

AGREEMENT

between
the Confederation of
Icelandic Enterprises
and
Efling

In effect from 1st April, 2019 to
1st November, 2022

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1. CHAPTER On Wages

1.1. Wages

1.1.1. Wage rates

Wage table from 1st April, 2019 - 31st March, 2020

| Wage bracket | Starting pay | 1 year | 3 years | 5 years |
|--------------|--------------|---------|---------|---------|
| 4 | 283,735 | 285,549 | 287,391 | 289,261 |
| 5 | 285,549 | 287,391 | 289,261 | 291,158 |
| 6 | 287,391 | 289,261 | 291,158 | 293,084 |
| 7 | 289,261 | 291,158 | 293,084 | 295,131 |
| 8 | 291,158 | 293,084 | 295,131 | 297,237 |
| 9 | 293,084 | 295,131 | 297,237 | 299,376 |
| 10 | 295,131 | 297,237 | 299,376 | 301,546 |
| 11 | 297,237 | 299,376 | 301,546 | 303,749 |
| 12 | 299,376 | 301,546 | 303,749 | 305,985 |
| 13 | 301,546 | 303,749 | 305,985 | 308,255 |
| 14 | 303,749 | 305,985 | 308,255 | 310,560 |
| 15 | 305,985 | 308,255 | 310,560 | 312,898 |
| 16 | 308,255 | 310,560 | 312,898 | 315,272 |
| 17 | 310,560 | 312,898 | 315,272 | 317,680 |
| 18 | 312,898 | 315,272 | 317,680 | 320,125 |
| 19 | 315,272 | 317,680 | 320,125 | 322,608 |
| 20 | 317,680 | 320,125 | 322,608 | 325,127 |
| 21 | 320,125 | 322,608 | 325,127 | 327,684 |
| 22 | 322,608 | 325,127 | 327,684 | 330,279 |
| 23 | 325,127 | 327,684 | 330,279 | 332,914 |
| 24 | 327,684 | 330,279 | 332,914 | 335,588 |

'Seniority' refers to the work experience in the profession, and the 5-year threshold refers to employment with the same employer.

Wage table from 1st April 2020 - 31st December 2020

| Wage bracket | Starting pay | 1 year | 3 years | 5 years |
|--------------|--------------|---------|---------|---------|
| 4 | 307,735 | 309,549 | 311,391 | 313,261 |
| 5 | 309,549 | 311,391 | 313,261 | 315,158 |
| 6 | 311,391 | 313,261 | 315,158 | 317,084 |
| 7 | 313,261 | 315,158 | 317,084 | 319,131 |
| 8 | 315,158 | 317,084 | 319,131 | 321,237 |
| 9 | 317,084 | 319,131 | 321,237 | 323,376 |
| 10 | 319,131 | 321,237 | 323,376 | 325,546 |
| 11 | 321,237 | 323,376 | 325,546 | 327,749 |
| 12 | 323,376 | 325,546 | 327,749 | 329,985 |
| 13 | 325,546 | 327,749 | 329,985 | 332,255 |
| 14 | 327,749 | 329,985 | 332,255 | 334,560 |
| 15 | 329,985 | 332,255 | 334,560 | 336,898 |
| 16 | 332,255 | 334,560 | 336,898 | 339,272 |
| 17 | 334,560 | 336,898 | 339,272 | 341,680 |
| 18 | 336,898 | 339,272 | 341,680 | 344,125 |
| 19 | 339,272 | 341,680 | 344,125 | 346,608 |
| 20 | 341,680 | 344,125 | 346,608 | 349,127 |
| 21 | 344,125 | 346,608 | 349,127 | 351,684 |
| 22 | 346,608 | 349,127 | 351,684 | 354,279 |
| 23 | 349,127 | 351,684 | 354,279 | 356,914 |
| 24 | 351,684 | 354,279 | 356,914 | 359,588 |

'Seniority' refers to the work experience in the profession, and the 5-year threshold refers to employment with the same employer.

Wage table from 1st April 2021 - 31st December 2021

| Wage bracket | Starting pay | 1 year | 3 years | 5 years |
|--------------|--------------|---------|---------|---------|
| 4 | 331,735 | 333,549 | 335,391 | 337,261 |
| 5 | 333,549 | 335,391 | 337,261 | 339,158 |
| 6 | 335,391 | 337,261 | 339,158 | 341,084 |
| 7 | 337,261 | 339,158 | 341,084 | 343,131 |
| 8 | 339,158 | 341,084 | 343,131 | 345,237 |
| 9 | 341,084 | 343,131 | 345,237 | 347,376 |
| 10 | 343,131 | 345,237 | 347,376 | 349,546 |
| 11 | 345,237 | 347,376 | 349,546 | 351,749 |
| 12 | 347,376 | 349,546 | 351,749 | 353,985 |
| 13 | 349,546 | 351,749 | 353,985 | 356,255 |
| 14 | 351,749 | 353,985 | 356,255 | 358,560 |
| 15 | 353,985 | 356,255 | 358,560 | 360,898 |
| 16 | 356,255 | 358,560 | 360,898 | 363,272 |
| 17 | 358,560 | 360,898 | 363,272 | 365,680 |
| 18 | 360,898 | 363,272 | 365,680 | 368,125 |
| 19 | 363,272 | 365,680 | 368,125 | 370,608 |
| 20 | 365,680 | 368,125 | 370,608 | 373,127 |
| 21 | 368,125 | 370,608 | 373,127 | 375,684 |
| 22 | 370,608 | 373,127 | 375,684 | 378,279 |
| 23 | 373,127 | 375,684 | 378,279 | 380,914 |
| 24 | 375,684 | 378,279 | 380,914 | 383,588 |

'Seniority' refers to the work experience in the profession, and the 5-year threshold refers to employment with the same employer.

Wage table from 1st January 2022 - 1st November 2022

| Wage bracket | Starting pay | 1 year | 3 years | 5 years |
|--------------|--------------|---------|---------|---------|
| 4 | 356,735 | 358,549 | 360,391 | 362,261 |
| 5 | 358,549 | 360,391 | 362,261 | 364,158 |
| 6 | 360,391 | 362,261 | 364,158 | 366,084 |
| 7 | 362,261 | 364,158 | 366,084 | 368,131 |
| 8 | 364,158 | 366,084 | 368,131 | 370,237 |
| 9 | 366,084 | 368,131 | 370,237 | 372,376 |
| 10 | 368,131 | 370,237 | 372,376 | 374,546 |
| 11 | 370,237 | 372,376 | 374,546 | 376,749 |
| 12 | 372,376 | 374,546 | 376,749 | 378,985 |
| 13 | 374,546 | 376,749 | 378,985 | 381,255 |
| 14 | 376,749 | 378,985 | 381,255 | 383,560 |
| 15 | 378,985 | 381,255 | 383,560 | 385,898 |
| 16 | 381,255 | 383,560 | 385,898 | 388,272 |
| 17 | 383,560 | 385,898 | 388,272 | 390,680 |
| 18 | 385,898 | 388,272 | 390,680 | 393,125 |
| 19 | 388,272 | 390,680 | 393,125 | 395,608 |
| 20 | 390,680 | 393,125 | 395,608 | 398,127 |
| 21 | 393,125 | 395,608 | 398,127 | 400,684 |
| 22 | 395,608 | 398,127 | 400,684 | 403,279 |
| 23 | 398,127 | 400,684 | 403,279 | 405,914 |
| 24 | 400,684 | 403,279 | 405,914 | 408,588 |

'Seniority' refers to the work experience in the profession, and the 5-year threshold refers to employment with the same employer.

Grouping of jobs by wage

bracket Wage bracket 4

Large-animal slaughter employees, canteen assistants, General industrial workers. Poultry slaughter employees. Security guards. Employees in work not mentioned elsewhere.

Wage bracket 5

General fish processing workers. General fish farming workers. General workers in restaurants and guest houses/hotels.

Wage bracket 6

Cleaning. Specialised industrial workers who can work independently and may be assigned to temporary task management. Specialised meat processing staff who have completed basic training in food handling, cf. 20.2.3. Cooks. Specially trained hotel and restaurant staff who can work independently, show initiative, and may be entrusted with temporary supervision of tasks. General construction workers. Employees engaged in outdoor work and services at petrol service stations. Workers in lubrication stations, anti-rust huts, and tire, automotive, iron, and mechanical workshops.

Wage bracket 7

Specialised fish processing workers. Specialised fish farming workers. Employees at petrol service stations who simultaneously perform outdoor and cashier jobs and continually work part of each shift in service work in the shop and at the cash register.

Wage bracket 8

Specialised construction workers.

Wage bracket 9

Specialised fish processing workers in additional classes. Skilled industrial assistants with extensive professional experience, including in iron and mechanical workshops. Shift supervisors (cashiers) who are specifically hired as supervisors on duty as well as to perform sales and cashier work. General employees of agricultural processing plants.

Wage bracket 10

Cooks who manage one or more assistants. Machine operators I (equipment operators who require an initial course according to the regulations on the right to operate machinery).

Wage bracket 11

Fish processing workers who have completed basic and additional courses and who have 7 years of seniority with the same employer.

Wage bracket 13

Fishery workers who have graduated from the Icelandic College of Fisheries in Grindavík. Machine operators II (equipment operators who require a basic or further education course according to the regulations on the right to operate machinery, and drivers of vehicles requiring an extended driver's permit). Tunnel borers and loaders (bored type).

Wage bracket 17

PCV drivers. Aquaculturists from Hólar University.

1.1.2. Starting wages and wages for workers under 18 years

In this agreement, starting wages assume that the employee has reached the age of 18 and has obtained the skill and competency required to perform the job in question. Training hours are based on a maximum of 300 hours with an employer or 500 hours in the industry after reaching the age of 16. 95% of starting wages may be paid during the training period. A worker who has reached the age of 22 must never be paid wages below the one-year pay bracket; cf. Article 1.1.3.

Wages for 17-year-olds are 89% of the starting wages, 84% of the same base rate for 16-year-olds, 71% for 15-year-olds, and 62% for 14-year-olds. The age bracket for employees under 18 years of age is based on the year of birth.

The wages of employees under the age of 20 in fish processing shall be governed by Article 18.1.

Employees must submit confirmation of work experience in the industry, and seniority is determined as of and including the beginning of the next month after submitting the confirmation.

1.1.3. Assessment of work experience

Work experience shall be assessed to determine the pay grade in accordance with the wage provisions of this Agreement. Seniority based on work experience in the same industry shall be assessed according to verified information on prior work and shall be applicable despite absences from the industry of up to three years. If absence from the industry is longer, work experience and competence shall be assessed when determining the pay grade. Disputes shall be resolved by the administrator in consultation with the union representative. Temporary work shall be totalled together based on the number of days worked or daytime work hours.

In assessing seniority, the age of 22 is considered equivalent to one year of employment in an industry.

On rights accrued through work abroad, see Article 12.6.2.

1.1.4. Staff interviews

Employees have the right to an annual interview with their supervisor regarding their work, including performance, goals and potential changes to the terms of employment. Requests for interviews must be granted within two months and conclusions from the interview made available within one month.

1.2. Wage amendments during the Agreement period

1.2.1. Wage amendments

This collective Agreement places a special emphasis on wage improvements for low-income workers. Wage increases in this Agreement are all in the form of an increase in the number of kronur in the monthly wage. 'Monthly wage' refers to the fixed monthly wage for daytime work.

1.2.2. **General monthly wage increase for full-time employment**

1st April, 2019: ISK 17,000
1st April 1, 2020: ISK 18,000
1st January, 2021: ISK 15,750
1st January, 2022: ISK 17,250

1.2.3. **Wage rates**

Wage rates increase separately; cf. the attachments to the collective wage agreement in question.

1st April, 2019: ISK 17,000
1st April 1, 2020: ISK 24,000
1st January, 2021: ISK 24,000
1st January, 2022: ISK 25,000

1.2.4. **Wage-related items**

Wage-related items in the collective agreement increase by 2.5% on the same dates unless otherwise agreed.

1.2.5. **Economic growth bonus**

In 2020-2023, a wage increase will be implemented on the basis of the per capita increase in gross domestic product.

Calculation of the wage increase is based on provisional statistics from Statistics Iceland on the per capita gross domestic product index, which are published every March for the previous year.

The wage increase is added to both the monthly wage rate stated in the collective agreement and to fixed monthly salaries for daytime work. The below table shows the wage increase amount and its basis.

| Gross domestic product per capita, yearly increase | Increase in monthly wage rates according to collective agreements | Increase in fixed monthly wages for daytime work |
|--|---|--|
| 1.0-1.50% | ISK 3,000 | ISK 2,250 |
| 1.51-2.00% | ISK 5,500 | ISK 4,125 |
| 2.01-2.50% | ISK 8,000 | ISK 6,000 |
| 2.51-3.00% | ISK 10,500 | ISK 7,875 |
| >3.0% | ISK 13,000 | ISK 9,750 |

The decision regarding the wage increases for 2019-2022, which shall be implemented in 2020-2023, should take into account the updated provisional estimates for the years that have been established as a basis for calculating the increase. Wage increases are payable on 1st May.

Should there be occasion for a wage increase, the agreeing parties' Salary and Conditions Committee determines the amount of the increase.

1.3. Minimum income for full-time work

The minimum income for full-time work, i.e. 173.33 hours worked per month (40 hours per week), shall be as follows for those employees who, after reaching the age of 18 years, have worked at least six months at the same company (for a minimum of 900 hours):

1st April 1, 2019: 317,000 ISK/month.

1st April 1, 2020: 335,000 ISK/month.

1st January, 2021: 351,000 ISK/month.

1st January, 2022: 368,000 ISK/month.

A monthly supplement shall be paid in addition to the wages of those employees whose income does not reach the above-stated amounts. In this respect, income is considered to be all payments, incl. bonuses, premiums and extra payments on top of earnings accrued during the above-stated working hours. Wage compensation for minimum income insurance is not reduced due to contractual wage increases based on a higher level of education endorsed by both contracting parties.

Wages for work beyond 173.33 hours/month and reimbursement for out-of-pocket expenses are not included in this context.

1.4. December bonus and holiday bonus

1.4.1. December bonus

The December bonus for each calendar year based on full-time employment is:

ISK 92,000 in 2019,

ISK 94,000 in 2020,

ISK 96,000 in 2021,

and ISK 98,000 in 2022.

Full annual employment in this case is considered 45 weeks of work or more, not including holidays. The bonus is to be paid no later than 15th December every year according to the employment percentage and period of service to all employees who have been working for the employer for 12 consecutive weeks during the previous 12 months or who are working during the first week of December. Instead of a calendar year, the accounting period may be counted from 1st December to 30th November each year by agreement with the employee.

The December bonus includes holiday pay, is a fixed amount and is not subject to changes according to other provisions. Accrued holiday bonus pay is to be settled upon termination of employment/retirement if termination/retirement occurs before the bonus is due for payment.

An employee who is in an employment relationship with a company but is not on the payroll due to a shortage of raw materials or due to illness in December does not lose the right to a December bonus, and that time is taken into consideration when calculating the December bonus if the worker comes to work after an absence due to a shortage of raw materials.

1.4.2. Holiday bonus

The holiday bonus for each holiday pay year (1st May to 30th April) based on full-time employment is:

ISK 50,000 per holiday pay year beginning 1st May, 2019

ISK 51,000 per holiday pay year beginning 1st May, 2020

ISK 52,000 per holiday pay year beginning 1st May, 2021

and ISK 53,000 per holiday pay year beginning 1st May, 2022.

Full annual employment in this case is considered 45 weeks of work or more, not including holidays. The bonus is to be paid on 1st June, according to employment rate and period of service during the holiday pay year, to all employees who have been working for the employer for 12 consecutive weeks during the previous 12 months as of 30th April, or who are working during the first week of May.

The holiday bonus includes holiday pay, is a fixed amount and is not subject to changes according to other provisions. Accrued holiday bonus pay is to be settled upon termination of employment/retirement if termination/retirement occurs before the bonus is due for payment.

1.4.2.1. Lump sum payment in May 2019

In 2019, a lump sum of ISK 26,000 is to be paid in the form of a special premium on the holiday bonus. The 2019 holiday bonus should be paid no later than 2nd May.

1.4.3. Absence due to maternity/paternity leave or when a woman must stop working during pregnancy for safety reasons.

After one year of employment with the same employer, absences for statutory maternity/paternity leave are considered part of the employee's period of service in calculating the December and holiday pay bonuses. The same applies if a woman must stop working during pregnancy for safety reasons, cf. regulations on measures to improve the health and safety in the workplace of women who are pregnant, have recently given birth or are breastfeeding.

1.5. Divisor for daytime hourly wages

Hourly wages for daytime work are obtained by dividing the monthly wages by 173.33.

1.6. Youth rights

Young people otherwise enjoy all the rights provided for in this Agreement.

1.7. Overtime rates

1.7.1. Overtime is paid with an hourly wage corresponding to an 80% premium on the hourly wage for daytime work, i.e. with 1.0385% of the monthly wage for daytime work.

Overtime pay is calculated according to the employment contract or written confirmation of employment.

1.7.2. Overtime premiums on major public holidays

All overtime on major public holidays pursuant to Article 2.3.1. is payable on top of hourly wages, which is 1.375% of monthly wages for daytime work. This does not apply to regular work where winter holidays are granted pursuant to a special agreement for work on the dates in question.

1.8. Emergency call-outs

1.8.1. When an employee is called out to work after the overtime period has begun, said employee must be paid for at least four hours

unless daytime work begins within two hours of the employee coming to work.

- 1.8.2. If an employee has worked all day until dinnertime and is called out again after two hours or fewer, said employee shall be paid as if it had been a continuous period.

1.9. Half and full daily wages

Half daily wages are paid for each working day started, and full daily wages are earned after half a day. This applies equally to weekdays and weekends.

1.10. Rules on wage payments and payslips

Wages may be paid out weekly, every two weeks or monthly.

1.10.1. Weekly and two-week payments

When wages are paid weekly or once every two weeks, payment must be up to the weekend preceding the payment date. Wages must be paid on Thursdays, but if the payment day falls on a weekend or major public holiday, it must be paid the next working day.

1.10.2. Monthly payments

When wages are paid monthly, the payment must be made on the first working day of the following month. If the payment day falls on a weekend or major public holiday, it must be paid the next working day.

Another accounting period may be used for overtime and for the settlement of performance-related compensation schemes. In such cases, it shall be the aim that no more than one week remains unpaid.

1.10.3. Payslips

On payslips, payments shall be broken down, including into daytime work, overtime and work on major public holidays. Any deductions shall also be broken down. Holiday wages shall be listed on the payslip pursuant to the Holiday Act, including holidays from daytime work and overtime, if applicable. Accrued rights to take time off work shall also be stated pursuant to Article 2.4.2.

Employees shall have the option of accessing time records from as far back as 12 months. Any changes to the record shall be made available and visible to the employee.

1.11. Fixed weekly wages ¹

- 1.11.1. If an employee has worked for the same employer or in the same industry continuously for one month or more, the employee shall be paid full weekly wages such that the employee receives payment for contractual holidays falling on Mondays through Fridays.
- 1.11.2. One month of continuous work means that the employee has worked with the same employer or in the same industry on the basis of full daytime work for one month, and absences due to illness, accidents, holidays, strikes or lockouts are equivalent to full work. The same applies to days not worked, for example, in fish work and port work due to lack of raw materials or similar reasons.
- 1.11.3. If seasonal work has been undertaken with the same employer for a total of one month during the past two years, this shall constitute continuous work.
- 1.11.4. When, according to the aforementioned provisions, an employee has acquired the right to full weekly wages, it shall be obligatory to pay said employee for the working days on which work is suspended, without prejudice to Article 3 of Act No. 19/1979 and Chapter 18 of this Agreement.

1.12. Further privileges and benefits

If employees have higher wages or further benefits than the agreement stipulates, those benefits shall be maintained.

1.13. New professions

Where, during the term of the agreement, there are new professions which are not provided for in the current agreement or which are not clearly analogous to the wage rates in force, negotiations shall be opened regarding the wages and conditions for employees in the profession.

1.14. Employment contracts and letters of employment

- 1.14.1. If an employee is hired for a period longer than one month and for more than eight hours per week on average, a written employment contract shall be made no later than two months after starting work or employment being confirmed in writing. If an employee leaves work before the end of the two-month period, without

¹ 1 Protocol from 21st February, 1995: 'The parties agree that the same continues to apply with regard to wage payments to staff hired on an occasional basis. An example is the recruitment of school students on occasional days during holidays'.

a written employment contract having been made or employment confirmed in writing, such confirmation shall be provided upon cessation of work.

1.14.2.

Changes to terms of employment beyond those due to law or collective agreements shall be confirmed in the same manner no later than one month after said changes are implemented.

1.14.3.

Provisions of Articles 1.14.1. and 1.14.2. do not apply when hiring for occasional work except where there are objective grounds for such.

1.14.4.

Employer's obligation to inform - The employment contract or written confirmation of employment, i.e. letter of employment, shall include at least the following:

1. Identification of parties, incl. ID numbers.
2. Workplace and employer's address. In the absence of a fixed workplace or a location where work is generally carried out, it must be stated that the employee is hired at various workplaces.
3. The title, position, nature or type of job for which an employee is hired, or a short clarification or description of the job.
4. First day of work.
5. The duration of employment if temporary.
6. Holiday entitlement
7. Notice period on the part of the employer and the employee.
8. Monthly or weekly wages, e.g. with reference to wage rates, the monthly wages from which overtime is calculated, other payments or benefits as well as payment periods.
9. Length of a typical work day or work week.
10. Pension fund.
11. Reference to the current collective agreement and the labour union concerned.

Information pursuant to items 6 - 9 may be provided with reference to the collective agreements.

1.14.5.

Work abroad - If an employee is assigned to work in another country for one month or longer, he/she shall receive written confirmation of employment prior to departure. In addition to the information pursuant to Article 1.14.4, the following shall be stated:

1. Estimated duration of employment abroad.

2. Currency in which wages are paid.
3. Compensation or benefits/privileges related to work abroad.

4. Where appropriate, conditions for the employee's return to their home country.

Information pursuant to items 2 - 3 may be provided with reference to law or the collective agreement.

1.14.6. Temporary employment

Temporary employment is covered under Act No. 139/2003 on Temporary Recruitment.

1.14.7. Right to damages

Should the employer violate the provisions of this article, he/she may be liable for damages.

1.15. Competition provision

Provisions in employment contracts that prohibit employees from working for their employers' competitors are non-binding if such provisions are broader than is necessary to prevent competition or if they restrict the employees' freedom of employment in an unfair manner. In either case, such provisions must be evaluated on a case-by-case basis with consideration to all relevant factors. Competition provisions should therefore not be worded too generally.

In assessing the breadth of an employment contract's competition provision, particularly in terms of the scope of application and time limits, the following factors must be taken into consideration:

- a. The type of work the employee in question performed, e.g. whether he/she is a key employee, is in direct contact with customers or bears a significant confidentiality obligation. Any knowledge or information the employee may have regarding the company's operations or its customers must also be considered.
- b. How fast the employee's knowledge becomes obsolete and whether normal equality among employees is observed.
- c. The type of operation in question and the competitors in the market in which the company operates, and the extent of the employee's knowledge.
- d. That an employee's freedom of employment is not restricted in an unfair manner.
- e. That the competition provision is specific and concise with a view to protecting certain competitive interests.
- f. The remuneration an employee receives, e.g. how high his/her wages are, also come into play.

Competition provisions of an employment contract do not apply if an employee resigns without providing sufficient reason.

1.16. Wages in foreign currency

Part of a fixed monthly salary may be paid in foreign currency, or a part of a fixed monthly salary may be tied to the exchange rate of a foreign currency by agreement between the employee and the employer. This portion of the salary shall be based on the selling rate of the currency as of the date on which the employee and employer enter into the agreement (agreement date).

Fixed monthly wages shall be calculated and stated on the payslip in the following way:

1. Fixed monthly wages in ISK on the agreement date.
2. The amount in ISK that is to be paid in foreign currency or tied to a foreign currency shall be deducted.
3. The portion of fixed monthly wages paid in or linked to foreign currency (cf. item 2), calculated in ISK at the foreign currency's selling rate three business days before payday.

The total of items 1 to 3 may never be lower than the lowest rate stated in the collective agreement in effect for the industry in question.

The total of items 1.-3. form a base for the payment of taxes and premiums pursuant to the collective agreement, e.g. to pension funds, union funds, sick funds, vocational rehabilitation funds, holiday home funds and continuing education funds.

The employee and employer are authorised to agree that overtime, shift premiums, bonuses and other payments be settled partially or entirely in foreign currency.

Pay raises shall be calculated on item 1. only, i.e. fixed monthly wages in ISK.

The employee may request the termination of the agreement at any time. In the event of such a request from an employee, the employer must comply as of and including the beginning of the second month after which the request was made. The employee shall then receive wages pursuant to item 1 with subsequent amendments as of the date on which the original agreement was entered into.

The employee and the employer shall agree in writing on the payment of wages in foreign currency or those tied to a foreign currency.

Included with the Agreement shall be an attachment from 2008 regarding wages in foreign currency and agreement form on page 146.

1.17. Certificates and paying for them

In the event that an employer requests an employee to provide a certificate, e.g. a criminal record or bill of health, the employee must submit the requested certificate and the employer must pay the fee for obtaining the certificate. Payment for medical certificates is covered under Article 8.4.3.

Paragraph 1 does not cover certificates which job applicants are required to submit as part of their application for employment.

Protocol on certificates accompanying applications for employment

When advertising an open job position in the media, agreeing parties are advised not to require applicants to submit certificates requiring payment to public entities with their initial application. Only those applicants who are considered for hire shall be required to submit such certificates.

2. CHAPTER

On working hours

2.1. Daytime work

- 2.1.1. Active working time for daytime work per week shall be 37 hours and 5 minutes and shall be arranged as follows:
- a. From 07:55 AM to 05:00 PM Monday to Friday.
 - b. From 07:30 AM to 04:35 PM Monday to Friday.
- 2.1.2. Other arrangements for daytime working hours are authorised upon agreement between the employer and staff. However, the daytime work of each employee must always be performed according to a continuous work plan and must never begin before 07:00 AM. The start of each employee's daytime work shall be determined in the employee's employment contract and shall not be changed unless an agreement is made or the employee leaves the position.
- 2.1.3. By written agreement between the employee and the company, daytime working hours may be transferred between days so that the weekly work quota will be fulfilled in less than five full working days, in which case the provisions of Article 2.2.1 shall not apply. This authorisation clause shall apply in the same way to the provisions on working time from Article 15 to Chapter 23, inclusive.

2.2. Overtime

- 2.2.1. Contractual overtime begins when the agreed daytime work is completed, i.e. 7 hours and 25 minutes of active working hours within the hours of 07:00 AM to 05:00 PM Monday to Friday.
- 2.2.2. Overtime wages are paid for work on Saturdays, Sundays and other contractual holidays.
- 2.2.3. Overtime wages are paid for work performed during meal and coffee breaks during daytime working hours.

2.3. Public holidays

- 2.3.1. Major public holidays include:
New Year's Day. Good Friday. Easter Sunday. Whitsunday.
17th June
Christmas Eve after 12:00 PM.
Christmas Day.
New Year's Eve after 12:00 PM.

- 2.3.2. Other holidays:
Holidays in addition to major public holidays:
Maundy
Thursday.
Easter Monday.
Ascension Day. First Day
of Summer.
1st May.
Whitmonday. Boxing
Day.
First Monday in August.

- 2.3.3. Holiday work constitutes work during a daytime working period on contractual holidays, cf. Article 2.3.2.

2.4. Minimum rest

2.4.1. Daily rest period

Working hours must be arranged such that for every 24-hour period, calculated from the beginning of the workday, employees receive at least 11 consecutive rest hours. If possible, daily rest hours should fall between the hours of 11:00 PM to 06:00 AM.

Working hours must never be arranged in such a way that they exceed 13 hours.

2.4.2. Exceptions and the right to time off

In special circumstances in which items of value must be recovered, the working period may be extended to up to 16 hours, after which 11 rest hours must be granted immediately following the work without infringing upon the right to fixed daily wages.

In the case that it becomes inevitable to deviate from daily rest time due to special circumstances, the following apply: If employees are specifically requested to report to work before 11 rest hours are met, rest may be postponed and granted later in such a way that the right to time off, 1½ hours (for daytime work), accumulates for every hour of rest lost. ½ hour (daytime work) may be paid out of the right to time off by employee request. Under no circumstances is it permitted to infringe upon eight consecutive hours of rest.

The same applies if an employee works enough hours before a holiday or weekend that he/she does not fulfil 11 hours of rest based on the typical beginning of the work day. In the event that an employee comes to work on a holiday or weekend, he/she shall receive overtime rates for the time worked without further additional payments for the same reason.

The above provisions do not apply to organised shift plans, where it is permitted to shorten the rest time to 8 hours.

Accumulated right to time off pursuant to the above shall be stated on the payslip and granted in half and full days outside of the company's busy periods in consultation with employees on the condition that the employee has accumulated at least four hours of time off. At the end of employment, unused time off shall be settled and considered part of the employee's period of employment.

Without employee consent, is not permitted to schedule work in such a way that accumulated time off is taken while the employee is travelling on behalf of the employer or working away from home/current place of residence, unless as part of the normal course of accumulation of time off.

2.4.3. Weekly day off

During each seven-day period, the employee shall have at least one day off per week as a part of the daily rest period and is based on a work week that begins on Monday.

2.4.4. Postponement of weekly day off

To the extent possible, the weekly day off should fall on a Sunday, and to the extent possible, everyone employed by the same company or at the same fixed workplace should have that day off. The company may, upon agreement with employees, postpone the weekly day off in cases where circumstances necessitate it. If there is a particular reason to schedule work in such a way that the weekly day off is postponed, an agreement to this effect shall be made. Days off may therefore be managed such that two are taken every other weekend (Saturday and Sunday). If days off should fall on business days due to unforeseen reasons, employees' rights to fixed wages and shift premiums will not be restricted.

If the company requests that an employee travel internationally on unpaid days off, the employee shall receive time off corresponding to 8 daytime working hours for every day off lost, on the condition that the wages determined do not take international travel into consideration. Taking time off under these conditions is done in the same way as determined in the chapter on minimum rest and time off.

2.4.5. Breaks

Employees are entitled to a break of at least 15 minutes if their daily working hours exceed six hours. Coffee and meal breaks are considered a break in this regard.

In terms of the scope of application, rest periods, work breaks and others, reference is made to the agreement of the Icelandic Federation of Labor and Federation of Icelandic Employers on 30th December, 1996 on certain aspects relating to the scheduling of working time, which accompanies this agreement as an attachment, constitutes a part of it and

is identical to the agreement of the Icelandic Federation of Labor and VMS; refer to p. 152. The aforementioned provisions complement Article 13 of this Agreement.

2.5. Recording of working hours

- 2.5.1. An employee's working hours are counted from the time the employee arrives at work as directed by the supervisor or employer until the employee leaves work, excluding lunch hours from 12:00 PM to 01:00 PM.
- ² This applies if work is carried out within a transit line that is demarcated by the Reykjavík Municipal Bus Service route network with the exception of Kjalarnes, and by the bus route network through Kópavogur in the area of the Efling labour union, and employees must report to work on their own time and independently within the above limits. It is assumed that bus journeys are such that the distance from the closest stop to the workplace is not longer than is considered normal in the general bus network. (However, see the protocol on changes to transit lines on page 160.)
- ³ If employees are posted from a place of employment/workplace within the above limits to work outside said limits, the employer shall arrange transport, assuming that journeys outside the transit line are during working hours. This applies if the employee works in the union area.
- 2.5.2. The decision regarding the meeting place for the transportation of employees to the workplace and place to which employees are to be returned after work shall be taken on a case-by-case basis in consultation with the employees concerned. If, owing to the lack of means of transport or for other reasons beyond the fault of the employees, employees are unable to leave their workplace, they shall be entitled to full pay during the waiting period and until they are transported to their destination within the transit line.
- 2.5.3. Signing employees out of work during coffee or meal breaks on overtime is not authorised, with the exception of evening meal breaks. In such instances, these coffee and meal breaks shall be paid in addition to other hours worked.
- 2.5.4. Employees must be signed in during working hours and will receive wages for the quarter-hour during which they are clocked out.
- 2.5.5. If an employee arrives to work late, he/she cannot claim wages for the quarter-hour during which he/she arrives nor for the time elapsed prior to arrival.

² Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Agreement between SA

Boðinn.

³ Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Boðinn.

- 2.5.6. ⁴ When employees in the Efling union start or stop work at a time of day when buses do not run, they shall be provided with free travel to and from their workplace, subject to further agreement on routes.

2.6. Rights of those persons working part of the day

- 2.6.1. Employees who work part-time on a regular basis (i.e. a predetermined job/employment rate), whether for part of the day or part-time work by another arrangement, enjoy the same right to payment of contractual and statutory accrued rights such as days off, sick days and accident days, notice period, pay raises based on seniority, etc. as those who work a full day, and payment shall be based on the employment rate and normal work day of the employees in question.
- 2.6.2. In the event that work is suspended by the employer, e.g. due to the unavailability of raw material at a fish processing plant, employees shall lose none of the aforementioned rights.
- 2.6.3. More information on part-time employees can be found in the agreement between the Icelandic Federation of Labor and the Confederation of Icelandic Enterprises on part-time work and, where applicable, in legislation on part-time workers.

