

Hivos Legal Status Regulations 2009

January 2009

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IMPLEMENTATION REGULATIONS

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Article 1.1

In these regulations, the following definitions apply:

- a) **Employment contract:** an employment contract as referred to in Section 7:610 of the Dutch Civil Code.
- b) **Employer:** the employer is Stichting Humanistisch Instituut voor Ontwikkelingssamenwerking (the Humanistic Institute for Development Cooperation Foundation), which is legally represented by its Board of Directors. The Board of Directors, which is also the Management Board, is in charge of the daily executive functions in the Foundation and at all times represents the Foundation.
- c) **Employee:** the person who has concluded an employment contract with the employer within the meaning of the Dutch Civil Code (*BW, Burgerlijk Wetboek*), with the exception of the Board members.
- d) **Hivos:** the independently operating organisational collaboration between employer, employees, volunteers and other parties involved.
- e) **Monthly salary:** the gross monthly salary agreed between the employer and the employee, excluding holiday allowance and the remuneration and allowances referred to in Chapter 5.
- f) **Length of the working week:** the contractually agreed working week – subject to these regulations – between the employer and the employee, including travel and waiting times in connection with work which the employer has instructed the employee to perform, and the commuting time insofar as the work is performed in different locations and insofar as this commuting time exceeds thirty minutes before and/or after performing the work.
- g) **Partner:** the spouse of the employee or the person with whom the employee lives in a permanent joint household as shown by a cohabitation contract drawn up by a civil-law notary; this contract is not required if cohabitation has lasted for at least five years and can be demonstrated.
- h) **Household member:** member of the family; person with whom the employee cohabits.
- i) **Child:** a legal, legitimated or adopted child of an employee who is related to the employee under family law and who is provided for and raised by the employee.
- j) **Staff Council:** the participation body as referred to in Section 2 of the Dutch Staff Councils Act (*wet op de Ondernemingsraden*).

Article 1.2

On conclusion of the employment contract the employer is obliged to provide the employee, free of charge, with a copy of these regulations and the associated Implementation Regulations plus any subsequent changes to these regulations and schemes.

Article 1.3

Any provisions in work instructions, house rules or other schemes and regulations agreed between the parties that are contrary to these regulations and the associated Implementation Regulations will be null and void, unless agreed otherwise in the employment contract.

Article 2.1

- a) The employment contract is concluded and amended in writing. The employer ensures that both parties receive a copy of the employment contract signed by both parties within a week after concluding or amending the employment contract.

- b) The written contract specifies:
 - 1. The name, registered office and place of business of Stichting Hivos as well as the name of the person/persons authorised to represent Stichting Hivos;
 - 2. The name and place of residence of the employee;
 - 3. The effective date of employment;
 - 4. Whether the employment contract is temporary or permanent. If it is temporary, the basis and duration of the employment contract will be explicitly mentioned;
 - 5. Trial period within the meaning of Section 7:652 Civil Code, if a trial period has been agreed;
 - 6. Position to be held by the employee;
 - 7. Length of the working week, usually consisting of a formal and an actual part;
 - 8. Location, the place where the work is performed¹;
 - 9. Monthly salary;
 - 10. Declaration of applicability of these Legal Status Regulations and the employee's statement of understanding and agreement of these regulations;
 - 11. Any special provisions and schemes and regulations that apply in addition to or in derogation of these Legal Status Regulations;
 - 12. Employee's statement of receipt of a copy of these Legal Status Regulations, including any associated Implementation Regulations and subsequent amendments to these regulations and schemes;
 - 13. Membership of a pension scheme;
 - 14. Leave and holiday entitlement and period of notice.

Article 2.2

- a) The employment contract is generally entered into for a one-year period with a one-month trial period and the prospect of permanent employment.

In certain cases the employer may, within the relevant statutory limits of Section 7:668a Civil Code, decide to extend the employment temporary contract after the first year, up to a maximum period of three years.

No later than one month before the expiry date, the employer will notify the employee in writing whether the temporary contract can be converted into a permanent contract; this will be assessed in a timely manner.

- b) A temporary employment contract can be terminated by both parties before the end of the contract period and ends by operation of law on termination of the agreed period. The provisions of Section 7:668a Civil Code apply to contract renewal.

Article 2.3 End of the employment contract

- a) Employment ends:
 - 1. On the agreed date with the mutual approval of the employer and the employee;
 - 2. On expiry of the term for which the employment contract was concluded;
 - 3. On termination by the employer or the employee subject to the term provided in Section 7:672 Civil Code;
 - 4. On termination during the trial period as referred to in Section 652 Civil Code;
 - 5. On immediate notice on account of urgent reasons for the employer or the employee in accordance with the provisions of Sections 7:677, 678 and 679 Civil Code;
 - 6. On the first day of the month in which the employee reaches the age of 65 or takes early retirement;
 - 7. On the employee's death.

¹ The location where work is performed may be deviated from when working from home. See the "Implementation Regulations on Working from Home/Teleworking" that form part of these Legal Status Regulations.

- b) In the event of a reduction or cessation of work or reorganisation of Hivos to the extent that one or more employees must be dismissed, the following order will be observed:
1. Those who so wish;
 2. Those who are employed on a temporary contract;
Others, based on the assumption that the most desirable complement for the most effective operation will be decisive. If this assumption is not decisive:
 - Line positions will generally prevail over staff positions;
 - Line production functions will prevail over support functions.

A number of employees who were in Hivos' employment on 18 April 1994 are subject to the ranking stated in Article 33, paragraph 3, of the Hivos Legal Status Regulations 1988.

- c) To avoid manifest injustice or where the importance of the work so requires, the order referred to in b) may be deviated from.

CHAPTER 3

General obligations

General duties of the employer

Article 3.1

The employer is generally obliged to act or refrain from acting in a manner befitting a good employer.

Article 3.2

The employer undertakes to provide a pension scheme for employees. See the "Implementation Regulations on the Pension Scheme" that form part of these Legal Status Regulations.

