
<b>Option period</b>	The period from the date on which the option is awarded up to and including the final date on which it can be exercised
<b>Option right</b>	The right to acquire one Royal DSM N.V. stock within the Option Period at a pre-determined Strike Price per option
<b>Staff Option Plan</b>	The DSM Nederland B.V. Staff Option Plan
<b>Regulations</b>	The Regulations of the DSM Nederland B.V. Staff Option Plan
<b>Strike price</b>	The price at which the Participant may exercise his Option Right
<b>Employee</b>	Any person who has an employment contract with DSM NL Services B.V.

### 3.2 Objective

By making available the Staff Option Plan, DSM Nederland B.V. aims to strengthen the involvement of employees in the profits of Royal DSM N.V.

### 3.3 Eligible participants

To participate in the Staff Option Plan, only employees shall be considered who, on the date of award:

- have been employed at DSM NL Services B.V. or its legal predecessors for at least 12 consecutive months and
- are covered by the Collective labor agreement, provided that the right to staff options is enshrined therein, or
- to whom the provisions of the Collective labor agreement concerned are declared applicable.

### 3.4 Option Right/Strike Price

- The number of options awarded to eligible employees in any given year will depend on the operating result of Royal DSM N.V. (EBITDA) according to the table below:

EBITDA Realization	Award options
≤ 92%	0
93%	30
94%	40
95%	50
96%	60
97%	70
98%	80
99%	90
100%	100
101%	125
102%	150
103%	175
≥ 104%	200



For part-time employees, the number of options awarded will be derived from the right of participants with a full-time contract and will be in proportion to the agreed number of hours in relation to the normal number of working hours on December 31 of the year preceding the year of the grant. The outcome will, in all cases, be statistically rounded off to a multiple of 5.

- Each year, the options are granted on the first "ex-dividend" day of stocks in Royal DSM N.V. after the Annual Shareholders' Meeting, at which the Financial Statements of Royal DSM N.V. are approved.
- The strike price per stock will be the same as the opening price of the stock on Euronext Amsterdam on the date of award.
- The option right is awarded for a period of five years, commencing from the date of award. In the event that the option right has not been exercised in that period, it will cease to apply without any entitlement to compensation.
- The options awarded are unconditional and irrevocable.

### 3.5 Participation

Eligible participants are automatically enrolled on the Staff Option Plan. Eligible employees may waive participation in the Staff Option Plan by not exercising the option right during the 5-year period. Once that period has elapsed, any option right that has not been exercised will lapse automatically.

### 3.6 Tax position

The tax consequences of awarding and exercising option rights will be paid by the participant. This also applies in the case of participants eligible to pay tax abroad.

### 3.7 Exercising

- a. The option right awarded to the employee may be exercised for the first time on the first working day following the date of award.
- b. The option right referred to under Article 3.4 may only be exercised in its entirety (i.e. for the entire annual series).
- c. The exercising of the option right and the processing thereof by the bank will take place in accordance with the arrangements agreed between DSM Nederland B.V. and the Bank, taking into account the stipulations of Article 3.9 of these Regulations.
- d. The exercising of the option rights may only occur by exercising the option right and by immediately selling the stocks obtained on Euronext Amsterdam.
- e. The Bank will transfer any profit made by selling the stocks (minus the costs referred to under Article 3.8) to DSM NL Services B.V. No later than in the month following the calendar month in which the options were sold, DSM NL Services B.V. will ensure that the options sold are paid out, minus the statutory deductions (tax and social insurance premiums) to the participant.
- f. The Bank will provide the participant with confirmation that the options have been exercised. The payment will be made in accordance with Euronext Amsterdam's regulations.

### 3.8 Purchase and selling costs

- a. The participant will be charged commission or transaction costs when exercising the option right and selling the stocks acquired as a result of the option right. The costs of exercising the option right and of selling the stocks will be deducted from the proceeds.
- b. When exercising the option right, the transaction will be value-dated in accordance with the current stock exchange regulations of Euronext Amsterdam.