2.7. Change of employment rate and/or working hours

An employee who changes his/her working hours from partial to full daytime work or vice versa by request of the employer or with his/her consent shall enjoy all contractual and legally required rights in instances of accident or injury and the right to extra holiday payment from the time he/she began work, based on seniority and consistent with the amended working hours.

2.8. Time off in lieu of overtime

By agreement between the employee and the employer, it is permitted to pay for work performed during overtime periods with time off during daytime work periods. Two types of agreement are authorised:

- a) Overtime hours may accumulate and an overtime premium may be paid out.

⁴ Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Boðinn.

Example: An employee's daytime hourly wage is ISK 1000 and the company pays ISK 1800 for overtime. An agreement states that the next eight overtime hours shall be paid such that the overtime premium is paid out (ISK 1800 - 1000 = 800 ISK/hr.) while overtime hours accumulate. When an employee takes time off, he/she keeps his/her daytime wage (ISK 1000) for eight hours. Care must be taken to ensure that the correct amount of overtime is paid if an employee receives only a special extra payment. Special consideration must be taken if an employee has special extra payments that apply only to daytime wages.

b) Overtime hours may accumulate and be converted into daytime hours.

Example: If an employee's overtime premium is 80% (1.0385% of monthly wages for daytime work assuming a division of 173.33), overtime hours worked may be converted into time off during daytime hours in such a way that one hour of overtime is equivalent to 1.8 hours of daytime work (4.44 overtime hours is equivalent to 8 daytime working hours). Attention must be paid to the proportion if an employee receives a special extra payment on daytime wages only.

An agreement shall be made concerning taking time off and time off shall be scheduled so that it causes as little disruption as possible to company activities.

2.9. Courses and workshops

Employees may devote up to 4 daytime working hours per year attending training courses eligible for a grant from Starfsafli, without any reduction of daytime hourly wages given that at least half of the course/workshop hours take place in the employee's own time. Time for course/workshop attendance shall be decided with consideration to company activities.

2.10. On-call shifts

Employees may be placed on on-call shifts during which they must be contactable by phone and attend to emergency calls. Unless otherwise agreed to in an employment contract, the following applies:

For every hour of an on-call shift during which the on-call employee must remain at home, he/she receives payment equal to 33% of the daytime working hours. On public holidays and major holidays pursuant to Articles 2.3.1. and 2.3.2., the aforementioned percentage is 50%.

16.5% of daytime hourly wages are paid for on-call shifts that do not require an immediate response from the employee but require that the employee be available and ready to work immediately. On public holidays and major holidays pursuant

to Articles 2.3.1. and 2.3.2., the aforementioned percentage is 25%.

For emergency calls during on-call shifts, employees are paid for hours worked for a minimum of four hours, unless daytime working hours begin within two hours of the employee arriving at work. Payments for on-call shifts and overtime payments never coincide.

Protocol on infringements of minimum rest time

The collective agreement provides for the right to time off in the event that time falls below 11 hours. The agreeing parties agree that this rule also applies to rest time below 8 hours in exceptional circumstances. [2004]

3. CHAPTER

Meal and Coffee Breaks, Food and Transportation Costs

3.1. Daytime meal and coffee breaks

- 3.1.1. Employees are entitled to a meal break of one hour during the period from 11:30 AM to 01:30 PM, which does not count towards working hours. If employees have access to a cafeteria or coffee shop, it may be permitted to shorten lunch breaks by up to half an hour upon consultation with said employees.
 - 3.1.2. There shall be two coffee breaks during daytime work of 20 minutes each taken before and after noon.
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3.2. Food and coffee breaks during overtime work

- 3.2.1. If overtime is worked, mealtimes shall be from 07:00 PM to 08:00 PM and from 03:00 AM to 04:00 AM.
 - 3.2.2. If overtime is worked, coffee breaks shall be from 11:00 PM to 11:15 PM and from 05:00 AM to 05:15 AM. If an employee begins work one hour or earlier before daytime work begins, the last 15 minutes shall be a coffee break; cf. Article 2.1.
 - 3.2.3. The duration of the refreshment breaks on weekends is the same as during weekdays.
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3.3. Work during meal and coffee breaks

- 3.3.1. During meal and coffee breaks, work must only be done if the employees are willing to do so.
 - 3.3.2. Coffee and meal breaks during overtime that are included in the working period are counted as working hours (except for lunch break), and work during these shall be paid in addition to the working hours at the same wages for one quarter-hour for each coffee break and one hour for each lunch break, and such shall be done even if less work is done.
-

3.4. Food allowance

- 3.4.1. When employees are sent to work out of town and are not driven home during mealtimes or in the evening, they shall receive free food and other subsistence and travel expenses.

3.4.2. If employees working outside the transit line are not driven home during mealtimes and are not provided with food at the workplace, they shall be paid a daily allowance for food costs that vary depending on whether they are driven home before or after dinnertime. This amount shall be ISK 1,643 per day if it involves one meal and ISK 3,431 per day if it involves two meals (i.e. lunch and dinner). If an employee is sent to work outside the local area, stays away from home and pays for his/her own food from morning until evening, then he/she is entitled to a daily allowance from the employer totalling ISK 4,775 per day (including breakfast). These amounts (that are based on 1.5.2015) are subject to general changes in wages.

3.4.3. Vehicle fee for the use of one's own vehicle for the benefit of the employer

If an employee uses his/her own vehicle at the employer's request, he/she has the right to payment. The payment shall be based upon the kilometres travelled, and the amount per kilometre shall be the same as determined by the state's Travel Expenses Committee at each given time (refer to the wage list).

A fixed payment amount per trip may be negotiated based on a defined area and on the above mileage charge.

If the employer so requests, the employee is obliged to keep a driving log specifying the number of journeys and/or kilometres travelled in order to calculate the fee.

3.5. Wages on trips

3.5.1. On the way to the destination, wages shall be paid in accordance with this Agreement for all the time spent travelling whether by land or by air. However, if the travel is by sea, daytime wages are paid each day that the trip lasts, but only for the number of hours that constitute daytime work. The same applies to the return journey.

3.5.2. Employees shall have free travel during working hours to and from the workplace each weekend if they work no more than 250 km from the judicial district of the town or municipality in which the trade union in question is based.

3.5.3. If the place of work is beyond 250 km, the provisions of the previous paragraph of this Article shall apply, except that it is not mandatory to transport employees into town except on every other weekend. The provisions of these Articles concerning free-of-charge transport between places of employment and workplaces and payment of wages during the journey shall apply only if the employee leaves work for reasons acceptable to the employer.

3.5.4. All land transport shall be carried out in approved passenger vehicles. If due to some force majeure,

a route is impassable by ordinary vehicles, it is without penalty to the employer, even if the trip is cancelled until the weekend.

3.5.5. Daily allowance on trips abroad

If a company does not have specific rules regarding the payment of travel expenses, daily allowances for trips abroad are paid in accordance with the decisions of the state's Travel Expenses Committee.

4. CHAPTER

On holidays

4.1. Holidays

4.1.1. Holidays shall be a minimum length of 24 business days. Holiday wages shall be 10.17% of all wages, whether for daytime work or overtime.

4.1.2. Employees who have worked 5 years at the same company or 10 years in the same profession shall be entitled to a holiday of 25 days and to holiday wages amounting to 10.64%. Likewise, an employee who has worked at the same company for 10 years is entitled to 30 days of holiday and a 13.04% holiday wage.

An employee who has received increased holiday entitlement for work at the same company obtains the same entitlement after 3 years at a new employer, provided that the entitlement has been verified.

4.1.3. Summer holiday is four weeks (20 working days) and must be granted between 2nd May and 30th September.

Holidays exceeding 20 days may be granted outside of the designated summer holiday period of 2nd May to 30th September unless otherwise agreed. If an employee wishes to take a holiday outside of the aforementioned period, the request must be granted to the extent that company operations allow.

Those employees who, by request of the employer, do not receive 20 holiday days during the summer holiday period are entitled to a 25% premium on those days remaining of the 20 days.

4.1.4. Labour unions are authorised to negotiate with individual wage payers that holiday wages be paid immediately into an employee's special holiday bank account or savings account. Such an agreement shall ensure that the party entrusted with holiday wages pay wage earners their accrued holiday wages, i.e. principal and interest, at the start of the period when the holiday is taken. A copy of such an agreement must be submitted immediately to the Ministry of Social Affairs, and its termination must be reported.*

4.1.5. Holidays are otherwise covered by provisions of holiday legislation in effect at any given time.

Upon the death of an employee, his/her holiday entitlement shall be paid to his/her estate by deposit into his/her wage account or by other means.

*See also the Protocol on Holiday Matters for Workers in Fish Processing from 1997, page 169.

4.2. Illness and accidents during holidays

In the event that an employee falls ill while on holiday domestically, in an EU country, Switzerland, the USA or Canada to the extent that he/she is not able to enjoy the holiday, he/she must notify the employer by phone, email or other verifiable means on the first day unless prevented by force majeure circumstances, in which case notification must be made as soon as possible.

If the employee fulfils the notification requirement, the illness lasts longer than 72 hours, and the employee notifies the employer of the attending physician, he/she is entitled to compensatory leave for the length of time that the illness demonstrably lasted. Under the aforementioned circumstances, the employee shall at all times provide proof of illness with a doctor's note. The employer has the right to have a doctor verify that the employee fell ill on holiday. To the extent possible, compensatory leave shall be granted at the time requested by the employee during the period from 2nd May to 15th September, unless otherwise stated. The aforementioned rules also apply to accidents during holidays.

5. CHAPTER

Company-specific component of collective agreements

5.1. Definition

A company agreement (workplace agreement) in the understanding of this chapter is an agreement between a company and its employees, either all or specific individuals, for the adaptation of the collective agreement to the needs of the workplace.

A company-specific agreement made on the basis of this chapter is not a collective agreement, as the Confederation of Icelandic Enterprises (SA) and labour unions are not agreeing parties. Regarding the involvement of these parties in the drawing of the agreement, refer to Article 5.5.

5.2. Purpose

The purpose of the company-specific component of a collective agreement is to promote cooperation between staff and management in the workplace with a view to setting the groundwork for improved terms of employment for employees through increased productivity.

The purpose is to develop collective agreements in such a way that they benefit both parties. The aim, among other things, is to shorten the work week while maintaining or increasing productivity. In doing this, the aim is to always distribute profits between employees and the company according to clear parameters.

5.3. Permission to negotiate

As a rule, the company-specific component applies to all employees to whom the relevant labour union's collective agreement applies. However, special agreements may be made in individual designated workplaces.

Negotiations regarding the company-specific component of a collective agreement are carried out under the embargo on industrial action and shall be initiated by the agreement of both parties. It must be stated in writing to whom the agreement is intended to apply.

The relevant labour unions and employers' associations shall be notified once negotiations have been decided.

5.4. Advisers

It is appropriate to both parties, employees and company representatives to seek the consultancy agreeing parties. Each party may decide, individually or jointly, to call upon spokespersons of the agreeing parties to consult in the drafting of the agreement immediately after negotiations have been decided.

5.5. Employee spokespersons - representation in negotiations

Union representatives shall represent employees in negotiations with company management. The spokesman of the union concerned is fully authorised to sit on the negotiating committee. The union representative shall be authorised to hold elections for two to five additional members of the negotiation committee, depending on the number of employees, who will form a common negotiating committee.

The union representative and other elected spokespersons of the negotiating committee shall be guaranteed a normal amount of time for the preparation and drafting of the agreement during working hours. Furthermore, they shall enjoy special protection in employment and must not suffer negative consequences for their work on the negotiating committee. It is thus forbidden to terminate their employment on account of their work on the negotiating committee.

In workplaces where union representatives belong to two or more labour unions, they shall act jointly on behalf of employees in instances where the company-specific component of the collective agreement affects their position. In these circumstances, care should be taken to ensure that a spokesman for all relevant industries participating in negotiations despite the fact that the negotiating committee may expand as a result.

Where union representatives have not been appointed, the employees' relevant labour union may hold elections for the negotiating committee.

5.6. Information delivery

Before drafting a company-specific agreement, management shall inform union representatives and others on the negotiating committee of the company's standing, future prospects and personnel policy.

The union representative has the right to information regarding wage payments at the workplace he/she represents

to the extent necessary to enforce provisions of the company-specific agreement.

During the duration of a company-specific agreement, union representatives shall be informed twice a year of the aforementioned items and priorities in the company's operations. They shall exercise discretion regarding this information to the extent that it is not open to public discussion.

Information is only required to be provided to the extent necessary for the provisions of the company-specific agreement.

An agreement made on the basis of this chapter shall be made available to the employees of the company concerned. Informing unauthorised parties of the content of the agreement is prohibited.

5.7. Permitted exceptions

It is permitted by agreement within the company and between employees and the company to adapt provisions of the agreement to the needs of the workplace by making exceptions regarding the following elements, provided that an agreement is reached concerning employee remuneration.

- a) Flexible daytime working hours. Daytime working hours may be negotiated between 07:00 AM and 07:00 PM.
- b) Four-day work week. Completing a full daytime work week in four days is authorised where not prohibited by law or other agreements.
- c) Shift work. Taking up shift work with at least two weeks' notice is permitted. The duration of the shift period must not be shorter than one month at a time.
- d) Overtime premium on daytime work base rate. A portion of the overtime premium may be transferred over to the daytime work base rate.
- e) Leave for overtime. Employees are permitted to accumulate overtime hours and instead take a corresponding number of holiday hours during weekdays outside of the company's peak period. Overtime hours are accumulated and then paid at the daytime rate but overtime premiums are paid out.
- f) Refreshment breaks. Other arrangements for refreshment breaks than stated in the main collective agreement may be negotiated.
- g) Holidays. A portion of the holiday may be allocated to cut back operations or to close on certain days outside of the company's peak season.

- h) Incentive pay schemes. An incentive pay scheme may be developed without formal methods analysis where considered suitable by both parties.

- i) Transfer of Thursday holidays. A workplace may agree to transfer contractual days off for Ascension Day and the First Day of Summer, both of which always fall on Thursdays, to another weekday, e.g. Friday or Monday, or to merge these holidays with other employee time off.

Exceptions to the general rules of the collective agreement beyond the aforementioned parameters are only authorised with the consent of the relevant labour union and employers' association.

5.8. Employee compensation

If an agreement is reached regarding the adaptation of the provisions of the collective agreement to the needs of the company or any other exceptions to the agreed-upon work organisation, an agreement shall also be made regarding the employees' share of the company's profit resulting from these changes.

The employees' share may come as a reduction of working hours without a corresponding reduction of income, payment of a fixed amount each month or quarter, competence premiums, percentage premium of a fixed ISK amount on top of wages, or in some other form by agreement. The agreement must clearly state what the company's profit entails as well as how employees are compensated. Both are exceptions to the collective agreement and become void upon termination pursuant to Article 5.9.

5.9. Entry into effect, scope and duration

An agreement regarding the company-specific component of the collective agreement must be in writing and submitted to all to whom the agreement is intended to apply to by a secret ballot organised by the relevant employee negotiating committee. An agreement is considered accepted if it receives the support of a majority of votes cast. The relevant labour union must ensure that the agreed-upon exceptions and compensation for them, evaluated comprehensively, comply with the provisions of law and the collective agreement concerning minimum wages and terms of employment. If no notification to the contrary is received within four weeks, the agreement is considered to have been accepted by both parties.

The company-specific agreement may be made temporarily for a trial period of up to six months and then finalised in light of experience during the trial period. The duration of validity is otherwise indefinite. At the end of the year, either party may request a review. No later than two months after the main collective agreement enters into effect, the parties shall enter

into negotiations on the revision and renewal of the agreement on the company-specific component. If no agreement regarding amendments is reached within two months, either party may terminate the company-specific agreement with six months' notice as of the end of the current month. After that time, both the agreed-upon amendments and

the employees' share of profits are void. For termination to be binding, the support of a majority of the employees concerned is required by the same form of voting employed when the agreement entered into effect. If an employer terminates to company-specific agreement, wage increases stipulated in that agreement shall only be retracted to the extent equivalent to the cost increase resulting from the adoption of the previous agreement provisions.

5.10. Effects of company-specific agreement on terms of employment

Changes in terms of employment resulting from a company-specific agreement are binding on all the employees concerned provided that they have not challenged the formal making of the agreement with company management and the employees' negotiating committee prior to the vote.

The provisions of a company-specific agreement apply equally to those employees who are employed when the agreement is approved pursuant to the provisions of this chapter as well as those hired later, on the condition that they have been introduced to the agreement's content upon employment.

5.11. Shortening of working hours

On the basis of majority approval by vote, employees have the right to negotiations on the shortening of working hours to 36 working hours per week on average concurrent with the elimination of coffee breaks during daytime working hours pursuant to chapter 3 of the collective agreement. Company management may also request negotiations.

During negotiations, suggestions for the arrangement of breaks will be made with the aim of achieving reciprocal benefits and improving the utilisation of working hours where possible.

If formal coffee hours are eliminated, profits due to improved utilization of working hours and increased productivity are divided between the employee and the employer, and the employees' share consists of the additional shortening of active working hours:

Additional shortening of active working hours:

If an agreement is reached concerning the elimination of coffee breaks, active working time will be 36 hours per week with no reduction of monthly wages. The shortening of active working hours may be implemented in various ways, e.g.:

1. Taking one or more flexible rest breaks from work.
2. Mid-day break lengthened.

3. Each workday is shortened, an agreed-upon number of workdays are shortened, or one day of the week is shortened.
4. Shortening accumulates as holiday time or half days.
5. Combined approach.

Spokespersons of the agreeing parties have the right to full involvement in negotiations pursuant to this article.

Entry into effect and voting on the agreement is covered in Article 5.9.

5.12. Handling of disputes

In the event that the workplace does not come to an agreement regarding the shortening of working hours pursuant to Article 5.11., employees and employers alike are authorised to defer the dispute to the agreeing parties, the relevant labour union and the Confederation of Icelandic Enterprises (SA).

Should a dispute arise within the company concerning the understanding or execution of the company-specific agreement and it is not solved in negotiations between parties at the workplace, employees have the right to seek the assistance of the relevant labour union or entrust the union with its resolution.

If an agreement is not reached regarding the evaluation of the impact of termination pursuant to concluding Sub-Paragraph 2 of Article 5.9, either party may defer to adjudication by an independent party agreed upon by both parties. The company pays 65% of the cost and the employees pay 35%.

5.13. Example of a company-specific company

Company-specific

agreement between

NN ehf. and the employees of the

This company-specific agreement is made on the basis of Chapter 5 of the collective agreement between the Confederation of Icelandic Enterprises and the labour union or unions concerned and applies to the company's operations.

1. Article

Working hours and refreshment breaks

2. Article

Other

on behalf of

on behalf of

6. CHAPTER

Priority Rights to Work

6.1. Priority rights

- 6.1.1. Employers undertake to grant employees who are full members of Efling in the union area in question priority rights to all general manual labour when such is required, and such is offered to members who are fully qualified for the work in question.
- 6.1.2. Employers always have a free choice regarding which members of the relevant unions they shall recruit. If an employer wishes to employ a person who is not a member of Efling, the union in question shall be obliged to admit that person if he/she applies for such and if it does not conflict with the articles of association of the company.
- 6.1.3. In the event of a shortage of personnel for work, Efling undertakes to grant the members of the Confederation of Icelandic Enterprises the right of priority to recruit full members, provided that the board of the company gives notice regarding the shortage of personnel.

7. CHAPTER

Equipment, Hygiene and Safety

7.1. Equipment

In workplaces, employers shall ensure that a medicine box is located on-site with the necessary medicines and packaging, as well as toilets, water and sinks. At all workplaces, employees shall have access to reasonable facilities for drinking coffee and storage for protective clothing.

7.2. Dining facilities

7.2.1. When employees are working in the same place in suburban areas with the same employer, the employer shall have facilities in which employees can drink coffee and eat. The shelters shall be fitted with tables and chairs, and care must be taken to ensure that they are always clean and tidy. Furthermore, the shelters shall be equipped with heating appliances.

7.2.2. When typically eating at the workplace, both employers and employees shall follow instructions from the health authorities regarding conditions, sanitary facilities and conduct in food areas.

7.3. Safety equipment

7.3.1. Workplaces shall make available to employees the safety equipment that either the Administration of Occupational Safety and Health deems necessary for the nature of the work or is specified in the collective agreement.

7.3.2. Violation of safety rules

7.3.2.1. Employees are obliged to use the safety equipment stated in collective agreements and regulations, and supervisors and union representatives shall ensure that the proper equipment is used. If employees do not use safety equipment provided by the workplace, dismissal from work without warning is authorised after a written warning is issued.

7.3.2.2. The employee's union representative shall ensure without delay that the reason for termination is made clear, and the employee shall have the option of familiarising him/herself

with all developments in the case. If the union representative does not agree with the reason for dismissal, he/she shall protest the decision in writing, and the employee in question will not be dismissed without warning.

- 7.3.3. Violations of safety rules that jeopardise employees' life and limb are subject to dismissal without warning if the union representative and company representative are in agreement.
- 7.3.4. If the safety equipment specified in collective agreements and required by the Administration of Occupational Safety and Health is not available at the workplace, employees who do not receive such equipment are authorised to refuse to perform the work that requires the equipment. If no other jobs are available for the employee in question, he/she shall retain full wages.
- 7.3.5. In the event of a dispute over this provision of the agreement, the case may be referred to ASÍ and SA.

7.4. Youth work

Restrictions on work and working hours for youth are covered in chapter X. of the Act on Working Environment, Health and Safety in Workplaces No. 46/1980 and Regulation on the Work of Children and Adolescents no. 426/1999.

7.5. Delivery of information

When important information must be delivered to employees regarding e.g. safety matters, work arrangements, changes in the workplace or matters concerning individual employees, the employer must make an effort to have an interpreter on hand for those employees who need one.

8. CHAPTER

Payment of Wages in the Event of Illness and Accidents and Accident Insurance

8.1. Wages during illness

During each 12-month period, employees shall retain wages as specified below during absences due to an accident or illness:

- 8.1.1. During the first year of employment with the same employer, two days' substitute wages are paid for every month worked.
- 8.1.2. After one year of employment with the same employer, one month's substitute wages are paid.
- 8.1.3. After two consecutive years with the same employer, one month's substitute wages are paid as well as one month's daytime working wages.
- 8.1.4. After three consecutive years with the same employer, one month's substitute wages are paid as well as two months' daytime working wages.
- 8.1.5. After five consecutive years with the same employer, one month's substitute wages are paid as well as one month of full daytime wages (i.e. daytime working wages, bonuses and shift premiums pursuant to Article 8.3.2) and two months of daytime working wages.
- 8.1.6. An employee who has accrued four months of sickness entitlement after five consecutive years with the same employer and is hired by another employer within 12 months retains two months of sickness entitlement (one month on substitute wages and one month on daytime working wages), provided that his/her work for the other employer ended in a normal manner and his/her entitlement is verified. Employees receive a better entitlement after three consecutive years with a new employer, pursuant to Article 8.1.4.
- 8.1.7. Sickness entitlement is a total entitlement per 12-month period regardless of the nature of the disease.

Explanation:

Sickness entitlement is based on sick days paid per 12-month pay period. When an employee becomes unable to work, consideration is given to the number of days paid during the previous 12 wage months and that number of days is subtracted from the accrued sickness entitlement. If an employee has been unpaid for a period, that period shall not

8.2. Occupational accidents and occupational diseases

- 8.2.1. If an employee is unable to report to work due to an accident at work or en route to or from work, or if an employee falls ill with an occupational disease, he/she shall retain his/her daytime working wages for three months in addition to the right to wages during illness.

The aforementioned right is an independent entitlement and does not impinge upon the employee's sickness entitlement.

Explanation:

Incapacity caused by an accident may either occur immediately after an accident or later. Proof and cause are covered under general rules.

- 8.2.2. The Social Insurance Administration pays a per diem allowance for these days to the employer.
- 8.2.3. In the event of an accident at work, the employer pays for transporting the employee home or to hospital and later covers the normal medical costs while he/she receives wages other than those paid by the Social Insurance Administration. The injured employee shall submit receipts for out-of-pocket expenses to his/her employer, and payment must be made concurrently with the payment of wages, pursuant to Article 8.4.

For the purposes of medical and transport expenses, accidents on the way to and from work are considered work accidents.

8.3. Wage concepts

- 8.3.1. Substitute salary is based on the wages the employee would verifiably have earned had he/she not been absent from work due to illness or accident. Not included are attendance bonuses and premium payments due to a specific risk or unsanitary conditions that may arise when performing specified duties.
- 8.3.2. Full daytime wages are fixed wages for daytime work in addition to shift premiums, bonuses and other work incentives or comparable premium payments for work based on full-time work of 8 hours per day or 40 hours per week.
- 8.3.3. Daytime wages are fixed wages based on daytime work (not including bonuses or any premium payments) for full-time work of 8 hours per day or 40 hours per week.

8.4. Payout of sick pay

- 8.4.1. Wage payments in the event of illness or accidents shall be made in the same manner and at the same time as other wage payments, provided that a medical certificate has been submitted in time for wage calculations.

8.4.2. In the event of a dispute concerning the employer's obligation to pay compensation, pursuant to Article 8.2, a decision shall be made according to whether the state accident insurance authority deems it necessary to pay compensation for the accident.

8.4.3. Medical certificate

An employer may require a medical certificate to confirm an employee's illness.

The employer shall pay for the medical certificate provided that the employee has notified the employer of his/her illness on the first day and that employees are always obligated to submit a medical certificate.

8.5. Children's illness and leave due to force majeure circumstances

8.5.1. For the first six months with an employer, a parent is permitted to spend two days per month worked tending to a sick child under the age of 13, provided that other care arrangements are not possible. The same applies to children under the age of 16 when an illness is serious enough to require hospitalisation for at least one day. After six months of employment, the entitlement increases to 12 days per 12-month period. Parents retain their daytime wages as well as any shift premiums that may apply.

With reference to rules on payments for child sickness, the understanding is that foster parents or other guardians who provide for the child are considered parents.

8.5.2. An employee is entitled to leave from work in the event of circumstances beyond control (force majeure) and family emergencies due to illness or accident that immediately require the presence of the employee.

The employee is not entitled to wages from the employer in the above circumstances, without prejudice to Article 8.5.1.

8.6. Maternity/paternity leave and prenatal exams

Maternity/paternity leave and parental leave are covered by Act No. 95/2000 on the subject.

Pregnant women have the right to absence from work due to necessary prenatal exams without deduction from fixed wages if such an exam must take place during working hours.

8.7. Death, accident and disability insurance

8.7.1. Scope of application

Employers are required to insure employees, as covered by this Agreement, against death, permanent medical disability and/or temporary disability caused by a work accident or on the way to work from home and from home to work, as well as to/from the workplace during refreshment breaks. If an employee resides in a dwelling place outside of his/her home for reasons related to work, the dwelling place shall be considered the same as a home and insurance therefore covers normal travel between the home and dwelling place.

Insurance applies to all domestic and international travel on behalf of the employer.

Insurance shall cover accidents resulting from sports, competitions and games, provided that such activities take place on behalf of the employer or company union and that participation in such activities is considered a part of the employee's job. In this respect, it does not matter whether the accident happens during or outside of typical working hours. Accidents that occur during boxing, wrestling of any sort, motorsports, snowkiting, hang gliding, bungee jumping, mountain climbing that requires special equipment, abseiling, skin diving and parachuting are exempted.

Insurance does not pay compensation for accidents incurred through the use of motor vehicles that require registration in Iceland and are liable for damages under mandatory vehicle insurance, whether liability insurance or the driver's and owner's accident insurance pursuant to traffic laws.

8.7.2. Entry into effect and expiration of insurance

An employee's insurance enters into effect when he/she begins working for the employer (i.e. is registered on the payroll) and expires when his/her employment ends.

8.7.3. Index and indexation of benefits

Insurance amounts are according to the consumer price index for indexation in effect as of 1st April 2019 (462.9 points) and change on the first day of every month in proportion to the change of the index.

Settlement amounts are calculated on the basis of insurance amounts on the day of the accident and change according to the consumer price index for indexation as follows:

Settlement amounts change in direct proportion to the change in the index from the day of the accident to the settlement date.

8.7.4. Death benefits

In the event that an accident causes the death of the insured within three years of the day of the accident, the beneficiary received death benefits less the amount deducted for permanent medical disability due to the same accident.

From 1st April, 2019, death benefits will be:

1. To the surviving partner, ISK 8,190,021

Partner refers to an individual married to, in a registered partnership or a domestic partnership with the deceased.

2. To every child below the age of majority of whom the deceased had custody or to whom the deceased paid child support pursuant to Children's Act No. 76/2003, benefits shall be equal to the total amount of child allowance under the Social Security Code to which the child would have been entitled as a result of the death until the age of 18. This is a lump sum compensation. Benefits shall be calculated according to the amount of child allowance on the day of death. Benefits to each child must never amount to less than ISK 3,276,008. Benefits to children shall be paid out to the person who has custody of the children after the death of the insured. To each youth aged 18-22 who is domiciled at the same address as the deceased and has verifiably received his/her support, benefits shall amount to ISK 819,002. If the deceased was the child's or youth's sole provider, benefits increase by 100%.
3. If the deceased verifiably provided for a parent or parents aged 67 or older, the surviving parent or parents shall collectively receive benefits amounting to ISK 819,002.
4. If the deceased did not have a partner cf. item 1, death benefits amounting to ISK 819,002 are paid to the estate of the deceased.

8.7.5. Permanent disability benefits

Benefits for permanent disability are paid in proportion to the medical consequences of the accident. Permanent disability shall be assessed at a level according to the table on degree of injury published by the Disability Assessment Committee and the assessment shall be based on the health status of the injured person once his/her condition has stabilised.

Basic disability benefits amount to ISK 18,673,248. Benefits for permanent disability shall be calculated so that 186,732 are payable for each disability level from 1-25 ISK, 373,465 are payable for each disability level from 26-50 ISK, and 746,930 are payable for each disability level from 50-100 ISK. Benefits for 100% permanent disability therefore amount to ISK 51,351,433.

Disability benefits shall also take into account the age of the person injured on the day of the accident so that benefits decrease by 2% for every year after

the age of 50. After the age of 70, benefits decrease by 5% of the basic amount for each year of age. Age indexing of disability benefits must never result in a reduction of more than 90%.

8.7.6. Temporary disability benefits

In the event that an accident results in temporary disability, the insurance shall pay a per diem allowance proportionate to the loss of capacity to work four weeks from when the accident happened until the employee is able to work again, or until a disability assessment has been performed, but no longer than for 37 weeks.

The per diem allowance for temporary disability is ISK 40,950 per week. If the employee is partially able to work, the per diem allowance is proportionate.

Per diem allowance from insurance is paid to the employer while the employee receives wages according to a collective agreement or employment contract and then to the employee.

8.7.7. Insurance obligation

All employers are required to purchase insurance from an insurance company licensed to operate in Iceland and that satisfies the above criteria of the collective agreement concerning accident insurance.

In other respects than those specified in this chapter of the agreement, insurance is subject to the terms of the insurance company in question and the Act on Insurance Contracts No. 30/2004.

Protocol regarding incapacity to work due to illness

The parties agree that, in addition to incidents of illness and accidents, the sickness entitlements under this agreement come into effect if the employee requires urgent and necessary medical treatment to mitigate or eliminate the consequences of a disease that could foreseeably result in an inability to work.

The above definition does not include a change in the concept of disease according to labour law as it has been interpreted by the courts. However, the parties agree that the procedures an employee must undergo in order to mitigate the consequences of a work accident bring sickness entitlements pursuant to this agreement into effect.

Protocol on medical certificates

The agreeing parties shall request that the Minister of Health advocate amending the rules on medical certificates. Special medical certificates shall

be required in instances of long-term absence. If an employee has been unable to work due to disease or accident for four consecutive weeks, a medical certificate should offer an opinion regarding whether vocational rehabilitation is necessary to achieve or expedite recovery. [2008]

9. CHAPTER

Tools and work clothes

9.1. Tools

Tools and work equipment must be provided to employees free of charge. Employers must ensure that all equipment and tools are kept in good order so as not to pose an accident risk or otherwise endanger the safety of employees.

9.2. Personal protective equipment

9.2.1. General workwear

Employees shall be given one set of overalls or equivalent per year unless another arrangement has been agreed.

9.2.2. Specialised workwear

In special cases where the project or workplace is contaminated with soot, fish oil, tar, oil or other substances which, in the opinion of supervisors or union representatives, may destroy clothing, employees shall be provided with special protective clothing.

Protective gloves (leather gloves) and protective aprons shall be provided to employees during welding and other heavy work.

When employees engage in washing using an acid or diluent or when they are working with solvents, aprons and protective gloves (rubber gloves) shall be provided.

Where the employer requires special workwear, the employer shall provide such workwear. Such shall be the property of the employer, and clothing money shall not be paid pursuant to other provisions.