Article 3.3

- a) The employer is obliged to compensate for injuries/damage caused to the employer in the workplace, unless and insofar as this is the result of serious fault and/or negligence of the employee. The provision in the previous sentence does not apply if the employer demonstrates to have taken all measures required to prevent injuries/damage to the employee.
- b) The employer undertakes to take out travel insurance for employees who go on foreign trips.

Article 3.4

The employer is obliged to maintain confidentiality regarding all information about the employee that comes to its knowledge as an employer, unless:

- the employee consents to the provision of information about his/her position to third parties; or
- the employer is legally or otherwise obliged to provide these details.

Article 3.5

The employer is obliged to draw up regulations on inappropriate behaviour; these must contain at least:

- a definition of inappropriate behaviour and the forms in which this may occur;
- a policy aimed at preventing inappropriate behaviour;
- a complaints procedure and a complaints body;
- an independent confidential counsellor;
- possible sanctions.

Article 3.6

The employer is obliged to take out adequate insurance for the statutory employer's and employee's liability.

The employer is obliged to give the employee the opportunity to have regular medical check-ups with the Occupational Health and Safety Service (Arbo-dienst) at the employer's expense.

General duties of the employee

Article 3.7

- a) The employee is obliged to carry out the agreed work to the best of his/her ability and to follow the instructions given by or on behalf of the employer, subject to the requirements of the job and Hivos' objectives.
- b) Within reasonable limits and insofar as directly or indirectly connected to the interest of Hivos' work, the employee is obliged, in consultation, to agree to:
 1. Temporarily performing other work;
 2. A temporary change in working hours (see Article 4.2).

Article 3.8

- a) The employee has a duty of confidentiality regarding information that comes to his/her knowledge pursuant to his/her position and profession, insofar as such obligation arises from the nature of the matter in hand or has been expressly imposed on the employee. This obligation continues to apply for 5 years after termination of employment.
- b) The obligation under (a) does not apply if the information is provided to third parties to facilitate proper performance of the employee's duties.

Article 3.9

If the employee is unable to perform his/her work due to occupational disability (within the meaning of Section 7:629 of the Civil Code) or due to other reasons, the employee must notify the employer as soon as possible in a manner to be determined by the employer. As soon as it is possible for the employee to resume work he/she must notify the employer of this.

Article 3.10

The employee is obliged to participate in the pension scheme (ref. Article 3.2).
See the "Implementation Regulations on the Pension Scheme" (IR2) that form part of these Legal Status Regulations.

Article 3.11

Employees are obliged to communicate the intention to carry out remunerated work elsewhere to the employer in writing.
If this work presents a problem for the proper performance of the employee's position the employer must, within a month of said communication and after hearing the employee, notify the employee in writing, stating reasons, why the performance of said other work is not permitted.

Article 3.12

Employees are not permitted to accept or demand direct or indirect gifts, remunerations, attendance fees or commissions, or to accept inheritances or testamentary gifts from persons with whom the employee only comes into contact by virtue of the employee's position. This applies to gifts of a value of € 25 or more. Any gifts made are to be accepted on behalf of the employer and handed in.

Article 3.13

- a) The employee is obliged to look after and take good care of the property entrusted to him/her by the employer.
- b) The employee can only be obliged to pay full or partial compensation for losses sustained by the employer if and insofar as these losses arose through intent or gross negligence on the employee's part.

Article 3.14

The employee is obliged to participate in refresher courses that are considered to be in the interest of the assigned work and designated as such by the employer (see Article 4.1(g) and Article 5.11).

Article 4.1

- a) The weekly working hours for full-time employment are 36 hours per week.
- b) A distinction is made between formal (paid) and actual (worked) hours in the agreed working hours. The difference is placed in individual leave deposits or deposited, as gross salary, into an individual Career-break scheme. See the "Implementation Regulations on Leave Deposit/Sabbatical Leave" and the Hivos Career-break scheme as explained in Implementation Regulations 14 of these Legal Status Regulations.
- c) The actual working week is generally based on 8-hour working days. The time spent on commuting to and from work (no limit) and the daily lunch break (at least half an hour) are not included in this.
- d) Compulsory attendance of meetings directly related to the employee's duties are considered working hours.
- e) The employee's hours of work may be determined by the employer, in consultation, subject to the requirements that apply to the normal course of the work or to extraordinary circumstances should these arise. These are laid down in individual week schedules.
- f) Employees who are 60 or older can request to have their daily working hours reduced by half an hour. This reduction of working hours is with retention of salary. How this reduction of working hours will be applied should be discussed with the employer.
- g) Refresher courses as referred to in Article 3.14 are considered working hours.

Article 4.2

Working overtime and working hours adjustment

- a) The employer may instruct the employee to work for more hours than determined contractually or set out in the individual schedule, subject to the provisions of the Working Hours Act. See the "Implementation Regulations on Working Overtime" (IR5) that form part of these Legal Status Regulations.
- b) The employee may submit a request for a reduction or increase of working hours. See the "Implementation Regulations on Working Hours Adjustment" (IR6) that form part of these Legal Status Regulations.

Article 4.3

Duty trips

Employees staying abroad for work purposes will, if the stay (including the trip) encompasses weekends, be given additional leave. See the "Implementation Regulations on Duty Trips" (IR7) that form part of these Legal Status Regulations.

CHAPTER 5

Salary and allowances

Article 5.1

Salary

- a) The employee's monthly salary is fixed on the basis of the "Implementation Regulations on Salary" that belong to these Legal Status Regulations.
- b) Changes in the monthly salary will be specified and communicated to the employee in writing.
- c) The employee must be able to dispose of the monthly salary no later than 3 days before the end of the calendar month or salary period. In case of entitlement to an allowance in addition to the monthly salary, no later than in the second month after the entitlement arose.
- d) No salary is owed for any period during which the employee, in breach of his/her obligations, deliberately failed to carry out work.
- e) If the employee is obliged to pay compensation on the grounds of Article 3.13 of these regulations, the employer is entitled – subject to Section 7:632 Civil Code – to deduct the monetary value of this compensation from the employee's salary.

