

ABN AMRO CLA – Consensus

The negotiations on 31 January 2018 between ABN AMRO and the trade unions FNV Finance, De Unie and CNV Vakmensen saw a positive outcome regarding the new collective labour agreement. The collectively agreed employee benefits will span two years, from 1 January 2018 to 1 January 2020. The new CLA will be in effect from 1 January 2018, subject to it being endorsed by the member consultation meeting.

Employees in the lead

As an ABN AMRO employee, you have an essential role to play in the transformation ABN AMRO has embarked on to remain a leading market player going forward. Together with you, we want to keep the bank efficient and agile at a time that demands a different kind of growth. This requires different and flexible working practices focusing on your and your team's autonomy, and for us to put your sustainable employability, development and well-being centre stage. The times also call for a contemporary, simple and easy employment package – which is exactly what inspired this collective labour agreement.

Duration and pay

This CLA employment package will run from 1 January 2018 to 1 January 2020.

In February 2018, all employees will receive a one-time gross payment of 1,000 euros regardless of their time in service.

Pay and pay grades will be raised by 2% on 1 January 2018.

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Scope

The collective labour agreement specifies that it will also apply to the bank's subsidiaries and their employees, whose employment contracts have adopted the ABN AMRO CLA. Examples include ABN AMRO Asset Based Finance NV (formerly ABN AMRO Lease NV, ABN AMRO Commercial Finance Holding BV and ABN AMRO Commercial Finance NV) and ABN AMRO Arbo Services BV (Beter).

Performance management

We're introducing a new type of performance management that puts employee development centre stage. Our current appraisal system and its related CLA para will be replaced. Agile working demands a different kind of leadership focusing more on the continuous development of employees and teams. Our new performance management will be intuitive and flexible, while its emphasis on continuous growth and ambitions brings many benefits for both employees and teams. Its key premise is to motivate, develop and value both employees and teams.

Drivers of our new performance management:

- **Employee takes the lead.** Our employees propose their own objectives in close consultation with their managers – objectives that fit into one or more of four themes: development, conduct, results and well-being. Managers as well as teams facilitate and encourage. The employee proposes a plan for their own development, i.e. how they are looking to develop in their own position, within the bank and for their employability

outside the bank.

- **I am team.** In addition to their own objectives, there'll be scope to join forces and agree on team objectives with colleagues. Selected organisational and team objectives will always remain important.
- **Simple and to-the-point.** In close consultation with their manager, an employee will be able to constantly change and adapt their objectives or even rework them altogether if they're no longer on point. New methods such as agile working may require brief, cyclical work planning, and teams will typically work as part of a continuous process rather than an annual cycle. Continuous dialogues should keep employees, managers and teams talking about performance and development. Employees and their managers will plan at least four one-to-ones a year, with the performance and talent dialogues integrated into this process.
- **Focusing on development.** By asking for and receiving future-focused feedback in a simple way, employees will have input to help them keep growing both as people and in their professional capacity. These matters will be discussed in a continuous dialogue between employees, managers and teams. Teams evaluate agreements on team results.
- **Encourage and value.** Employees will be encouraged and valued in meetings throughout the year instead of only once a year. Scores will no longer be given.

From 2019, managers will be able to grant their people a raise of between 0% and 7% with effect from 1 April, in as much as their salary scales allow. This decision is based on the way the employee has done their job and their position in the salary scale, and factors in three themes: development, conduct and well-being. Future-focused feedback will be a key driving force and managers will carefully evidence their decisions.

Depending on specific work situations (e.g. the need for agile working), managers may choose to ask a colleague to step in and take on the continuous dialogue process and decision to grant a raise, if this colleague has a solid grasp of the employee's performance.