In workplaces that require special workwear, it is forbidden to discriminate against employees on the basis of sex, sexual orientation or gender identity in matters pertaining to said workwear.

9.2.3. Fish processing

Where the employer engaging in fish processing requires special workwear, the employer shall provide such workwear. Such shall be the property of the employer, and clothing money shall not be paid pursuant to other provisions.

Employers engaging in fish processing who have workwear

available shall provide fish processing employees with aprons and mittens pursuant to the following rules:

The company shall, with each wage payout, remit the equivalent of ISK 15.07 per hour (as of 1.4.2019) worked (paid refreshment breaks are included) into each employee's separate protective clothing account. However, employees engaged in saltfish and stockfish processing shall receive ISK 17.59 per hour (as of 1.4.2019). The above amount is subject to general changes in wages during the term of the agreement.

The employee's withdrawal authorization for these products is based on the credit in the employee's protective clothing account for withdrawal for mittens and aprons and is based on the cost of these supplies. If an employee does not make full use of the withdrawal authorisation provided for the above, the difference shall be paid out in cash at the end of the year or at the end of employment.

Those employers in fish processing who do not provide protective clothing to employees shall pay to workers in fish processing an amount totalling ISK 17.59 per hour (as of 1.4.2019) worked (paid refreshment breaks are included) for the cost of protective clothing (aprons and mittens). However, employees engaged in saltfish and stockfish processing shall receive ISK 22.61 per hour (as of 1.4.2019). The above amount is subject to general changes in wages during the term of the agreement.

9.2.4. Work in refrigerated spaces

Work performed by employees in refrigerated spaces is governed by Regulation No. 941/2002 on Hygiene, Regulation No. 384/2005 on Work in Refrigerated Spaces in Food Production and the guidelines of the Administration of Occupational Safety and Health. The employer shall provide jackets and trousers or other suitable clothing made of heat-insulating materials, as well as cotton mittens to be worn under gloves for use by employees in these circumstances. A security employee representative and security guard shall assess how and whether such protective wear is needed. The Administration of Occupational Safety and Health shall resolve disputes after an inspection of the workplace.

9.3. Damage to clothing and items

9.3.1. If an employer suffers verifiable damage to common essential clothing and items in the course of his/her work, such as watches, glasses etc., the employee shall be compensated according to an assessment.

9.3.2. The same applies if an employee suffers damage to clothing caused by chemical substances, including dust-binding agents (calcium chloride).

- 9.3.3. If an employee suffers damage (loss of protective clothing, etc.) as a result of a fire in the workplace, he/she shall be compensated according to an assessment.

10. CHAPTER

Premiums for sickness, holiday, vocational training, pension and vocational rehabilitation funds

10.1. Sickness benefit fund

- 10.1.1. Employers shall pay into their respective labour union's sickness benefit fund an amount constituting 1% of wages paid to employees in order to cover sickness and medical expenses.
- 10.1.2. SA may appoint a second auditor for the fund.
- 10.1.3. The fund's board of directors is responsible for its custody and yield. It is permitted to earn interest through the fund by purchasing securities secured through secured mortgages. In addition, it is permissible to devote money from the fund to the purchase or construction of a union building, provided that the fund is then the owner of the building in that regard.
- Care shall always be taken to ensure that the allocation of money from the fund does not conflict with its objective and projects as stated above.
- 10.1.4. Further provisions concerning the funds are established by regulations.

10.2. Holiday fund

- 10.2.1. Employers pay a special contribution into the holiday fund of the company in question amounting to 0.25% of the wages paid calculated using the same method as payments into sickness funds. Employers shall pay this contribution alongside the sickness fund contribution.
- 10.2.2. The holiday fund is established for the purpose of promoting the building of holiday homes and making it easier for employees to enjoy holiday stays.

10.3. Vocational training fund

Employers shall pay 0.3% into Starfsafl — vocational training Agreement between SA

for the Confederation of Icelandic Enterprises (Samtök atvinnulífsins) and Flóabandalagið (Landsmennt for the West Iceland Labour Union).

In other respects, refer to the agreement on vocational training matters.

10.4. On pension funds

- 10.4.1. The agreement on pension funds between the Icelandic Confederation of Labour (ASÍ) and the Confederation of Icelandic Enterprises (SA) on 19th May, 1969, with subsequent amendments, shall apply between the parties as appropriate, as shall the agreement between ASÍ and VSÍ on pension matters from 12th December, 1995.
- 10.4.2. Employees pay a premium of 4% of all wages into a pension fund and the employer pays 11.5% in the same manner.
- 10.4.3. Additional contributions to pension savings
- If an employee makes an additional contribution of at least 2% to a personal pension fund, the employer shall match this contribution with 2%.

10.5. Vocational Rehabilitation Fund

- 10.5.1. Employers shall pay 0.13%⁵ into the Vocational Rehabilitation Fund, cf. the declaration by ASÍ and SA annexed with this Agreement.

⁵The contribution to the VIRK Vocational Rehabilitation Fund was 0.1% in 2016 and 2017.

11. CHAPTER

Union Dues

11.1. Collection of union dues

- 11.1.1. Employers collect membership dues from main and associate members of respective labour unions in accordance with union rules either as a percentage of the wages or a fixed amount. These dues shall be submitted to the union on a monthly basis and the deadline is the last business day of the following month. Dues may be submitted along with pension fund premium contributions. The agreeing parties will endeavour to amend the rules on the due date of pension contributions accordingly.

- 11.1.2. Labour unions are authorised to negotiate with the boards of pension funds regarding the collection of holiday home funds at the same time as pension fund premiums.

12. CHAPTER

Termination Period and Rehiring

12.1. Call-out to work

A call-out to work constitutes a situation whereby employees are not informed at the end of the working day that they are not expected to show up for work the next morning, provided that, according to the judgment of the supervisor, weather or another force majeure does not prevent work from taking place the following day from the morning. Employees in such circumstances shall be paid for four hours of work.

12.2. Termination period

There is no termination period during the first two weeks of employment.

After two consecutive weeks of employment with the same employer: 12 calendar days

After 3 months of continuous employment with the same employer, the termination period shall be: 1 month as of the end of the current month

After 2 years of continuous employment with the same employer, the termination period is: 2 months as of the end of the current month

After 3 years of continuous employment with the same employer, the termination period is: 3 months as of the end of the current month

The provisions of Article 12.2 fully supersede the provisions of Article 1 of Act No. 19/1979 on Termination Periods.

12.3. Termination process

12.3.1. General information regarding dismissal from employment

The termination period is reciprocal. All dismissals shall be made in writing and in the same language as the employee's employment contract. ⁶

12.3.2. Interview about reasons for dismissal

The employee is entitled to an interview about the end of his/her employment and the reasons for dismissal. The

request for an interview shall be made within four

⁶ See also the agreement on mass redundancies on page 159.

days (i.e. 96 hours) of receiving notification of dismissal and shall take place within four days (96 hours) of the request.

Upon completion of an interview or within four days (96 hours), an employee may request written clarification of the reasons for dismissal. If the employer agrees to this request, he/she must comply within four days (96 hours).

If the employer does not accept an employee's request for a written explanation, the employee is entitled to another meeting with the employer within four days concerning reasons for dismissal in the presence of his/her union spokesman or other representative from his/her union, should the employee so wish.

12.3.3. Limitations on the authorisation to terminate employment pursuant to law

When terminating employment, legal provisions that limit an employer's right to freely terminate employment shall be taken into consideration, incl. provisions on union representatives and safety representatives, pregnant women and parents on maternity/paternity leave, employers who have notified of paternity/maternity leave and parental leave and employees who hold family responsibilities.

Also to be taken into consideration are the provisions of Article 4 of Act No. 80/1938 on Trade Unions and Industrial Disputes, the Act on Equal Status and Equal Rights Irrespective of Gender, the Law on Part-Time Workers, the Law on Legal Status of Employees in the Case of New Ownership of Companies and the Consultation Obligation of the Law in Mass Redundancies.

Where an employee enjoys protection against dismissal under the law, the employer is required to provide written justification of the reasons for dismissal.

12.3.4. Penalties

Violations of the provisions of this chapter may result in liability for damages under general tort law.

12.4. Transfer between jobs

If an employee who is hired for a particular job or has been employed for said job for at least one year consecutively is transferred to a new job with a lower wage rate than the job for which he/she was hired, he/she shall retain the same wage rate stated in the notice of termination unless he/she has been notified in advance of the transfer. This does not apply to jobs paid according to varying hourly rates and employees transferred between jobs according to workplace practice and the nature of the work.

12.5. End of employment

If the employee is dismissed after at least 10 years of continuous employment at the same company, the termination period is four months if the employee has reached the age of 55, 5 months if he/she has reached the age of 60 and 6 months if he/she has reached the age of 63. An employee may resign from his/her employment with three months' notice.

12.6. Accrued rights

Pursuant to Article 12.6, "accrued rights" refers to all rights related to the period of service at the same employer pursuant to this Agreement, incl. holiday entitlement, sickness entitlement and the termination period.

12.6.1. The employee shall retain accrued rights if re-hired within one year. Similarly, accrued rights shall enter into force again after one month of employment if an employee is re-hired after more than one year but less than three years.

An employee who has worked for one or more consecutive years with the same employer shall likewise have his/her accrued rights reinstated after three months of employment if re-hired after more than three years but within five years.

Accrued rights are also retained upon transfer of company ownership pursuant to the act on the legal status of employees during transfer of company ownership.

12.6.2. Rights accrued through work abroad

The period of service accrued by foreign employees in Iceland and Icelandic citizens who have worked abroad is transferrable with respect to the rights related to the period of service guaranteed in the collective agreement, provided that the work abroad is deemed comparable.

Employees shall, upon hiring, provide proof of their period of service in the form of a certificate from their previous employer or by other equally verifiable means. If an employee cannot, upon hiring, present a certificate that satisfies the criteria pursuant to Paragraphs 3 and 4, he/she may submit a new certificate within three months of hiring. Accrued rights then enter into effect as of and including the start of the following month. The employer shall verify receipt of such a certificate.

Among other things, the certificate from the previous employer must specify:

- Name and identity of the employee in question.
- The name and identity of the company issuing the

confirmation as well as the phone number, e-mail address and name of the party responsible for its issue.

- A description of the work that the employee in question performed.
- When the employee began work with the company in question, when his/her employment ended, and whether/when there were any interruptions to his/her employment.

Certificates shall either be in English or translated into Icelandic by a state-authorized translator.

12.6.3. Maternity/paternity leave

Pursuant to the Act on Maternity/Paternity Leave and Parental Leave No. 95/2000, maternity/paternity leave shall be considered a part of the employee's period of service when assessing work-related rights, e.g. the right to time off and extension of holidays pursuant to collective agreements, pay raises based on seniority, sickness entitlement and termination period. The same applies if a woman must stop working during pregnancy for safety reasons, cf. the Regulations on Measures to Improve the Health and Safety in the Workplace of Women Who Are Pregnant, Have Recently Given Birth or Are Breastfeeding.

Protocol on procedures for dismissal from the workplace

By agreement between ASÍ and AS dated 17th February 2008, a settlement was reached between parties concerning the procedures for dismissal from the workplace. Accordingly, employees are entitled to an interview with his/her employer concerning the reasons for dismissal if desired. It bears repeating that the employer's right to freely terminate employment is subject to certain limitations pursuant to law. The parties also agree to practice good procedures for dismissal from the workplace and will for this purpose work together to create instructional material to be completed before the end of 2008. [2008]

13. CHAPTER

Union representatives

13.1. Election of union representatives

- 13.1.1. Employees are authorised to elect one union representative for each workplace with 5-50 employees and two union representatives if employees number more than 50. When elections end, the respective labour union appoints the representatives. In the event that an election is not possible, the respective labour union shall appoint representatives.

In this regard, any company in which a group of people work together is considered a workplace. In cases where the company operates more than one workplace, the union representative must be given flexibility to perform his/her duties as a representative at all locations, otherwise more than one representative shall be elected to perform said duties.

- 13.1.2. Union representatives are not elected or appointed for any longer than two years at a time.

13.2. Duties of union representatives

Union representatives shall, by consultation with the supervisor, be permitted to spend as much time as necessary to perform the duties with which they are entrusted by the employees or the workplace in question and/or the respective labour union in their role as representative, and their wages shall not be reduced for those reasons.

13.3. Documents accessible to union representatives

In matters of dispute, union representatives shall be authorised to review documents and work reports relating to the dispute. Such information shall be treated as confidential.

13.4. Facilities for union representatives

The union representative shall have access to a locked storage facility and a phone by consultation with the supervisor.

13.5. Meetings at the workplace

The union representative at each company shall be permitted to attend employee meetings at the workplace twice a year during working hours. To the extent possible, meetings shall begin one hour before the end of daytime working hours. Meetings shall be announced in consultation with the respective labour union and company management with three days' notice unless the matter of the meeting is urgent and directly related to a problem at the workplace. In such cases, notification one day in advance is sufficient.

Employees' wages for the first hour of the meeting at not reduced for this reason.

13.6. Complaints by union representatives

Employees may refer to union representatives any requests and complaints regarding working conditions or other matters they consider to be insufficient. The union representative shall take all such requests or complaints to the employer or its agents, e.g. the supervisor, before approaching other parties. The union representative shall incur no penalty from the employer or supervisor for having submitted complaints on behalf of the employees.

13.7. Workshops for union representatives

Union representatives at the workplace shall have the option of attending courses or workshops to improve their performance in their job. For a total of one week per year, every union representative has the right to attend one or more courses/workshops organised by the labour union for the purpose of making union representatives better able to perform their duties. Those who attend courses/workshops shall retain their income for daytime work for up to one week per year. In companies with more than 15 employees, union representatives shall retain their income from daytime work for up to two weeks during the first year. This applies to one union representative per year in every company with 5-50 employees and two union representatives in companies with more than 50 employees.

13.8. Consultation in companies

Act No. 151/2006 on Information and Consultation in Companies provides for the employer's obligation to inform and consult with employee representatives. The consultation duty applies to companies that have on average at least 50 employees, cf. SA and ASI's agreement on information and

consultation in companies. The law assumes that the union representative represents the employees.

14. CHAPTER

On Piecework

14.1. Definition of concepts

The common name for jobs paid by bonuses and premiums is 'piecework'. Piecework is paid for with bonuses.

Piecework is work where payment only takes into account performance and where wages are not paid by the hour.

This Chapter governs all types of piecework in this Agreement as further defined in Article 14.3.

14.2. Commencement of piecework and consultation with labour unions

The employer shall consult with the union representatives and the relevant union when introducing piecework regarding the minimum period during which such arrangements shall apply. The same applies to the maintenance and amendment of existing agreements. Where there are agreements governing such matters, their provisions should be retained.

The parties agree that new ideas for a bonus system will be explored with the aim of increasing production value, wages and job satisfaction.

If employees are contracted for piecework pursuant to Paragraph 2 of Article 14.1, the effective collective agreement from a member union of the SGS to which such work applies or an employment contract submitted to a labour union for approval shall be attached; cf. Article 7 of Act No. 80/1938.

When formulating, adopting and changing piecework, it is preferable to rely upon approved methods for methods analysis, taking into account the health of the employees.

(For more, see the framework agreement on group incentive systems in freezing plants on page 161, the framework agreement on group premiums in saltfish processing, stockfish processing, etc., on page 165 and the framework agreement on cleaning work on page 119).

14.3. Bonus

"Bonus" refers to both bonuses and premiums.

A bonus is part of a performance-based compensation system and is paid in addition to the agreed hourly wage, increasing in proportion to performance above the minimum standards.

A premium is the agreed amount per produced unit in addition to the agreed hourly wage.

15. CHAPTER

On specially-trained construction workers

15.1. Scope of application

- 15.1.1. Construction workers' work includes the following activities:
- a. Marshalling of masons, carpenters and construction workers.
 - b. Concrete work, concrete sawing and masonry at the construction site.
 - c. Moulding and cleaning, oiling of wood and other materials used for mould construction, cavity filling, repairs, etc.
 - d. Iron pipework.
 - e. Earthwork, sewer work, tarmacking, street construction, ground installations, paving and horticultural work.
- 15.1.2. A specially trained construction worker is considered to be a worker whose main work activity is involved in production for at least 2 years.
- 15.1.3. A skilled industrial assistant with considerable professional experience is considered to be an employee whose main occupation consists in working with a tradesman for at least 2 years, who can work independently and who may be assigned to temporary project supervision.
- 15.1.4. An employee is entitled to a written confirmation of his/her work experience with the company in question upon termination of employment.
- 15.1.5. Crane operators are subject to the provisions of Chapter 16 on machine operators.

15.2. Wages

Wage brackets for construction workers:

| | Wage bracket |
|---|---------------------|
| General construction workers | 6 |
| Specialised construction workers | 8 |
| Specialised tradesman's assistants with considerable professional experience | 9 |

While courses/workshops for construction workers are not being held, experienced construction workers with five years of continuous

work experience are entitled to receive wages according to the rates of specially trained construction workers.

When a specially trained construction worker or a skilled industrial assistant with considerable professional experience is directly involved in manufacturing, where skilled workers on the same production are on an incentive pay scheme, and this involves a special additional premium, he/she is also entitled to a work incentive pay scheme or for the additional premium to be taken into account when determining wages in other ways.

15.3. Working hours

15.3.1. Daytime work hours for construction workers shall be 40 hours per week or 8 hours per day from Monday to Friday. (Active working time is 37 hours and 5 minutes).

The time range for daytime work shall be from 07:00 AM to 05:00 PM.

15.3.2. The working time of employees in the same workplace may be coordinated within these time limits.

15.4. Shift work

Shift work may be assigned, covering some or all of the employees. Shifts shall be no shorter than 8 hours and no longer than 12 hours.

Refreshment breaks shall be 35 minutes for each eight-hour shift, divided as agreed between the employees and the employer. If shifts are longer or shorter, refreshment breaks shall be amended proportionally.

The shift premium for regular shift work shall be:

35% premium on the period between 04:00 PM to 12:00 AM Monday to Friday

55% premium on the period between 12:00 AM - 08:00 AM every day including weekends.

Where shift work is introduced for less than 15 weeks, the premium on night shifts shall be 60%. If it was intended to introduce shifts for a longer time but they were discontinued before reaching the 15-week mark, night shifts shall be recalculated according to the 60% premium.

Overtime wages must be paid for each hour in excess of 40 hours per week on average (37.05 active hours).

Shift work shall be introduced and discontinued with one week's notice. Shift work shall last no less than 10 days.

15.5. Meal and coffee breaks

- 15.5.1. Lunch breaks during daytime work shall be taken during the period from 12:00 PM to 01:00 PM. This period may be reduced to 30 minutes, and overtime shall then begin sooner accordingly.
- 15.5.2. Lunch breaks may be provided during the period from 11:30 AM - 01:15 PM where employees have facilities to eat at the workplace.
- 15.5.3. There shall be two coffee breaks during daytime work of 20 minutes each taken before and after noon as is most suitable for the performance of work at each time and within the following limits: Morning coffee break between 09:00 AM and 10:00 AM and afternoon coffee break between 03:00 PM and 04:00 PM. However, it shall be permissible to cancel afternoon coffee breaks if only daytime work is carried out.

15.6. Lunch

- 15.6.1. Workers must, as far as circumstances permit, be provided with lunch in a cafeteria at the place of work or in a work cabin in the same conditions as those of other workers.
- If workers are posted from the place of employment/workplace within the above limits to work outside said limits, the employer shall arrange transport, and the aim shall be that journeys outside the transit line are during working hours. This applies if the employee works in the union area. Construction workers shall be provided lunch in cafeteria in the workplace or in a work cabin. They shall pay the price of the food ingredients.
- 15.6.2. If workers are assigned to work outside the locality and/or work beyond 08:00 PM without taking a meal break, they shall have free food or a food allowance pursuant to Article 3.4.2.

15.7. Travel to and from work

- 15.7.1. ⁷ The transit line in the union area of Efling is demarcated by the Reykjavík Municipal Bus Service route network with the exception of Kjalarnes, and by the bus route network through Kópavogur, and construction employees must report to work on their own time and independently within the above limits. It is assumed that bus journeys are such that the distance from the closest stop to the workplace is not longer than is considered normal in the general bus network.

⁷ Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Boðinn.

15.8. Courses and workshops

15.8.1. Construction workers are entitled to attend courses in first aid, fall prevention, as well as workplace health and safety totalling up to 8 hours during the first year of employment.

15.8.2. If construction workers attend a course as discussed with the employer, they shall retain daytime wages for the duration of the course. If an employee is required to attend a course, there shall be no reduction in fixed wages. The employer also pays the course fee, but the payment of the course fee may be conditional on the employee paying part of it back if he/she resigns within a specified period of time (e.g. 6 months) from the end of the course. The repayment is proportional to the duration of the remainder of the period.

This repayment condition is considered valid only if the employee has verifiably been informed of it before he/she was enrolled on the course. Repayment may cover only the costs of the course fee to be borne by the employer, taking into account any grants he/she may have received from educational funds from labour market entities for the course.

15.8.3. The employer shall organise course attendance for the employees with reference to the company's work activities.

15.9. Workwear and safety equipment

15.9.1. General workwear

Employees must be provided with two sets of overalls/work clothes per year and must return unusable work clothes in exchange for new ones. Workwear shall be registered to the name of the employee. The workwear is the property of the employer, and the employer shall handle the cleaning of workwear at its own expense. At the end of employment, the employee shall be responsible for returning all work clothes or otherwise paying the cost of the workwear. The employer shall provide work mittens as needed, provided that unusable mittens are returned for new ones. For concrete work, waterproof clothing and rubber mittens shall be available for employees' use.

The type of work overalls is decided depending on the type of work performed by the employees.

Employees must wear undamaged work clothes to minimise the risk of accidents at the workplace.

15.9.2. Instead of general workwear pursuant to Article 15.9.1., the employer is authorised to pay a special clothing contribution of ISK 24.38 (as of 1.9.2019) per hours worked as subject to general salary increases. When there is a clothing contribution for hourly-paid work and piecework, employees shall provide

all workwear themselves. The clothing contribution is paid into each employee's separate protective clothing account. The withdrawal allowance is based on the credit in the protective clothing account of the employee in question and on the cost of the workwear. If an employee does not make full use of the withdrawal authorisation, the difference shall be paid out at the end of the year or at the end of employment.

- 15.9.3. For special workwear, refer to Article 9.2.2.
- 15.9.4. Boots must be provided to employees working with concrete. Boots shall be recorded in the employee's name. Where necessary, employees shall be provided with one pair of safety shoes per year, and they shall return unusable shoes in exchange for new ones. Boots/safety shoes are the property of the employer, and at the end of employment, the employee shall be responsible for returning them or otherwise paying their cost.
- 15.9.5. Otherwise, employees shall be provided free of charge with the protective and safety equipment that the Administration of Occupational Safety and Health deems necessary. Such equipment is considered to be the property of the employer.
- 15.9.6. If work overalls are contaminated by mould oil or other similar substances, they shall be cleaned by the employer free of charge to the employee.
- 15.9.7. Personal protective equipment
- When it is necessary for an employee to wear special protective clothing to protect against cold that may affect his/her health and safety (e.g. cold-insulated overalls in addition to normal work clothes) during the course of his/her work, such will be suggested by the employer. Protective clothing is the property of the employer, and at the end of employment, the employee shall be responsible for returning them or otherwise paying their cost.

Protocol on workshops

Employees who have completed courses in first aid, occupational health and safety and/or fall prevention during the first year of employment in accordance with Article 15.8.1 shall be given the opportunity to attend courses related to the work he/she usually carries out according to the educational programme of an accredited educational provider. Examples of such courses include concrete laying, scaffolding installation, concrete reinforcement, and building lot finishing work, because such courses improve the employee's performance in the job, and the company gains a more qualified employee. [2019]

16. CHAPTER

On machine operators

16.1. Scope of application

The provisions of this Chapter govern machine operators and drivers working on machines requiring a machine operating licence or an enhanced driving licence without prejudice to Chapter 17 concerning PCV drivers.

This Chapter also governs borers and loaders for work in tunnels (bored type).

16.2. Wages

Wage brackets for machine operators:

| | Wage bracket |
|---------------------|---------------------|
| Machine operators 1 | 10 |
| Machine operators 2 | 13 |

Machine operator 1: Machine operators who require an initial course according to the regulations on the right to operate machinery.

Machine operator 2: Equipment operators who require a basic or further education course according to the regulations on the right to operate machinery, and drivers of vehicles requiring an extended driver's permit. Tunnel borers and loaders (bored type).

16.3. Working hours

Daytime work hours are 40 hours per week or 8 hours per day, during the period from 07:00 AM to 05:00 PM Monday to Friday. (Active working time is 37 hours and 5 minutes). The working time of employees in the same workplace may be coordinated within the above time limits.

16.4. Shift work

Shift work may be assigned, covering some or all of the employees. Shifts shall be no shorter than 8 hours and no longer than 12 hours.

Refreshment breaks shall be 35 minutes for each eight-hour shift, divided as agreed between the employees and the employer. If shifts are longer or shorter, refreshment breaks shall be amended proportionally.

The shift premium for regular shift work shall be:

35% premium on the period between 04:00 PM to 12:00 AM Monday to Friday

55% premium on the period between 12:00 AM - 08:00 AM every day including weekends.

Where shift work is introduced for less than 15 weeks, the premium on night shifts shall be 60%. If it was intended to introduce shifts for a longer time but they were discontinued before reaching the 15-week mark, night shifts shall be recalculated according to the 60% premium.

Overtime wages must be paid for each hour in excess of 40 hours per week on average (37.05 active hours).

Shift work shall be introduced and discontinued with one week's notice. Shift work shall last no less than 10 days.

16.5. Refreshment breaks

- 16.5.1. By agreement between the parties, lunch breaks may be reduced to 30 minutes, and overtime shall begin sooner accordingly.
- 16.5.2. Lunch breaks may be provided during the period from 11:30 AM to 01:30 PM. If a meal break cannot be had within the agreed time limits, the lunch break worked shall be paid as overtime.
- 16.5.3. Coffee breaks shall be taken at the workplace as is most suitable for the performance of work at each time and within the following limits: from 09:00 AM to 10:00 AM and from 03:00 PM to 04:00 PM. The payment for coffee breaks not taken within these time limits shall be subject to the same provisions as those in Article 16.5.1.
- 16.5.4. If there is an agreement between the parties to cancel one or both coffee breaks, the daytime work shall be shortened accordingly.
- 16.5.5. In the event that employees work beyond 08:00 PM without taking a meal break, they shall have free food or a food allowance pursuant to Article 3.4.2.
- 16.5.6. No dedicated coffee facilities are required at the workplace when one person works in closed and heated equipment and

not in a work group. However, if work is envisaged to last longer than one month at the same site, the employee shall have access to coffee facilities from the first day. Facilities shall then be set up at the workplace, or the employee shall be provided a means to travel to another place where coffee facilities are available.

16.6. Lunch

16.6.1. Operators of heavy machinery must, as far as circumstances permit, be provided with lunch in a cafeteria at the place of work or in a work cabin in the same conditions as those of other employees.

⁸ Machine operators shall be provided lunch in a cafeteria in the workplace or in a work cabin. Exemptions from this provision may be negotiated in exceptional circumstances. They shall pay the price of the ingredients of the food, and it shall be assumed that the price of ingredients for a full meal is one-half of the starting wage for machine operators I. Machine operators shall have the option of coffee without an accompanying snack during coffee breaks.

16.7. Employee transportation

16.7.1. ⁹ The transit line in the union area of Efling is demarcated by the Reykjavík Municipal Bus Service route network with the exception of Kjalarnes, and by the bus route network through Kópavogur, and equipment operators must report to work on their own time and independently within the above limits. It is assumed that bus journeys are such that the distance from the closest stop to the workplace is not longer than is considered normal in the general bus network.

16.7.2. If employees are posted from the place of employment/workplace within the above limits to work outside said limits, the employer shall arrange transport, and the aim shall be that journeys of up to three kilometers and outside urban areas are during working hours. This applies if the employee works in the union area.

16.7.3. If employees are to work outside the locality and/or work beyond the transit line pursuant to Article 16.7.1 without taking a meal break, they shall have free food or a food allowance pursuant to Article 3.4.2.

¹⁰ If employees are posted from the place of employment/workplace within the above limits to work outside said limits, the employer shall arrange transport, assuming that journeys outside the transit line are during working hours. This applies if the employee works in the union area.

16.7.4. All drivers who do not return to their homes during travel shall receive free food and other subsistence and travel expenses.

⁸ Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Boðinn.

⁹ Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Boðinn.

¹⁰ Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Boðinn.

If a trip with overnight stays is organised, the driver shall be provided with accommodation in a single room with a prepared bed and adequate facilities. Facilities that are otherwise shall not be considered satisfactory.

16.8. Courses and workshops

16.8.1. If a machine operator or driver attends an accreditation course with the employer's consent, there shall be no reduction in daytime wages, provided that the course is held during the daytime working hours, is useful to the employee in his/her employment with the employer in question and the costs associated with the course are known. The employer shall also pay the course fee.

16.8.2. The employer may make payment of the course fee conditional on the employee paying part of it back if he/she resigns and discontinues work within a specified period of time (e.g. 6 months) from the end of the course. The repayment is proportional to the duration of the remainder of the period.

This repayment condition is considered valid only if the employee has verifiably been informed of it before he/she was enrolled on the course. Repayment may cover only the costs of the course fee to be borne by the employer, taking into account any grants he/she may have received from educational funds from labour market entities for the course.

16.9. Workwear and safety equipment

16.9.1. Machine operators who are qualified to operate the equipment in question, i.e. have completed a basic course or obtained a heavy vehicle driver's licence, shall receive free of charge two sets of overalls or workwear and one pair of boots or safety shoes per year as appropriate. Such workwear shall be registered in the name of the employee. Unusable overalls and boots/safety shoes shall be returned in exchange for new ones. Overalls and boots/safety shoes are the property of the employer, and at the end of employment, the employee shall be responsible for returning all workwear and boots/safety shoes or otherwise paying their cost. The type of work overalls is decided depending on the type of work performed by the employees. The employer is permitted to pay a clothing contribution of ISK 20.82 per hour worked (as of 1.4.2019) instead of general workwear. Otherwise, employees shall be provided free of charge the safety equipment that the Administration of Occupational Safety and Health deems necessary. Such equipment is considered to be the property of the employer. When it is necessary for an employee to wear special protective clothing to protect against cold that may affect his/her health and safety (e.g. cold-insulated overalls in addition to normal work clothes) during the course of his/her work, such will be

suggested by the employer.

- 16.9.2. Machine operators shall have available work mittens for use in the maintenance of the machine, provided that they return old ones in exchange for new ones.
- 16.9.3. If work overalls are contaminated by oil or other such contaminants, they shall be cleaned by the employer without charge to the employee.

Explanation:

It is important that occupational safety and health is observed when loading and unloading commercial vehicles; cf. Regulation No. 499/1994 on Health and Safety When Handling Loads. In the event that a load requires relocation, e.g. to be lifted, pushed or pulled, the employer must 'take organisational measures or use appropriate means of assistance, in particular machinery, to avoid the need for employees to handle loads'. This includes the use of appropriate equipment or the provision of equipment to employees to reduce risks.

16.10. Number of employees - rest

- 16.10.1. The number of employees on each project is based on the needs at any given time as assessed by the employer, ensuring that safety requirements are fully respected. If there is a dispute regarding safety requirements, the opinion of the Administration of Occupational Safety and Health shall be sought.
- 16.10.2. When a machine operator working on a crane, on a bulldozer performing continuous stone work or on a shovel loader performing shovelling work has worked for longer than four hours continuously without a break, he/she is entitled to a 15-minute break or to be relieved from work. Coffee and meal breaks are considered a break in this regard. The machine operator is equally entitled to the necessary personal time, even if work is otherwise continual.
- 16.10.3. The same driver of heavy equipment shall not work for longer than 8 consecutive hours (engine time) on bulldozers weighing 27 tonnes or less when engaged in difficult rock ripping work (e.g. D7, TD15 and KOM65).
- 16.10.4. In the case of continuous wedge work with heavy wedges or air hammers, regular breaks or relief periods must always be planned for the operator.
- 16.10.5. In the event of particularly difficult rock work on heavy machinery for more than two consecutive weeks, the operator of the heavy machinery may request to be temporarily transferred to another machine or to other tasks.

- 16.10.6. Rest periods for drivers and machine operators shall be governed by applicable laws and regulations on the resting and driving times for drivers. See also Article 17.9 on PCV drivers for drivers' resting times.

16.11. Scope of work

- 16.11.1. Employees on a monthly contractual basis are obliged to perform the work assigned to them by their employer that

is in conformance with their job duties. In addition to normal work in operating machinery, this also applies to work pertaining to maintenance inside or outside the workshop. They shall clean the machinery, replace defective components and tyres, carry out lubrication and do whatever is necessary to ensure the operational safety of the machinery. When there are no tasks to be performed that are directly related to the normal duties of equipment operators, the employer is also permitted to assign them to other duties compatible with their professional competence and experience.