Article 5.2

Holiday allowance

- a) The employee is entitled to a holiday allowance of 8% of the gross monthly salary earned (including overtime) and 8% of the allowance granted pursuant to Article 7.1, paragraphs c and d. If applicable, the employee will also receive 8% holiday allowance of any paid leave.
- b) Holiday allowance is paid out once a year in the month of May for the previous twelve-month period.
- c) On termination of employment, the holiday allowance will be paid with the last salary payment.

Article 5.3

Compensation for working overtime

In case of working overtime (see Article 21), the employee is granted compensation based on the "Implementation Regulations on Working Overtime" (IR5) of these Legal Status Regulations.

Article 5.4

Teleworking allowance

Under certain conditions the employee is entitled to a teleworking allowance on the basis of the "Implementation Regulations on Teleworking" (IR11) of these Legal Status Regulations.

Article 5.5

Higher duties allowance

Subject to certain conditions, an employee who assumes part of the duties of a colleague in a position with a higher salary scale is entitled to a higher duties allowance based on the "Implementation Regulations on Higher Duties Allowance" (IR10) of these Legal Status Regulations.

Article 5.6

Under certain conditions the employee is entitled to a removal allowance based on the "Implementation Regulations on Removal Allowance" (IR11) of these Legal Status Regulations.

Article 5.7

Commuting allowance

Every employee is entitled to an allowance for the costs of commuting to and from work based on the "Implementation Regulations on the Commuting Allowance" (IR12) of these Legal Status Regulations.

Article 5.8

Travel and accommodation allowance

If the employee incurs travel and accommodation expenses in connection with work carried out on instructions of the employer, the employer will compensate these costs on the basis of the "Implementation Regulations on Duty Trips" (IR7) of these Legal Status Regulations.

Article 5.9

Duty trip allowance

An employee who goes on a duty trip abroad will receive, for the period that he/she is on a duty trip, a duty trip allowance based on the "Implementation Regulations on Duty Trips" (IR7) of these Legal Status Regulations.

Article 5.10

Study cost allowance

Courses of study taken on instructions from the employer will be fully reimbursed. An employee who takes a course of study at his/her own initiative may be granted student facilities based on the "Implementation Regulations on Student Facilities" (IR7) of these Legal Status Regulations

Article 5.11

Anniversary allowance

The employee is entitled to an anniversary allowance of EUR 500 (gross) after 10 years of service and EUR 1,000 (gross) after 25 years of service.

Article 5.12

Death allowance

- a) In the event of death, in addition to payment of salary up to and including the date of death, a net lump sum equal to three months' gross salary will be paid to the partner of the deceased employee or, if the partner is deceased, jointly to the minor children.
The monetary value of any leave not enjoyed by the employee (including the updated leave deposit) will be paid to the surviving dependants described above. This amount is subject to tax.
- b) The death benefit referred to in paragraph (a) of this article is reduced by the amount of the benefit payable to the dependant in connection with the employee's death pursuant to a statutory sickness or occupational disability insurance.

Article 5.13

Bicycle allowance

Under certain conditions the employee will be given the opportunity to purchase a bicycle based on the "Implementation Regulations on the Bicycle Scheme" (IR17) of these Legal Status Regulations.

Article 6.1

Holidays

- a. Every calendar year, the employee is entitled to paid holiday leave.
- b. An employee who is in the employer's service for part of the calendar is entitled to holiday leave in proportion to that part of the year.
- c. From 1 January 2012, statutory leave days are valid for up to six months after the year of accrual. This means that statutory leave days accrued in a calendar year must be used before 1 July of the following calendar year. The statutory leave balance is calculated by multiplying the employee's actual weekly working hours by four. Someone who works 32 hours is therefore entitled to (4 x 32) 128 leave hours (= 16 leave days).

Example:

An employee who actually works 33.5 hours per week and is 45 years old is entitled to 154 (4.6 * 33.5) leave hours and 21 hours age-related leave. This is a total of 175 leave hours. Of these, 134 are statutory leave hours. That means that up to 41 extra-statutory leave hours (33.5 + 0.6 * 21 hours age-related leave) can be taken to the second half of the next calendar year. As a result of the new regulations (2012), the other hours will EXPIRE.

Any additional leave granted on 1 January of any calendar year (e.g. age-related leave, extra hours because Hivos grants 4.6 x the actual working week leave hours, compensatory hours for duty trips) are called "extra-statutory leave days", for which the old rules will continue to apply – i.e. that up to 5 days may be taken to the new calendar year. The rule for extra-statutory leave days is therefore different to that for statutory leave days.

- d. If the balance is sufficient, the employee is entitled to at least four weeks' consecutive holiday leave a year and is obliged to take at least two consecutive weeks' holiday leave per year.
- e. The start and end dates of holidays must be communicated to and agreed with the immediate superior in a timely manner.
- f. In the event of occupational disability (within the meaning of Section 7:629 Civil Code) during the holiday, the employee will be granted replacement leave hours, provided the employee has notified the employer as soon as possible in accordance with Article 3.9.
- g. The number of leave hours granted is 4.6 times the agreed working week. Depending on the age of the employee in the calendar year in question, the number of leave hours is increased according to the following table (for a 36-hour working week).

<u>Age</u>	<u>Increment</u>	<u>Age</u>	<u>Increment</u>
18 years	24 hours	40 to 44 years	16 hours
19 years	16 hours	45 to 49 years	24 hours
20 to 29 years	0 hours	50 to 54 years	32 hours
30 to 39 years	8 hours	55 to 59 years	40 hours
		60 years and older	48 hours

- h. Proportionately in case of a working week with fewer hours.
- i. The total number of hours available (including leave deposit) is kept on the individual leave sheet. The annual opening balance of leave days is rounded up to half hours.
- j. At the beginning of each calendar year, the dates of up to 5 days of leave days to be used collectively, as required by the employer, will be determined in consultation with the Staff Council.

- a) In addition to holiday leave, the employee is also entitled to paid leave on the following days:
- Easter Monday, Queen's Day, Liberation Day (5 May), Ascension Day, Whit Monday, 25 and 26 December and 1 January.
 - One additional public holiday to be determined jointly by the employer and the Staff Council on Labour Day (1 May) or Good Friday.
 - The employee will have the opportunity to celebrate holidays that belongs to his/her culture or religion. These days will be scheduled in consultation with the immediate superior and deducted from the employee's leave days.
- b) If granting of these leave days conflicts with the interest and normal progress of work, the days worked will be compensated by the granting of extra leave days.