### 3.9 Preventing insider trading

- a. The Financial Supervision Act (WFT), the associated regulations and the DSM Regulations governing Insider Trading all apply in full.
- b. Participants are prohibited from exercising the option right if they possess inside information. As an exception to this, the option right may nevertheless be exercised on the date on which this right expires or within a period of five working days beforehand. In this situation, the stocks obtained will be sold immediately: this is permitted, on condition that the participant has notified the Central Officer (in the sense of the DSM Regulations governing Insider Trading) in writing, at least two months before the expiry date of the option right, of his wish to sell the stocks. The participant will then be obliged to sell.

### 3.10 Termination of employment

- a. Upon termination of the employment in connection with retirement or in the event of the death of the participant, the participant, or his surviving dependents, will retain the right to exercise the option right up to the end of the term of the options. DSM NL Services B.V. will ensure that the options sold are paid out, minus the statutory deductions (tax and social insurance premiums), no later than the month following the calendar month in which the options were sold.
- b. Upon termination of the employment relationship for any other reason, the employee will have the opportunity to exercise the options up to the date on which the termination of his employment takes effect. After that date, the option right will lapse, without any right to compensation.

### 3.11 Amendment of capital amount

- a. In the event of a stock split under which, in a relative sense, there is no change to the rights associated with the stocks and therefore no change to the resulting nominal value of a stock, the Board of Directors of Royal DSM N.V. will adjust the option right and, if and in so far as is necessary, will adjust all amounts that apply under these Regulations on a pro rata basis. DSM Nederland B.V. will notify the participants of these amendments as soon as possible.
- b. In the event that at any time, the stock capital of Royal DSM N.V. becomes diluted, for example, as a result of a decision to issue stocks at a price that is lower than the current valid price on Euronext Amsterdam, with a preferential right for the holders of any stocks outstanding at that point, the Board of Directors of Royal DSM N.V. may decide to adjust the exercise price. The adjustment





of the exercise price will be calculated in accordance with the situation on the day preceding the day on which the aforementioned decision is announced. DSM Nederland B.V. will notify participants of the adjustment to the exercise price and of the underlying calculation as soon as possible.

- c. In the event of a legal merger or a demerger, the Board of Directors of Royal DSM N.V. may furthermore decide that participants will obtain such an option right to stocks in the [acquiring] company (or companies) involved in the legal merger or demerger that is equivalent to the option right awarded. The stocks to which this option right or these option rights relate(s) and the exercise price or prices will be established by the Board of Management of Royal DSM N.V. DSM Nederland B.V. will notify the participants of these amendments as soon as possible.

### **3.12 Other conditions**

- a. The option right is strictly personal and is not eligible for any transfer of ownership or any other means of change of ownership. It may only be exercised by the participant or by his beneficiary in the event of his death. The participant is not allowed to establish any right (or cause any right to be established) on the option right. Any infringement of this stipulation will cause the option right to lapse with immediate effect.
- b. The Board of Directors of DSM Nederland B.V. will be entitled to amend these Regulations.
- c. In all cases not provided for by these Regulations, the Board of Directors of DSM Nederland B.V. will reach a decision, taking into account the relevant legislation.

### **3.13 Entry into force**

These Regulations entered into force on 1 April 2014 and will remain in force until such time as they are replaced or amended.

### **3.14 Final provisions**

- a. An employee will never, as such, be entitled to derive any right to obtain an option right from these Regulations.
- b. The stipulations of the Regulations and the stipulations governing the option rights awarded by virtue of the Regulations cannot be interpreted as an obligation on the part of the employer(s) concerned to keep an employee in service for the duration of a particular period of time.
- c. The Regulations and the implementation thereof will be governed by the laws of the Netherlands.

In the event that the district court is competent to hear disputes arising in connection with these Regulations or with agreements concluded, by virtue of or resulting from these Regulations, the relevant statutory stipulations regarding competence will apply.

In the event that the court is competent to hear the disputes referred to in the previous sentence, the parties will agree in advance that they will be submitted to the Court of Limburg in Maastricht.