16.11.2. Leasing of a machine with an operator

When the owner of heavy machinery leases his/her machinery with a driver to others, the operator shall not be obliged to perform work other than the operation and maintenance of the machinery and other similar work, unless special agreements are made on a case-by-case basis, provided that he/she retains full wages.

16.12. Driving license

Employees who are hired for an indefinite period and have worked for three months for a company are entitled to reimbursement of the costs of the renewal of the driver's license in Iceland as required by law, pursuant to the Regulation on Tachographs and their Use. If an employee leaves within six months of license renewal, it is permissible to reclaim from him/her expenses incurred in proportion to the length of service.

16.13. Rest periods for drivers

This provision shall apply to persons engaged in road transportation covered by the Regulation on Driving Time and Rest Periods for Drivers (now No. 662/2006) or comparable regulations that may subsequently be adopted.

16.13.1. Daily minimum rest period

Working hours must be arranged such that for a 24-hour period, calculated from the beginning of the workday, employees receive at least 11 consecutive rest hours.

Three times a week, the continuous rest may be reduced to up to 8 hours and a compensatory rest provided later.

In this case, the employee shall receive 11 hours of rest as a direct consequence of the work cycle without any reduction in his/her right to fixed daily wages. When an employee is not given 11 hours' rest immediately following a working cycle of up to 16 hours, the compensatory rest shall be as follows:

If an employee is specifically asked to start work before 11

hours of rest are reached, he/she is entitled to a compensatory rest of 1½ hours (daytime work) for each hour of reduced rest. ½ hour (daytime work) may be paid out of the right to time off.

The same applies if an employee works enough hours before a holiday or weekend that he/she does not fulfil 11 hours of rest based on the typical beginning of the work day. In the event that an employee begins work on a holiday or weekend, he/she shall receive overtime rates for the time worked without further additional payments for the same reason.

In consultation with the employees, cumulative off-peak time off may be granted during the company's operations. The time off shall appear on the payslip, and unused time off shall be settled at the end of employment and considered part of the employee's period of employment.

16.13.2. Weekly rest period

During each seven-day period, the employee shall have at least one day off per week as a part of the daily rest period based on a work week that begins on Monday.

By agreement with the employee, the weekly day off may be postponed so that the weekly day off is replaced by two consecutive days off after two weeks. Days off may therefore be managed such that they are taken every other weekend (Saturday and Sunday). In exceptional cases, the weekly rest period may be postponed for a longer period such that the employee receives equivalent rest within 14 days.

If an employee does not receive contractual rest days after 12 days of continuous work away from home or the place of employment, one hour of overtime shall be paid for each working day beyond day 12 until the day off has been granted.

If days off should fall on business days due to unforeseen reasons, employees' rights to fixed wages and shift premiums will not be restricted.

Where weekly rest is taken outside the station of the vehicle or the driver, the weekly rest may be reduced from 35 hours to 24 hours, provided that a rest period constituting the reduced amount is provided later and continuously before the end of the third week following the week in question.

Other

For driving time, rest breaks, etc., see the Regulation on Driving and Rest Periods for Drivers.

Commercial vehicles with sleeping accommodation

Commercial vehicles with sleeping facilities on regular long-distance journeys shall be equipped with oil central heating if the driver may be required to use the facilities for a longer period of rest.[2019]

Protocol on matters pertaining to machine operators and drivers

The agreeing parties shall set up a discussion group to discuss the liability of drivers and machinery operators for damage caused by them and generally review their insurance affairs.[2019]

17. CHAPTER

PCV drivers

17.1. On the scope of application

The provisions of this Agreement shall apply to drivers of PCV vehicles with a capacity of 9 or more passengers, cf. Act No. 73/2001 on the Organisation of People Transportation, requiring an enhanced driving permit for their work.

17.2. Wage brackets and courses

Wage bracket

PCV drivers 17

In addition, a monthly course premium of ISK 5,247 is payable for the employees' continuing education. This amount (correct as of 1/4/2019) is subject to general salary increases.

The course premium will be paid as a fixed monthly payment and shall take into consideration when the employee has attended a course that will be free of charge and whether he attends refresher courses annually.

Starter courses 8 hours First aid, firefighting techniques and human relations

Refresher courses 4 hours A shorter version of a starter course

The courses will be held at least twice a year, but costs will be paid by the employers of the parties attending the courses.

Additional rights:

Payment by the employer of at least 50% of the course fees for an employee's language learning if it is useful for the employee's work.

17.3. Hourly wages and pay increases based on length of service

Hourly wages for daytime work, overtime wages, major public holiday wages and shift premiums are calculated on the basis of monthly wages.

Seniority-based wage increases are based on all driving of PCVs that weigh more than 10 tonnes or more in total weight.

Driving a lorry with a gross weight exceeding 10 tonnes shall be assessed as 50% for seniority-based increases. The driver shall produce evidence of professional experience for the above. Similarly,

the same type of work verified as having been carried out abroad shall count fully toward the seniority.

In assessing seniority increases for drivers employed by the same company for PCV driving during the summer months only, each month worked shall be multiplied by 1.5.

17.4. Overtime on major public holidays

All overtime on major public holidays is payable with an hourly wage that corresponds to 1.375% of the monthly wage without a shift premium. This does not apply to regular work where winter holidays are granted pursuant to a special agreement for work on the dates in question.

17.5. Working arrangement

Working arrangements shall be decided when the employee is recruited. The driver's working hours shall be 40 hours per week, 8 hours per day and the working hours shall be arranged as provided for in Article 17.6 to 17.8.

17.6. Daytime work

The start time for daytime work may vary from 8:00 AM to 10:00 AM on weekdays, and overtime begins after eight hours of daytime work has ended. The driver must perform overtime at least every third weekend upon request. During the period from 1st October to 31st March, days off may be granted on weekdays as a replacement for the hours of overtime worked on weekends, but only for two weekends per month for a maximum of 8 hours per day. These days off generally may not be transferred between months. All work in excess of the foregoing shall unconditionally be settled monthly as overtime wages.

Coffee breaks during daytime work total 35 minutes per day and shall be taken as best suited.

See illustrative example:

- Drivers work 8 hours of overtime on Saturdays. They shall receive a day off from daytime work wages on one day in four weeks plus an overtime premium for 8 hours.
- Drivers work 10 hours of overtime on Saturdays and Sundays. Total of 20 overtime hours. They shall receive two days off from daytime work wages in four weeks plus an overtime premium for 16 hours and 4 hours of overtime.
- Drivers work 4 hours on Saturdays and Sundays. Total 8 hours. They shall be paid the same as in Example 1, but it is permitted to grant them two half days (4 hours) of time off.

17.7. Shift work

Shift work is permitted around the clock every day of the week. Shifts shall be arranged in such a way that there are two consecutive days off after each series of shifts. In this agreement, 'shifts' refer to predetermined work arrangements. Shifts shall be introduced with as early notice as possible, but not less than one week in advance. Shifts shall be decided for one month at a time, and a roster shall be made available where it is easily accessible to drivers.

A shift shall be no longer than 12 hours and may be no shorter than 4 hours. Each shift shall be worked as a continuous whole. Parties who work in regular shifts or work part of their weekly work duties outside of the daytime work period shall receive a shift premium for hours falling outside the normal daytime work hours.

Shift premiums are calculated based on the monthly pay rates.

The shift premium for regular shift work shall be calculated thus:

33,3% premium on the period between 05:00 PM to 12:00 AM Monday to Friday.

45% premium on the period between 12:00 AM to 08:00 AM and Saturdays and Sundays.

Drivers who do not have dedicated coffee breaks shall, for the purpose of fulfilling their weekly work duties, receive an additional 35 minutes in addition to the actual attendance for every 8-hour shift.

Explanation:

The active working hours of shift workers are 37 hours and 5 minutes on average per week, and overtime wages are paid for work in excess of that.

17.8. Recording of working hours

Drivers' working hours are counted from the time the employee arrives at work as directed by the supervisor or employer until the driver leaves work, excluding lunch hours from 12:00 PM to 02:00 PM.

Drivers record their working hours themselves if requested and in the manner decided by the supervisor. If a driver stays away from home on a trip lasting two days or more, he/she shall be paid for at least 10 hours per day, except on Saturdays and Sundays where at least 8 hours shall be paid.

Waiting time between journeys shall be considered working hours.

17.9. Rest periods for drivers

This provision shall apply to those engaged in road transportation covered by the Regulation on Driving Time and Rest Periods for Drivers (now no. 605/2010) or comparable regulations that may subsequently be adopted.

Daily minimum rest period.

Working hours must be arranged such that for a 24-hour period, calculated from the beginning of the workday, employees receive at least 11 consecutive rest hours.

Three times a week, the continuous rest may be reduced to up to 8 hours and a compensatory rest provided later.

In this case, the employee shall receive 11 hours of rest as a direct consequence of the work cycle without any reduction in his/her right to fixed daily wages. When an employee is not given 11 hours' rest immediately following a working cycle of up to 16 hours, the compensatory rest shall be as follows:

If an employee is specifically asked to start work before 11 hours of rest are reached, he/she is entitled to a compensatory rest of 1½ hours (daytime work) for each hour of reduced rest. ½ hour (daytime work) may be paid out of the right to time off by employee request.

The same applies if an employee works enough hours before a holiday or weekend that he/she does not fulfil 11 hours of rest based on the typical beginning of the work day. In the event that an employee begins work on a holiday or weekend, he/she shall receive overtime rates for the time worked without further additional payments for the same reason.

In consultation with the employees, cumulative off-peak time off may be granted during the company's operations. The time off shall appear on the payslip, and unused time off shall be settled at the end of employment and considered part of the employee's period of employment.

Weekly rest period.

During each seven-day period, the employee shall have at least one day off per week as a part of the daily rest period based on a work week that begins on Monday.

By agreement with the employee, the weekly day off may be postponed so that the weekly day off is replaced by two consecutive days off after two weeks. Days off may therefore be managed such that they are taken every other weekend (Saturday and Sunday). In exceptional cases, the weekly rest period may be postponed for a longer period such that the employee receives equivalent rest within 14 days.

If days off should fall on business days due to unforeseen reasons, employees' rights to fixed wages and shift premiums will not be restricted.

Where weekly rest is taken outside the station of the vehicle or the driver, the weekly rest may be reduced from 35 hours to 24 hours, provided that a rest period constituting the reduced amount is provided later and continuously before the end of the third week following the week in question.

If an employee does not receive contractual rest days after 12 days of continuous work away from home or the place of employment, one hour of overtime shall be paid for each working day beyond day 12 until the day off has been granted.

Other.

For driving time, rest breaks, etc., see the Regulation on Driving and Rest Periods for Drivers.

17.10. Food and accommodation expenses

All drivers who do not return to their homes during travel shall receive free food and other subsistence and travel expenses.

Drivers on journeys shall be provided with facilities for rest periods. If a trip with overnight stays is involved, the driver shall be provided with accommodation in a single room with a prepared bed and adequate facilities. Facilities that are otherwise shall not be considered satisfactory. In the case of other, poorer conditions, such as in a sleeping bag accommodation, car or premises not normally intended for accommodation, half of the daily allowance shall be paid according to the assessment of the State Travel Expenses Committee regarding accommodation.

If a company does not have specific rules regarding the payment of travel expenses, daily allowances for trips abroad are paid in accordance with the decisions of the State Travel Expenses Committee.

17.11. Work clothes and protective equipment for drivers

The employer shall provide drivers in permanent employment with uniforms. There shall be one jacket, two trousers, two shirts and one tie provided annually, as well as one coat every three years free of charge, though not for the first three months. The driver is obliged to use the clothing during his/her work.

In addition, drivers other than those who regularly drive in the city shall be provided cold-insulated overalls upon permanent employment. The protective clothing is the property of the employer, and the driver shall ensure that it is present in the vehicle when needed.

The overalls shall be replaced as necessary.

The employer is obliged to pay for the cleaning and dry-cleaning of uniforms and protective clothing in case of mishaps during work (breakdowns, vehicle accidents, oil mishaps and others). Damage to uniforms or

protective clothing due to mishaps or vehicle accidents during work shall be repaired, or new clothing shall be provided.

The clothes are the property of the employer and may not be used except when working for the employer.

The driver shall be responsible for returning used clothing.

If the driver has not received the required clothing after he/she has worked for the employer three months, or regularly every 12 months, he must be paid ISK 3,885 (as of 1st April, 2019) monthly from the date of employment until he/she receives the clothes. This payment is based on the clothing item of the consumer price index (182.3 in December 2013) and changes annually according to that index.

17.12. Driving license

Employees who are hired for an indefinite period and have worked for three months for a company are entitled to reimbursement of the costs of the renewal of the driver's license in Iceland as required by law, pursuant to the Regulation on Tachographs and their Use. If an employee leaves within six months of license renewal, it is permissible to reclaim from him/her expenses incurred in proportion to the length of service.

17.13. Courses and workshops

If a driver attends an accreditation course with the employer's consent in order to enhance his/her licence or maintain it, there shall be no reduction in daytime wages, provided that the course is held during the daytime working hours, is useful to the employee in his/her employment with the employer in question and the costs associated with the course are known. The employer shall also pay the course fee. This provision shall not apply to courses pursuant to Article 17.2.

The employer may make payment of the course fee conditional on the employee paying part of it back if he/she resigns and discontinues work within a specified period of time (e.g. 6 months) from the end of the course. The repayment is proportional to the duration of the remainder of the period.

This repayment condition is considered valid only if the employee has verifiably been informed of it before he/she was enrolled on the course. Repayment may cover only the costs of the course fee to be borne by the employer, taking into account any grants he/she may have received from educational funds from labour market entities for the course.

Protocol on food expenses

The parties agree that if it is foreseeable that the driver will not have access to food during trips, it shall be permissible to negotiate direct payments instead of the food. When determining the amount, rulings by the State Travel Expenses Committee regarding food costs shall be taken into account.

Protocol on competency assessment for wages

The parties agree that when assessing qualification for jobs or education/real skills for wages, the following need to be considered, including increased demand for lifelong learning and good understanding of foreign language(s) for communication with tourists and foreign group leaders. If it is desired for the driver to have specific knowledge to share with the passengers, this should be taken into account in the qualification assessment.

Protocol on the revision of the chapter on PCV drivers

The agreeing parties agree to revise the chapter on PCV drivers in light of major changes in their working environment, increased demands for lifelong learning, the pressures of driving in winter with passengers, flexible refreshment breaks, increased requirements for the good understanding of foreign languages for communication with passengers and foreign group leaders, ticket sales, services to passengers during embarkation and disembarkation, etc. A committee made up of two spokespersons from SA and two representatives from SGS shall start operation on 1st October 2015 and aims to deliver conclusions by the end of March 2016.

18. CHAPTER

Fish processing workers

18.1. Wages

Wage brackets for fish processing workers:

Wage bracket

General fish processing workers⁵

Specialised fish processing workers ⁷

Specialised fish processing workers
in additional classes ⁹

Specialised fish processing workers
in additional classes and with 7
years of seniority with the same
company. ¹¹

Fishery workers who have
graduated from the Icelandic
College of Fisheries
in Grindavík ¹³

Employees aged 16 and 17 who work in fish processing according to a bonus system, or in fish processing where a fixed bonus payment has been introduced because output is controlled mechanically, shall receive wages no less than those of the rate for 18-year-olds. Employees aged 18 and 19 in the same work shall receive wages no less than the starting salary of 20-year-olds.

18.2. Index for group incentive system and piecework

The indexes for fish processing shall be as follows:

| | 1.4.2019 | 1.4.2020 | 1.1.2021 | 1.1.2022 |
|------------------|-----------------|-----------------|-----------------|-----------------|
| Piecework | 190.99 | 195.76 | 200.66 | 205.67 |
| Group pay scheme | 257.76 | 264.20 | 270.81 | 277.58 |
| Minimum bonus | 275.00 | 282.00 | 289.00 | 295.00 |

When working in production and related jobs in fish processing companies pursuant to Article 18.4.1 and in liver preservation, and where no performance-related premium payments such as a group bonus or an individual bonus have been introduced, a bonus equivalent to the minimum bonus shall be paid per hour. This does not apply where performance-based wage schemes are implemented or where fixed bonuses and/or premium payments are higher per hour paid.

If the bonus scheme at a fish processing company is not based on a framework agreement on a group payment scheme in freezing plants, the bonus paid for each pay period shall never be less than the equivalent of the minimum bonus.

Such special premium payments and minimum bonuses shall not be paid in the absence of raw materials and when fish processing personnel are covered by wage guarantees in the same way as fish processing personnel working under bonus schemes. If a company already pays a premium on the wage rate of fish processing personnel instead of bonus payments, this shall be taken into account and assessed as part of the minimum bonus.

18.3. Shift work

18.3.1. Shifts may be introduced in fish processing, including shrimp and shell processing, extending to individual departments of the company or all employees, subject to agreement between the employees and the union concerned.

This is likely to be regular double 8-hour shifts, 5 days a week, Monday through Friday. Shifts may be introduced according to a different arrangement, subject to agreement among employees, the union and the employer.

18.3.2. Shift premium

The shift premium for regular shift work pursuant to this framework agreement shall be:

35% premium on the period from 12:00 AM Monday 04:00 PM to Friday.

53% premium on the period from 12:00 AM to 08:00 AM.

If an agreement has been made to take lunch breaks, this shall be permissible, and the daytime work period shall be extended correspondingly.

Overtime rates shall apply to work in excess of 40 hours per week. (Based on 8 hours per day).

18.3.3. Shift periods and refreshment breaks

Shifts may be introduced 7 days in advance, provided that they do not last less than one month at a time. The end of the shifts shall be announced with the same notice. However, if shifts have lasted for four months, the end of the shifts shall be announced with two weeks' notice.

Refreshment breaks shall be 35 minutes for each eight-hour shift, divided as agreed between the employees and the management. If shifts are longer or shorter, refreshment breaks shall be amended proportionally.

If shifts are worked regularly, payment of a fixed matching premium may be agreed.

18.3.4. Payment period

When shift work has been introduced, the employer shall ensure the payment wages for shift work for up to two shifts at a time, even if external causes such as shortages of raw materials or similar incidents result in no tasks being available to perform. Otherwise, daytime work wages shall be paid.

This Agreement does not derogate from or nullify agreements regarding shift work currently in effect between individual unions and employers.

18.3.5. Introduction of shifts

Approval for the introduction of shifts shall be governed by Article 5.7. of Chapter V of the company-specific component of the agreement.

An employee engaged in daytime work is not obliged to take part in shift work except with his/her consent even though it has been agreed to introduce shift work at the company in question.

18.4. Wage guarantees for fish processing personnel

18.4.1. The provisions of Article 18.4 apply to personnel engaged in the cleaning, gutting and processing of that caught at sea, i.e. gutting, fresh fish processing, freezing, salting, fish drying and the processing of prawns and shellfish.

Employees of aquaculture companies are governed by Chapter 19 of the collective wage agreement including when slaughtering and packaging farmed fish. However, if further processing is carried out at an aquaculture company comparable to that undertaken at a fish processing company, Chapter 18 of the collective wage agreement on wage terms shall govern said processing.

18.4.2. Job training

Employees shall be provided with instruction and training in the work to be carried out. Vocational training shall take place in the companies. New recruits employed to perform fish processing shall receive appropriate vocational training during the first few weeks under the supervision of a supervisor and/or a vocational trainer.

18.4.3. Wage guarantees and employment contracts

18.4.3.1. After one month of continuous employment at the company, but at a minimum of 130 hours worked in full-time work, and proportionally in

regular part-time work, a written employment and wage guarantee agreement shall be made with the employee and will come into effect at the time of his/her signature. The company and employee shall each retain a copy of the wage guarantee and employment agreement. The company shall send one copy of the wage guarantee part to the relevant union and retain one copy as confirmation of the wage guarantee.

- 18.4.3.2. After two months of employment at the same company, the rights and obligations of the employee shall be governed by the wage guarantee provisions of this Agreement, even if a written employment and wage guarantee agreement have not been completed, provided that the employee does not refuse to enter into a wage guarantee contract pursuant to Article 18.4.3.1.
- 18.4.3.3. The wage guarantee part shall have the same duration as the employment contract and shall not expire before the end of employment, without prejudice to Article 18.4.9.1.
- 18.4.3.4. The wage guarantee part of the employment contract shall specify the start time, the employment rate and the working hours of the employee and, in the case of a fixed-term employment contract, the duration. The second part of the agreement covers wage terms and other aspects of the employment of the employee.

18.4.4. Basic courses for fish processing personnel

- 18.4.4.1. In the 11 months after the wage guarantee takes effect, employees who have concluded a wage guarantee and employment contract shall attend basic courses for fish processing personnel in accordance with the curriculum of the Education and Training Service Centre, which the Ministry of Education, Science and Culture has certified and regarding which has agreed that upper secondary education may be shorted by up to 5 credits.

By the Act on Further Education No. 27/2010, the task was transferred from the Ministry of Fisheries and Agriculture to the Ministry of Education, Science and Culture.

At the Education and Training Service Centre, there is an educational fund financed from the budget for the purpose of, among other things, providing contributions to cover costs related to further education for adults, which includes basic courses for fish processing workers.

- 18.4.4.2. The goal of basic courses for fish processing personnel is to increase employees' knowledge regarding the processing of caught marine products, increase their self-confidence, strengthen their professional skills and make them more qualified for all general fish processing work.
- 18.4.4.3. The fish processing courses total 48 hours and cover all main aspects of the work and profession as determined by the Fish Processing Vocational Education Committee, which is composed of spokespersons of the agreeing parties. Otherwise, the courses listed below shall normally be held when there are processing stoppages and/or limited raw materials for processing. The academic course material is divided into 12 modules for a total of 48 hours and will be

based on lectures by teachers/instructors and graphical presentations and some project work by the participants.

- 01 Fish processing – catching, processing and marketing
- 02 Work facilities and physical exertion
- 03 Workplace safety
- 04 Hygiene and bacterial growth
- 05 Internal supervision in fish processing companies
- 06 Work life, employees and wage schemes
- 07 Cooperation and communication in the workplace
- 08 Multiculturalism
- 09 First aid
- 10 Self-development
- 11 The environment and responsible fishing
- 12 Quality and handling of food from catching to processing.

The above courses replace the 40 hours of basic courses and 14 hours of additional courses, but there has been some overlap between courses. After the modules are merged, there will be 12 modules in the new fish processing course with a total of 48 hours of academic instruction.

Fish processing personnel and new employees who receive wages according to the 5th wage bracket and have not completed basic and additional courses shall take the new 48-hour fish processing course in full and be transferred to the 9th wage bracket. Employees who have completed basic courses shall receive wages according to the 7th wage bracket, and those who have also completed additional courses shall receive wages according to the 9th wage bracket. The merger of the courses is expected to be fully implemented by 1st December 2015. Until that time, it will be permitted to hold 40 hours of basic courses and 8 hours of additional courses at the same time, while the Landsmennt and Starfsafl educational funds shall support the implementation of additional courses. The Vocational Education Committee and education providers holding the courses are permitted to evaluate comparable courses taken by fish processing personnel during previous semesters at accredited education providers in order to reduce the number of academic hours in fish processing courses.

- 18.4.4.4. The agreeing parties shall appoint a special vocational education committee consisting of two spokespersons from each party and an equal number of other members. The role of the vocational education committee is to supervise the implementation of courses governed by collective wage agreements provided to fish processing personnel to be held by accredited education providers and partners of the Education and Training Service Centre in collaboration with the companies concerned and at such times that are appropriate with regard to the processing. The vocational

education committee shall work in close collaboration with the fish processing companies and trade unions of fish processing personnel on the organization and provision of fish processing courses.

- 18.4.4.5. The courses shall be held when there is a sufficient number of participants (at least 12 participants), but no less frequently than once a year,

provided there will never be fewer than 8 participants on each course. If there are fewer participants, course groups may be combined using remote learning via teleconferencing. 40-hour academic courses shall normally be completed over a period of four weeks.

18.4.4.6. The course materials will be based on the needs of the field of fish processing as further determined by the vocational education committee in consultation with stakeholders.

18.4.4.7. Fish processing personnel who are unemployed but have not had the opportunity to attend basic courses for fish processing personnel shall be allowed to attend the courses when they are held, provided they have applied for fish processing work at the relevant employment agency.

18.4.5. Salary after completion of courses

18.4.5.1. When an employee has completed vocational training and the required courses, he/she is considered a specialised fish processing worker and shall thenceforth receive wages accordingly.

18.4.5.2. Specialised fish processing personnel who become employed at another fish processing company within 12 months shall, after six months of employment, become entitled to a wage guarantee, or otherwise after one month's employment, provided that the conclusion of previous employment proceeded in a normal manner, without prejudice to Article 18.4.9.1.

18.4.6. Annual educational courses

Specialised fish processing personnel shall be offered an annual 4-hour educational course which may include, for example, an optional summary of the course material taught in basic courses and/or other practical educational material. The educational course shall be organized by the education committee of the company in question.

18.4.6.1 Education committee

Fish processing companies shall have an existing educational committee composed of spokespersons for the employees and management of the company in question. The role of the education committee is to promote increased vocational training among employees and to advise on the provision of courses.

18.4.7. Scope of work

Employees are hired for all general work in fish processing.

In the event of a lull in normal work, employees shall perform other work within the company. However, the highest level of

safety shall always be maintained and the capacity of the employee taken into account.

18.4.8. Daytime work guarantee

18.4.8.1. The employer undertakes to pay an employee who enjoys the right to a wage guarantee for a fixed salary for daytime work pursuant to this Agreement even if a shortage of raw materials causes processing to stop, as well as for basic courses for fish processing personnel recognised by the Education and Training Service Centre and verified by the Ministry of Education, Science and Culture, provided that this is in accordance with the rules on reimbursement of unemployment benefits in fish processing, cf. Act No. 51/1995 along with subsequent amendments and regulations adopted pursuant thereto.

If an employee starts work elsewhere during pauses in processing, remuneration shall not be paid for the same period. However, the employment contract shall not become void, and the employee must come to work as soon as the processing resumes.

Where these rules do not apply, the payment of unemployment benefits shall be governed by general rules, cf. Act No. 54/2006 and subsequent amendments and Act No. 19/1979.

18.4.8.2. However, if there is a prospect of a prolonged cessation of operations due to a shortage of raw materials that is scheduled to last for at least two weeks but not more than six months, the company is generally permitted to announce a halt to processing with four weeks' notice by notifying employees, the employment agency, and union. When processing is carried out at the company, it is sufficient to post a public notification and at the same time take steps to inform employees who are not employed at that time. If no processing is being undertaken, each employee to whom the cessation applies shall be notified of the processing stoppage. Remuneration shall not be paid from that time; cf. Article 3 of Act No. 19/1979.

18.4.8.3. If the company has paid wages during the period of the processing stoppage and the cessation lasts longer than anticipated, the four-week notice provided for in Article 18.4.8.2. shall be shortened by a week for each party whose wages have been paid without processing having been carried out. However, notice pursuant to this provision shall be at least two weeks.

18.4.8.4. If notice of a processing stoppage has been given four weeks in advance, but it turns out that the raw material lasts longer than anticipated, the deadline may be extended by up to one week (5 working days) without incurring a new waiting period, provided that the notice to that effect has been given to employees in the manner provided for in Article 18.4.8.2 assuming at least 7 days' notice. Such an extension will not be

made more than once in each case.

If an employee has taken a job with another employer as of the previous cessation of processing, the abovementioned extension does not change that employment.

- 18.4.8.5. If raw materials have now been delivered to a fish processing company during a processing stoppage that had been announced with four weeks' notice,

employees with a wage guarantee and who are not working are prioritised for work, and the company is not permitted to summon other workers to these jobs while such a situation lasts.

- 18.4.8.6. If an employee has been removed from the payroll pursuant to Article 18.4.8.2 and the processing stoppage lasts for more than 5 consecutive weeks, the employee may terminate his/her employment contract with the company and shall not be required to comply with the notice period, provided that he/she has already formally notified the company of this decision at least one week in advance.

If the processing stoppage according to the above has lasted for more than 8 consecutive weeks, the employer is obliged to formally notify the employees who are at that time in an employment relationship with the company regarding the future plans of the company.

If it is foreseeable that the processing stoppage will last for more than three months including leave periods, employees who have been removed from the payroll may terminate the employment relationship with two weeks' notice, and one week's notice for more than five months, at any time during the period, c.f. the provisions regarding the six-month maximum period in Article 18.4.8.2.

- 18.4.8.7. If the cessation of processing is caused by unforeseen crises such as failures of the equipment or apparatus of the processing plant or fishing vessel, a fire, loss of a ship, or any other incident considered to fall under Paragraph 1 of Article 3 of Act No. 19/1979,¹¹ the company is permitted to waive wage payments in accordance with the provisions of the same article.

18.4.9. Termination of wage guarantees

- 18.4.9.1. If an employee refuses to work or repeatedly fails to show up for work without a legitimate cause for absence, the employer can rescind the wage guarantee without particular notice in accordance with the general rules on the termination of work contracts. If the wage guarantee has been terminated for this reason, the employee has a claim to the wage guarantee again after three months.

¹¹ Paragraph 1 of Article 3 of Act No. 19/1979 states: In the event of termination of employment by the employer, e.g. due to the unavailability of

raw materials at a fish processing plant, unavailability of unloading and loading work at the shipping terminal, or the company suffering an unforeseeable shock such a fire or the loss of a ship, the employer will not be required to pay compensation to its employees, even if their work does not amount to 130 hours per month, since employees do not lose their right to resignation during such a situation.

18.4.9.2. An employee's wage guarantee will not be terminated separately unless the employee is dismissed with an accrued notice period pursuant to the collective wage agreement, without prejudice to Article 18.4.9.1.

18.4.10. Consultative committee for disputes

The agreeing parties shall each appoint two members to the consultative committee. Each party may refer to the committee disputes that may arise due to the wage guarantees enjoyed by fish processing personnel. The committee shall endeavour to settle the dispute between the parties.

Declaration on unpaid leave for fish processing workers at Christmas and New Year's

Employees engaged in fish processing who wish to take unpaid leave at Christmas and New Year and have the consent of the supervisor in question shall be paid daytime pay in proportion to their employment rate for the contractual holidays falling on working days during the said period. The employer's obligation to pay is conditional on the employee having acquired the right to payment, cf. Clause 1.11, the leave in question not lasting more than three weeks and the employee resuming work at the company after the leave has ended. [2008]

Protocol on Icelandic lessons for foreign employees of fish processing companies

The agreeing parties make a request to fish processing companies and approved bodies conducting courses that days when raw materials are unavailable be used for, for example, Icelandic lessons for foreign employees at the companies. [2008]

See also the protocols and agreements on page 194-254

19. CHAPTER

General work in fish farming

19.1. On the scope of application

This Agreement covers all activities in fish farming, including hatching, smolt farming, the farming of fish for food, work in the preparation of feed, slaughtering, packaging and cold storage when these are part of local work related to the main product.

19.2. Wages

19.2.1. Wage brackets

Wage bracket

| | |
|-----------------------|----|
| General employees | 5 |
| Specialised employees | 7 |
| Aquaculturists | 17 |

19.2.2. Assessment of seniority

When assessing seniority, experience in parallel work in other fields such as fish processing, fishing and net production shall be taken into account up to the general rate after three years.

19.2.3. Fish cage premium

For days worked at fish cages, a 15% fish cage premium is paid on top of the hourly wage.

19.3. On working hours

19.3.1. General working hours

General working hours shall be as stated in Chapter II of this Agreement.

19.3.2. Shift work

Shifts may be introduced covering some or all of the employees, subject to agreement between the employees and the trade union concerned. The introduction and discontinuation of shifts shall be announced with 10 days'

notice. The duration of such arrangements shall be no less than two weeks.

Refreshment breaks shall be 35 minutes for each eight-hour shift, divided as agreed between the employees and the management. If shifts are longer or shorter, refreshment breaks shall be amended proportionally.

The shift premium for regular shift work shall be: 35%

premium on the period between 04:00 PM and 12:00

AM Monday to Friday.

45% premium on the period between 12:00 AM and 08:00 AM every day including weekends.

Overtime wages must be paid for each hour in excess of 40 hours per week on average.

19.3.3. On-call shifts

On-call shifts may be introduced covering some or all of the employees, subject to agreement between the employees and the trade union concerned.

During on-call shifts, the employee on call shall be prepared to handle call-outs.

For emergency calls during on-call shifts, employees are paid for hours worked for a minimum of four hours, unless daytime working hours begin within two hours of the employee arriving at work, but such that payments for on-call shifts and overtime payments are never combined.

For every hour of an on-call shift, the employee on call receives payment equal to 33% of the daytime working hours.

Before the start of the on-call shift, equipment shall be arranged in such a way as to minimise the possibility of a call-out occurring during the subsequent on-call shift.

19.3.4. Night monitoring

Affairs regarding security guards shall be governed as stated in Chapter 23 of this Agreement.

However, no person shall be obliged to work night shifts if they are not employed to do so.

19.4. Other considerations

19.4.1. Work stoppage

During strikes, the employees' unions undertake to allow

minimum supervision, including minimum feeding, to prevent damage to farmed fish and equipment relating to the safety of the plant and to ensure animal welfare.