The performance payment will be abolished. Instead, on 1 May 2018 all employees will receive a 9% replacement payment into their benefit budgets, equalling the average CLA appraisal score 3. From that date, salaries and benefit budgets will be rearranged to result in a 17.1% increase in salaries and salary scales and a cut in benefit budgets to 11%. The benefit budget includes 8% holiday allowance and does not count towards your pension accrual.

In May 2018, all employees will receive a one-off replacement payment of 9% of their salary in the months of January through April 2018. Employees joining or leaving the company before 1 May 2018 will receive a pro rata payment.

Our new performance management system will be introduced and supported with a toolkit as soon as the new CLA is in place. Until then, employees, managers and teams can embark on setting and agreeing objectives.

Parties to the CLA will help monitor our new performance management, drawing on the document called "New performance management, reasons and preconditions" (attached to cla-consensus).

Development and well-being

From 1 January 2018, personal development budgets will be raised from 750 euros to 1,000 euros a year. Employees will also be entitled to two days to study instead of the current one, and they'll be even more encouraged to actually use their personal development budgets. During this coming CLA term, for instance, we will experiment with periodically offering a limited number of additional budgets for employees with the best development plans.

Parties to the CLA agreement will impress upon employees the importance of working on their personal development. During the CLA's two-year term, they will run campaigns to promote the subject and possibilities of personal development, while also reviewing transfer and promotion opportunities within the bank, and how to improve these where applicable.

Employees will be given a chance to obtain a financial review at the bank's expense once every three years, i.e. a brief and clear overview of the employee's personal financial situation drawn up by one of the bank's financial specialists. Union career advice and scans will be added to the bank's development offering.

Current agreements on education and training will stay in place, as the parties to the CLA think it's important for all employees to be able to benefit from study agreements under the CLA and to be given enough time – including departments on shifts. This item will be investigated during the course of the agreement and will come up in regular CLA meetings.

To support and promote employee well-being, this theme will be included in the performance dialogue, with employees and their managers discussing what the employee needs to keep them healthy and fit, and with the bank providing support. Employees will also be given an opportunity to have a Beter Leven ('Better Life') check once a year – instead of once every three years – at the bank's expense. How to handle stress and pressure at work are part of this check, and prevention of work stress will be actively promoted by referring employees to Beter.

Simplify and modernise

Uniform basis for allowances and payments

We will simplify into a single base figure the different bases currently informing a range of allowances and payments, to make things clearer for both employees and the bank's own records. From 1 May 2018, the base informing standby allowance, roster allowance, overtime compensation, generation leave, care leave and buying holiday entitlement will be made up of an employee's salary, their benefit budget and salary supplement and remuneration supplement, if applicable.

To make up for the higher uniform base, percentages for roster allowance will be cut from 100%, 75% and 50% to 90%, 67.5% and 45% with the percentages for standby allowance lowered from 33⅓%, 30%, 15% and 5% to 26%, 24%, 12% and 4%, effective from 1 May 2018. From that date, roster and standby allowance will no longer inform the base figure for pension accrual.

Leave schemes

The CLA's plethora of leave schemes will be subsumed into four types of leave: generation leave, child-related leave, care leave and other leave.

From 1 January 2018, we will make a number of changes and improvements to current leave types:

- Child-related leave will be expanded to include extra parental leave for partners. Partners will be entitled to two weeks' paid leave after the birth of a child, instead of the legal two days the law specifies.
- The CLA's special leave in the event of a death will be extended to two weeks.
- When about to retire, employees will be offered a 'Leaving the workforce' course. This will always be allowed during business hours and will no longer need an extra arrangement under the CLA.
- Medical appointments will be made outside of working hours or at the start or end of a working day as much as possible. If this cannot be reasonably arranged, medical appointments may be kept during working hours.
- From 1 January 2018, employees will be able to take an additional period of generation leave after five years of previous generation leave taken. This used to be six years.
- Payment for short-term care leave will be raised to 100% from its current 85%.

Modernising working times

From 1 May 2018, working on a public holiday will be the same as working on a Sunday: a roster allowance of 90% will apply and you will no longer receive a day in lieu.