## 4. Labor union facilities

### Union leave

An employee who is a member of a labor union that is a contractual party to the CLA will be entitled to a number of days of paid leave:

- a. to attend statutory, prescribed meetings of bodies included in the constitution of the labor unions themselves
- b. to attend meetings of other administrative bodies, for discussions regarding the work of the labor union and for training purposes.

The number of days per contract year:

- for meetings referred to under a: the number of days necessary
- for the meetings/courses referred to under b: 1 day in total for every 10 members, subject to a minimum of 40 days.

This is subject to the condition that the labor union submits the request to DSM no later than 1 week before the meeting. In the case of a course, the labor union must submit the request to DSM no later than 1 month before the course commences.

### Use of publication boards and e-mail messages

The labor unions are entitled to make use of the publication boards and/or of their members' e-mail addresses under the DSM domain.

When doing so, they must however fulfill 2 substantive criteria:

- a. message must involve housekeeping notifications, invitations to attend meetings, etc.
- b. the information must be of a strictly business-related nature and may not include elements speaking out against the policy to be pursued at DSM, in other companies or labor unions or that are against specific individuals. In other words, the items publicized may not contain any opinions, value judgments, feelings, etc.

The labor unions must agree the information with DSM HR Nederland in advance.

### Distribution of information bulletins

Labor unions are permitted to place information bulletins next to the exits from the premises or at other locations designated by DSM. Any other means of disseminating information inside DSM is not permitted. The labor unions will be responsible for producing the information material themselves and for removing any material that remains.

Labor unions will be responsible for the form and content of the material provided. This means that such publications may contain opinions, value judgments and feelings. The involvement of DSM is not necessary in such cases. It goes without saying, however, that the standards generally applicable in social discourse will apply in such cases.

### Business premises

After consulting DSM, labor unions may make use of DSM business premises to hold meetings relating to DSM. Generally speaking, business premises will only be made available outside normal working hours.



## 5. Commencing of employment or internal transfer

### Introduction

This arrangement is a guideline for the HR Business Partners and is applicable in the event that an employee enters into the service of DSM NL Services B.V. or is internally redeployed (transfer).

Internal transfer involves the employee being relocated within DSM in the Netherlands:

- in the context of career development or
- at the employee's suggestion and also if this is in the interests of the company.

### Responsibilities

The line manager and the HR Business Partner of the receiving organization are responsible for making arrangements for the commencement of employment or transfer of an employee.

### Basic principles

DSM provides an allowance for the additional costs resulting from the commencement of employment of an employee or from his internal transfer at DSM. That allowance will not exceed the amount of the costs actually incurred.

DSM will pay reimbursements untaxed, in so far as this is permitted under the tax regulations. The employee must submit the invoice(s) to DSM. This is necessary in order to provide documentary evidence for tax purposes.

### Reimbursement of relocation expenses

For an agreed period not exceeding 12 months, an employee entering the service of DSM NL Services B.V. or being transferred will receive an allowance towards the costs of commuting between his place of residence and the "new" work location.

The conditions are:

- the distance of a single journey between the employee's place of residence and the "new" work location must be more than 50 kilometers
- during the period that this allowance is in force, the employee will not be entitled to receive any allowance for the cost of commuting between home and work.

For an agreed period not exceeding 12 months, an employee entering the service or being transferred who is living in temporary accommodation will only receive an allowance towards the costs of commuting between his place of residence and the "new" work location at weekends.

The allowance will be as follows:

- if using public transport (first class) – the full cost
- if using his own means of transport – € 0.28 per kilometer driven. Under current legislation, € 0.19 per kilometer of that amount can be paid out untaxed.

The employee will receive the travel allowance on submission of an expenses claim.

### Temporary accommodation

An employee entering the service or being transferred will receive the following allowances for an agreed period:

- an allowance towards the cost of staying in a hotel or guest house, for a period not exceeding 2 months. The employee will receive an allowance no greater than 100% of the actual cost of lodgings and meals when staying in a hotel or guest house in the vicinity of his "new" work location, up to an amount of € 150 per day. This allowance will be untaxed, in so far as this is permitted under the tax regulations.
- an allowance towards the cost of an apartment, for a period not exceeding 12 months. The employee will receive an allowance no greater than 100% of the actual cost of the rent, gas, water and electricity for an apartment in the vicinity of his "new" work location, up to a maximum of € 1,500 per month. This allowance can only be provided following consultation with the HR Business Partner and on submission of invoices.