If a situation arises whereby a farm requires increased staffing, such as due to first feeding and peaks in open ocean fish farming, the guardians of the farm may, in consultation with a representative of the labour union concerned, request an exemption in order to increase the number of employees.

19.4.2. Personal protective equipment

The employer shall ensure that employees have access to protective clothing, rubber suits, rubber mitts, flotation suits, footwear and other appropriate protective clothing such that the clothing is the property of the employer and must not be used outside the farm.

19.4.3. Equipment

Facilities shall be in accordance with the requirements of the Administration of Occupational Safety and Health, veterinary inspectors and the Environmental and Food Agency.

19.4.4. Security

Workplaces shall make available to employees the safety equipment that either the Administration of Occupational Safety and Health deems necessary for the nature of the work or is specified in the collective agreement.

At no point shall less than two employees be dispatched to fish cages at a time. Personnel engaged in other hazardous work, such as at fish cages or aquaria on land shall follow the company's risk assessment and health and safety plan.

At no point shall the number of flotation suits be less than the number of persons employed at fish cages and sea cages outdoors on shore at any given time.

Flotation suits shall be provided for night watchmen at fish farms and open ocean fish farms.

Ladders must be provided where aquiculture cages are deeper than 2 metres.

Employees shall have access to adequate telecommunication equipment both on board boats and barges when working on fish cages and sea cages outdoors on land. Employees working alone in fish farms on hazardous/demanding work shall be equipped with an emergency button, automatic alarm or equivalent TETRA telecommunications equipment in accordance with the company's risk assessment.

19.4.5. Other considerations

Matters other than those covered in this Agreement shall be governed by other sections of this Agreement.

19.4.6.

Vocational education

The agreeing parties agree to review the current vocational training courses for employees in aquaculture. The aim will be, among other things, to make the number of hours in these training courses consistent with those for employees in fish processing, cf. Chapter 18. The Fish Processing Vocational Education Committee will be entrusted with following up on the matter.

Vocational training courses for general aquaculture employees.

Courses will normally be four hours each and cover the following aspects, according to a further decision by the Fish Processing Vocational Education Committee in consultation with Fisheries Iceland (SFS):

- FE 1** Introduction to aquaculture
- FE 2** Daily care of farmed fish I
- FE 3** Daily care of farmed fish II
- FE 4** Slaughter, processing and marketing
- FE 5** Safety at fish farms
- FE 6** Quality control in aquaculture
- SF 2** Work facilities and physical exertion
- SF 6** Working life, employees and pay schemes
- SF 7** Collaboration and communication in the workplace

The vocational courses shall be held when there is a sufficient number of participants (at least 6 participants), but no less frequently than once a year. If there are fewer participants, course groups may be combined.

20. CHAPTER

Industrial workers

20.1. Scope of application

This Chapter governs industrial workers and factory workers working in industrial sectors such as chemical, plastic, printing, food, clothing, furs and skins, sanitary, pharmaceutical, metal and beverage industries.

However, exempt from the provisions of the Chapter are employees engaged pursuant to Chapter Chapter 18 on wage guarantees for fish processing personnel and currently effective agreements on slaughterhouses.

See also the special protocol and proviso annexed to this Chapter and constitute part thereof.

Special agreements concluded between employers and individual employees which contain less favourable treatment for employees than those concluded in this Agreement shall not apply.

20.2. Wage brackets for industrial workers

20.2.1. Definition of the wage categories of industrial workers: Industrial workers

I: General industrial workers

Industrial workers II: Specialised industrial workers who can work independently and may be assigned to temporary task management.

Staff who have completed undergraduate courses in food handling, 60 hours of study of up to 5 credits or equivalent of undergraduate programmes according to the curriculum for other sectors of industry, such as plastics, chemical or metal industries.

20.2.2. Wage brackets for industrial workers –

general classification: Industrial workers I 3

Industrial workers II 6

20.2.3. Wages in meat processing

Poultry slaughter employees 3

Employees in large animal slaughter 4

Specialised staff who have completed basic training in food handling. 6

| | | |
|---------|---|---|
| 20.2.4. | <u>Wage in machine workshops and in the iron and metal industries</u> | |
| | General employees | 6 |
| | Skilled industrial assistants with extensive professional experience | 9 |

20.3. Rules for wage payment

If the first day of the month is a day off, wage payments shall be made on the last working day before the end of the month.

20.4. Working hours

20.4.1. Daytime work

Working hours shall be during the period from 07:00 AM to 05:00 PM. Each employee's daytime working hours shall be on average 8 hours per day within the above time limit, or 40 hours per week, and daytime work shall be carried out on working days other than Saturdays.

20.4.2. Overtime

20.4.2.1. Overtime begins when the agreed day work is completed, i.e. 8 hours per day (7 hours and 25 minutes of active working hours) within the hours of 07:00 AM to 05:00 PM Monday to Friday, without prejudice to Article 2.6 on shift work and Article 2.2.4.

20.4.2.2. Overtime wages are paid for work on Saturdays, Sundays and other contractual holidays.

20.4.2.3. Overtime wages are paid for work performed during meal and coffee breaks during daytime working hours.

20.4.2.4. The employees must abide by agreed daily working hours and are therefore only paid overtime when the full 40 hours are reached each week. Legitimate absences, including unpaid leave, are considered working hours in this regard.

20.4.3. Recording of working hours

In workplaces, written rules must be posted next to the clocking-in machine that specify precisely when work is to begin and end and when mealtimes and coffee breaks take place, and all consumption is prohibited at other times. Employees are obliged to abide precisely by the specified working hours and to carry out all their work well and thoroughly and in every way in accordance with the instructions of the employer. If a change of clothes is involved, the employee must change before work begins and not again until the working hours have ended.

If workers are absent from work, they shall be obliged to notify employers as soon as possible.

If industrial workers are late for work, the amount of daytime work worked shall be calculated according to the time registered on the clocking-in machine, without penalty deductions.

20.4.4.

Shift work

Double shifts may be held 5 days a week during the period from 07:00 AM to 00:00 AM, and triple shifts for 5 days, 24 hours a day if necessary, in which case working hours may begin and end at a different time than stated in Article 2.1. The introduction and discontinuation of shifts shall be announced with 7 days' notice. Such arrangements shall last for not less than four weeks in the case of double shifts and 6 weeks in the case of triple shifts. All shifts shall be 8 hours and include a refreshment break of 35 minutes. A 17% matching premium shall be paid for both shifts in double shifts and a matching premium of 27% for all three shifts in triple shifts. Shifts shall run weekly. Work after the day shift and before the evening shift is paid with overtime wages. If only the second shift (evening shift) is worked, the shift premium shall be 30%, and so 45% for the third shift (night shift).

The start and end of working hours shall be decided in consultation with the staff. If shifts are worked regularly, the parties agree to recommend that a fixed average premium be paid.

Work in triple shifts may be permitted during any day of the year at 8 hours per shift, provided that a 45% matching premium is paid for all three shifts.

20.4.5.

Transport to and from the workplace

The employer is obliged to provide to employees transport from the workplace to his/her home and vice versa outside of the operational hours of bus routes where there are regular services.

20.5. Meal and coffee breaks, and food and transportation costs

20.5.1.

Meal and coffee breaks during daytime work

20.5.1.1.

Employees who start work before 11:00 AM are entitled to take a meal break that shall not be less than 1/2 hour during the period from 11:30 AM - 01:30 PM and that does not count towards working hours.

20.5.1.2.

Paid refreshment breaks shall be 35 minutes per day during full daytime work.

20.5.2.

Meal and coffee breaks during overtime

If, as of the beginning of the overtime period, an employee has not received a refreshment break from 01:00 PM, he has the right to take a 10-minute coffee break at a time of his/her choosing.

The employer may exercise flexibility in granting the above coffee breaks in order not to stop production.

If overtime is worked until the contractual dinner break, one hour of lunch breaks shall be paid and shall, unless otherwise agreed, be during the period from 06:30 PM to 08:30 PM. If work finishes after 07:00 PM without a meal break having been provided, the meal break shall be paid all at once. If overtime of 2½ hours or more is worked after the dinner break, a 20-minute coffee break shall be granted during that time, and a 30-minute meal break shall be granted during the period from 02:00 AM to 03:00 AM, and a 20-minute coffee break during the period from 05:30 AM to 06:30 AM.

If an employee starts work more than one hour before the start of daytime work, the last 10 minutes shall be a refreshment break.

20.5.3. Other rules regarding meal and coffee breaks

20.5.3.1. Shift work

Each 8-hour shift includes a 35-minute refreshment break. Overtime at the end of the shift shall begin with a 15-minute refreshment break. Otherwise, refreshment breaks follow the routine at the workplace concerned as appropriate.

20.5.3.2. Other

Other arrangements for working hours and refreshment breaks may be negotiated if there is consent between the trade union in question and the Federation of Industries or SA.

20.5.4. Work outside the union area

When employees are sent from a permanent workplace or place of employment to work outside the area of the union in question or outside the municipality in which the company operates, travel, food and other living expenses shall be paid by the employer.

20.6. Leisure time accident insurance

20.6.1. Employers shall be obliged to insure the employees governed by this Chapter for death, permanent disability or temporary invalidity resulting from an accident. It shall seek to ensure that the accident insurance is always valid.

Accidents falling under Article 8.7.1 of this Agreement shall be governed by Article 8.7.

For accidents not covered by Article 8.7.1, i.e., accidents covered by leisure time accident insurance, the following shall apply: Death compensation, permanent disability compensation and temporary disability compensation are not subject to a specific increase under this agreement,¹² i.e. the amounts applicable previously are only subject to index increases. The rules on the daily allowance for temporary

disability

¹² Cf. the protocol annexed with the collective agreement dated 17/2/2008.

will also remain unchanged from previously, i.e. payment shall be for eight weeks from the time of the accident until the injured person becomes fit for work, but not more than 44 weeks.

20.7. Tools and workwear

20.7.1. Workwear and protective clothing

The employer shall provide staff with up to two sets of suitable protective clothing per year and shall wash them. The protective clothing is the property of the employer, and employees are obliged to take good care of it.

20.7.2. On safety boots or safety shoes

Industrial workers engaged in dangerous work as determined by the safety committee or according to the opinion of the Administration of Occupational Safety and Health shall be entitled to one pair of work shoes (safety shoes with a steel toe and/or non-slip soles or safety boots) per year. The shoes shall be the property of the company.

If it is determined that footwear is used at the workplace only because of hygiene requirements, or excessive uncleanliness or chemical use that damages footwear beyond normal wear and tear, the company shall provide the staff with footwear.

In other cases where a company provides industrial workers with work shoes, the costs shall be divided such that the employer pays 70% and the employee 30%. The shoes shall then be the property of the industrial worker. The industrial worker shall consult with the employer when choosing shoes.

20.8. Piecework and bonus work

20.8.1. Agreement on piecework

Piecework is permitted only if the employer has reached an agreement regarding such with its employees and Efling and if the Federation of Icelandic Industries (SI) or SA are notified of the agreement.

However, those engaged in piecework may never be at a disadvantage compared with monthly wage earners pursuant to the provisions of Chapter 1.

20.8.2. Piecework and methods analysis

The parties agree that, where piecework is carried out, it is desirable that it be based on methods analysis.

If piecework is not based on methods analysis, the minimum bonus or minimum percentage on top of daytime wages to be enjoyed by the employee shall be negotiated.

20.8.3. Work directly related to timed piecework

Industrial workers who are not part of a piecework group but work directly in relation to time-measured piecework where the speed of work is controlled shall be entitled to extra pay which takes into account the bonus income in the production line concerned and the workload of the work in question.

20.8.4. Other

Workers engaged in piecework shall keep the equipment clean without special remuneration. In the event that workers engaged in piecework are engaged in activities other than those agreed in the special agreement, they shall be paid a wage for such in proportion to Article 1.1.

20.9. Continuing education – specialised industrial workers

20.9.1. Composition of the consultative committee

The agreeing parties shall appoint two spokespersons each, i.e. SGS and SA/SI, to organize and establish a special training programme for industrial workers.

Protocol on the chapter on industrial workers

Some provisions of the collective agreement do not apply to industrial workers: Article 2.1 and 2.5 on the recording of work hours, Article 3.4 on food allowances and special transport lines, Article 3.5.1 to 3.5.4 on wages on trips, Article 9.1 on tools and workwear, and Article 9.2.1. 9.2.4 on protective clothing. [2011]

Declaration on piecework and bonus work in meat processing

The parties agree to make efforts to increase the knowledge of industrial workers in meat processing regarding the calculations at the foundation of performance-based group compensation schemes in meat processing. In addition, union representatives will be given special instruction on the development of incentive pay schemes.

The agreeing parties agree to carry out a thorough survey into the arrangements for any additional and premium payments that occur regularly in meat processing. Such shall be carried out by the parties in good cooperation with those companies concerned throughout the country that shall be included in the total sample and those cross-industry organisations and trade unions that are party to collective agreements with industrial workers, cf. Article 20.11.

Any premium payments, such as those for performance-based bonuses and group bonuses, fixed bonuses, and proportional premiums on hourly wages and other payments on top of the wage rate, shall be differentiated. The collection and processing of information according to the above will take place in October 2011. Information will be sought from companies in all regions of the country. The agreeing parties shall subsequently discuss the results and brief

meat processing companies on the advantages of performance-based compensation schemes and good practice for the adoption and use of such schemes. Emphasis shall be placed on good consultation with employees and union representatives during the formulation, adoption and modification of bonus schemes. It is correct for employees and company representatives to consult with the parties to the Agreement.

A survey on the implementation of performance-based compensation schemes shall be repeated in October 2013. [2011]

Agreement regarding mechanically-controlled work

Where work and working procedures are controlled by hardware, workers shall be able to take necessary breaks by being relieved or by other means.

The employer shall notify employees of the arrangements for such breaks from machine work in a clear manner, such as in the work rules.

Protocol on work in meat processing

The agreeing parties agree to point out to the board of the Administration of Occupational Safety and Health that it formulates rules on the working facilities and protective clothing of workers engaged in the cutting, boning and packaging of meat, where the temperature must not exceed 12 degrees Celsius pursuant to the health regulations that came into effect on 1st January 1993.

21. CHAPTER on cafeteria workers

21.1. Scope of application

This Chapter applies to cooks and general cafeteria workers.

A cook is a person who works independently and without the management of a chef and who manages the general employees in the cafeteria. The cook handles the procurement of food for canteens and handles its receipt and preparation.

General cafeteria workers are those persons who work under the direction of a chef or cook as well as employees who receive prepared food from elsewhere and serve it.

21.2. Wage terms and terms of employment

21.2.1. Wage brackets of canteen employees:

| | Wage bracket |
|---|---------------------|
| General employees | 3 |
| Cooks | 6 |
| Cooks who manage one or more employees | 10 |

21.2.2. The seniority shall be assessed based on work experience in the same occupation/work, allowing for interruptions of up to three years.

21.2.3. In assessing seniority, the age of 22 is considered equivalent to one year of employment in an industry. A 27-year-old employee can have housework counted as up to three years of seniority.

21.2.4. These wage provisions do not apply, unless the person concerned has reached the age of 18.

21.2.5. If an employee is hired to work part of the day, he shall receive a pro rata salary and a coffee break based on working hours. Such permanent employment shall be based on a minimum of four hours a day.

21.2.6. If a cafeteria employee is asked to relieve the cook during summer holidays or illness, this shall be taken into account when wages are decided or shall be paid for separately.

- 21.2.7. If it is intended for the cook to regularly prepare and serve a full meal for twenty-five or more persons, he/she shall be provided with assistance. As well as the number of full meals, the assessment of the necessity of assistance shall also take into account the diversity of meals and special requirements such as allergies. Assistance may therefore be needed even if meals are prepared for fewer than twenty-five people if special meals have to be prepared due to special requirements or allergies. If this is not possible, the employer shall negotiate with the cook regarding a supplementary payment for the additional workload resulting from this.
- 21.2.8. The cook shall handle the procurement of food for the canteen and shall handle its receipt and preparation. If this is done outside of regular working hours, this shall be paid for by daytime or overtime wages as appropriate.
- 21.2.9. The employer otherwise assesses staffing in cafeterias based on the circumstances of each case, cf. the Protocol on Manning Assessment.

21.3. Working hours

21.3.1. Daytime work

The daytime work period is from 07:00 AM to 05:00 PM Monday through Friday. Otherwise, it shall be in accordance with Chapter 2 of the main collective agreement.

21.3.2. Shift work

- 21.3.2.1. Shift work may be assigned, covering some or all of the employees. Shifts according to the roster shall be no longer than 12 hours and no shorter than 4 hours. Refreshment breaks for every shift shall be 5 minutes for every hour worked and shall be scheduled as agreed between employees and management. The shift premium for hours outside the daytime working period shall be 33% during the period from 05:00 PM to 12:00 AM Monday to Friday and 45% from 00:00 AM to 08:00 AM every day on weekends and on other holidays. Major public holidays, New Year's Day, Good Friday, Easter Sunday, Whitmonday, June 17th, and Christmas Eve after 12:00 PM, and on Christmas Day and New Year's Eve after 12:00 PM are paid with a 90% premium on daytime wages.

- 21.3.2.2. If shifts are generally organised on holidays and major public holidays pursuant to Article 2.3, employees shall earn 12 days of winter holidays for annual work (96 work quota hours for full time work) for weekends and major public holidays pursuant to Article 2.3 that fall on Mondays to Fridays. If the workplace is closed on the aforementioned days or free time is granted, the corresponding number of days is subtracted from

extra days off, unless the employee has accrued shift days off.

- 21.3.2.3. Winter holidays shall be granted during the period from 1st October to 1st May. Winter holiday accrual is based on the period from October to October.

- 21.3.2.4 By agreement between a restaurant owner and his/her employee, the employee may receive payment in lieu of the days off in question. Payment is based on 8 hours of full-time daytime work per day off. Winter holidays for temporary employees shall be settled upon end of employment.
- 21.3.2.5. In workplaces where employees work according to different working arrangements than those provided for in this Chapter, canteen workers shall receive the same shift premium and payments for refreshment breaks in relation to their working hours as other employees in the area.
- 21.3.3. On meal and coffee breaks
- Employees have the right to take a 30-minute lunch break that does not count as working time.
- If lunch breaks are not decided regularly, they are counted as working hours.
- If a full-time employee does not receive a meal break, either the working hours shall be reduced by 30 minutes or 30 minutes of overtime shall be paid.
- Coffee breaks based on full-time work shall total 35 minutes each day and are counted as working time.

21.4. Job training

- 21.4.1. Canteen jobs are specialised work. Efforts shall be made to train employees in a wide range of aspects related to the job. This shall, for example, be executed such that they shall be allowed to be transferred temporarily between work activities and thus trained for as many work activities as are carried out at the company.
- 21.4.2. After three months of employment with the same employer, employees shall be given the opportunity to attend courses organized by the agreeing parties for canteen employees. The courses shall aim at improving the qualification of employees.
- 21.4.3. The aim is that the courses take place during working hours

21.5. Workwear

Employees shall always be clean and tidy and use special clothing during their work that is not used for other purposes. The employer provides clothing that is its property. Workwear shall meet the requirements of the health authorities and other supervisory bodies as well as the provisions of laws and regulations governing work in canteens.

If special footwear is required, it shall be provided by the employer and shall be the property of the employer.

21.6. Hiring practises

- 21.6.1. For the conclusion of employment contracts, see Article 1.14. The employment contract shall include a job description specifying the tasks and fields of work.
- 21.6.2. Employees employed under this Agreement shall be obliged, at the employer's request, to prove by means of a medical certificate that they comply with the requirements of the health authorities and the provisions of laws and regulations governing work in canteens, provided that the employer pays for the certificate and a consultation with a doctor.

Protocol staffing assessment

The parties agree that the tasks involved in the position of the cook can vary widely between workplaces. These can include shopping and preparing light meals for a small number of people, up to full meals for many people, as well as finishing up, washing and cleaning in the workplace. The collective wage agreement provides for assistance if the cook is required to prepare and serve a full meal on a regular basis for 25 people or more. If this is not possible, a supplementary payment shall be negotiated for the additional workload resulting from this.

In other cases, however, the assignments of the cook may be such that the workload and tasks are beyond what is generally expected for the work of cooks. In such cases, it is desirable that the employer, in consultation with the cook, assess the staffing of the cafeteria on the basis of workload, tasks, number of assistants and/or wages paid. The employer shall complete such an assessment as soon as possible. [2011]

22. CHAPTER

Sanitation work

22.1. Scope of application and definitions

22.1.1. Scope of application

This Chapter applies to all persons engaged in sanitation work in timed piecework, hourly work, shift work or work measured by square meter, cf.

Article 22.2: timed piecework in sanitation work,

22.3: sanitation work at an hourly rate,

Article 22.4: sanitation work as shift work, and

Article 22.5: sanitation work measured by square meter.

If a dispute arises over an issue relating to the performance of sanitation work or the measurement of hours, it shall be resolved on the basis of the Cleaning Framework Agreement (page 119) and dispute resolution agreement, cf. attachment on page 116).

22.1.2. Definitions

22.1.2.1. Demarcation of sanitary areas (cleaning reach)

The sanitary area is delimited as the floor surface and the possible working height of persons standing on the floor using the necessary equipment.

22.1.2.2. Regular sanitation

Regular sanitation is work to remove dirt from the surfaces below the cleaning reach in accordance with the job description (work procedures in case of piecework). This may include water, equipment, appliances and cleaning supplies.

22.1.2.3. Additional work

This refers to occasional tasks that are not defined in the job descriptions for regular sanitation work and are within the cleaning reach. Employees must have sufficient time to carry out the work with the correct equipment and materials.

22.1.2.4. Deep cleaning

This refers to cleaning surfaces of dirt that does not disappear during regular sanitation work additional work, cf. Article 22.1.2.2 and 22.1.2.3.

22.2. Timed piecework in sanitation work, hours completed

22.2.1. Piece wages shall be paid for according to the estimated number of hours in which the pace of work is set at 130 points (maximum), provided that performance is determined according to the accepted principles regarding methods analyses and time studies, cf. the Framework Agreement on Sanitation Work on page 119.

22.2.2. Staff shall be provided with written work procedures along with a cleaning frequency diagram that clearly defines what is to be cleaned and to what should be paid particular attention. It shall be stated at what time of day the area is to be cleaned and how often.

22.2.3. Wages

For hours completed in piecework, hourly wages shall be paid according to wage category 6 with a piecework premium. The piecework premium is 20%, of which 12% is for a pace of work at 130 and 8% is for refreshment breaks, because employees do not take a refreshment break during working hours.

'Hours completed' means that hourly wages are based on the employee's active working hours, and therefore he/she does not take refreshment breaks during working hours. Where refreshment breaks are granted pursuant to Article 2.4.5, they shall be unpaid. For hours completed, the aim is for work to be conducted until the end of the agreed working hours.

22.2.4. The premium after 05:00 PM on work days and during weekends

A premium is paid for work that falls outside the daytime work period:

33% premium on the period between 05:00 PM to 12:00 AM Monday to Friday.

45% premium on the period between 12:00 AM to 08:00 AM every day as well as Saturdays and Sundays.

22.2.5. Overtime premium

An overtime premium shall apply to work in excess of 40 hours per week, c.f. Article 1.7.1.

22.2.6. Holiday premiums

An 80% overtime premium is payable for work on Maundy Thursday, Easter Monday, First Day of Summer, 1st May, Ascension Day, Whitmonday, the first Monday in August and Boxing Day. 1.7.1.

22.2.7. Premiums on major public holidays

Work on New Year's Day, Good Friday, Easter Sunday, Whitsunday, June 17th, Christmas Eve after 12:00 PM and on Christmas Day and New Year's Day after 12:00 PM shall be paid with a major holiday premium, cf. Article 1.7.2.

22.2.8. Deep cleaning

Hourly wages for deep cleaning are paid with a 45% premium on daytime wages pursuant to Article 22.2.3.

22.2.9. Minimum payment

Employees in timed piecework shall have the option of two-hour work involving a combination of cleaning areas.

Until 31/08/2020, the following shall apply: If two-hour work involves two or more cleaning areas, travel time between areas shall be counted as working time and paid with hourly wages according to pay grade 6 up to a maximum of 15 minutes per trip.

From 01/09/2020, the following shall apply: Where timed piecework involves two or more cleaning areas, for each journey, 15 minutes of travel time between areas shall be paid for by means of timed piecework, provided that the employer requires that the tasks be carried out in succession. 'In succession' means that the second task is carried out within 1.5 hours of the first.

If an employee uses his own vehicle at the request of the employer, he/she is entitled to a payment based on the kilometres travelled or a payment of a fixed amount, cf. Article 3.4.3, provided that this involves a combination of tasks.

22.2.10. Work procedures

22.2.10.1. Work procedure

In the written work procedures, diagrams shall clearly delineate the sanitary areas to be cleaned and with what level of emphasis. It shall be stated in the work procedures at what time of day the area is to be cleaned and how often.

22.2.10.2. Access to work procedures

The work procedures must be present at the workplace and be accessible to employees. The work procedures should be revised immediately if there is a permanent change to the cleaning area or cleaning requirements. A union shall have access to the work procedures if it so requests. Before work begins, employees shall be well informed of the work area and working facilities and review the work procedures.

22.3. Sanitation work at an hourly rate

22.3.1. Wages

Sanitation work at an hourly rate is paid according to pay grade 6.

22.3.2. Minimum payment

The minimum payment for hourly work is three hours.

22.3.3. Hourly rate for deep cleaning

Deep cleaning work is paid with an overtime premium.

22.4. Sanitation work as shift work

22.4.1. Sanitation work as shift work is paid according to pay grade 6.

The employment contract shall state if an employee is hired for shift work.

22.4.2. Shift work arrangement

Shifts may be assigned on any day of the week. If an employee only works shifts on 5 days of the week within the hours of 05:00 PM to 08:00 AM, the working week shall only be 38 hours.

A shift shall be no longer than 12 hours and may be no shorter than three hours. Each shift shall be worked as a continuous whole.

In this agreement, shifts refer to employees' predetermined work arrangements. The duration of shifts shall be indicated in the shift schedule and take into account, among other things, the beginning and end of a shift.

An employee hired on a part-time basis receives an hourly wage for work in excess of his/her employment rate, daytime work during daytime hours, overtime outside of daytime hours and on contractual holidays, and a major public holiday wage for work on major public holidays.

A full-time employee is paid overtime for work beyond that specified in the roster.

Shift schedule

Introduction of shifts pursuant to Article 22.4.2 shall be announced one week in advance. Shifts shall be decided as a general rule for four weeks at a time, and their discontinuation shall be announced at least one week in advance. The roster

shall be placed so as to be readily accessible to employees one week before the work governed by it starts. When drawing up a roster, care should be taken

as much as possible to ensure that work during peak hours is divided as evenly as possible between staff.

However, where operations are based to a significant extent on short-term staffing, shifts may be decided for shorter periods of not less than two weeks at a time, provided that the majority of employees agree to such an arrangement.

22.4.3. Shift premium

A premium is payable for that portion of a 40-hour average week of shift work that falls outside of the daytime working period:

33% premium on the period between 05:00 PM to 12:00 AM Monday to Friday.

45% premium on the period between 12:00 AM to 08:00 AM every day as well as Saturdays and Sundays.

55% premium on the period between 12:00 AM to 08:00 AM every day, as well as Saturdays and Sundays, however, shall be paid in state, municipal and non-profit institutions.

22.4.4. Holiday premiums

A 45% or 55% premium shall be paid for work on Maundy Thursday, Easter Monday, First Day of Summer, 1st May, Ascension Day, Whitmonday, the first Monday in August and Boxing Day, c.f. Article 22.4.3.

22.4.5. Premiums on major public holidays

Work on New Year's Day, Good Friday, Easter Sunday, Whitsunday, June 17th, Christmas Eve after 12:00 PM and on Christmas Day and New Year's Day after 12:00 PM is paid with a 90% premium.

22.4.6. Overtime rates

For work in excess of 40 hours (38 hours if daily working hours fall between the hours of 05:00 PM and 08:00 AM) on average of shift work per week, overtime rates shall apply.

22.4.7. Winter holidays for work on public holidays

Shift workers accrue 12 winter holiday days per working year for holidays and other special days that fall on Mondays to Fridays, c.f. Article 2.3.1. and 2.3.2.

If the workplace is closed on the aforementioned days or free time is granted, the corresponding number of days is subtracted from extra days off, unless the employee has accrued shift days off. The employer shall inform employees of the granting of time off with at least one month's notice.

Winter holidays shall be granted during the period from 1st October to 1st May. Winter holiday accrual is based on the period from October to October.

By agreement between a company and his/her employee, the employee may receive payment in lieu of the days off in question. Payment is based on 8 hours of full-time daytime work per day off. Winter holidays for employees shall be settled upon end of employment.

22.4.8. Refreshment breaks

Employees are entitled to 5 minutes of refreshment break time for every hour worked and break time shall be scheduled according to agreement between employees and management.

22.4.9. Hourly rate for deep cleaning

Deep cleaning work is paid with an overtime premium.

22.5. Measurement by square metres 5 days a week

22.5.1. Wages

01/04/ 2019

| | |
|--|------------------|
| Floor cleaning by m ² per month | 403 |
| Gymnasiums and equipment rooms by m ² per month | 349 |
| Toilets by m ² per month | 454 |
| Subject to the same increases as the pay grade for the agreement period. | 6 threshold 3 on |

22.5.2. Wage rates according to square metre for cleaning jobs shall be based on a five-day work week. Sanitation work according to square metre carried out on Saturdays, Sundays, extra days off and public holidays shall be paid with overtime wages.

22.5.3. December bonus and holiday bonus

The December bonus and holiday bonus for cleaning staff who are paid according to square metre are determined by converting the income to daytime work hours as follows:

Daytime work hours = $\frac{\text{annual income} \times 0.8372}{\text{the lower piecework rate}}$

22.6. General provisions

22.6.1. Division

The measurement of sanitation work is based on 21.67 weekdays per month and 4.33 weeks per month.

22.6.2. Emergency call-outs

If a call-out is made for sanitation work specifically, a minimum of four hours shall be paid according to the general rate and seniority level of the employee concerned.

22.6.3. Protective clothing

The employer shall provide cleaning staff with the required protective clothing, including shoes and gloves, and they shall be the property of the employer. If they are inadequate, a special clothing contribution shall be paid of ISK 12.53 per hour (as of 01/05/2015).

22.6.4. Rights of temporary cleaning staff

A. After one month of continuous work, two days of sick leave entitlement.

B. The seniority of temporary employees performing hourly wages increases according to time worked cumulatively (days, months, and years) even if this is not continuous.

22.6.5. Waiting time

If sanitation work at the premises cannot be started during the usual period due to workplace conditions or the time specified in the work procedures and the employee is not notified before arriving at the workplace, the employee shall be paid according to the rate in question while waiting at the workplace. The employee is responsible for passing information regarding the length and reason for the waiting time to his/her supervisor as soon as possible.

22.6.6. Item washing

Employees who wash, for example, towels or other similar items outside the workplace shall be paid for such.

Attachment to chapter 22.2 on timed piecework

Timed piecework in sanitation work – dispute resolution procedure

In the event of a dispute regarding the measurement of time spent performing sanitation work pursuant to Chapter 22 of the collective wage agreement, the employer is responsible for ensuring that the following procedures shall be followed:

1. The employer and the employee jointly review the cleaning area and examine the following factors, taking into account the 130 working pace:

- a) Is there a written work procedure and does it meet the provisions of the collective wage agreement? Is the work procedure consistent with the tasks assigned to the employee?
- b) Is the estimated work time in the work procedure in accordance with the employee's agreed working hours pursuant to the employment contract?
- c) Does the employee follow the work procedure?
- d) Does the employee perform other tasks not specified in the work procedure?
- e) Is the quality of work in accordance with the work procedure?
- f) Does the employee have all the equipment and materials most suitable for sanitation work in the area in question?
- g) Has the employee received instructions on the use of equipment and materials?
- h) Has the employee mastered the most appropriate working methods for the cleaning area in question?
- i) Are the conditions at the workplace unusual, for example, due to ongoing projects or other temporary circumstances which may affect the required working time?
- j) Are the assumptions for time measurement consistent with the type of premises and its accessibility?
- k) Other consequential matters, such as whether there have been complaints from the customer, seasonal differences in contaminants, absences of colleagues leading to increased workload for the employee, etc.

The employer shall make a memorandum stating its and the employee's position on the above factors and deliver a copy to the employee. If the employer and employee reach a joint conclusion regarding a change or no change to the time measurement, said conclusion is recorded in the memorandum.

If the employer does not respond to an employee's request for negotiations or fails to deliver a memo within two weeks of the request for negotiations, the employee can refer the dispute to his/her union.

2. If the proceedings pursuant to Paragraph 1 do not lead to the resolution of the dispute, the employee may request that his/her union be involved in the resolution of the dispute. The proceedings pursuant to Paragraph 1 are then repeated with the participation of the spokesperson of the union. If a union chooses to carry out a time measurement, the employer shall provide a diagram of the cleaning area stating the surface area of spaces, the work procedures and other factors relevant to the time measurement. The union shall submit its time measurement to the employer along with the basis on which it was calculated.