Article 6.3

Payment of leave

The monetary value of any leave not enjoyed by the employee (including the updated leave deposit) will be paid in proportion to the applicable hourly wage, without prejudice to the provisions of Section 7:641 Civil Code.

Article 6.4

Extraordinary leave

With the exception of cases where, in the opinion of the employer, the work to be carried out makes it impossible, the employee is entitled to extraordinary paid leave in the following cases²⁾:

- a) To exercise his/her voting right and to comply with a statutory obligation insofar as this is not possible outside working hours and if it is not possible to change the hours or days of work: the required time;
- b) If the employee is a member of an employees' organisation, for attending meetings as a representative or board member of this employees' organisation or to attend education and training days: 5 days a year at most;
- c) In case of moving house: 2 days a year;
- d) His/her giving notice of intended marriage; 1 day;
- e) His/her marriage or registered partnership: 4 days;
- f) Attending the marriage of relatives by blood or marriage in the first and second degree: 1 day;
- g) The death of a partner, household member or relatives by blood or marriage in the first and second degree:
 - 4 days in case of the death of a partner, household members, relatives by blood or marriage in the first degree;
 - 2 days in case of the death of a relatives by blood or marriage in the second degree;
 - 1 day at most in the event of the death of a relative by blood or marriage in the third and fourth degrees;
 - If the employee is in charge of arranging the funeral and/or estate, a maximum of 4 days will be granted.
- h) Anniversaries of the 10th and 25th year of service of the employee or his/her partner: 1 day;
- i) The 25th, 40th, 50th and 60th wedding anniversaries of the employee, his/her parents, step parents, parents in law or grandparents: 1 day;
- j) For events of a similar nature to those mentioned above (to be assessed by the employer): the same period of time;
- k) in other cases in which the employer may deem it appropriate: for a period of time to be determined in each individual case.

²⁾ In this article, a relative is understood to mean:

First degree	: *) children and parents, including those of the partner;
Second degree	: *) brothers, sisters, grandchildren and grandparents;
Third degree	: great-grandparents, uncles/aunts, cousins/nephews/nieces, great-grandchildren
Fourth degree	: great uncle/aunt, great nephew/niece/cousin

*) This also includes foster or step parents/children/brothers/sisters

In accordance with the Dutch Work and Care Act (*wet Arbeid en Zorg*), the employee may under certain conditions take:

- urgent leave;
- carer's leave;
- palliative leave;
- parental leave;
- maternity leave;
- paternity leave.

See the "Implementation Regulations on Carer's Leave" (IR16) that form part of these Legal Status Regulations.

Article 7.1

- a) In the event of occupational disability within the meaning of Section 7:629 Civil Code, the employee is entitled to salary continuation during sickness for a period of two years as follows:
- * 100% of the salary during the first year
 - * 70% of the salary during the second year

The employee will receive 85% of the income in the second year of sickness if and insofar as he/she follows the reintegration rules drawn up by or on behalf of Hivos as from the time when reintegration actually starts.

Reintegration activities are understood to mean:

- resuming one's normal activities, either wholly or in part;
- carrying out suitable activities, following a course of study or training with the objective of resuming one's own or suitable activities.

This is on condition that the activities and efforts to be undertaken have been recommended or approved by the occupational physician.

For the application of paragraph (a), periods during which the employee was unable to carry out work will be taken to be one period if they occurred in succession with interruptions of less than 4 weeks.

- b) The employee's salary during the first two years of sickness will be reduced by any benefits or other income received during that period;
- c) Entitlement to salary continuation as mentioned in (a) will expire if an employee who is sick does not comply with the obligations of Section 7:629 Civil Code;
- d) Entitlement to allowances and other reimbursements may expire in the event of long-term occupational disability. See the relevant implementation regulations.

CHAPTER 8 Relief of duties and suspension

Article 8.1

Relief of duties

In the interest of the work, the employer may relieve the employee of his/her duties for a maximum period of 14 days with retention of salary. This term can be extended by a maximum of three times 14 days.

Article 8.2

Suspension

- a) The employer may suspend the employee for a maximum period of 14 days if it suspects that the employee has given urgent reasons for immediate notice as referred to in Sections 7:677 and 7:678 Civil Code and if, in the employer's opinion, suspension is urgently called for in the interest of the work. This term can be extended once by a maximum of 14 days.
- b) Before proceeding to suspend the employee the employer will hear or have others hear the employee or duly call the employee to appear in person to that end. The employee is entitled to be represented by counsel.
- c) The employee is not entitled to salary during the period of suspension. If the suspicion that resulted in the suspension proves to be unfounded, the employee will be entitled to salary for that period and will be reinstated in writing. If the suspicion was founded, the employer will start the dismissal procedure as referred to in Sections 7: 677 and 7:678 Civil Code.

Article 8.3

Confirmation

The employer will immediately notify the employee of a decision to relieve him/her of his/her duties or to suspend him/her, as well as a decision to extend this term, stating the reason for and duration of the measure. Such decision must be confirmed to the employee in writing, stating reasons, as soon as possible.

Article 9.1

Dispute settlement

- a) If the employer or an employee believes that there is a dispute regarding:
- the employment relationship in general;
 - application of the employment conditions;
 - a restructuring, change of job description or job ranking;
- the employer or employee can submit this dispute to the Disputes Committee within 30 days after the dispute has arisen or been brought up in some other manner.
- b) If a party submits a dispute to the Disputes Committee after such dispute has been brought before the court, that party's claim will be declared inadmissible.
- c) If both or one of the parties brings the dispute before the court during the handling of the dispute by the Disputes Committee, the Disputes Committee will no longer handle the dispute.
- d) All parties are obliged to cooperate fully with the Disputes Committee.

The composition, method and powers of the Committee are laid down in the rules of procedure for the Disputes Committee, Implementation Regulations 18 of these Legal Status Regulations.