### Permanent accommodation

An employee entering the service of DSM NL Services B.V. or being transferred will receive the following allowances when he moves into permanent accommodation in a new location:

- Transport costs: a one-off allowance not exceeding 100% of the actual transport costs and any import duties.
- Storage costs: an allowance of not more than 100% of the actual storage costs for a period not exceeding 6 months.
- Refurbishment costs: a one-off allowance towards the actual costs of refurbishment of the dwelling, up to a maximum of 2/14 of the employee's annual salary.

Under the current tax regulations, refurbishment costs up to a maximum of € 7,750 may be paid out untaxed, if:

- before relocating, the employee resided more than 25 kilometers from his workplace
- the distance between the employee's home and work will be reduced by at least 60% as a result of relocating. If these conditions are not fulfilled, the employee will receive the full allowance, minus the statutory deduction.



If the allowance is greater than € 7,750, the excess amount will be subject to the statutory deductions. If there is any change to the amounts permitted under the tax regulations, this scheme will be aligned with the tax regulations.

- Relocation leave: a maximum of 2 days' leave for relocation.
- The cost of overnight accommodation while looking for a new place to live: the actual cost of a hotel stay and meals on a maximum of two occasions, up to a maximum of € 250 per night for 2 people. This allowance is subject to taxation.
- Travel costs: an allowance, payable on a maximum of 3 occasions, towards the travel costs incurred when looking for a new place to live and during the actual relocation of the employee and the members of his household. The allowance will be as follows:
  - if using public transport (first class) – the full cost
  - if using his own means of transport – € 0.28 per kilometer driven. Under current legislation, € 0.19 per kilometer of that amount can be paid out untaxed.

The employee must submit the travel tickets to DSM. The employee will receive the allowance on submission of an expenses claim.

### Acquisition costs

An employee entering the service of DSM NL Services N.L. or being transferred will receive an allowance towards the acquisition costs:

- House purchase with purchasing costs payable by the buyer  
Employees receive an allowance of up to 100% of the actual costs payable by the buyer for a purchase price of up to five times annual salary. Owing to fluctuating rates, the rate for the purchase price is applied as the norm for the maximum costs payable by the buyer. Costs payable by the buyer are understood to mean the statutory transfer tax, notary fees for the deed of transfer, registration in the land register as a home owner, mortgage arrangement fee, notary fees for the mortgage deed, valuation costs, penalty for early redemption of mortgage and agents' fees for the house purchase.
- House purchase with no purchasing costs payable by the buyer or new-build  
In the case of a home purchase with no purchasing costs payable by the buyer, the costs that qualify for an allowance shall not amount to more than the allowance for a purchase with purchasing costs payable by the buyer. The all-in construction costs of a basic dwelling (incl. sales tax) are used as the basis for the value of the price with no purchasing costs payable by the buyer.

In the event that the employee is relocating from one rented property to another or from a property he owns to a rented property, the employee will receive an allowance towards the cost of acquisition up to a maximum of 2 times his monthly salary. Allowances towards the cost of acquisition will be fully taxed at DSM.

### Repayment

In the event that the employee is made redundant, submits notice of resignation or is dismissed with immediate effect by DSM and his employment period is less than 2 years on the final day of employment, the employee will repay half of the allowances received under this scheme. If the employment relationship is of less than one year's duration on the final day of employment, the employee must repay all allowances in full.

### Partner

The employee may submit a request for facilities for his partner. Examples:

- to use DSM knowledge/contacts in the area of employment intermediation
- in order to have recourse to a consultancy firm
- to follow a course of training intended to enable him/her to find a suitable new job more quickly.

The employee must submit the proofs of payment to DSM. The employee may be eligible to receive an allowance towards the costs incurred up to a maximum of € 3,000.



## 6. Glasses for screen work or safety goggles

### General information

In the event that glasses for screen work or safety goggles with vision correction are required, DSM will pay an allowance towards this.