3. If an agreement cannot be reached through a union, it can refer the dispute to a consultative committee of SA and Efling. The committee shall be composed of one spokesperson from SA, one from the employer concerned and two from Efling.

The role of the committee is to resolve disputes between the parties and may, to this end, request documents from the employer concerned and the trade union.

Any joint decision of the consultative committee shall be binding on the parties. If the committee fails to reach a unanimous decision, it will seek an impartial professional with knowledge and experience in time measurements in sanitation work to perform a time measurement. The proceedings involving the final resolution of a case are then as follows:

- a) the professional concerned shall be approved by both bodies;
- b) the professional concerned shall have recognised time standards that are regularly updated and may also carry out time measurements at the worksite if requested;
- c) the professional concerned shall measure the time for the work by recording it in a time standard according to the available data and shall provide the estimated time accordingly;
- d) the cost of the time measurement by the professional shall be equally borne by the employer concerned and the trade union that referred the matter to the committee;
- e) where a decision pursuant to point (c) is not acceptable to a party to the case (margin 5%), said party can require that a time measurement of the work be carried out at the worksite by the same professional;
- f) the cost of a time measurement by a professional pursuant to point (e) is entirely borne by the party that requested said measurement.

Protocol on performance in timed piecework

The parties agree to appoint a task force whose task is to discuss how to determine performance in timed piecework.

The aim is to better clarify the rules on methods analysis and time studies in the Framework Agreement on Cleaning on page 119, or more specifically, the provisions on measuring work pace, calculating cleaning time and performance, and staff involvement.

The task force shall complete this work no later than May 2020. The State Conciliation and Mediation Officer shall convene the first meeting and direct the negotiations between the parties. [2019]

Summary of the framework agreement between VMSÍ on one hand and VSÍ, VMS, the Minister of Finance on behalf of the State and the City of Reykjavík on the other hand on cleaning work

1. Performance

1.1. Work pace

The work pace is the measured speed of work as defined by the International Labour Organisation.

Standard performance is the performance delivered on average by qualified employees during a working day or shift without overexerting themselves, provided that they know and follow a particular working method and are interested in putting effort into the work.

Such performance is considered to give 100 points according to the standardized assessment and performance scale.

Other work paces are referred to in the definitions from the International Labour Organisation, cf. Attachment I.

1.2. Calculation of cleaning time.

Time units (standard hours) can be taken as the basis when calculating cleaning time. When time units are used for each project according to the work procedures, they shall be in accordance with a specific working pace agreed upon by the agreeing parties pursuant to Article 4.1 and Chapter 6. Guidance on the preparation for and conduct of methods analyses, cf. Schedule I.

1.3. Calculation of performance

The basic unit for the calculation of cleaning performance is cleaned square metres of floor per unit of time (m^2/h). This includes all cleaning in the cleaning area according to the work procedures.

EXAMPLE:

- a. The floor area in the area is 600 m^2 . It is entirely cleaned 3 days a week and the time for the work on each of these 3 days is Y hours.

The performance for this area is $600/Y = X \text{ m}^2$ per hour.

- b. The floor area in the area is 655 m^2 , 450 m^2 is cleaned on 5 days a week, while 205 m^2 is cleaned on 3 days a week. The total time for the area is Y hours.

The performance for this area is $((450 \times 5) + (205 \times 3))/Y = X \text{ m}^2$ per hour.

Attachment I

Table 17. Examples of different working speeds according to the main measures.

| Scales | | | | Description | Comparable walking speed.¹³ |
|---------------|---------------|----------------|-------------------------|--|---|
| 60-80 | 75-100 | 100-133 | 0-100 | | (km/h) |
| | | | standard | | |
| 0 | 0 | 0 | 0 | No work taking place. | |
| 40 | 50 | 6 | 50 | The employee is very slow and clumsy and fumbles in his/her movements; seems half-asleep and disinterested about the work. | 3.2 |
| 60 | 75 | 100 | 75 | Works continually, but is slow and obviously not engaged in piecework, but is subject to normal supervision. Appears to work slowly, but does not waste time intentionally while he/she is being observed. | 4.8 |
| 80 | 100 | 133 | 100 (Standard speed) | An energetic employee who delivers good work, such as a regular skilled employee engaged in piecework. Satisfactory quality standard and meticulousness. | 6.4 |
| 100 | 125 | 167 | 125 | Works very quickly. Safe dexterity and coordination of movements are far in advance of those employees who have received conventional training. | 8.0 |
| 120 | 150 | 200 | 150 | Works exceptionally fast and with enthusiasm and focus that are not likely to be sustainable. Excellent job results that only a few employees attain. | 9.6 |

¹³ An employee is assumed to be average in height and physique, walking in a straight line on a horizontal, flat and even surface without obstacles and without carrying a load.

Attachment II

Paid time for the cleaning area based on units of time (standard hours) is calculated using whole hours or a fraction thereof rounded to the nearest quarter of an hour. If the total time for a cleaning area is 5 minutes higher than that of the previous quarter of an hour, it is raised upwards, but if it is lower, the next quarter of an hour is reduced.

23. CHAPTER on security guards

23.1. Scope of application

- 23.1.1 This Chapter governs the daytime and nighttime monitoring in companies and institutions and covers all types of surveillance work.

23.2. Wages and premiums

23.2.1. Wages

Wage bracket

Security guards 4

When assessing length of service, reasonable consideration shall be taken of experience in other work useful in watchkeeping duties.

- 23.2.2. Security guards shall, in addition to their general surveillance duties, engage in telephone monitoring, meter reading on regular patrols and other related duties. Other duties and unrelated duties shall be subject to agreement between the employee and the employer and shall be paid for separately if their extent warrants such.

Security guards who are alone on duty shall be provided with safety equipment, namely alarm buttons, pagers, or telephones, at work if circumstances require such.

- 23.2.3. The premium for shifts that occupy 24 hours a day, 7 days a week shall be 33%.

If there are only shifts occupying the period from 04:00 PM to 08:00 AM as well as on Saturdays and Sundays, a matching premium of 42% shall be paid for each hour worked.

Temporary provisions:

At the time of entry into force of the Agreement, the premium payments pursuant to this Article shall not have the effect of increasing or decreasing the wages of persons receiving higher wages and conditions than those provided for in this Agreement.

- 23.2.4. Hourly wages for daytime work are obtained by dividing the monthly wages by 173.33.

- 23.2.5. Overtime is payable with a premium corresponding to 80% of

the hourly wage for daytime work, which is 1.0385% of the monthly wages for daytime work.

- 23.2.6. Shifts taken on by employees beyond the roster, equivalent to 173.33 hours per month, are paid as overtime.
- 23.2.7. Work on major public holidays is paid a major public holiday premium.

23.3. On working hours and shifts

- 23.3.1. The fixed wages of each full-time security guard pursuant to this Agreement correspond to 173.33 hours per month.

The roster shall normally be based on the above working hours. In no case may shifts exceed 12 hours unless specifically agreed with employees. The roster shall be arranged all at once two months in advance and shall be available at least eight days in advance. The roster shall give each employee's shifts as well as their fixed working hours during the shift period. Changes to regular shifts shall only be made after consultation with the staff and with at least 8 days' notice.

- 23.3.2. Security guards shall have half an hour of mealtimes during each shift, and this shall be counted as working time. In addition, each shift shall include one 15-minute coffee break or two for 12-hour shifts or longer. Coffee breaks are considered working hours. The circumstances on each occasion shall be considered when taking meal and coffee breaks.

- 23.3.3. Work during major public holidays includes:

1. New Year's Day.
2. Good Friday.
3. Easter Sunday.
4. Whitsunday.
5. 17th June
6. Christmas Day.
7. Christmas Eve after 12:00 PM.
8. New Year's Eve after 12:00 PM.

- 23.3.4. When an employee is called out to work outside working hours according to the roster, the payment for the call-out shall be for the time spent on duty but not less than four hours, provided that this is two hours or more since the end of a shift or before a start of a shift. Otherwise, the security guard shall retain the wages as if it had been a continuous period.

23.4. On additional days off

- 23.4.1. Security guards who have worked shifts on all days of the year shall, on a full-time basis, be given 5 days off (40 working

hours) in place of the days off worked, other than Sundays and major public holidays. For this purpose, Monday to Friday shall be counted as weekdays. In this case, the year shall be counted from 1st October.

Additional time off shall be granted during winter and by agreement between employers and the security guard.

23.5. On dining facilities

- 23.5.1. Dining facilities shall be available in the company cafeteria or wherever else possible. All necessary appliances such as tableware, a refrigerator and a microwave shall be present.
They shall be maintained by employees who enjoy better pay conditions.

23.6. Clothing

- 23.6.1. Protective clothing must be provided for employees where outdoor surveillance is carried out. The clothing must be clean and undamaged upon delivery. The clothing is the property of the employer.

23.7. On travel

- 23.7.1. ¹⁴ The transportation line in the union area of Efling is demarcated by the Reykjavík Municipal Bus Service route network with the exception of Kjalarnes, and by the bus route network through Kópavogur in the Efling union area, and security guards must report to work on their own time and independently within the above limits. It is assumed that bus journeys are such that the distance from the closest stop to the workplace is not longer than is considered normal in the general bus network.

23.8. Job training

- 23.8.1 Permanent employees shall receive vocational training and courses such as in fire safety and first aid.

23.9. Temporary security staff on ships

- 23.9.1. Security guards employed for surveillance on board ships on a single night basis shall be paid 17 daytime work units for every 12-hour shift during the period from 08:00 PM to 08:00 AM.

Salary calculation (1 week):

| | | |
|-----------------------------------|-------|---------------------|
| 8 x 5 (hours daily) | = | 40.0 |
| 4 x 5 x 1.8 (hours overtime work) | = | 36.0 |
| 12 x 2 x 1,8 (hours holiday work) | = | 43.2 |
| Total | 119.2 | daytime work units. |

Each shift 119.2: 7 = 17.0 = daytime work units.

¹⁴ Does not apply to the Efling union area east of Hellisheiði, which was previously covered by Boðinn.

- 23.9.2. For the 7th shift, a 60% premium is paid on top of the shift wage.
- 23.9.2.1. For night monitoring on major public holidays, an 80% premium is paid on top of the shift wage.

23.10. Agreement

It is the common position of the Parties that the work activities of security guards have great special status and as such are sensitive to labour disputes. The following provisions shall apply to work stoppages, strikes and lockouts, and shall remain in force notwithstanding the expiry of the collective wage agreement between the parties, prior to termination or pursuant to their provisions, until a new agreement has been concluded.

In the event of work stoppage, strikes or lockouts, the Act on Trade Unions and Labour Disputes 80/1938 shall be complied with. A work stoppage shall be implemented, however, such that the safety of the company and the valuables supervised by the security guard is jeopardized as little as possible.

To this end, in the event of a work stoppage, the union will grant the companies concerned permission for the manpower needed to maintain a minimum level of security.

24. CHAPTER

Handling of Disputes

24.1. Disputes

- 24.1.1. In the event of a dispute between the agreeing parties, the party that believes it has been treated unfairly shall submit a complaint to the board of the other party. They shall investigate the matters in dispute and settle them if possible. If the boards of both parties disagree on the final resolution of the dispute within two days of the complaint being submitted, the matter should be referred to a conciliation committee organised such that each party appoints one member and an alternate and the chief judge in Reykjavik appoints the third, and these three persons shall then try to settle the dispute. The committee must complete its work within two days of the appointment of the third member.
- 24.1.2. In cases of disputes concerning wages and conditions or any comparable dispute between employees and employers that may arise during the Agreement period, either party to the Agreement is permitted to refer to proceedings with cross-industry organisations before entering into social action or court proceedings.

25. CHAPTER

Conditions for Agreement

25.1. Wages and conditions committee

A special wages and conditions committee shall already be in operation. The committee shall consist of three spokespersons appointed by SA and three spokespersons jointly appointed by the negotiating committee of the unions that are a part of the collective agreement, dated 3rd April, 2019.

The committee's task is to assess the conditions of the collective agreement and its provisions on increased economic growth and pay rate increases.

25.2. Conditions for agreement

The main objective of this collective agreement is to encourage increased purchasing power and lower interest rates permanently. The agreement is based on the main premise that the purchasing power of wages shall increase during the term of the agreement according to the agreement's objective of raising the lowest wages, that interest rates shall decrease and that the government's declaration issued in connection to the agreement shall be fully honoured. The parties agree that the agreement creates conditions for a substantial reduction in interest rates.

The conditions of the agreement are the following:

1. The purchasing power of wages shall have increased during the term of the agreement according to the Statistics Iceland wage index.
2. Interest rates shall reduce significantly until the review of the agreement in September 2020 and shall remain low throughout the agreement period.
3. The government shall stand by its promise according to the declarations Government Support for Standard of Living Agreements and Government Declaration on Actions to Mitigate the Weight of Indexation that are issued in connection to this collective agreement.

Evaluation of conditions

The wages and conditions committee shall assess whether the following conditions have been met:

In September 2020, the committee shall assess whether the conditions of purchasing power of wages pursuant to item 1, interest rate pursuant to item 2 and the government decisions, legislative amendments and funding promised in the

government declarations pursuant to item 3 have been met.

The committee shall notify of whether these conditions have been met before the end of September, 2020.

In September 2021, the committee shall assess whether the conditions of purchasing power of wages pursuant to item 1, interest rate pursuant to item 2 and the government decisions, legislative amendments and funding promised in the government declarations pursuant to item 3 have been met. The committee shall notify of whether these conditions have been met before the end of September, 2021.

Response to breach of conditions

If any of the aforementioned conditions are not met, a joint meeting of the aforementioned parties and the executive board of SA shall be called in order to seek ways of achieving the agreement's objectives and to seek agreement on a response to work towards maintaining its validity.

If there is no agreement on a response to a breach of conditions, the party that does not wish for the agreement to remain in force shall notify of the following:

For review in September 2020: Before 04:00 PM on 30th September 2020, the agreement expires on 1st October 2020.

For review in September 2021: Before 04:00 PM on 30 September 2021, the agreement expires on 1st October 2021.

25.3. Wage guarantee due to wage development

In the years 2020-2022, a wage rate increase due to wage development is calculated annually, provided that certain conditions are met.

The wage and conditions committee shall identify the reason for paying a wage rate increase on the basis of wage development. The committee shall compare wage development according to Statistics Iceland's wage index for the general labour market (corrected by a method pursuant to a proposal by Dr. Kim Zieschang described in his report, dated 5th November 2018) with the relative change of the SGS's highest active wage bracket (wage bracket 17 after 5 years). The reference period for the comparison is the month of December each year during the agreement period, with the period December of 2019 to December of 2020 for the first time. Results are made available in March of every year.

If the conclusion is such that the aforementioned wage index has increased more than the reference pay scale during the reference period, the committee shall determine a specific amount of ISK by which all wage rates of the parties in the collective agreement shall increase. This amount is calculated

as a percentage of the excess increase of the aforementioned wage rate. A wage rate increase is added to the wage rate from 1st May.

26. CHAPTER

On duration, termination period, etc.

26.1. Effects of the Agreement on the terms of employment

26.1.1. The parties agree that this Agreement and the accompanying declarations completely replace the previously applicable terms of remuneration and conditions.

26.1.2. The Agreement shall not have the effect of increasing or decreasing the remuneration or conditions of persons receiving higher wages and conditions than those provided for in this Agreement, aside from general pay raises pursuant to Chapter I of this Agreement.

26.2. Duration

This agreement shall be in effect from 1st April, 2019 to 1st November, 2022 and shall thereafter expire without being specifically terminated.

Reykjavik, 3rd April, 2019.

Protocols, declarations, agreements and attachments

Protocol on interpretation services

In line with the increased number of foreign employees on the Icelandic labour market, the agreeing parties shall cooperate in defining the need for interpretation services and, where appropriate, prepare guidelines for companies on the matter. [2019]

Protocol on the protection of those performing commissions of trust for labour unions

Agreeing parties agree that employees who perform commissions of trust for their labour union by sitting on the board, negotiating committee or council of representatives, and are in communication with their employer for their work as a representative, shall not be placed at a disadvantage due to their work as a representative cf. Article 4 of the Act on Trade Unions and Industrial Disputes No. 80/1938. [2019]

Protocol on rental property in connection with an employment contract

When an employer rents out accommodation to an employee in connection with employment, the provisions of Rent Act No. 36/1994 apply to the conclusion and content of leases.

A rental contract under the Rent Act shall be in writing and meet the requirements of Chapter II of the Rent Act, including on the rental cost, whether the contract is temporary or indefinite and what services are included in the rent.

This shall aim to ensure that employees do not pay higher rent than is generally the case and that the rental cost is fair and reasonable for both parties. In assessing whether the rental cost is fair and reasonable, the size, location and condition of the property shall be taken into account as well as the rental cost according to registered rental contracts in the same area.

Accommodation shall be intended for residence and meet the requirements regarding facilities and health and safety.

In the event of an agreement whereby an employee does not pay rent for housing, the employee's wages must nevertheless be no lower than the minimum stated in the collective agreement pursuant to Article 1 of Act No. 55/1980.

This provision applies while the employee is on the payroll of the respective employer. [2019]

Protocol on competency assessment

Parties agree on the importance of the workplace as a place of learning. The developments and challenges in work in the near future, incl. those of the Fourth Industrial Revolution, further increase the importance of this fact. The economic sector and wage earners must work in unison to be able to meet these changes and thus strengthen the nation's competitiveness and social stability. Evaluating the skills, experience and informal learning that an employee acquires in the workplace is an important vested interest issue, as it strengthens the position of those working in the labour market, the professional classes, companies and the nation in general in terms of knowledge level and progress.

Purposeful development and cultivation of competency assessment is a fundamental prerequisite for achieving these objectives, and the parties agree to place a strong emphasis on developing competency assessment during the term of the agreement. This applies to competency assessment at work as well as learning in the formal educational system.

Assessing competency can be an impetus for people in the labour market of various sectors to develop professionally, complete formal education and to further advance their competency [2019].

Protocol on pay schemes

The agreeing parties aim to implement a new pay scheme as a part of the collective agreement. Its main objective is for decisions on wages within companies to be objective and flexible. The pay scheme will be an option for implementation at workplaces as an authorised exception under Chapter 5 of the collective agreements. The provisions of Chapter 5 apply in all respects to the adoption of a new pay scheme in companies. The relevant labour union or labour unions must ensure that agreed exceptions and remuneration for them, evaluated as a whole, comply with the provisions of law and the collectives agreements on minimum wages and terms of employment, cf. the provisions thereof in Chapter 5.

1. Basis

It is the common understanding of the agreeing parties that the efficient operation of companies is a prerequisite for good terms of employment for employees and reasonable working hours. Continuous reforms contributing to increased productivity and efficiency ensure companies' operation and competitiveness. One aspect of competitiveness is that companies' wage setting relates to measurable performance factors in a pay scheme developed in cooperation between parties of the collective agreement.

2. Objectives

The aim of a new pay scheme is to objectively categorize jobs, increase the number of factors considered when setting wages for jobs and to provide clear criteria for wage setting and wage development of individual employees. With the new wage system, employees and employers have a powerful tool for promoting increased education and professional development, transparency and job satisfaction. At the same time, there will be clearer incentives for employees to develop professionally.

Successful development and implementation of a new pay scheme can contribute to increased vocational training and professional development as well as transparency in the wage structure. This involves

purposefully defining how the assessment of jobs, roles, skills, responsibility and performance creates a foundation for wage setting and additional benefits for employees and companies.

The Act on the Equal States and Rights of Women and Men No. 10/2008 requires that the pay scheme and wage setting of companies of 25 employees or more are based on objective and transparent metrics. In accordance with the Act, companies shall implement an equal pay standard during the 2019-2022 period and a new pay scheme will facilitate that implementation. It is preferred that smaller companies base their pay scheme upon comparable criteria.

3. The project

The project consists in developing a simple and accessible pay scheme that relies on few but clear factors that can be used by companies of all sizes and types. In order to base the pay scheme on appropriate metrics, it must reflect companies' varying needs. The pay scheme thus does not include a definitive definition of metrics or weighting of individual factors, but rather serves as a framework that staff and management can jointly develop and adapt to the needs of each workplace according to the authority vested in the collective agreements.

The new pay scheme is intended to support and parallel other developments in the labour market and in the education system. Among other things, this applies to competency assessments at work and the implementation of an equal pay certification. Further development of the system and the definition of criteria will take into account, among other things, the Icelandic Qualification Framework. The starting point is to create a basis for wage setting according to the nature of the job and the employee's qualifications regardless of job title, which will not be a part of this system.

The system is based on five main factors, each of which contains more detailed criteria. The factors relate to both the job and the individual. On the basis of these factors and the criteria within them, a foundation is created for wage setting and the factors and criteria within each factor. The categories and examples of possible stages in each category are:

Job-related factors

- *Role*. The criteria within these factors include e.g. the nature of work and position in the workplace, task management, supervision of training and the reception of new employees.
- *Responsibility*. Responsibility for projects, people, machines, devices, etc.
- *Independence*. A requirement for autonomy in work, which may relate to the job as a whole or individual aspects.

Individual factors

- *Experience and knowledge*. Additional knowledge, experience and training that is of use in the job. General competence factors such as communication skills, initiative and flexibility.
- *General competence factors*. Communication skills, initiative, flexibility etc.

4. Implementation plan

After this collective agreement enters into effect, the parties will begin to work jointly on the development of a new pay scheme.

The agreeing parties shall appoint a task force consisting of three spokespersons for the labour unions, i.e. one from each of the following: SGS, VR and skilled tradesmen's unions, and three spokespersons from the Federation of Icelandic Employers. The task force is responsible for implementing the project and completing it within the required time. Among other things, this includes the authorisation to temporarily hire a specialist.

The work involves the elaboration of the factors and criteria that create a new pay scheme with respect to the basis set forth above. This includes, among other things, a more precise clarification of the criteria and how they directly relate to the setting of wages.

Upon completion of the development of the pay scheme, a second phase of creating promotional material and doing promotional work shall begin [2019].

Protocol on flexible retirement

Agreeing parties agree on the importance that employees have the option of certain flexibility when it comes to retirement due to age. The needs and conditions of people in the labour market vary, and with an increasing life expectancy and improved health status, it is common for people to maintain a full capacity for work and wish to participate in the labour market beyond the retirement age. Flexibility in retirement may include a reduced employment rate during the last years of working life as well as permission to continue working beyond retirement age for those who possess full working capacity and the desire to remain active in the labour market. It is important to take into account the situation of each person.

Flexible retirement age has been a matter of consideration by a committee whose function is to review the Social Security Act, and to which representatives of the labour market are party. The committee agrees that legislation should promote increased individual flexibility and has, among other things, discussed increasing retirement age to 70 years in stages, authorising the deferral of taking out pension until the age of 80 instead of 72, at an increased monthly pension for the individual in question.

In recent decades, life expectancy and the average life span have increased around the world. More and more people are living longer and are more healthy in their older years. This trend calls for a reassessment of retirement age. For these reasons, most of our neighbouring countries have raised the retirement age.

The value of work for people's mental and physical well-being is unequivocal and the understanding of this fact is increasing. The labour contribution of older employees is important and is growing, as the natural increase in number of employees on the labour market drops due to changing age distribution. [2015]

Protocol

on negotiations regarding organisation of working hours

The parties to the collective agreement aim to change the definitions of working hours so that it approaches the arrangement of working time that is most common in the Nordic countries. The main objective of the changes is to promote a family-friendly labour market with shorter total working hours, which can also entail the rationalisation and simplification of wage schemes across the labour market.

Discussions on amending the work time provisions of collective wage agreements will include, for example, the introduction of 'active working hours' and the review of peak periods and premium payments for work outside the daytime work period.

Premium payments for work outside a defined daytime work period are higher in Iceland than generally in the Nordic countries, with the effect, for example, that daytime wages constitute a lower proportion of total wages.

The main objective of the changes will be to increase the proportion of total wages made up by daytime wages and encourage discussion in workplaces regarding improved organisation of working hours and increased productivity. This will bring the Icelandic labour market closer to the arrangements known widely across the Nordic countries. Improved organisation can also encourage shorter working hours and thus a more family-friendly labour market. Changes to this effect improve Iceland's position in international comparisons, both in terms of working hours and basic wages, and can thus strengthen Iceland's competitiveness for employees.

Wage rates in collective wage agreements rise against changes in working hours, and the minimum wage for individual jobs may be subject to the changes if there is a particular need to respond to the effects of the changed premium payments. However, the minimum income insurance may not increase.

The agreeing parties will appoint working groups before the end of June 2015 to work on preparations for changes to the working time provisions in collective wage agreements. A specific dialogue plan shall be drawn up to organise the discussions, cf. Article 23 of the Act on Trade Unions and Industrial Disputes. The aim is for an agreement to be in place by October 2016 which will be put to a vote in November 2016. Changes in working hours and wages would therefore simultaneously take effect on 1st May 2017. From the beginning of the work, the parties will seek the help of a state mediation officer for the supervision.

Voting will be negotiated separately, but it is assumed that a simple majority will be needed for the agreement to enter into force. [2015]

Protocol

Protocol on assessment of education for wages

The agreeing parties will work to assess education/competency for wages in

two steps, on the basis of competency analysis for jobs. Both parties will be involved in developing a plan for analysis of jobs, in consultation with the Education and Training Service Centre, in which a job's competency factors are set in a syllabus.

A committee consisting of members of the agreeing parties, three from ASÍ and three from SA, will begin work no later than autumn of 2015. Work will continue on the basis of the proposals formulated by the agreeing parties in anticipation of collective agreements. Courses and competency assessment are scheduled to

launch on the basis of this work in autumn of 2016.

Prior to October 1, 2016, it shall be made clear how competencies assessed for work are to be remunerated. [2015]

Protocol on continuous employment and accrued rights

In the understanding of collective agreements, 'continuous employment' refers to the employee having been in a continuous employment relationship regardless of whether or not he/she has temporarily fallen off the payroll. However, a period without payment is not considered part of the employment period for purposes of accrual of rights if the law or collective agreements do not stipulate otherwise, cf. e.g. statutory maternity/paternity leave. [2015]

Protocol on tooth damage due to work accidents

The parties will jointly request that insurance companies amend insurance conditions for employees in such a way that they cover necessary costs beyond contributions under the Social Security Act for a broken tooth due to a work accident. The proviso is otherwise covered under the Social Security Act and terms of insurance companies. [2015]

Protocol Protocol on the survey of termination processes

During the agreement period, the parties will agree on questions to be submitted to union members on the one hand and to SA member firms on the other hand for surveys conducted by the parties themselves that will seek to examine the general performance and knowledge of the provisions of collective wage agreements regarding resignations/dismissals (form, deadlines, interviews). [2015]

Protocol on the review of holiday allowance legislation

During the term of the Agreement, the parties will jointly request that the government review holiday allowance legislation that holiday laws be subject to review with a view to clearly stipulating the rights and obligations of the parties. [2015]

Declaration on pension funds

The Confederation of Icelandic Enterprises and the Icelandic Confederation of Labour agree to continue working on the equalisation of pension rights on the basis of the work that has been carried out

by a joint committee of the entire labour market. This work has been delayed, for example, by the fact that no agreement has been reached between the state and civil servants regarding the past problems in the public pension system, and therefore there were no grounds for finalising negotiations between the parties on the basis of their declaration from 5th May 2011. The parties agree that the contents of the declaration shall remain valid and that work will be done on its progress during the period of the agreement. [2015]

Protocol on vocational training

The parties agree to undertake a joint review of the current educational and vocational training arrangements with a view to

- a. increasing the importance of learning where assessment is made for credits or recognised skills in the labour market;
- b. promoting closer cooperation between funds for the benefit of businesses and individuals and establishing a common portal for them;
- c. engaging in efforts to promote the fund and the benefits that may be sought from it;
- d. discussing the method with which part of the increase agreed upon in this Agreement may be allocated to the attainment of the objectives set out in items b and c.

The assessment shall be completed by 1st May 2014. [2014]

Protocol on written confirmation of employment

The parties agree that there has been some failure to provide written employment contracts or to confirm employment in writing in accordance with collective agreements' provisions on employment contracts and letters of employment. During the term of the agreement, the agreeing parties will work to introduce employers' obligations and workers' rights pursuant to these provisions. Before the end of 2015, the parties will perform an audit of the implementation of the provision and its efficacy and review it in light of this audit. The new provisions on penalties are intended to respond to criticisms from the EFTA Surveillance Authority (ESA). If the ESA provision is not deemed satisfactory, the agreeing parties will respond immediately by initiating negotiations. [2014]

Declaration on pension funds

The Parties agree to continue the work of standardising pension rights in the labour market. This declaration is intended to facilitate agreement on the main aspects of pensions. The main objective is that all pension funds in the labour market operate on a sustainable basis and that pension rights advance in accordance with the needs for acceptable pensions. The agreeing parties

will work on the premise that contributions to pension funds in the private sector need to be increased from 12% to 15.5% during the years 2014-2020.

The negotiations between the agreeing parties will cover how the increase in contributions will be implemented, including the phasing and the division of contributions between employers and employees premised on standardisation for the labour market as a whole. Different pay schemes, such as those on fishing vessels, will be taken into account.

The agreeing parties aim for the outcome of this work to come to fruition by the end of 2012 and for discussions on the revision of collective agreements to begin at the beginning of 2013. This declaration includes a mandate to the executive board of the Confederation of Icelandic Enterprises and the negotiating committees of the member organizations of ASÍ to finalise the implementation of an increase in contributions that may take effect in 2014. [2011]

Protocol on general wage increases

The agreed general wage increase in the collective agreements of ASÍ and SA's affiliate unions refers to the minimum increase of the regular wages an employee earns on the day in which the increase pursuant to the collective agreement is to come into effect, regardless of the employee in question's wages.

It is not permitted to reduce or cancel overpayments by refusing to pay out general wage increases. Overpayments shall therefore only be reduced or cancelled in compliance with the provisions of the collective agreement. However, this provision does not prevent companies from being able to, through wage decisions, accelerate increases through special decisions and then, by predictable and predetermined means, taking into account unimplemented general increases over the next 12 months. It must be made clear in advance to employees by verifiable means that this is an expedited general wage increase pursuant to the collective agreement. [2011]

Protocol on the definition of shifts

The association agrees to map out and aim for a review of the working hours section of the collective wage agreements of member organizations of ASÍ and SA, which covers shifts, work outside of the daytime work period and variable daytime work period, with standardisation and increased clarity as a guiding principle. [2011]

Protocol on sickness and rehabilitation matters

The agreeing parties resolve to review the structure of preventative health care services and occupational health and safety.

The objective is to encourage response to illness in a predictable manner and make it so that an employee who falls ill is offered the appropriate resources as soon as possible. This includes, among other things, increased flexibility in

the labour market to ensure that persons who fall ill or sustain injury and those in active vocational rehabilitation have the option of returning to work to the extent that their ability to work allows at any given time.

It is clear that this objective is only attainable if there is mutual trust between employers and employees in arrangements for notification of illness,

employees' return after illness, preventative health care services in companies, etc.

The agreeing parties participate in a steering committee headed by VIRK, whose aim is to work towards the objectives stated above.

Special attention will be given to a development project on prevention and vocational rehabilitation, to be launched by VIRK. The agreeing parties will use the experience and knowledge obtained from this project in its work.

The agreeing parties will support those working on the development project and advise them on matters of opinion that may arise during the project that pertain to rights and obligations in the labour market under the law and the collective agreement. [2011]

Protocol on closure due to force majeure circumstances

In the first year following the entry into force of the general wage agreements of the member organizations of ASÍ and SA, a special working group composed of representatives of ASÍ and SA shall compile information and data from the Nordic countries on arrangements for wage payments and/or compensation to employees following force majeure incidents. [2011]

Protocol on gender equality

It is in the interests of workers and companies to have equal opportunities for women and men to work, career development and wages. The parties will therefore cooperate on the following projects during the agreement period.

- Complete a standard on the implementation of the wage equality policy and subsequently continue the preparation of a standard on equal opportunities for women for work and career development. The work on the standard shall be carried out in collaboration with Icelandic Standards and the Ministry of Welfare. The aim is to publish the standard before the end of the agreement period.
 - Continue collaboration with Statistics Iceland on research on wage formation for women and men based on the institute's database, with the aim of carrying out one study during the agreement period.
 - Prepare joint promotional and educational material for workers and companies on equality in the labour market during the agreement period.
 - Encourage company managers to consider the formulation of family policy within companies with the aim of increasing flexibility in the arrangement of work and working hours so as to take into account both employees' family circumstances and the needs of the economy. [2011]
-

Protocol on the recording and handling of personal data

The handling and processing of personal data is governed by the Act on Data Protection and the Processing of Personal Data as it is at any given time, now Act no. 77/2000, and rules established on the basis thereof, such as

those on electronic surveillance. The parties agree to jointly produce promotional and educational material during the agreement period on employees' personal data protection. [2011]

Protocol on information and consultation

The parties agree to undertake joint efforts to promote and implement the Information and Consultation in Companies Act No. 151/2006 and work on educational and promotional material on the rights and obligations of companies and employees pursuant to the Act. The parties agree to direct employers to meet with union representatives at least twice a year to discuss, for example, the status and employment affairs of the company. [2011]

Protocol on temporary work agencies

The parties agree that, in adopting the temporary work agency directive, it will be emphasised that in the Icelandic labour market, the principle is that employees are hired directly by the employer for an indefinite period, and in Iceland, there is a certain flexibility in recruitment that intends to make it easier for companies to respond to fluctuations in their activity.