Transitional and final provisions

Article 9.2

These regulations were adopted by the Board of Directors on 26 March 2009 and come into effect on 1 March 2009. Future amendments or additions to these Legal Status Regulations come into effect after adoption by the employer, provided the approval of the Staff Council has been sought and granted in advance. Both the employer and the Staff Council are entitled to make proposals for amendments or additions to these Legal Status Regulations

Article 9.3

In all cases for which these regulations do not provide, the employer will make an arrangement with the employee in consultation.

Article 9.4

These regulations may also be cited as:

Hivos Legal Status Regulations 2009

IR 3 HIVOS and INTEGRITY POLICY

Introduction

This policy document sets out Hivos' Integrity Policy. It describes what we understand by an integrity policy and what the boundaries are. Hivos aims for the highest possible integrity in its contact with partners, suppliers, clients, among Hivos staff and in relation to business property. The focal points of staff policy, i.e. Justice, Legal Security, Openness and Clarity, Individual Responsibility and Room for Initiative and Creativity, also serve as a point of departure for the Integrity Policy.

Integrity cannot be arranged just by drawing up a number of rules of conduct. Attitude and "wanting to do things properly" are also important aspects of integrity. Integrity can be described as having a hard side and a soft side. The hard side consists of regulations, both internal and external, and the soft side is the organisational culture at Hivos. Integrity in an organisation means being open with one another, avoiding deception and that superiors set good examples through exemplary conduct.

Structure of the policy document

Hivos' Integrity Policy consists of:

- the General Code of Conduct;
- the Policy on Inappropriate Behaviour;
- the Code of Conduct for Internet and E-mail Use;
- the Provision on Reporting an Abuse.

Explanation

The General Code of Conduct is indicative and not exhaustive. There are always situations to which the written rules do not apply. In these cases it depends on personal judgement: is this choice defensible? Inappropriate behaviour is less common in an organisational culture that fosters integrity of conduct. Superiors must set good examples for their staff. They should be aware that employees always pay attention to their superiors and what they say, but also their attitude, conduct, communication, clothes or personal appearance. In other words, the degree of professionalism and integrity.

The Hivos Policy on Inappropriate Behaviour and the Code of Conduct on Internet and E-mail Use are already in place. As these subjects are closely related to integrity they have been integrated in this policy document.

Employees who suspect an abuse can rely on the provision for reporting an abuse and report this to the confidential counsellor.

Apart from the contents of the Integrity Policy, Hivos employees are obliged to comply with legal requirements and abide by common social norms and values.

How we will proceed

The intention is to evaluate the Integrity Policy annually and report the findings in the Annual Report in accordance with the provisions of the Dutch Personal Data Protection Act (*Wet Bescherming Persoonsgegevens*). The members of the Staff Council (OR) and the Supervisory Board (RvT) are also notified. This topic is placed on the agenda of the various staff and management meetings at least once a year; HR indicates this in due course. New employees are expressly advised of the Integrity Policy during the employment conditions interview. By signing the employment contract they also sign for receipt of the printed copy of the existing policy.

Complaints Committee

An Employment Conditions Complaints Committee was established during the organisational shift in 2005. This committee consists of Mrs M.A.C. Vijn, Mrs M.W. Lubbi and Mr H. van den Hurk.

1. GENERAL CODE OF CONDUCT

Article 1.1: Recruitment & Selection

During recruitment and selection, a candidate's integrity and attitude to integrity risks in the position are important considerations.

Article 1.2: Information (Article 3.8a of the Legal Status Regulations)

The employee has a duty of confidentiality regarding information that comes to his/her knowledge pursuant to his/her position and profession, insofar as such obligation arises from the nature of the matter in hand or has been expressly imposed on the employee. This obligation continues to apply for 5 years after termination of employment. Questions from the media on these topics are dealt with in accordance with Hivos' communication policy.

Article 1.3: Other positions (Article 3.11 of the Legal Status Regulations)

Employees are obliged to communicate the intention to carry out remunerated work elsewhere to the employer in writing. If this work presents a problem for the proper performance of the employee's position the employer must, within a month of said communication and after hearing the employee, notify the employee in writing, stating reasons, why the performance of said other work is not permitted.

New employees who were already performing other work and do not terminate this work after employment with Hivos must communicate this to the HR department before signing the employment contract.

Article 1.4: Use of company facilities

a. Structural personal use of Hivos facilities (copier, telephone, etc.) is not permitted.

b. The electronic media made available by Hivos are intended for business use. Very limited personal use is permitted insofar this does not in any way harm business interests. Use of electronic media for (advancing) personal business interests is not permitted. For further details please see paragraph 3 of the Code of Conduct for Internet and E-mail Use.

c. Taking home consumption articles such as office supplies or snacks is not permitted and is considered theft.

d. Using Hivos franking machines or stamps for personal post is not permitted.

Article 1.5: Accepting gifts (Article 3.12 of the Legal Status Regulations)

Employees are not permitted to accept or demand direct or indirect gifts, remunerations, attendance fees or commissions, or to accept inheritances or testamentary gifts from persons with whom the employee only comes into contact by virtue of the employee's position. This applies to gifts of a value of EUR 50.00 or more. Any gifts made are to be accepted on behalf of the employer and handed in. This usually concerns gifts that may obligate (or appear to obligate) the recipient.

Article 1.6: Foreign trips

Invitations by third parties to go on a foreign trip must be reported to the employer. The employer determines whether the trip is functional; it can only be accepted if this is the case. Travel and accommodation expenses are claimed through the normal expense statements.

Article 1.7: Respect and professionalism

Work performed in the countries in which we operate must be carried out with respect for the local culture, structures and customs. Dealings with partners must be professional and strictly business-related.

Article 1.8: Justice

Hivos employees are judged on their performance and proven competencies. Discrimination on the grounds of ethnicity, religion or personal beliefs, political opinion, age, gender, disability, sexual orientation or otherwise is prohibited under the Dutch Constitution. Sexual harassment, aggression and violence are not tolerated. For further details see section 2 of this document.