Principles and rules governing 'the new way of working' will be combined with new work practices such as agile working. We will be investigating any bottlenecks that might arise in two divisions to be designated at a later date.

Other simplifications and modernisations

In April 2018, employees still in possession of hours saved under the previous time savings scheme will be given an opportunity to benefit from a one-time payment under the transitional time savings scheme as described in the ABN AMRO CLA from 1 January 2016 – 1 January 2018. From 1 May 2018, time saved upon death or leaving the bank's service will be paid out in keeping with the new uniform hourly wage.

From 1 May 2018, salary supplement will no longer be adjusted to reflect the value of the benefit budget upon promotion or demotion.

With salaries increased by 17.1% on 1 May 2018, we will no longer pay the 16.33% salary mark-up as part of the long-service benefit and death benefit.

With the phasing-out of the performance payment, transitional arrangements for former FBN staff regarding guaranteed variable pay allowance will likewise cease. For employees enjoying an allowance of over 7.1% of their salaries by April 2018, the excess will be added to their

salaries in as much as possible. The remainder will be converted into – or added to an existing – salary supplement.

Temporarily replacing a colleague in a higher pay grade boosts employee development and chances of promotion. From 1 January 2018, employees will be eligible for a replacement allowance if this replacement lasts three months or over, instead of two previously.

From 2019, Good Friday will no longer count as a public holiday under the CLA.

The career switch scheme will be promoted more vigorously. The CLA will add that the scheme is open to all employees and that they themselves decide the length of the switch period (up to a maximum of two years), unless compelling company or service interests dictate otherwise.

Know your CLA

We will rewrite the collective labour agreement in plain language and change it on a number of points, using internal communications to promote it widely. This should help turn the CLA into a widely known, transparent reference document for all employees.

Retirement

Retirement age

On 1 January 2018, we will raise the retirement age to 68. This involves a saving of 3.5 million euros, which will be used to benefit our employees in ways yet to be determined.

Pension review

The system for calculating the pension contribution will end on 1 January 2020 and the parties to the CLA will carry out a study into a future-proof system in the course of this CLA. Led by an independent chair, the study will investigate multiple scenarios: the bank's current collective scheme, a possible individual scheme and any hybrid schemes. The study will take account of factors such as market standards, contributions, governance, risk, feasibility and communications. Its findings will inform the negotiations for a new CLA from 1 January 2020.

Pensions with ABP

Parties to the CLA commit to enable employees with a retirement scheme run by the ABP pension fund to accrue their pensions with the ABN AMRO Pension Fund from 1 July 2018 at the latest. About one-eighth of the costs of the changeover will be charged to the 3.5 million euros mentioned above. If this proves not feasible by 1 July 2018, these employees will continue to accrue their pensions with ABP.

Sustainable employment

ABN AMRO is targeting a balanced ratio of permanent and temporary employees of 80/20 per cent. The aim is to make labour more sustainable over the course of this new CLA, for instance by reducing the number of external contractors and changing employment contracts from fixed-term to indefinite contracts. Parties to the CLA will periodically monitor progress on these points.

Social entrepreneurship

Work-disabled

In 2018 and 2019, the bank will hire at least 25 people with a work disability every year, drawing on the United Nation definition. *(people with a disability determined at least six months ago and whose health is not expected to have improved in two years' time. This health condition affects both personal and work abilities and has been determined by an authorised medical practitioner/company medical officer.)* In this way we are working towards hiring 225 people with a work disability by 1 January 2026 under the country's social agreement.

The bank will step up its focus on hiring people further removed from the labour market. Through its 'Warm Welcome' project, it will hire employees with (often) learning disabilities to serve as host in the branch office network.

Informal care

Recognised as an informal care-friendly organisation by Stichting Werk & Mantelzorg, ABN AMRO will continue to pursue its informal care policies and will disseminate these better.