### Allowance

The conditions that apply when paying allowances towards the cost of glasses for screen work are:

the employee must have eye problems and/or postural problems (when using glasses with a reading lens) and must perform screen-based work for at least 2 hours a day.

The allowance towards the cost of glasses for screen work will not exceed €250 incl. VAT. An employee will not receive an allowance towards the cost of glasses for screen work more than 1 x every 3 calendar years. A shorter interval and/or higher allowance may apply if the glasses are required for medical reasons (in consultation with the line manager).

### Application form

The employee must submit the application form in order to be eligible for the allowance. The form itself states which types of glasses are eligible for the allowance and which are not. The employee must enclose the original invoice.



## 7. Reservists and day support

### Introduction

This arrangement sets out the terms and conditions of employment for employees working as so-called reservists within the standard 5-shift system and day support.

### Arrangement for reservists

The most important task of reservists is to be deployed where needed to prevent staffing numbers falling below minimum levels. This may be in the employee's own shift or in other shifts. It is to be expected that employees will frequently be deployed on inconvenient shifts. The period spent as a reservist will normally last up to approximately 4 months and will never exceed 6 months.

During the period as a reservist, the employee's employment conditions (working hours and allowances) will remain unchanged.

#### Working hours:

A reservist will work day shifts, unless he is called upon to cover a different shift.

If, during his period as a reservist, he works more than 33.6 hours a week, he will receive the remaining number of hours up to 40 as compensatory leave. As far as possible, he will take the compensatory leave within his period as a reservist, so that his working hours are, as much as possible, equal to those of employees working the standard 5-shift pattern.

In all cases, the employee will take the compensatory leave at times when, by virtue of statutory rules, the taking of compensatory leave is mandatory.

#### Payment:

The employee will retain his 5-shift allowance during the period spent as reservist. For any possible cover shifts, no separate allowance is paid.

The employee will receive an allowance for overtime under the CLA, if:

- the overtime arises as a result of working longer than 8 hours and
- at the end of his period as a reservist, after deduction of the amount of compensatory leave awarded, the employee has worked on average more than 4.2 shifts per week.

### Arrangement for day support

An employee assigned permanently to a 5-shift working pattern who has been working day shifts for a long period in order to perform specific tasks is known as a day support worker. The number of flexible shifts within the 5-shift system will be very limited, as progress with regard to the day support tasks will be too significantly hampered.

In principle, the period on day support will last for at least 4 months, but will normally apply for a period of 6 months to 1 year. If DSM estimates that the period is likely to be greater than 1 year, consultation with CoE Total Rewards will take place to determine whether this scheme is applicable or whether other arrangements need to be made.

The deployment of the day support employee is temporary and takes place for operational reasons. For that reason, the normal number of working hours in the day shift and the 5-shift allowance from the CLA will apply.

#### Working hours:

A day support worker will work day shifts, unless he is required to be deployed on an incidental basis. When determining if overtime working applies, the working hours of the day shift will be decisive.

#### Payment:

The employee will retain his 5-shift allowance under the CLA during the period spent as a day support worker. For any possible cover shifts, no separate allowance is paid. Overtime will be paid in accordance with the overtime allowance under the CLA.

### Temporary deployment to a different roster

If an employee working a 5-shift system is temporarily deployed to a different roster (for medical or operational reasons), the day support arrangement will be applied accordingly (working hours and payment).

If DSM estimates that the period is likely to be greater than 1 year, consultation with CoE Total Rewards will take place to determine whether this scheme is applicable or whether other arrangements need to be made.



## 8. Performance Improvement Plan (PIP)

### Performance and Development Review (PDR)

DSM makes use of a PDR system (Performance and Development Review) as the evaluation process for all DSM employees. This is set out in stages, during which the employee and his line manager discuss expectations regarding the individual targets or results (the "What") and the behavioral characteristics (the "How") of the employee. The agreements are recorded.

The employee's performance with regard to "What and How" generates an overall assessment rating of "Excellent", "Very good", "Good", "Partially Meets" or "Unsatisfactory". That assessment rating affects the employee's salary progression, but may also have an effect on the development of his future career within DSM.