2. POLICY ON INAPPROPRIATE BEHAVIOUR

From the employer's standpoint, inappropriate behaviour between colleagues (including superiors) cannot be accepted in the organisation. A work climate characterised by openness, commitment and trust are important elements for employees as well as the organisation as a whole. There is no place for systematic bullying, sexual harassment and racism in such a climate.

Article 2.1: Complaints procedure

If an employee encounters inappropriate behaviour in a work-related situation at Hivos, the employee can contact a confidential counsellor and if desired, lodge a complaint with the Complaints Committee directly or through the confidential counsellor.

Article 2.2: Confidential counsellor

The employer, in consultation with the Staff Council, appoints a confidential counsellor who has had special training to deal with the problems of inappropriate behaviour. At present the confidential counsellor at Hivos is a physician – not the Hivos occupational physician – affiliated with KLM arbodienst (the Occupational Health and Safety Service).

The confidential counsellor:

- acts as a point of contact for people within the Hivos Foundation who encounter inappropriate behaviour;
- advises and supports the complainant;
- investigates with the complainant if the problems can be solved in a discussion between the complainant and the accused, through mediation by a mediator and/or through referral to experts;
- assists the complainant, if desired, in lodging a complaint with the Complaints Committee;
- provides advice, on request and at its own initiative, and identifies problem areas;
- if desired, provides aftercare after a complaint has been resolved or formally settled;
- registers the activities for the Annual Report to be submitted the employer whilst ensuring that the privacy of the complainant is protected.

After consulting with the complainant and with the complainant's consent, the confidential counsellor notifies the employer of the complaint or the request for mediation.

The confidential counsellor can be asked to draw up a report annually on the experiences, types of complaint and identified problem areas. This report is submitted to the employer and the Staff Council.

Article 2.3: Mediation

One of the options for resolving a problem is mediation by a mediator. A mediator is sought for each situation and is proposed by the employer. Mediation is possible after the complainant has sought the advice of the confidential counsellor and before a complaint is lodged with the Complaints Committee. A condition is that both the complainant and the accused must agree to mediation and to the proposed mediator.

The mediator does not issue a binding decision but creates conditions for:

- restoring trust and communication;
- identifying the common interests of those involved;
- seeking a solution that is satisfactory to both parties.

If a solution is found, the mediator records the agreements between the complainant and the accused in a settlement agreement that is signed by both parties and the mediator. After two years the mediator's copy of the agreement is destroyed.

Article 2.4: Urgent measure

If the complaint involves an act or offence that is so serious that urgent action is required, the employer must immediately take a provisional or other measure.

Article 2.5: Rules of procedure for the Complaints Committee

The employer establishes an ad hoc Complaints Committee in consultation with the Staff Council. The Complaints Committee consists of three expert members, including the chairman and in any event one member with a legal background. The employer and the Staff Council each nominate one member. A third member, who is also the chairman, is nominated jointly. The employer appoints the nominated members, none of whom are Hivos employees.

For every member, a substitute member can be appointed by the employer and the Staff Council. As the Complaints Committee must be capable of dealing with complaints concerning inappropriate behaviour it is important in the nomination or composition of the committee to include at least one member with a legal background and at least one female member.

The (substitute) members are appointed for a term of three years. The maximum membership term is six years. If the composition changes before the end of the term, the first term of appointment of the entire committee is nonetheless maintained. Committee duties may be as follows:

- assess if, and if so to what extent, a complaint is admissible;
- institute an inquiry into the circumstances of the complaint and advise the employer on any measures to be taken;
- advise the employer of any temporary measures to be taken during the inquiry;
- report to the employer on the findings of the inquiry;
- advise the employer, on request or at its own initiative, on the problem areas concerning inappropriate behaviour.

The Complaints Committee may, if desired, call in the assistance of an external expert. Any related costs are borne by Hivos.

Article 2.6: Complaints procedure

Lodging a complaint

The complainant lodges the complaint to the Complaints Committee in writing.

The complaint must specify:

- a description of the incident, what happened, when and in which period;
- the name of the accused;
- any steps the complainant has already taken; and
- any written documents that have been previously submitted.

The Complaints Committee advises the employer that a complaint has been lodged and on the progress of the complaint handling. In situations where the complaint involves the employer, the chairman of the Supervisory Board is advised of the complaint and on the progress of the complaint handling. In that case the chairman of the Supervisory Board substitutes the employer in the procedure.

Term for preliminary inquiry

After receiving the written complaint the Complaints Committee starts the preliminary inquiry as soon as possible. A decision is made as to whether the complaint is admissible or not.

This decision must be taken and communicated to the complainant in writing **within two weeks**.

<u>Inquiry</u>	If the complaint is found to be admissible the inquiry is started. The complainant and the accused are heard orally to give them the opportunity to express their opinion on the situation. They are sent a written invitation to the hearing. Before hearing the accused the Complaints Committee gives the accused the opportunity to inspect the complaint and, if desired, first submit a written response. This response must be submitted no later than one week after inspecting the complaint. The Complaints Committee is authorised, either at the request of the complainant and the accused or at its own initiative, to hear third parties. If the Complaints Committee does hear third parties, both parties (complainant and accused) are given the opportunity to respond to this orally or in writing.
<u>Report</u>	A report is made of every hearing. Within a week of receiving this report the person involved (complainant or accused) must sign the report for approval, having added notes where relevant. If the person involved refuses to do this the reason must be stated under the report.
<u>Term of inquiry</u>	The complainant and the accused are heard separately. The inquiry is completed within six weeks after the complaint has been declared admissible, unless the Complaints Committee considers this to be in conflict with the due care required for the inquiry. If this is the case the complainant and the accused are notified of this in writing, stating reasons. This letter also states when the inquiry will be completed.
<u>Support</u>	The complainant can request the support of the confidential counsellor or a counsellor or representative of his/her choice. The accused can request the support of a counsellor or representative of his/her choice.
<u>Impartiality</u>	If one of the committee members is in any way involved in the complaint this committee member is excluded from participating in the procedure. In case of doubt, the other committee members will decide.
<u>Duty to appear</u>	All Hivos employees have a duty to appear if called to a hearing by the Complaints Committee. The hearings are private.
<u>Specialist advice</u>	The employer provides the Complaints Committee with the resources and facilities (including time) which the Committee reasonably requires for its duties, including administrative support.
<u>Decision</u>	Once the Complaints Committee has gathered sufficient information it will form its opinion and come to a decision on the complaint. A simple majority of votes suffices. The Committee can come to one of the following decisions: <ul style="list-style-type: none"> • inadmissible; • (wholly or partly) justified; • (wholly or partly) unjustified; The Committee <i>may</i> decide to state the minority opinion in its decision.
<u>Verdict</u>	After the inquiry has been completed and the Complaints Committee has formed an opinion it will notify the employer, the Internal Affairs coordinator, the complainant and the accused of its verdict, accompanied by a compelling recommendation. The confidential counsellor or the representative will receive a copy of the verdict.