Volunteering

Employees should be given enough time and scope to take voluntary work leave under the CLA. They should also be offered opportunities to give back through the ABN AMRO Foundation.

Other

The bank pays the trade unions party to the CLA an annual contribution based on the AWWN standard. Over the term of this CLA, the trade unions will receive a sum of 10,000 euros per union a year to support international union activities.

During the period covered by this agreement, the parties to the CLA will have further talks about ways of increasing the level of participation in the trade unions, and will engage in a concerted effort to this effect. The possibility of free membership for the first year will be continued.

The parties to the CLA will periodically discuss employee engagement and ethical issues. They emphasise the importance of the Ethics Committee and will promote its visibility among employees.

Over the term of this agreement, the parties to the CLA will conduct a work stress survey in one or two divisions of the company, and in close consultation with the works councils.

The bank will optimise information on disability to both employees and managers.

As part of an earlier agreement, the parties to the CLA will look to provide a private supplement to unemployment and disability benefits.

Social plan

CLA changes will also prompt changes to some of the terms and conditions of the bank's current and previous social plans.

Social plan for the period from 1 January 2017 to 1 January 2020

3.4 Placement procedure used for non-drastically changed roles and/or headcount reductions

The sentence "Examples include your appraisals, knowledge, skills and conduct",

will change to:

"Examples include your appraisals and potential appraisals, knowledge, skills and conduct."

Over the term of this CLA, the bank will consult with the works councils to determine the shape of a potential appraisal for non-drastically changed roles. A potential appraisal will include future-focused feedback as received by the employee.

These changes will apply from 1 January 2018

5.2 Leaving with a redundancy payment

Under c:

The cap on the redundancy payment will be adjusted to reflect the changed retirement age from 1 January 2018.

This change will apply from 1 January 2018.

Under a1: The sentence:

"your Salary, Benefit Budget (20.94% of your Salary) and Performance Payment and, insofar as you are entitled to them:"

will change to:

"your Salary, Benefit Budget (11% of your Salary) and, insofar as you are entitled to them:"

The sentences: "The amount used for your Performance Payment is the average amount you actually received during the 36 months prior to the day on which you become redundant. It may be the case that the performance payments that were actually paid to you during that period relate to a period of less than 36 months. If so, the performance payments that were actually paid to you will be divided by the number of months to which they relate.",

will be struck.

Under d:

The sentence: "If you were born before 1 July 1962, the result is increased by eight times your monthly Salary, including any Salary Supplement.",

will change to:

"If you were born before 1 July 1962, the result is increased by seven times your monthly Salary, including any Salary Supplement."

These changes will apply from 1 June 2018.

6.3 Employment benefits

The sentences: “You will receive an allowance equal to the performance payment you received in the period immediately preceding the start of your placement. This allowance will not exceed the performance payment corresponding to an appraisal score of ‘three’.”,

will be struck.

This change will apply from 1 May 2018.

Appendix I – Offshoring

The text:

“The following are taken into account when making the comparison: Your Salary plus the entire Benefit Budget (20.94%), Salary Supplement, Remuneration Supplement, individual allowances such as the Roster Allowance, guaranteed variable pay allowance, pension contributions that are payable, and the amount of statutory holiday leave. With regard to Performance Payments, the amount used in the calculation is the average performance payment you received in the four years immediately preceding the termination of your agreement with the Bank.”

will be replaced by:

“The following are taken into account when making the comparison: Your Salary plus the entire Benefit Budget (11%), Salary Supplement, Remuneration Supplement, individual allowances such as the Roster Allowance, pension contributions that are payable, and the amount of statutory holiday leave.”

These changes will apply from 1 May 2018.

Appendix II – Outsourcing

The sentence:

“You also retain your entitlement to your employment benefits. This includes in any event: Your Salary, increased by 16.33%, 1% of the Benefit Budget, (...)”,

will be replaced by:

“You also retain your entitlement to your employment benefits. This includes in any event: Your Salary, increased by 11%, Benefit Budget (...)”

