

Remuneration Including Overtime Pay Policy

1. Purpose & Dutch Legal Context

Stichting EarthON is committed to fair, lawful, and transparent compensation practices. The Organization ensures that all employees are compensated in accordance with:

- **The Dutch Civil Code (Book 7, Title 10):** Governing the legal relationship between employer and employee.
- **The Minimum Wage and Minimum Holiday Allowance Act (WML):** Ensuring all employees receive the statutory minimum wage and a minimum of 8% holiday allowance (*vakantiegeld*).
- **The Working Hours Act (Arbeidstijdenwet):** Regulating maximum working hours and mandatory rest periods.
- **The Transparent and Predictable Working Conditions Act:** Requiring clear written communication of all labor conditions.

2. Compensation Principles

Stichting EarthON ensures that:

- Employees receive at least the Dutch statutory minimum wage, adjusted twice annually (January and July).
- **Holiday Allowance:** Employees are entitled to a statutory holiday allowance of at least 8% of their gross annual salary.
- Compensation and benefits are agreed upon in writing in the employment contract (*arbeidsovereenkomst*).
- Payroll is processed accurately, typically on a monthly basis, with a detailed payslip (*loonstrook*) provided.

3. Classification of Employees

In the Netherlands, the distinction is typically based on the nature of the contract rather than the U.S. "Exempt/Non-Exempt" status:

- **Standard Employees:** Entitled to all protections regarding working hours and overtime.
- **Management/High-Income Exceptions:** Under Dutch law, employees earning above a certain salary threshold (typically 3x the minimum wage) may be excluded from certain overtime provisions if stipulated in the contract.

4. Overtime Pay (*Overwerk*)

Overtime must be handled in accordance with the **Working Hours Act**:

- **Standard Rate:** Unless otherwise agreed in the employment contract, overtime is typically compensated through "time-off-in-lieu" (*tijd-voor-tijd*) or paid at the regular hourly rate.
- **Premium Rates:** While not a statutory requirement in the Netherlands (unlike the US 1.5x rule), EarthON may choose to pay a premium for hours exceeding 40 hours per week as a matter of internal policy.
- **Approval:** Overtime must be approved in advance by a supervisor, except in emergency circumstances.
- **Maximum Hours:** Total working time (including overtime) may not exceed 12 hours per shift or 60 hours per week, with an average limit of 48 hours per week over a 16-week period.

5. Timekeeping & Remote Work

As a **fully remote organization**, EarthON complies with the European Court of Justice ruling (C-55/18) integrated into Dutch practice:

- **Registration:** All employees must accurately record their daily working hours (start time, end time, and breaks) to prove compliance with rest period requirements.
- **Falsification:** Falsification of time records is strictly prohibited and may lead to disciplinary action.

6. Payroll Practices and Deductions

- **Frequency:** Payroll is processed on a regular monthly schedule.
- **Deductions:** Only statutory deductions (Income Tax/ *Loonheffing* and social security contributions) and those authorized by law or written agreement are permitted.
- **Pension:** If applicable, mandatory or voluntary pension contributions will be deducted and managed according to Dutch pension law.

7. Equal Pay and Non-Discrimination

Stichting EarthON strictly prohibits wage discrimination based on gender, race, religion, sexual orientation, or any other protected characteristic. We adhere to the **Equal Treatment Act** and ensure "equal pay for work of equal value."

8. Record Retention

In accordance with the **Dutch State Taxes Act (*Rijksbelastingwet*)**, payroll records, including time-sheets and tax statements, must be retained for at least **7 years**.

9. Oversight and Compliance

The Executive Director and Finance Officer are responsible for ensuring compliance with Dutch labor laws. Periodic reviews will be conducted to ensure that remote work arrangements do not lead to "over-work" and that all statutory rest requirements are met.

Certification

Stichting EarthON confirms that it maintains lawful remuneration practices, including overtime and holiday allowance procedures consistent with the Dutch Civil Code and the Working Hours Act.