Decision

Based on the Complaints Committee's verdict and compelling recommendation, the employer decides on the measures/decisions to be taken and notifies the complainant and the accused of the decision that has been taken and the grounds for that decision. This also includes the Complaints Committee's recommendation and whether it has been followed or, if not, why it has been deviated from. However, the employer will only depart from the recommendation if it has compelling reasons to do so and it will report this to the Committee. The decision is taken **two weeks** after receiving the recommendation and is communicated in writing.

Implementation of decision

Within **two weeks** of receiving the Complaints Committee's verdict, the *employer* issues a decision in writing on any measures to be taken and, where relevant, states the terms within which the decision must be implemented; any measures to be taken should, wherever possible, not disadvantage the complainant.

Costs

The costs incurred by the Committee in performing its duties, including administrative costs and travel and accommodation expenses of Committee members, are borne by the employer.

Exclusion of liability

The employer must ensure that the complainant, the accused and those heard by the Complaints Committee to give a witness statement are not disadvantaged. Neither should the confidential counsellor and the members of the Complaints Committee be disadvantaged as a result of performing their duties. In order to protect privacy, all persons involved in the complaint procedure have a duty of confidentiality. The employer is responsible for keeping the complaints files with due care.

Aftercare

In consultation with the confidential counsellor, the Complaints Committee examines if and how aftercare should be provided for the complainant and, if relevant, the accused.

Article 2.7:

Inappropriate
behaviour

Definitions

Behaviour that comes under the categories of sexual harassment, aggression, violence, bullying and discrimination.

Sexual harassment

Inappropriate sexual advances, requests for sexual favours or other verbal, non-verbal or physical behaviour of a sexual nature, where one of the following may also apply:

- Submission to such behaviour is implied, either explicitly or implicitly, as a condition for the employment of a person;
- Submission to or rejection of such behaviour by a person leads to decisions that affect the person's employment;
- Such behaviour is intended to affect a person's performance and/or to create an intimidating, hostile work environment, or such behaviour affects a person's performance and/or creates an intimidating, hostile or unpleasant work environment.

Aggression and violence

Incidents in which an employee is mentally or physically harassed, threatened or attacked under circumstances directly related to the performance of duties.

Bullying

Bullying is when an employee is the target of hostile, intimidating or humiliating behaviour intended to harm or with the result of harming this person. Bullying can come in many different forms. For instance social isolation, ridicule, gossip, making it unpleasant or impossible to work, threats or physical violence.

Discrimination

Discrimination is when a person is personally disadvantaged on grounds that are irrelevant for the employment relationship or proper performance in employment, such as ethnicity, sexual orientation, gender, age, physical disability or other grounds.

Complainant

The person relying on this provision.

Accused

The person against whom the complaint is directed. It is possible to lodge one complaint against several persons.

Confidential counsellor

The person to whom the complainant can turn to for advice and support and who, if desired, can assist the complainant in lodging a complaint with the Complaints Committee.

Mediator

A person who can be called in, on a case by case basis, *after* the confidential counsellor has been consulted but *before* any complaint is lodged. The mediator seeks a solution acceptable to both the complainant and the accused.

Complaints Committee

The Committee with which a complaint can be lodged and which handles this complaint.

3. CODE OF CONDUCT FOR INTERNET AND E-MAIL USE

This code applies to all fully or partially automated processing of personal data connected to internet and e-mail use by persons employed by or working for Hivos, both in the Netherlands and abroad. The code contains rules on responsible internet and e-mail use and on how personal data on internet and e-mail use is monitored. The purpose of this is:

- prevention of conduct that is harmful to Hivos;
- prevention of sexual or other harassment;
- ensuring system and network security;
- cost and capacity control.

Article 3.1: Rules of procedure for internet use

The internet system is available to employees for business use. This means that it should be used for work-related duties. Limited (occasional and brief) personal use of the internet is permitted, provided this does not disrupt normal daily activities and/or the technical infrastructure and is not in conflict with the following:

“The employee is not permitted to gain unauthorised access to non-public sources on the internet and to visit internet sites that contain pornographic, racist, discriminating, insulting or offensive material. Neither is it permitted to download and install such content.”

Article 3.2: Rules for e-mail use

The e-mail system is available to the employee for business use. This means that it should be used for work-related duties. Limited (occasional and brief) personal use of the e-mail system is permitted, provided this does not disrupt normal daily activities and/or the technical infrastructure and is not in conflict with the following:

“The employee is not permitted to use the e-mail system for spamming, sending messages of a pornographic, (sexually) harassing, racist, discriminating, insulting or offensive nature or messages that (may) incite hate and/or violence.”

Article 3.3: Enforcement

The code is enforced within the context of the above description. In principle, monitoring is conducted at the level of aggregate data that cannot be traced to identifiable persons. If an employee or a group of employees is suspected of violating the rules, monitoring may only be performed by a member of the Board for a fixed (short) period. In principle, monitoring is limited to internet and e-mail traffic data. Content monitoring will only take place in the event of compelling reasons. Data traffic monitoring is performed by the IT staff at Hivos. The Board member in charge of deciding and giving the instructions for monitoring appoints one or more authorised persons to perform the monitoring activities in case of suspicion and monitoring on content. Such decision clearly indicates when this temporary authorisation ends. An intention to monitor the content of e-mail is communicated to the employee concerned in advance, unless this is not reasonably possible.