These changes will apply from 1 May 2018.

Social plan for the period from 1 January 2016 to 1 January 2017

The cap on the redundancy payment in IV.5 will be adjusted to reflect the change in the retirement age from 1 January 2018.

This change will apply from 1 January 2018.

In IV.3, the sentences:

“During placement in the Mobility Organisation, the Employee receives an allowance in place of, but equal to the variable pay that he/she received in the context of the Performance Management system for the period immediately prior to transfer. This allowance is capped at the amount of variable pay linked to a 'Good' rating.”,

will be struck.

This change will apply from 1 May 2018.

All instances of “Salary, plus 16.33%” will have the second part “plus 16.33%” removed.

This change will apply from 1 June 2018.

Social plan for the period from 1 January 2013 to 1 January 2016

In IV.3, the sentences:

“During placement in the Mobility Organisation, the Employee receives an allowance in place of and equal to the variable pay that he/she received in the context of the Performance Management system for the period immediately prior to transfer. This allowance is capped at the amount of variable pay linked to a 'Good' rating.”,

will be struck.

This change will apply from 1 May 2018.

All instances of “Salary, plus 16.33%” will have the second part “plus 16.33%” removed.

All instances of “Salary, plus 20.53%” will have the second part replaced with “plus 2.9%.”

These changes will apply from 1 June 2018.

Members’ vote

The trade unions have agreed to put the proposed package to their members’ vote in the coming two weeks. The outcome is expected on 14 February 2018.

Amsterdam, 31 January 2018

ABN AMRO Bank N.V. FNV Finance
De Unie
CNV Vakmensen

New performance management, reasons and preconditions

Why change?

Our current performance management no longer fits the transformation process that's been going on at the bank for some time now. We've adopted new ways of working enabling us to respond faster to the rapidly changing world around us. We're focusing more on the autonomy of our employees and teams. Jobs and job profiles change and we're facing many technological developments. This requires a different type of leadership and culture. Employees no longer need managers to control them, they need coaches to facilitate their development. Employees are unique and refuse to conform to standard expectations.

This new world requires a simple and flexible style of performance management that motivates and values employees, and that puts their personal and professional development first. Individual and team objectives can be set, adjusted and completed whenever the situation requires. Employees, teams and managers continuously discuss performance and development, drawing heavily on 360-degree feedback. Employees are encouraged to give and receive feedback, both prompted and unprompted, with discussion being key. No more annual appraisals or scores.

Our new performance management should ensure that our people are working to their strengths and talents as much as possible, and that they remain employable and flexible. At the organisational level, this contributes to ABN AMRO being an attractive employer and an agile organisation.

Preconditions

To make a success of our new performance management, a few preconditions must be met:

- **Trust, transparency and equality.** New performance management requires mature working relationships between employees, managers and teams. Trust should underpin the giving and receiving of feedback. Sharing objectives and development issues should become widespread practice.
- **Commitment from the top.** Senior management should actively promote the importance of meetings about performance and development, and about giving and receiving feedback.
- **Time.** Employees should be able to work on their development during working hours. There should be enough room for employees to discuss development with colleagues or others involved.
- **Training.** Employees will need to understand the system of giving and receiving feedback, and will sign up for feedback training in 2018 or 2019.
- **Process.** The shift from formal appraisals to development is a culture change first and foremost. In addition, the new performance management will start at different times across the organisation, and will be supported by decentralised implementation plans with centralised support and frameworks.

Monitoring

We are actively seeking a set of KPIs to monitor the shift in performance management. We'll do spot checks and ask a random sample of employees to answer specific questions. Specifics such as the measurement approach, baseline timing and frequency are yet to be decided. In addition to monitoring employee views, we'll also check the quality and quantity of defined objectives.