If the assessment rating is "Partially Meets" and not all of the agreed objectives have been achieved (or only occasionally) and/or the employee is not demonstrating the desired behavior or is doing so to an insufficient degree, a Personal Improvement Plan (hereinafter referred to as PIP) may be agreed.

If the assessment rating is "Unsatisfactory", the PIP is not applicable.

### When a PIP is used

A PIP is launched following the annual appraisal or what is known as the mid-year review.

The purpose of a PIP is to provide the employee with more intensive support and to support his development; this is an individual development pathway with the purpose of improving overall performance.

If, either before or during the PIP process, the employee receives a notice of redundancy, the PIP scheme will not apply or will respectively be terminated commencing on the date on which the employee is redundant.

### PIP process: 3 phases

A PIP process is made up of three phases. Depending on the employee's number of years' service, a phase will last for a specified period (see the table). When determining the number of years' service, the date of 1 July of each calendar year will be used (rounded off for mathematical purposes).

Years of service	Phase 1 Number of months	Phase 2 Number of months	Phase 3 Number of months
< 5	6	3	3
5 t/m 10	6	6	3
>10	9	6	3

### Phase 1: Improvement within current position

The PIP commences with phase 1: improvement within the employee's current position.

- After consulting the employee, the employee's line manager will lay down the specific targets, actions, support measures and evaluation dates in writing.
- In this phase, support measures may include: individual coaching by the line manager, HR Business Partner or colleagues, specialist (external) coaching or additional training and courses.
- Progress will be evaluated periodically (at least once every 4 weeks) and recorded in writing.

In the 6th and 9th month respectively of Phase 1, a final evaluation will take place. If the target has been achieved, the PIP will be brought to an end. If the target has not been achieved, or if the employee has notified the line manager of this at an earlier time, he will proceed to Phase 2.

### Phase 2: A different position inside DSM or elsewhere

If Phase 1 has not been completed successfully or if, in consultation with his line manager, the employee prefers to omit Phase 1 (in full or in part), Phase 2 will commence. The (remaining) months of Phase 1 will then be added to Phase 2.

- Phase 2 is the phase in which opportunities for a different position within DSM and/or externally will be charted.
- After consulting the employee, the employee's line manager will lay down the specific targets, actions, support measures and evaluation dates in writing.
- In addition to the support measures referred to under Phase 1, the employee may receive support during Phase 2 in the form of interventions from the DSM FIT Mobility Center or from a different, external outplacement firm proposed by the Mobility Center.
- Progress will be evaluated periodically (at least once every 4 weeks) and recorded in writing.



In the 3rd and 6th month respectively of Phase 2, the final evaluation will take place.

If, during Phase 2, the employee is able to accept a specific position inside DSM or externally, his employment agreement can be amended or terminated.

If Phase 2 is not completed successfully, the employee's employment agreement will be terminated (Phase 3).

### **Phase 3: Termination of employment relationship**

If Phases 1 and 2 are not completed successfully, the employee's employment agreement will be terminated. Phase 3 relates to the notice period that must be observed in the case of termination.

### **Carrying out work during PIP phases**

Irrespective of how the PIP process progresses and to the greatest degree possible, the employee will continue to carry out work for DSM during all phases of the PIP process. He may be working in his own position, or may be carrying out other tasks on a temporary basis in connection with a project.

In Phase 2 and in consultation with the line manager, the necessary amount of time will be agreed, during which the employee will be absent in connection with his outplacement and/or in pursuit of his job-seeking activities.

The employee will only be released from working if this is agreed with the employer.

### **Hardship Committee**

The purpose of the Hardship Committee is to monitor the individual PIP process at the employee's request. Based on that monitoring, the Committee may put together a recommendation to the employer.

The Committee cannot make any recommendation regarding (the method and content of) any termination. This Hardship Committee is made up of the relevant labor union representatives and DSM representatives.

Referring an individual situation to the Hardship Committee will not bring about any suspension with regard to the duration of the PIP process.

The employer will notify the Hardship Committee of all PIP situations when Phase 3 commences. This will take place on an anonymized basis.