Where possible, prohibited internet and e-mail use will be prevented through special software. If an employee is found to have made unauthorised use of internet or e-mail he/she will immediately be called to account by the superior and measures will be taken, depending on the nature of the abuse.

Please note:

Hivos will notify the employee, before introduction of the rules, of the monitoring of internet and e-mail use, the purpose of this, the nature of the data, the circumstances under which they are obtained and the substance of these rules. Hivos can amend or withdraw these rules with the Staff Council's consent. These rules are subject to Dutch legislation (including the Personal Data Protection Act).

4. PROVISION ON REPORTING AN ABUSE

This provision offers Hivos employees the possibility to report a suspected violation of internal or external rules and regulations (legislation) to the confidential counsellor. Reporting an abuse is a means of exposing lack of openness, integrity and accountability. This provision describes the procedures on submitting a report, the inquiry, the recommendation and the legal protection of the reporting person. The Annual Report mentions whether there have been any reports of abuse. Members of the Supervisory Board are also notified annually of any reports in this connection.

Article 4.1: Definitions

In these regulations, the following definitions apply:

<u>Employee:</u>	a person appointed (permanently or temporarily) as a Hivos employee or who carries out work for Hivos as an intern or temporary worker.
<u>Confidential counsellor:</u>	the confidential counsellor is the Internal Affairs coordinator who acts as the first point of contact and counsel for employees who encounter irregularities.
<u>Suspected abuse:</u>	a suspicion based on reasonable grounds of: <ul style="list-style-type: none">• misleading the judicial authorities;• fraud;• a serious offence;• gross violation of regulations or policy rules;• serious danger to public health, safety or the environment;• deliberately withholding information about these facts.

Article 4.2: Internal procedure

4.2.1 Reporting to a superior or confidential counsellor

- The employee reports a suspected abuse internally to his/her immediate superior or next superior in line. If preferred, the employee can report the suspected abuse to the confidential counsellor. If the confidential counsellor is the subject of the report the employee can submit his/her report to the employer.
- The superior or confidential counsellor ensures that the employer is immediately notified of the report of suspected abuse and the date the report was received. If the employer is the subject of the report the reporting person can submit his/her report to the Supervisory Board.
- In addition to submitting a report in writing, this can initially also be done orally. An official report, however, must always be submitted in writing to the confidential counsellor and should contain at least the following:
 - name, address and position of the reporting person;
 - date of the report;
 - description of the suspected abuse, including where and when the incident took place or a description of the suspected abuse and the persons possibly involved.
- In all cases, the confidential counsellor confirms receipt of the written report to the reporting person.

4.2.2 Inquiry

- The confidential counsellor sends a confirmation of receipt to an employee who has reported a suspected abuse. This confirmation states the reported suspected abuse and the time when the employee reported this to his/her superior or the confidential counsellor.
- The confidential counsellor discusses a written report of abuse with the management of the department concerned or with the employer if the management is the subject of the report or the chairman of the Supervisory Board if the employer is the subject of the report.
- The confidential counsellor starts a preliminary inquiry immediately after receiving the written report.
- After a period of no more than four weeks the confidential counsellor makes a recommendation to the employer. There are two possible outcomes for this recommendation:
 - The report is inadmissible: recommendation not to pursue the report as it is not sufficiently compelling or because the preliminary inquiry has not shown any abuse;
 - The report is admissible: recommendation to investigate the abuse further. The preliminary inquiry has shown there to be serious indications of a possible violation of internal or external rules and regulations or other irregularities.
- The confidential counsellor notifies, in writing, the person who has reported the suspected abuse of the findings of the preliminary inquiry.
- If the report is admissible, the employer immediately establishes an ad hoc Inquiry Committee with at least one female member.

- g. The Inquiry Committee investigates the report of abuse further and reports on its findings to the employer within a period of eight weeks. This period can be extended by four weeks, provided this is substantiated and communicated to the reporting person and the employer in writing.
- h. During the inquiry the reporting person is notified of the progress of the inquiry, unless the reporting person indicates not to require this or if this is disadvantageous for the reporting person or the inquiry, or if there are other valid reasons not to notify the reporting person. If there are other reasons not to notify the reporting person, the chairman of the Inquiry Committee, the confidential person or the employer must communicate this to the reporting person.

4.2.3 Inquiry Committee's recommendation

- a. The Inquiry Committee confers and decides on the recommendation in a closed meeting.
- b. The Inquiry Committee reports its findings to the employer in writing, after which the employer makes the findings available to the management department in charge.
- c. The Hivos employee who has reported a suspected abuse receives a copy of the recommendation, with due observance of the confidential nature of the matter.
- d. Based on the recommendation, the employer will notify the Hivos employee whether the Inquiry Committee's recommendation will be followed.

Article 4.3: Legal protection

1. An employee who has reported a suspected abuse will not be disadvantaged in any way as a consequence of doing so, insofar as he/she acted in good faith and has nothing to gain personally from the abuse or from reporting it.
2. The confidential counsellor will not be disadvantaged in any way as a consequence of performing his/her duties pursuant to this provision.

Article 4.4: Confidentiality

Anybody involved in reporting a suspected abuse has a duty of confidentiality regarding all information entrusted to him/her or that has come to his/her knowledge.

Article 4.5: Cooperation from management

The employer (at Hivos) must ensure that this provision is available and known to all employees. The provision is published on the intranet in its entirety.

1. Management must take all matters relating to incident reports seriously, take timely measures and guarantee confidentiality and due care.
2. Once an inquiry is underway, management is obliged to give its full cooperation to the inquiry.

Article 4.6: Other stipulations

The employer decides in those cases not provided for by the provision. This will be reported to the Supervisory Board.

Article 4.7: Compensation

1. The employee will repair any form of damage referred to in Article 3.1 and compensate the loss ensuing from that damage.
2. A person who, subject to the stipulations of this provision, has reported a suspected abuse and has incurred costs which contributed to removing the abuse and/or prevented damage as referred to in Article 3.1 will be compensated for these costs.

Article 4.8: Effective date

This provision comes into effect on 1 December 2009 and expires as soon as a legal provision on the same subject comes into force.