Additionally, pursuant to the Act on Working Terms and Pension Rights No. 55/1980, minimum wage terms are determined in collective wage agreements. Furthermore, the principle of the directive on equal treatment will be enacted with the aim that conditions of employment for employees from temporary work agencies shall, during the period in question, be at least those that would have applied if the employees had been recruited directly to the company concerned to carry out the same work. It will refer to the actual remuneration for companies using the agencies, how they are determined and how they are paid. [2011]

Declaration Statement by ASÍ and SA on the implementation of calls for tender

It is important for the Icelandic economy that economic activity and the labour market operate in accordance with clear and transparent laws and regulations and ensure natural and healthy competition. Tendering for construction projects is an important part of industrial activity. It is therefore important that specifications for construction projects, assessment of the suitability of tenderers, awarding of contracts and provisions on the return of payments to all parties performing tender work are better prepared and presented in a more specific manner than is currently the case.

The government's declaration regarding the dialogue between parties on the labour market states,
for example, on the implementation of calls for tender:

'It will be examined what changes need to be made to the Public Procurement

Act, and, as necessary, other laws in order to strengthen the status and rights of workers working for companies in the contract market and at the same time level the competitive position of companies. The aim shall be that the government task force, with the participation of spokespersons,

municipalities, ASÍ and SA, submit proposals on the above issues no later than June 2011 and that proposals on preferable legislative amendments can be submitted to the Althingi at the beginning of the autumn assembly. The government will also, where appropriate, implement the findings of the task force in the state's ownership policy.'

SA and ASÍ agree that the further defined tasks of the task force include the following:

1. Consider and submit a proposal for a law on co-liability/chain liability of contractors/clients for employee salaries and the taxes of contractors and subcontractors. Particular attention shall be paid to the laws of neighbouring countries on the matter.
2. Consider how to further secure workers' rights through amendments to laws governing public tenders and the eligibility of tenderers.
3. Consider how the tender conditions in public service procurement may incorporate the requirements imposed on the tenderer by the client concerning working arrangements based on criteria governed by collective wage agreements (such as time-based clauses and measurements) in order to create equality among tenderers and to show the extent and nature of the work.
4. Consider how to transpose Article 15.1 of the standard IST 30 into General Act on the Execution of Tenders.

In addition, SA and ASÍ have agreed on a uniform assessment by the client of the eligibility of tenderers when tenders are made (see Attachment 1 to the agreement between SA and the negotiating committee of ASÍ). Emphasis is placed on the assessment covering both the public and the general market and extending to both main contractors and subcontractors. Emphasis is also placed on the assessment obtaining recognized status in the law or regulation. When evaluating bidders, by principle, employees shall have a permanent employment relationship.

SA and ASÍ have also agreed on further rules on how to prepare tender documents pursuant to Articles 42 to 45 of Act No. 84/2007 on public procurement, award contracts pursuant to Articles 73 and 77 of Act No. 84/2007, and return payments pursuant to the standard IST30:2003, paragraph 31.5 (see Attachment 2 to the Agreement between SA and the negotiating committee of ASÍ). [2011]

Protocol

Protocol on the continuing education for drivers and machine operators

It is the common understanding of the agreeing parties that Article 16.8 on courses in the main collective wage agreement applies to all training that a driver or machine operator must attend in order to keep his/her license. The same applies to special collective agreements which constitute a part of this main collective wage agreement. The exception is Chapter 17 on PCV drivers where a special course premium is paid. [2011]

Protocol

on the renewal of driving licenses

The agreeing parties shall each appoint two members to a committee with the task of coordinating the policies of the parties to the Contract regarding the renewal of driving licenses and of following up on this policy with respect to the public institutions (ministries and the Transport Authority) as well as the companies (FA and driving schools) responsible for the refresher training. [2011]

Agreement

between SA and ASÍ on information and consultation in companies

1. Introduction

The Confederation of Icelandic Enterprises and the Icelandic Confederation of Labour have, with reference to Act No. 151/2006 on Information and Consultation in Companies, agreed on the following rules on the arrangements for disclosure and consultation within companies for the representation and calculation of the number of employees.

2. Calculation of the number of employees

The Act on Information and Consultation in Companies applies to companies that normally employ at least 50 employees from the domestic labour market. The average number the employees in the preceding calendar year shall be used to calculate the number of employees. However, if the average number of employees was less than 50 in the preceding calendar year, the information and consultation obligations pursuant to this Agreement shall be effective if the average number of employees exceeds 70 in the last four months.

If the average number of employees was 50 or above in the preceding calendar year, the information and consultation obligations pursuant to this Agreement shall be waived if the average number of employees is under 40 in the last four months.

Relief for summer holidays, sickness or other absences do not affect the calculation of the number of employees.

3. Consultative committee

3.1. In the companies governed by this Agreement, there shall be a functioning consultative committee of the company and employees. It shall be composed of two spokespersons of the employer and two spokespersons of the employees.

3.2. Union representatives within a company shall select spokespersons for the consultative committee from among their group. Employees may, however, request that the employees' spokespersons on the consultative committee be elected from among the employees, provided that at least one-fifth of the employees submit a request to this effect.

If there is no union representative in a company, employees shall elect their spokespersons to the consultative committee from among themselves. If there is one union representative in a company, employees shall elect the other spokesman to the consultative committee from among themselves. Employees who are not represented by the union representative have a right to vote.

The tenure shall last two years from the date of the announcement of the election, unless it has been decided otherwise.

When the union representatives are elected to the consultative

committee, each union representative shall have one vote.

In the event of an election among employees, the employer must provide a list of employees and provide other necessary assistance with the preparation of ballot papers and with the election.

'Union representatives' refers to those union representatives who operate on the basis of Act No. 80/1938 and the provisions of the collective wage agreements regarding union representatives. Other

representatives on the consultative committee shall enjoy the same protections as union representatives in respect to their work on the consultative committee.

- 3.3. The provision of information pursuant to the Act on Information and Consultation in Companies shall take place within the consultative committee, unless agreement on other practices has been made within the joint committee.
 - 3.4. Consultation with employees pursuant to the Act on Information and Consultation in Companies shall take place within the consultative committee, unless agreement on another implementation has been made within the consultative committee.
 - 3.5. The consultative committee shall establish rules of procedure for itself.
 - 3.6. The employers' spokespersons shall be responsible for convening the consultative committee, but the committee shall be expected to convene at least twice a year, unless otherwise agreed by the committee.
 - 3.7. The company's information and consultation obligations will come into effect when union representatives or, as appropriate, employees have elected spokespersons to the consultative committee according to the above rules and have notified the company of the election.
4. Enterprise groups

In groups of enterprises with independent subsidiaries, by agreement of the consultative committees of the subsidiaries concerned, a common consultative committee may be established at the level of the parent company, which is composed of spokespersons of the consultative committees of the subsidiaries.

Therein, matters of common interest to the subsidiaries may be discussed.

In addition, under exceptional circumstances, a consultative committee at the level of the parent company may assume the role of the consultative committees of the individual subsidiaries.

The common consultative committee at the level of the parent company shall be abolished if either party, the employees' spokespersons on the committee or the company's spokespersons on the committee demand such by giving at least one month's notice.

5. ASÍ and SA Consultative Committee

The Consultative Committee, composed of two spokespersons of each party to the Agreement, shall discuss the implementation of the Agreement and the execution and interpretation of the individual provisions to the extent necessary.

In the event of a disagreement regarding the interpretation of the Agreement, the parties concerned may refer it to the Committee, which shall then endeavour to reach a settlement. [2008]

Protocol on information and consultation

The parties agree to aim for cooperation on information provision and the

preparation of educational material on the rights and obligations of companies and employees pursuant to the Act on Information and Consultation in Companies No. 151/2006. [2008]

Protocol on European Works Councils

The agreeing parties agree to work together to support companies and employees in the establishment and operation of a European Works Council, cf. the Act on European Works Councils in Companies No. 61/1999. To this end, the parties will complete the creation of the implementation plan in May 2008.

The parties shall also aim for cooperation on information provision and educational material on the rights and obligations of companies and employees in European Works Councils. [2008]

Protocol on workplace identification

The Icelandic Confederation of Labour and the Confederation of Icelandic Enterprises decide to continue the introduction and use of workplace identification where appropriate, focusing first on the construction industry.

Companies can introduce workplace identification on their own terms where the name and identity are provided. Workplace identification must meet requirements whereby it provides the name, a photo and the national identification number of the employee concerned or the possibility of automatically linking the employee number to the national identification number if it is not registered on the identification card.

Authorised persons arriving at workplaces for supervision require open and automatic access to official databases. The most important databases are at the Registers Iceland where national identity numbers may be validated, at the Ministry of Education and district commissioners where recognised certifications can be verified or to confirm whether an application for such certification has been submitted, at the Commissioner of the Inland Revenue to verify whether a tax card has been issued and whether any tax payments have been received (not amounts), with the Directorate of Labour to verify whether notifications have been submitted and at pension funds to verify whether contributions have been paid (not amounts).

The Icelandic Confederation of Labour and the Confederation of Icelandic Enterprises agree to request the Icelandic Standards and/or Icepro to draw up a general standard for workplace identification, which will, for example, assume that the job title of the employee in question will be provided on the identification. The Icelandic Confederation of Labour and the Confederation of Icelandic Enterprises will take an active role in drawing up the standard.

The Icelandic Confederation of Labour and the Confederation of Icelandic Enterprises agree that workplace identification shall be fully in use in workplaces in the construction industry by 1st July 2009. At the same time, a system will be built for recognised regulators to have access to the necessary databases and to seek the assistance of the relevant public bodies to achieve this. [2008]

Protocol on the revision of the chapter regarding union representatives in collective agreements

The parties agree to revise the provisions on union representative training in collective agreements during the agreement period due to the increased and changing tasks of union representatives. [2008]

Protocol on occupational diseases

The agreeing parties will jointly endeavour to adopt a regulation on the registration of occupational diseases subject to liability in accordance with Article 27 of the Social Security Act No. 100/2007.

The agreeing parties consider it important to strengthen research and prevention measures regarding occupational diseases at the Administration of Occupational Safety and Health. [2008]

Protocol on notifying a company physician/occupational health and safety service provider

The agreeing parties believe that the development of preventative health care services and occupational health and safety are important for the labour market. It is important to guide the development of services in this field in a positive direction so that it produces results for employees and companies.

The agreeing parties will appoint a negotiating committee whose role is to reach agreement on more detailed arrangements regarding reporting illness to a company physician/occupational health and safety service provider.

The negotiating committee shall discuss, among other things, the following points:

- The criteria that a company physician/occupational health and safety service provider must satisfy.
- Arrangements for employees to notify an occupational health and safety service provider of absence due to illness or accident, should the employer adopt such an arrangement, provided that, all other things being equal, such notification takes the place of a medical certificate.
- Obligation of confidentiality and handling of personally identifiable information that a company physician/service provider collects through their activities. This applies to collection, handling, storage and deletion of this information.
- How the activities of company physicians/service providers can benefit companies' occupational health and safety practices.

The negotiating committee will cooperate with the Data Protection Authority, the Director of Health, the Administration of Occupational Safety and Health and stakeholders.

The negotiating committee shall complete its work no later than 30 November 2008.

The negotiating committees of ASÍ and SA shall take a position on the committee's proposals no later than 15th December 2008.

If the agreeing parties come to a joint conclusion, their agreement shall be considered part of the collective agreement of their affiliate organisations and shall enter into effect on 1st January 2009.

During the above-mentioned work, the agreeing parties do not object to the activities of occupational health and safety service providers who are recognised by the Administration of Occupational Safety and Health as a service provider in this field, nor to the employee's obligation to notify them. [2008]

Protocol on vocational training in the transport and construction sectors

The agreeing parties shall each appoint two people to a committee the function of which is to organise and increase the amount of available vocational training that benefits this economic sector. The committee seeks to cooperate with the Education and Training Service Centre and other institutions, companies, associations and ministries as appropriate and considered desirable at any given time. The committee shall also work towards creating support for access to the training available today within the industry. [2008]

Attachment to the Agreement on Wages in Foreign Currency - Agreement Form

The Company ehf., ID no. xxxxxx-xxxx on the one hand, and _____ ID no. _____ on the other hand, enter into an agreement to link part of the wages to a foreign currency exchange rate or payment of part of the wages in foreign currency, on the basis of the provision of a collective agreement _____ to that effect.

Linking to foreign currency or payment in foreign currency:

- Linking part of wages to foreign currency
 Payment of part of wages in foreign

currency Currency:

- EUR
 USD
 GBP
 Other currency, which _____

Part of fixed wages or total wages paid in/linked to foreign currency: Part

- of fixed wages paid in/linked to foreign currency
 Part of total wages paid in/linked with foreign currency

Percentage of wages paid in/linked to foreign currency:

- 10%
 20%
 30%
 40%
 Other percentage, what _____

This agreement is prepared in duplicate and each party shall retain one copy.

Date: _____

On behalf of the company _____

Employee _____

[2008]

Agreement between the Confederation of Icelandic Enterprises, Hlíf Labour Union and the Keflavík Workers' and Fishermen's Union (Flóabandalag) on Vocational Training Matters

Objectives

The agreeing parties agree on the importance of vocational training for the Icelandic economy. Increased skills and work-related training of employees are essential factors for higher productivity and increased competitiveness in Icelandic enterprises. The economy needs well-educated employees who can meet the new needs and changing demands of the labour market. It is important that the availability of learning and learning materials meets the needs of the economy at any given time.

During the agreement period, the agreeing parties shall work on the vocational training of unskilled employees. The aim is to strengthen the position of individuals in the labour market by giving them the opportunity to strengthen and refresh their knowledge and make them more capable of taking on new and changing tasks. Unskilled employees thus have the opportunity to study in their respective fields in relation to their work.

'Vocational training' for the purposes of this Agreement refers in particular to post-secondary and continuing education of employees.

Composition of the steering committee

The steering committee shall be composed of three spokespersons of the trade unions and three representatives of the Confederation of Icelandic Enterprises, together with two reserve representatives from each party. There has been discussion regarding the government being a member of the committee, in which case the number of spokespersons of the Confederation of Icelandic Enterprises will decrease by one.

Role of the steering committee

The main role of the steering committee is to run support projects and carry out developmental and incentive measures for vocational training for unskilled workers.

It shall work towards the following:

- Initiate development projects in vocational training.
- Focus on promotional and incentivisation activities related to vocational training. This will encourage the vocational training of unskilled workers in the Icelandic economy.
- Examine the needs of the economy for vocational training for unskilled workers.

- Seek discussions with the government on arrangements for adult education.
- Strengthen innovations in the development of learning materials and curriculum review.

- Strengthen the operation of courses.
- Provide grants for vocational training to individuals and companies in accordance with the detailed rules of the steering committee.

Support for the running of courses

Generally, a prerequisite for the provision of grants for the running of courses shall be that a certain proportion of their operational costs are borne by participation fees as further determined by the steering committee.

Priority shall always be given to collaborative ventures of two or more unrelated parties. Cooperation between workers and companies is encouraged.

Financing

For employers' contributions and other funding, see Article 10.3. of the collective wage agreement.

In addition, individual projects can be financed through grants from vocational training funds and direct income from the running of courses.

Cooperation with other parties

Through its work and provision of grants, the steering committee shall endeavour to cooperate with the various parties involved in vocational training with the aim of coordinating viewpoints and thus creating broader support for projects.

Evaluation of results

In light of the growing demands for measurable results from vocational training, a system shall be established to ensure that resources are well used and that a formal evaluation of the project and its individual elements can be carried out.

Education accounts

The agreeing parties declare that they are in favour of the idea that employees of companies can set up special education accounts. Education accounts are intended to bear some of the costs of longer-term education and training that workers decide to attend. The agreeing parties express that they are prepared to work with the government so that the taxation of such accounts shall be handled the same as that for private pension funds. Furthermore, the agreeing parties shall encourage companies and trade unions involved in workers' education to promote education accounts separately among their employees.

A special committee formed from the agreeing parties, composed of two members from each of the parties, shall be responsible for preparing proposals on how to proceed with the matter. [2004]

Agreement on foreigners in the Icelandic labour market

The Icelandic Confederation of Labour and the Confederation of Icelandic Enterprises have agreed upon the following proceedings in disputes concerning foreign employees.

Criteria and joint objectives

The associations agree that Iceland's obligations pursuant to the EEA agreement on the free movement of goods, capital, services and people across national borders have a positive impact on individual and corporate interests in Iceland, concurrent with an increased supply of products and services, dissemination of knowledge between countries, increased competition between companies, progress in various domains of society and increase in number of jobs.

The EEA agreement allows citizens of member states to travel for work between countries without a permit. Companies established there also have the right to provide services in other member states with their own employees without a special permit. Citizens of EFTA states have essentially the same right under the EFTA agreement.

By principle, other foreigners (third-country citizens) are not employed to work in Iceland without a work permit.

The parties to this Agreement are of the opinion that changes to the composition of the workforce due to an increased number of foreigners in the Icelandic labour market should not disrupt existing arrangements for decisions on wages and other labour conditions for workers through collective agreements. The current rules for the implementation of collective agreements will remain in force.

It is the joint task of the parties to encourage companies that employ foreign workers in production and services to pay wages and uphold terms of employment in accordance with Icelandic law and collective agreements.

Failure to respect collective agreements undermines the activity of other companies and damages the premises of normal competition, reducing the benefits of a reliable and healthy economy for all of society.

The parties agree that the adaptation of a foreign workforce and foreign companies to the habits and customs of the Icelandic society and labour market is conducive to creating trust and peace in relations between parties.

Workers' right to perform specific jobs is largely legally subject to the condition that the employee in question has completed a specific education or obtained specific authorisation to be allowed to work in the industry. The EEA agreement establishes the right of foreign workers to have education, professional qualifications and work experience obtained in another EEA state recognised in Iceland under the laws and regulations applicable thereto.

Principles on the terms of employment for foreigners

With this agreement, the Icelandic Confederation of Labour and the Confederation of Icelandic Enterprises wish to ensure that existing laws on terms of employment for foreigners in the Icelandic labour market are implemented. These rules are found in the following areas in particular:

Wages and other terms of employment. The Act on Working Terms and Pension Rights No. 55/1980 provides that wages and other terms of employment negotiated by the member organisations of the labour market shall be the minimum standard, irrespective of nationality for all workers in the industry in question in the area covered by the collective agreement.

Employees of foreign service companies, including temporary work agencies. The Act on the Legal Status of Foreign Workers Posted Temporarily in Iceland in the Service of Foreign Companies No. 54/2001¹⁵ provides, among other things, that employees shall, while working in Iceland, wages bound by collective agreement, holiday entitlements and rules concerning of facilities, hygiene and safety at the workplace.

Free movement of workers. The EEA agreement and the Act on the Free Right of Employment and Residence Within the EEA No. 47/1993 stipulate that workers who are citizens of an EEA state other than that in which they work may not be placed at a disadvantage with concern to employment and working conditions, in particular with regards to wage conditions.

Work permits for nationals of third states. The Act on Foreign Nationals' Right to Work No. 97/2002 provides that a work permit grants the right to work in Iceland under the laws and regulations that apply in the Icelandic labour market and that there is an employment contract guaranteeing an employee wages and other terms of employment equal to those who do not require a work permit, cf. Act No. 55/1980.

Information on wages and other terms of employment for foreign workers

It is the role of union representatives at the workplace to ensure that the acts of collective agreements are upheld with respect to employees, cf. Article 9 of Act No. 80/1938. If there is justifiable reason to suspect a breach of the collective agreement in question or of legislation governing terms of employment for foreign workers, the union representative, on the basis of this agreement, is entitled to review documentation on wages or other terms of employment of those foreign workers covered by the collective agreement and work for the employer in question and, as appropriate, the vocational qualifications of those who are in jobs that require such qualification.

In the absence of a union representative, a spokesman of the labour union in question has the same authority as the representative to review documentation and carries the same obligations.

The information shall, as a rule, be provided in such a manner that the union representative is allowed to view copies of payslips or other documentation that confirm payment of wages and other terms of employment for the employees concerned. The union representative is authorised to take

¹⁵ Now Act No. 45/2007 on the rights and obligations of foreign companies that post workers temporarily in Iceland and on their workers' terms and conditions of employment.

the information out of the workplace. The union representative shall maintain confidentiality about the information he/she is provided. However, the union representative is permitted to consult with the labour union concerned, and the spokesmen of the union must exercise the utmost confidentiality concerning the information to which they are made privy.

If the employer does not agree to the union representative's request to provide access to information on wages and other terms of employment for a foreign worker and/or there is dispute about whether the provisions of law or collective agreements are respected, cf. Act No. 55/1980, Act No. 54/2001¹⁶ and Regulation No. 1612/68/EEC on the free movement of workers, cf. Act No. 47/1993, and having failed to resolve that dispute within a company, that dispute may be referred to a special consultative committee of ASÍ and SA.

ASÍ and SA Consultative Committee

The ASÍ and SA consultative committee that handles foreigners' affairs under this agreement shall be composed of four spokespersons, two appointed by ASÍ and the national association concerned and two spokespersons appointed by SA.

The consultative committee shall endeavour to clarify matters referred to it pursuant to the abovementioned rules and to resolve disputes through negotiations within the committee.

Matters referred to the committee shall be considered by the committee within two weeks unless specific reasons prevent this.

In examining a case, the committee may require the necessary documentation from the employer in question concerning the wages or other terms of employment of the foreign workers involved and, as appropriate, for the professional qualifications of those in jobs requiring such qualifications. This authorisation covers those foreign workers covered by the collective agreements of ASÍ member associations, cf. Article 1 of Act No. 55/1980.

A union representative or spokesman for the union who is acting in place of a representative is not bound by confidentiality concerning his/her relations with the committee regarding the matters under discussion. Representatives on the consultative committee may call upon a union representative or spokesman for the union who has taken a representative's place pursuant to the aforementioned in order to obtain further information concerning the matters under discussion.

The consultation committee and its individual members shall exercise confidentiality regarding information obtained from an employer, union representative or spokesman from the union, and are not authorised to deliver or divulge the material to a third party.

The committee's conclusion shall be presented to the disputing parties.

Notwithstanding the committee's conclusion, a case may be referred to the courts. The obligation of confidentiality pursuant to the above does not prevent the submission of documents in judicial proceedings.

Reykjavik, 7th March, 2004

¹⁶ Now Act No. 45/2007.

Agreement between the Icelandic Confederation of Labour (Alþýðusamband Íslands) and the Confederation of Icelandic Enterprises (Vinnuveitasamband Íslands) on certain aspects of the organisation of working hours

With reference to the Agreement on the European Economic Area, the Icelandic Confederation of Labour and the Confederation of Icelandic Enterprises have concluded the following agreement to implement the European Union directive no. 93/104/EB of 23rd November 1993 regarding certain aspects of the organisation of working time. The directive constitutes a part of the EEA Agreement pursuant to joint agreement by the EEA Joint Committee, dated 28th June 1996.

The aim of the Agreement is to establish minimum requirements for encouraging improvements, especially in the working environment, to ensure a better level of safety and health protection for workers.

1. Article

Scope of application

This Agreement governs minimum daily and weekly rest periods for employees, annual leave, breaks, maximum weekly working time and certain aspects of night and shift work and patterns of work.

The agreement applies to all employees in the scope of the agreement between the parties.

However, the Agreement does not cover work in maritime and air transport and fishing and other work at sea. This Agreement does not extend to those engaged in road transportation covered by the Regulation on Driving Time and Rest Periods for Drivers (now no. 136/1995) or comparable regulations that may subsequently be adopted.

The provisions of Articles 3, 4, 5, 6 and 8 shall not apply to senior management and other persons who are in charge of their own working hours.

2. Article

Definitions

2.1. Working hours

Time spent by the employee at work, available to the employer and performing his/her work or duties.

Working time refers to active working hours, and refreshment breaks and special holidays are therefore not counted towards working time. The same applies to journeys to and from the place of work or a regular establishment and to paid waiting periods or breaks where no work contribution is required.

The minimum paid annual leave pursuant to law, sickness absence and legal or contractual maternity leave shall be considered working time and shall be neutral in the calculation of the average. In addition, the period during which the employee is engaged in paid internships shall be counted as working time.

2.2. Rest periods

Time that is not counted as working hours.

2.3. Night work hours

The time between 11:00 PM and 06:00 AM.

2.4. Night workers

- a. Employees who usually work at least three hours of their daily working time during the night work hours.
- b. Permanent workers who have regularly worked at least three hours during the night work hours for one month during that work. The same applies to employees who perform 40% of their regular work during night work hours on an annual basis.

2.5. Shift work

Work broken down into different work periods/shifts according to a specific system where the employee works in different shifts over a specific period of time measured in days or weeks.

2.6. Shift worker

An employee who does shift work.

3. Article

Daily rest period

Working hours must be arranged such that for every 24-hour period, calculated from the beginning of the workday, employees receive at least 11 consecutive rest hours. If possible, daily rest hours should extend to the night work period.

4. Article

Breaks

Employees are entitled to a break of at least 15 minutes if their daily working hours exceed six hours. The breaks shall be governed by the relevant collective agreements.

5. Article

Weekly rest period.

During each seven-day period, the employee shall be entitled to at least one day directly as a part of the daily rest period pursuant to Article 3. As much as it is possible for such to be arranged, the weekly day off shall be on a Sunday.

6. Article

Maximum working time

The average weekly working time, including overtime, shall not exceed 48 hours. It is desirable that working hours be as equal as possible from one week to the next.

The reference period for calculating the average weekly working time shall be six months from January to June and July to December.

7. Article

Annual leave

Leave is determined by the Holiday Act and the provisions of collective wage agreements.

8. Article

Length of night work

The normal working hours of a night worker shall not normally exceed eight hours in any 24-hour period.

The normal working hours of a night worker may be extended to an average of up to 48 hours worked per week. Work must then be organized in such a way that working hours are as regular as possible.

The reference period for calculating the average weekly working time of night workers shall be six months from January to June and July to December.

Night workers whose work involves a particularly high level of risk or whose work involves heavy physical or mental strain shall not work more than eight hours in any 24-hour period during which they perform night work.

9. Article

Health assessment

Night workers and shift workers who perform part of their duties at night are entitled to a health assessment free of charge before they start work, and then regularly at least once every three years. This right shall be mentioned in the employment contract.

The health assessment referred to in Paragraph 1 shall be subject to medical confidentiality.

Night workers and shift workers who perform part of their duties at night and who suffer from health problems demonstrably attributable to their work shall, whenever possible, be transferred to daytime work to which they are suited.

10. Article

Protection of night workers

Night workers shall be protected from the risks inherent in their work.

11. Article

Notification of regular employment of night workers

An employer who regularly employs night workers shall provide the competent public authority with information on the number and working hours of night workers.

12. Article

Pattern of work

An employer who organises work according to a certain pattern shall take account of the principle of adapting work to the worker, in particular with a view to alleviating monotonous work and work performed at a predetermined pace, and according to the type of activity, to safety and health requirements, especially as regards breaks during working time.

13. Article

Allowances for shift deviation

- a. Rest periods may be reduced, cf. Article 3, for up to eight hours during rotation of shifts. The same applies in exceptional circumstances where valuables need to be saved.
- b. In the event of interruption of operation due to external conditions such as weather or other natural forces, accidents, power shortages, breakdowns of machinery, devices or other equipment or other similar unforeseen events, the provisions of Article 3 may be waived to the extent necessary to prevent significant damage until regular operations are restored. This applies whether these incidents apply to the company itself or its trading partners.
- c. Where allowances to deviate from the daily rest period under points a or b are exercised, the worker shall receive the equivalent rest in its place.
- d. It may be decided, by agreement at the place of work, to postpone the weekly holidays of the persons engaged in production and service work, as well as those involved in security and preservation of valuables, where exceptional circumstances make such deviations necessary.

If a weekly rest period, cf. Article 5, is delayed, the worker shall have the equivalent period of rest in its place. Where special circumstances so require, the weekly rest period may be postponed by replacing the weekly day off with two consecutive days off every two weeks. If there is a particular reason to schedule work in such a way that the weekly day off is postponed, an agreement to this effect shall be made.

- e. The reference period may, exceptionally, be extended for maximum weekly working hours, cf. Articles 6 and 8 for a period not exceeding 12 months (calendar year) by collective agreement, provided that such a decision is based on specific objective reasons. Such collective bargaining provisions shall be confirmed by the relevant national federation or ASÍ in respect of members with direct membership.

Confirmation shall be available no later than four weeks after the conclusion of the contract, provided that it has been presented to the confirmation body no later than one week after signing. If confirmation has not been received within this deadline, it shall be deemed to have been obtained.

14. Article

Implementation of the Agreement and Dispute Resolution

A consultative committee consisting of three spokespersons from each party shall be set up.

The consultative committee shall consider the execution and interpretation of individual provisions. In the event of a dispute, it shall be attempted to reach a settlement in the Consultative Committee before it is referred to the courts.

15. Article

More favourable provisions

This agreement applies as a minimum contract and in no case invalidates the better rights and further protection of employees under law, collective agreements, employment contracts or employment letters.

16. Article

Safety and health protection

The protection of workers' safety and health shall in other respects be governed by the provisions of the Act on Working Conditions, Hygiene and Safety at Work and other administrative provisions.

17. Article

Duration and other

This Agreement shall enter into force on 1st January 1997 and shall apply from 1st April 1997 at the latest. The agreement is considered part of the collective agreements of member organisations and associations of signatory collective organizations.

This Agreement shall be reviewed at the latest within three years of its entry into force. Duration of the reference period shall be reassessed in light of experience, cf. Articles 6 and 8. The implementation of deviations shall also be subject to a specific assessment.

With the implementation of this Agreement, the parties' agreement on the implementation of rest periods and leisure time provisions of Act No. 46/1980, dated 10th April, 1981 shall cease to apply.

The parties shall ensure that the contents of this agreement are presented as fully as possible.

Reykjavik, 30th December, 1996.

A unanimous agreement was reached on 10th April 1997 between the Icelandic Confederation of Labour and the Association of Cooperative

Employers.

Agreement between the Confederation of Icelandic Enterprises and the Icelandic Confederation of Labour on Part-Time Work

With reference to the Agreement on the European Economic Area, the Confederation of Icelandic Enterprises and the Icelandic Federation of Labour have concluded the following agreement on implementing the EEC directive on part-time work (97/81/EBE). Its content is based on the framework agreement between the social partners in Europe, UNICE, CEEP and ETUC, to which the parties to this agreement are parties, the objectives of which are:

- To eliminate discrimination against part-time employees and to contribute to improving the quality of such work. To facilitate the availability of part-time work and flexible working time arrangements to take into account the needs of both the employer and the employees.

1. Article

This Agreement applies to part-time employees, cf. Paragraph 1 of Article 2.*

2. Article

An employee is considered to be working part-time if his/her normal working time per week or average for a full year is less than that of a comparable full-time employee.

A 'comparable employee' for the purposes of paragraph 1 shall mean a worker who is employed in the same company on the basis of the same employment relationship and performs the same or comparable work, taking into account other determinants such as length of service, skills or competence.

In the absence of a comparable employee in the same company, a comparison shall be made by reference to the relevant collective agreement, or where such an agreement does not exist, by reference to law, other collective agreements or practice.

3. Article

Part-time employees shall not enjoy a disproportionately less favourable terms or status than comparable full-time workers solely for reasons of non-full-time employment, unless justified by objective reasons.

4. Article

Employers shall endeavour, as far as possible, to:

- a. take into account an employee's wish to move from full-time to part-time or from part-time to full-time work
- b. take into account an employee's wish to increase or decrease his/her employment rate, if there is room for doing so

* c.f. the agreement dated 24th August, 2009

- c. facilitate access to part-time work at all levels of the enterprise, including specialised and managerial positions
- d. provide timely information on vacancies in the workplace, including part-time work, to facilitate a move from part-time to full-time and vice versa
- e. facilitate access to vocational education and training for part-time workers, for example, in order to improve their skills and to promote career development and job mobility
- f. provide employees' union representatives with information about part-time work in the workplace

5. Article

The refusal of an employee to go from full-time to part-time or vice versa is not in itself a valid reason for termination.

6. Article

The Consultative Committee, composed of two spokespersons of each party to the Agreement, shall discuss the implementation of the Agreement and the execution and interpretation of the individual provisions to the extent necessary.

In the event of a disagreement regarding the interpretation of the Agreement, the parties concerned may refer it to the Committee, which shall then endeavour to reach a settlement.

7. Article

Violations of this Agreement are liable for damages.

8. Article

This Agreement shall, where appropriate, be interpreted in accordance with directive 97/81/EEC, cf. the European Framework Agreement on part-time work.

