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Bunnik, December 21, 2018

Onze referentie: PNI

Dear Sir/Madam,

On 29 November 2018 BOVAG concluded an agreement in principle with trade unions concerning a new collective agreement for Motor Vehicle Companies and Two-Wheeler Companies (MvT) for a period of two years. BOVAG has since ratified this agreement in principle. In this letter we explain how this will affect the wage cost development at BOVAG<sup>1</sup> members in 2019 and 2020.

#### *Effect*

The effect of the collective agreement increases is a 2.98 percent increase in wage costs in 2019 and 2.96 percent in 2020. The collective agreement increase is in line with the total wage cost increase of 4.1 percent expected by the CPB Netherlands Bureau for Economic Policy Analysis for 2019: contract wages in the motor vehicle and two-wheeler sector will increase by about 3 percent, incidental costs (increments, one-off payments) by 0.8 percent, and social security charges by 0.3 percent.

BOVAG companies will therefore be confronted with a wage increase of 4.1 percent in 2019 and an expected comparable percentage in 2020. As you know, labour costs generally account for a significant proportion of a company's total costs in this sector.

We are sending you this information once, following the conclusion of a new collective agreement. In Q4 of 2019 BOVAG will publish a detailed report on cost developments in our sector and we intend to do so every next year.

Yours sincerely,



Peter Niesink  
Managing director BOVAG

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<sup>1</sup> Car dealers, truck dealers, universal car companies, (motorised) two-wheeler companies, hire companies, trailer companies, caravan & camper van companies, overhaul companies and other companies that adhere to the relevant collective agreement. | [www.bovag.nl](http://www.bovag.nl)