9. Article

This Agreement enters into force on 1st January

2003. Reykjavik, 13th December, 2002.

Agreement on mass redundancies

The agreeing parties agree that redundancies are best reserved for those employees whose intention is to dismiss and not all employees or groups of employees. In view of this, the parties have reached the following agreement:

1. Scope of application

This agreement only covers the mass redundancy of permanent employees when the number of such employees to be dismissed over a 30-day period is:

at least 10 individuals in companies with 16-100 employees.

at least 10% of employees in companies with 100-300 employees.

at least 30 individuals in companies with 300 employees or more.

It is not considered a mass redundancy when employment ends according to the employment contracts made for a specific period of time or for special projects. This agreement does not apply to the dismissal of individual employees, to dismissals due to amendments to terms of employment without pending end of employment, nor to dismissal of ship crews.

2. Consultation

If an employer is considering a mass redundancy, he/she shall first consult the respective labour union representative in order to find ways to avoid redundancies to as great an extent as possible and to mitigate the ramifications of such redundancies. Where union representatives are not present, employers shall consult with an employee representative.

Union representatives are then entitled to information pertinent to the impending dismissals, particularly the reasons for dismissal, number of employees to be dismissed and when the dismissal is to be implemented.

3. Implementation of mass redundancies

If, in the opinion of the employer, mass redundancies cannot be avoided despite aiming to re-hire some employees without terminating their employment, a decision shall be made concerning those employees to be re-hired as soon as possible.

If re-hiring decisions have not been made and an employee has been notified that there is no possibility of re-hiring with

at least 2/3 of the employee in question's termination period remaining, his/her termination period is extended by one month if the termination period is three months, by three weeks if the termination period is two months, and approx. two weeks if the termination period is one month.

This provision covers employees who have accrued a termination period of at least one month.

Notwithstanding the provisions of this Article, notification of re-hiring may be conditional so that the employer may continue the operations for which the employee was hired without resulting in an extension of the

termination period.

Protocol

Protocol on transit lines due to changes to the general transit line

Due to changes in the transit line in Article 2.5.1 in the main collective agreement of Efling, the parties agree that the employees who have enjoyed rights under the above provision shall retain those rights, unless otherwise expressly agreed between the employer and the employee. [1998]

Protocol

Protocol on work journals

The parties agree to establish an arrangement whereby workers shall keep a work journal stating the name of the employer, the job title and the beginning and end of the period of service.

The employer is obliged, at the request of the worker, to keep the work journal and to record or confirm the above information.

Declaration

on preparing workers for retirement

In order to make it easier for employees to adapt to retirement, the Confederation of Icelandic Enterprises and Association of Co-Operative Employers will recommend to their members that they make every effort to accommodate employees' requests to reduce their employment rate in the years preceding retirement age. [1990]

Declaration

on contracting operations

In recent months, relations between workers and employers have grown into the form of contracting where the employee is considered a subcontractor of the employer. Many disputes have arisen as a result of unclear rules governing the legal status of the parties, the responsibilities between them and towards third parties, as well as reasonable suspicions of underbidding in this regard. This arrangement reduces the validity of social rights under collective agreements and laws, is accompanied by failure to pay fees and taxes, it weakens the competitive position of real employers.

The parties consider this development to be harmful and contrary to the interests of their members and will therefore counteract it by establishing clear rules and definitions of the situation of employees on the one hand and contractors and employers on the other. [1990]

Framework agreement on group pay scheme in freezing plants between VSÍ/VMS and the Icelandic Labour Federation

General description - main features

A premium is paid on all production covered by the group pay scheme (e.g. kronur per box) that varies according to the species of fish and packaging. Additional payments are also made for the full utilization of raw materials.

The premium is determined based on the sales association's standard hour system, which takes into account the average raw material of each species of fish, i.e. size, quantity of worms and number of defects.

As a general rule, the total bonus after each working week is divided among everyone in the work cycle (including service work), see definition, in proportion to the working hours of each employee. Here we go into the path of basing bonus payments on the average condition of raw materials. As a result, there are some fluctuations between days and even weeks, as far as bonuses during working hours are concerned. However, on a longer time scale, these fluctuations level off.

Advantages of a group system and requirements for success

It is generally believed that a group pay scheme contributes to the increased cohesion of employees and better human interaction. In an individual pay scheme, each individual works individually, but in a system like this, it is the success of the group that matters.

A close-knit group can deliver better overall results, both in terms of productivity and hard work than those working in an individual system. For this to happen, everyone needs to make an effort. Those employees who performed service work that came onto the bonus system can now work on production.

Success is largely based on the mobility of persons as workload changes, both from place to place in the processing channel and between services and processing duties. With respect to this last point, everyone needs to keep watch. A manager follows up on those moving between duties.

1. Article

Definition of the 'processing channel', the jobs belonging to the group pay scheme and a list of the jobs performed outside the system.

1.1. Jobs belonging to the group pay scheme:

1. All work carried out in the processing channel from when the raw material is taken from the cold storage until the products are

finished and in the freezer, including all the service work pertaining to the processing channel.

2. Reception of packaging and finishing work in storage.

3. All daily cleaning of areas of the processing channel during processing.
 4. Vocational training.
 5. Forklift operations, i.e. insofar as they are part of the processing channel for reception and in the cold storage room.
 6. Quality control. (Generally, quality inspection is present in the system).
- 1.2 Jobs not belonging to the group pay scheme:
1. Supervision (does not refer to group managers who normally work in the processing channel).
 2. Motor vehicle operation.
 3. Forklift operation e.g. during goods unloading and loading for shipment.
 4. Taking care of freezer equipment.
 5. The sharpening of machine blades, the lubrication of machines and their daily care.
 6. Cleaning after the end of work.
 7. Jobs that are outside the premium system include: Landing and finishing of raw materials in cold storage, loading onto ships, gutting, services for fishing vessels, ice handling, cleaning of premises, and more.

2. Article

On the pay scheme

Employees working in the processing channel form a single clause group. A premium is paid on all production that varies according to the species of fish and packaging. Additional payments are also made for utilization.

2.1. Basic pay according to the collective agreement signed on 24th March 1997

The basic pay in the group salary system is from 24th March 1997 and is ISK 161.44, although bonus payments decrease by a maximum of ISK 54.00 per hour from what they would have been according to the earlier agreement. From 1st January 1998, the figure will be ISK 167.90, and from 1 January 1999, it will be ISK 174.03.

2.2. Calculation of premium

The premium is calculated weekly and is divided between employees in proportion to the working hours of each person. The total premium is divided by the total number of hours, giving the premium amount per hour.

According to the collective agreement signed on 24th March 1997, the premium amount per hour shall be calculated in two steps.

$$1) \text{ Premium per hour} = \frac{\text{Total premium per week}}{\text{Total working hours per week}}$$

If both performance and utilization are paid for, the premium found using this method is multiplied by the utilization factor according to Article 2.3 below.

If the premium per hour found using this method is equal to or less than 126.00 ISK per hour, it is paid. If the premium found according to Item 1 is higher than ISK 126.00 per hour, the premium shall be increased as follows:

$$2) \text{ Premium per hour} = \frac{\text{Premium per hour according to Item 1}}{0.7} = 54.00$$

From 01/01/1998 inclusive, the above figures will increase by 4%, and from 1/1/1999, they will increase by 3.65% in accordance with the collective agreement of the parties dated 24th March 1997.

2.3. Payment for performance and utilization:

Each standard hour is calculated using 40% of the basic pay.

Utilization is paid in such a way that it begins to be paid after the minimum utilization is reached, which is determined for each species of fish and varies according to the processing method.

For every 0.1% above the minimum utilisation, the premium increases by 1% until optimal utilisation is reached, which is 2.5% above the minimum utilisation. Thus, the increase due to utilisation can reach a maximum of 25%. This refers to the total utilisation calculated as a ratio of the weight of raw material weighed in for processing to the calculated weight of the packaged product.

2.4. Payment for performance only:

Each standard hour is paid with 47% of the figure. This applies to fish species that are not subject to a utilisation payment. Example: Roe processing, lobster processing and packaging of frozen products not worked in direct relation to the processing channel.

2.5. Amendments to working hours

'Working hours' in the group pay scheme refer to all the hours during which employees are registered to work in the group pay scheme, with the exception of paid meal breaks that are not worked. The importance of signing/stamping in and out of work must be emphasized. This applies also if employees go to work outside of the processing channel.

3. Article

Transfer to hourly paid employment

If it proves necessary to transfer employees out of work paid with bonuses or premiums, care shall be taken to ensure that such transfers affect the staff as equally as possible. If an employee is transferred to an hourly paid job, he/she shall keep the group's bonus for up to seven days, but for no longer than the time worked in the group pay scheme.

No extra payments are paid during a transfer between bonus-based work and/or premium-paid work.

4. Article

On standard hours

Standard hours shall be revised immediately in the event of major changes in technological developments or packing rules.

When new packing methods are employed experimentally or permanently, they shall be presented to staff before preparation using such methods begin.

5. Article

New employees

When new employees who have not previously worked in comparable fish processing jobs are employed, they shall receive vocational training under the guidance of an expert during the first few weeks; see Chapter 18 of the collective agreement between SGS and SA. The bonus will increase during the adjustment period pursuant to the adjustment rule for new employees.

6. Article

Young employees

The work contribution of young employees in the group pay scheme is never calculated to be higher than the ratio of youth wages to starting wages without a course premium as governed by the collective wage agreement in the area concerned.

If a young employee is also new to fish processing, the same assessment rules as other beginners apply to him/her.

7. Article

Special agreement on group pay schemes in freezing plants

Other details shall be agreed upon at the workplace concerned.

8. Article

Duration

This Agreement has the same duration as the collective agreements between the parties. Reykjavik, 16/01/1992.

Framework agreement on group premiums in saltfish processing, stockfish processing, etc. between VSÍ, VMS and VMSI

In those companies where it is intended to introduce a group premium system for the processing of saltfish, stockfish and others, reference will be made to this Framework Agreement.

General description - main features

A premium is paid on all production covered by the group pay scheme that varies according to the species of fish, preparation methods and packaging.

As a general rule, the total bonus after each working week is divided among everyone in the work cycle (including service work), see definition, in proportion to the working hours of each employee.

Advantages of a group system and requirements for success

It is generally believed that a group pay scheme contributes to the increased cohesion of employees and better human interaction. In an individual pay scheme, each individual works individually, but in a system like this, it is the success of the group that matters.

A close-knit group can deliver better overall results, both in terms of productivity and hard work than those working in an individual system. For this to happen, everyone needs to make an effort.

Success is largely based on the mobility of persons as workload changes, both from place to place in the processing channel and between services and processing duties. With respect to this last point, everyone needs to keep watch.

1. Article

Definition of the 'processing channel', the jobs normally belonging to the group premium system and a list of the jobs performed outside the system

1.1. Jobs belonging to the group pay scheme:

1. All work carried out in the processing channel from when the raw material is taken from the cold storage until the products are finished for ship loading, including all the service work pertaining to the processing channel.
2. Reception of packaging and finishing work in storage.
3. All daily cleaning of areas of the processing channel during processing, such as of containers, equipment and machines, and final work at the end of the work process.
4. Vocational training.
5. Forklift operations, i.e. insofar as they are part of the processing

6. channel, unless otherwise agreed.
Quality inspection and assessors.

- 1.2. Jobs not belonging to the group pay scheme:
1. Supervision (does not refer to group managers who normally work in the processing channel).
 2. Motor vehicle operation.
 3. Forklift operation e.g. during unloading and loading for shipment (see Item 1.5).
 4. The sharpening of machine blades, the lubrication of machines and their daily care.
 5. Jobs that are outside the premium system include: Landing and finishing of raw materials in cold storage, loading onto ships, services for fishing vessels, ice handling, cleaning of premises, and more.

2. Article

The fundamentals of the premium system

Employees working in the processing channel form a single clause group. A premium is paid on all production that varies according to the species of fish and packaging.

In preparing a premium system, there are two options, one being to negotiate premium rates for individual work components, and the other being to calculate the premium based on standard hours, the basic pay, and the proportion of the base wage paid. The remainder of this paragraph applies when the latter option is taken.

2.1. On standard hours

Standard hours shall be made taking into account the circumstances at each workplace and in the same way as other standards of the sales association. Standard hours shall be revised immediately in the event of major changes in technological developments or packing rules.

2.2. Basic pay

The basic pay in the group pay scheme is from ISK to and is subject to the same amendments as provided for by agreements at any given time.

2.3. Payment for performance only:

This applies when or where extra is paid for utilization. Each standard hour is paid with 47% of the basic pay.

2.4. Payment for performance and utilization

A separate agreement provides a method for assessing utilization and calculating the precision factor.

The maximum utilization factor may vary, in which case the payment for performance also varies, as follows:

| Payment per hour in standard hours in % of the figure | Utilization factor | |
|--|---------------------------|-----------------------|
| | Minimum factor | Maximum factor |
| 40% | 1.00 | 1.25 |
| 43% | 1.00 | 1.10 |

3. Article

On working hours

The premium is calculated weekly and is divided between employees in proportion to the working hours of each person in the group premium system.

'Working hours' in the group premium system refer to all the hours during which employees are registered to work in the system, with the exception of paid meal breaks that are not worked.

The importance of signing/stamping in and out of work must be emphasized. This applies also if employees go to work outside of the processing channel.

4. Article

Transfer to hourly paid employment

If it proves necessary to transfer employees out of work paid with bonuses or premiums, care shall be taken to ensure that such transfers affect the staff as equally as possible. If an employee is transferred to an hourly paid job, he/she shall keep the group's bonus for up to seven days, but for no longer than the time worked in the group pay scheme.

No extra payments are paid during a transfer between bonus-based work and/or premium-paid work.

5. Article

New employees

When new employees who have not previously worked in comparable fish processing jobs are employed, they shall receive vocational training under the guidance of an expert during the first few weeks. The bonus will increase during the adjustment period pursuant to the adjustment rule for new employees.

6. Article

Young employees

The work contribution of young employees in the group pay scheme is never calculated to be higher than the ratio of youth wages to starting wages without a course premium as governed by the collective wage agreement in the area concerned.

If a young employee is also new to fish processing, the same assessment rules as other beginners apply to him/her.

7. Article

Special agreement on group pay schemes in fish processing facilities

Other details and further implementation shall be agreed upon at the workplace concerned.

8. Article

Duration

This Agreement has the same duration as the collective agreements

between the parties. Reykjavik, 16/01/1992.

Processing of undersized fish

If the proportion of undersized cod or redfish reaches 7.5% of the amount of the species in question over the week, a bonus is paid on top of the premium rate. The bonus is paid according to the proportion of undersized fish in the production volume and shall be 30% for cod and 45% for redfish. This applies only when undersized cod and redfish are processed into packages that do not require classification by fillet size.

Attachment to the framework agreement for fish processing facilities.

The parties agree that, when concluding special agreements on group premiums in fish processing facilities, the company and the trade union concerned shall enter into an agreement based on the framework agreement, which may stipulate, for example, the following:

1. Further definitions of the jobs that belong to the group pay system.
2. On sampling and recording.
3. On the cooperative group and its role.
4. On the adjustment of new employees.
5. On the duration of the special agreement.
6. Date overview.
7. Other items.

Reykjavik, 16/01/1992.

Agreement on fishmeal factories

It is agreed that the existing special collective agreement between Afl and Drifandi regarding work in fishmeal factories shall constitute part of the agreement between the Confederation of Icelandic Enterprises and Flóabandalag, with the exception of Article 9.1. [2008]

Protocol

on courses for workers in fishmeal factories

Where workers have worked for three months or more at the fishmeal factory concerned, they shall be entitled to attend vocational training courses within six months. The aim of the courses is to increase the employees' knowledge and make them more qualified to work in fishmeal factories.

The courses will be held under the auspices of the Fish Processing Vocational Education Committee in collaboration with the Ministry of Fisheries and the above companies and at appropriate times with regard to processing.

There are now eight courses, mostly of four hours each and covering all major aspects of the work and profession as decided by the Vocational Education Committee. They are currently as follows:

| | |
|-------------------------------------|---|
| Raw materials, products and markets | Work facilities and physical exertion |
| Safety in fishmeal factories | Hygiene and bacterial growth - prevention of salmonella |

Processing methods - part one
Work life and staff
the workplace.

Processing methods - part two
Cooperation and communication in

The vocational courses shall be held when there is a sufficient number of participants (at least 12 participants) and at least once a year, provided that there are never fewer than six participants per course.

At the end of the courses, employees take wages according to Article 1 of the Agreement 'upon completion of the vocational courses'.

Protocol on holiday matters for workers in fish processing

Employees shall be informed by April at the latest regarding how the general arrangements for leave will be arranged in the fish processing company concerned and whether there will be coordinated leave for staff and during which periods. [1997]

Protocol on unpaid leave for workers in fish processing

Employees who have worked for 5 years continuously in the same fish processing company shall be entitled to 6 months of unpaid leave of absence and then again once every 5 years of continuous work without any reduction in contractual rights. However, there shall never be more than one to four employees on leave at the same time, depending on the size of the company. In the event of a change in the company's operations, such changes shall apply equally to the employees on leave as to other employees engaged in comparable work in the company. [1997]

Protocol on employment contracts for workers in fish processing

Employees employed for at least one month shall be entitled, on request, to the conclusion of a written contract of employment that shall cover at least the following issues:

1. Job, job description, job duties
2. Employment rate.
3. Period of employment, notice period, and possible probationary period
4. Working hours
5. Wage conditions
6. Rights acquired at the time of employment

When recruiting migrant workers for seasonal work, such as herring salting, provisions shall be made for conditions relating to accommodation, food costs and travel expenses. [1992]

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Wage categories from November 1, 2022 - monthly wages

| | Starting wage | 1 year | 3 years | 5 years |
|------------------|----------------------|---------------|----------------|----------------|
| Wage category 4 | 402.235 | 406.257 | 412.351 | 420.598 |
| Wage category 5 | 404.568 | 408.614 | 414.743 | 423.038 |
| Wage category 6 | 406.914 | 410.984 | 417.148 | 425.491 |
| Wage category 7 | 409.275 | 413.367 | 419.568 | 427.959 |
| Wage category 8 | 411.648 | 415.765 | 422.001 | 430.441 |
| Wage category 9 | 414.036 | 418.176 | 424.449 | 432.938 |
| Wage category 10 | 416.437 | 420.602 | 426.911 | 435.449 |
| Wage category 11 | 418.853 | 423.041 | 429.387 | 437.975 |
| Wage category 12 | 421.282 | 425.495 | 431.877 | 440.515 |
| Wage category 13 | 423.725 | 427.963 | 434.382 | 443.070 |
| Wage category 14 | 426.183 | 430.445 | 436.902 | 445.640 |
| Wage category 15 | 428.655 | 432.941 | 439.436 | 448.224 |
| Wage category 16 | 431.141 | 435.453 | 441.984 | 450.824 |
| Wage category 17 | 433.642 | 437.978 | 444.548 | 453.439 |
| Wage category 18 | 436.157 | 440.518 | 447.126 | 456.069 |
| Wage category 19 | 438.687 | 443.073 | 449.720 | 458.714 |
| Wage category 20 | 441.231 | 445.643 | 452.328 | 461.374 |
| Wage category 21 | 443.790 | 448.228 | 454.951 | 464.050 |
| Wage category 22 | 446.364 | 450.828 | 457.590 | 466.742 |
| Wage category 23 | 448.953 | 453.443 | 460.244 | 469.449 |
| Wage category 24 | 451.557 | 456.072 | 462.914 | 472.172 |

Length of service is generally based on work experience in a profession, but 5 year length of service is based on service at the same employer. When assessing length of service, 22 years of age is considered equivalent to one year of work in a profession.

Wage categories from November 1, 2022 - day work

| | Starting wage | 1 year | 3 years | 5 years |
|------------------|----------------------|---------------|----------------|----------------|
| Wage category 4 | 2.320,63 | 2.343,84 | 2.378,99 | 2.426,57 |
| Wage category 5 | 2.334,09 | 2.357,43 | 2.392,79 | 2.440,65 |
| Wage category 6 | 2.347,63 | 2.371,11 | 2.406,67 | 2.454,80 |
| Wage category 7 | 2.361,25 | 2.384,86 | 2.420,63 | 2.469,04 |
| Wage category 8 | 2.374,94 | 2.398,69 | 2.434,67 | 2.483,36 |
| Wage category 9 | 2.388,72 | 2.412,60 | 2.448,79 | 2.497,77 |
| Wage category 10 | 2.402,57 | 2.426,60 | 2.463,00 | 2.512,25 |
| Wage category 11 | 2.416,51 | 2.440,67 | 2.477,28 | 2.526,83 |
| Wage category 12 | 2.430,52 | 2.454,83 | 2.491,65 | 2.541,48 |
| Wage category 13 | 2.444,61 | 2.469,06 | 2.506,10 | 2.556,22 |
| Wage category 14 | 2.458,80 | 2.483,38 | 2.520,64 | 2.571,05 |
| Wage category 15 | 2.473,06 | 2.497,78 | 2.535,26 | 2.585,96 |
| Wage category 16 | 2.487,40 | 2.512,28 | 2.549,96 | 2.600,96 |
| Wage category 17 | 2.501,83 | 2.526,84 | 2.564,75 | 2.616,04 |
| Wage category 18 | 2.516,34 | 2.541,50 | 2.579,62 | 2.631,22 |
| Wage category 19 | 2.530,94 | 2.556,24 | 2.594,59 | 2.646,48 |
| Wage category 20 | 2.545,61 | 2.571,07 | 2.609,63 | 2.661,82 |
| Wage category 21 | 2.560,38 | 2.585,98 | 2.624,77 | 2.677,26 |
| Wage category 22 | 2.575,23 | 2.600,98 | 2.639,99 | 2.692,79 |
| Wage category 23 | 2.590,16 | 2.616,07 | 2.655,30 | 2.708,41 |
| Wage category 24 | 2.605,19 | 2.631,24 | 2.670,71 | 2.724,12 |

Wage categories from November 1, 2022 - overtime

| | Starting wage | 1 year | 3 years | 5 years |
|------------------|----------------------|---------------|----------------|----------------|
| Wage category 4 | 4.177,21 | 4.218,98 | 4.282,27 | 4.367,91 |
| Wage category 5 | 4.201,44 | 4.243,46 | 4.307,11 | 4.393,25 |
| Wage category 6 | 4.225,80 | 4.268,07 | 4.332,08 | 4.418,72 |
| Wage category 7 | 4.250,32 | 4.292,82 | 4.357,21 | 4.444,35 |
| Wage category 8 | 4.274,96 | 4.317,72 | 4.382,48 | 4.470,13 |
| Wage category 9 | 4.299,76 | 4.342,76 | 4.407,90 | 4.496,06 |
| Wage category 10 | 4.324,70 | 4.367,95 | 4.433,47 | 4.522,14 |
| Wage category 11 | 4.349,79 | 4.393,28 | 4.459,18 | 4.548,37 |
| Wage category 12 | 4.375,01 | 4.418,77 | 4.485,04 | 4.574,75 |
| Wage category 13 | 4.400,38 | 4.444,40 | 4.511,06 | 4.601,28 |
| Wage category 14 | 4.425,91 | 4.470,17 | 4.537,23 | 4.627,97 |
| Wage category 15 | 4.451,58 | 4.496,09 | 4.563,54 | 4.654,81 |
| Wage category 16 | 4.477,40 | 4.522,18 | 4.590,00 | 4.681,81 |
| Wage category 17 | 4.503,37 | 4.548,40 | 4.616,63 | 4.708,96 |
| Wage category 18 | 4.529,49 | 4.574,78 | 4.643,40 | 4.736,28 |
| Wage category 19 | 4.555,76 | 4.601,31 | 4.670,34 | 4.763,74 |
| Wage category 20 | 4.582,18 | 4.628,00 | 4.697,43 | 4.791,37 |
| Wage category 21 | 4.608,76 | 4.654,85 | 4.724,67 | 4.819,16 |
| Wage category 22 | 4.635,49 | 4.681,85 | 4.752,07 | 4.847,12 |
| Wage category 23 | 4.662,38 | 4.709,01 | 4.779,63 | 4.875,23 |
| Wage category 24 | 4.689,42 | 4.736,31 | 4.807,36 | 4.903,51 |

Wage categories from November 1, 2022 - major public holiday payment

| | Starting wage | 1 year | 3 years | 5 years |
|------------------|----------------------|---------------|----------------|----------------|
| Wage category 4 | 5.530,73 | 5.586,03 | 5.669,83 | 5.783,22 |
| Wage category 5 | 5.562,81 | 5.618,44 | 5.702,72 | 5.816,77 |
| Wage category 6 | 5.595,07 | 5.651,03 | 5.735,79 | 5.850,50 |
| Wage category 7 | 5.627,53 | 5.683,80 | 5.769,06 | 5.884,44 |
| Wage category 8 | 5.660,16 | 5.716,77 | 5.802,51 | 5.918,56 |
| Wage category 9 | 5.693,00 | 5.749,92 | 5.836,17 | 5.952,90 |
| Wage category 10 | 5.726,01 | 5.783,28 | 5.870,03 | 5.987,42 |
| Wage category 11 | 5.759,23 | 5.816,81 | 5.904,07 | 6.022,16 |
| Wage category 12 | 5.792,63 | 5.850,56 | 5.938,31 | 6.057,08 |
| Wage category 13 | 5.826,22 | 5.884,49 | 5.972,75 | 6.092,21 |
| Wage category 14 | 5.860,02 | 5.918,62 | 6.007,40 | 6.127,55 |
| Wage category 15 | 5.894,01 | 5.952,94 | 6.042,25 | 6.163,08 |
| Wage category 16 | 5.928,19 | 5.987,48 | 6.077,28 | 6.198,83 |
| Wage category 17 | 5.962,58 | 6.022,20 | 6.112,54 | 6.234,79 |
| Wage category 18 | 5.997,16 | 6.057,12 | 6.147,98 | 6.270,95 |
| Wage category 19 | 6.031,95 | 6.092,25 | 6.183,65 | 6.307,32 |
| Wage category 20 | 6.066,93 | 6.127,59 | 6.219,51 | 6.343,89 |
| Wage category 21 | 6.102,11 | 6.163,14 | 6.255,58 | 6.380,69 |
| Wage category 22 | 6.137,51 | 6.198,89 | 6.291,86 | 6.417,70 |
| Wage category 23 | 6.173,10 | 6.234,84 | 6.328,36 | 6.454,92 |
| Wage category 24 | 6.208,91 | 6.270,99 | 6.365,07 | 6.492,37 |

CLEANING WORK

**Wage category
6**

Cleaning

| | Daytime | Overtime |
|-----------------------|----------|----------|
| Starting wage | 2.347,63 | 4.225,80 |
| 1 year in profession | 2.371,11 | 4.268,07 |
| 3 years in profession | 2.406,67 | 4.332,08 |
| 5 years in profession | 2.454,80 | 4.418,72 |

**Wage category
6**

Cleaning in shift work in public institutions

| | Daytime | Overtime | 33% shift bonus | 55% shift bonus* | 90% shift bonus** |
|-----------------------|----------|----------|-----------------|------------------|-------------------|
| Starting wage | 2.347,63 | 4.225,80 | 3.122,35 | 3.638,83 | 4.460,50 |
| 1 year in profession | 2.371,11 | 4.268,07 | 3.153,58 | 3.675,22 | 4.505,11 |
| 3 years in profession | 2.406,67 | 4.332,08 | 3.200,87 | 3.730,34 | 4.572,67 |
| 5 years in profession | 2.454,80 | 4.418,72 | 3.264,88 | 3.804,94 | 4.664,12 |

*45% shift bonus in companies other than public institutions.

**Employees in shift work earns winter holiday according to art. 22.4.7

**Wage category 6
with 20% shift bonus**

Time measured piecework:

| | Daytime | 33% shift bonus* | 45% shift bonus* | Overtime* |
|-----------------------|----------|------------------|------------------|-----------|
| Starting wage | 2.817,16 | 3.746,82 | 4.084,88 | 5.070,88 |
| 1 year in profession | 2.845,33 | 3.784,29 | 4.125,73 | 5.121,60 |
| 3 years in profession | 2.888,00 | 3.841,05 | 4.187,61 | 5.198,41 |
| 5 years in profession | 2.945,76 | 3.917,86 | 4.271,35 | 5.302,37 |

*Overtime must be paid or work exceeding 49 hours per week

On holidays, overtime must be paid according to art. 1.71 and major public holidays on major public holidays according to art. 1.7.2.

CONSTRUCTION WORKERS

Wage category

| | |
|--|---|
| General construction workers | 6 |
| Specially trained construction workers | 8 |
| Specialized assistants to tradesmen | 9 |

MACHINE OPERATORS

Wage category

| | |
|---------------------|----|
| Machine operators 1 | 10 |
| Machine operators 2 | 13 |

PCV DRIVERS

Wage category

| | |
|-------------|----|
| PCV drivers | 17 |
|-------------|----|

Monthly course bonus pay for PCV drivers 5.933 kr.

INDUSTRIAL WORKERS**Wage category**

| | |
|-----------------------|---|
| Industrial workers I | 4 |
| Industrial workers II | 6 |

EMPLOYEES OF OIL STATIONS, ANTI-RUST STATIONS AND TIRE WORKSHOPS**Wage category**

| | |
|--|---|
| Employees of oil stations, anti-rust stations and tire workshops | 6 |
|--|---|

PETROL STATION WORKERS**Wage category**

| | Daytime | Overtime | Mon. - Fri. 18.00-24.00 33% shift bonus | Sat. and Sun. 45% shift bonus | Mon. - Sun. 24.00-08.00 55% shift bonus |
|--|---------|----------|---|----------------------------------|---|
|--|---------|----------|---|----------------------------------|---|

Wage category**Outdoor and service work****6**

| | | | | | |
|------------------------|----------|----------|----------|----------|----------|
| Starting wage | 2.347,63 | 4.225,80 | 3.122,35 | 3.404,06 | 3.638,83 |
| 1 year in profession | 2.371,11 | 4.268,07 | 3.153,58 | 3.438,11 | 3.675,22 |
| 3 years in profession | 2.406,67 | 4.332,08 | 3.200,87 | 3.489,67 | 3.730,34 |
| 5 years, same employer | 2.454,80 | 4.418,72 | 3.264,88 | 3.559,46 | 3.804,94 |

Wage category**Outdoor and cashier work / cash register****7**

| | | | | | |
|------------------------|----------|----------|----------|----------|----------|
| Starting wage | 2.361,25 | 4.250,32 | 3.140,46 | 3.423,81 | 3.659,94 |
| 1 year in profession | 2.384,86 | 4.292,82 | 3.171,86 | 3.458,05 | 3.696,53 |
| 3 years in profession | 2.420,63 | 4.357,21 | 3.219,44 | 3.509,91 | 3.751,98 |
| 5 years, same employer | 2.469,04 | 4.444,35 | 3.283,82 | 3.580,11 | 3.827,01 |

Wage category**Shift managers****9**

| | | | | | |
|------------------------|----------|----------|----------|----------|----------|
| Starting wage | 2.388,72 | 4.299,76 | 3.177,00 | 3.463,64 | 3.702,52 |
| 1 year in profession | 2.412,60 | 4.342,76 | 3.208,76 | 3.498,27 | 3.739,53 |
| 3 years in profession | 2.448,79 | 4.407,90 | 3.256,89 | 3.550,75 | 3.795,62 |
| 5 years, same employer | 2.497,77 | 4.496,06 | 3.322,03 | 3.621,77 | 3.871,54 |

| |
|---|
| Cash register balance should be 1.876,80 kr. for each settlement |
|---|

LONGSHORING / HARBOUR WORK - SAMSKIP**Wage category**

| | |
|-------------------------|----|
| General work | 6 |
| Port workers | 9 |
| Forklift operators | 10 |
| Machine operators | 13 |
| Drivers with ADR rights | 14 |

LONGSHORING / HARBOUR WORK - EIMSKIP**Wage category**

| | |
|---|----|
| Harbour work I - General work | 9 |
| Harbour work II - Forklift operators | 11 |
| Harbour work III - Receptionists and group managers | 12 |
| Machine operators with full license | 14 |

SECURITY GUARDS - SECURITAS

| | Daytime | Overtime | 33% shift bonus Mon. - Fri. 17.00-24.00 | 45% shift bonus Mon- Fri 24.00-08.00 and Sat. / Sun. | Wage category |
|--|----------|----------|---|---|---------------|
| Static guarding | | | | | 6 |
| Starting wage | 2.347,63 | 4.225,80 | 3.122,35 | 3.404,06 | |
| 1 year in profession | 2.371,11 | 4.268,07 | 3.153,58 | 3.438,11 | |
| 3 years in profession | 2.406,67 | 4.332,08 | 3.200,87 | 3.489,67 | |
| 5 years, same employer | 2.454,80 | 4.418,72 | 3.264,88 | 3.559,46 | |
| Mobile patrol | | | | | 7 |
| Starting wage | 2.361,25 | 4.250,32 | 3.140,46 | 3.423,81 | |
| 1 year in profession | 2.384,86 | 4.292,82 | 3.171,86 | 3.458,05 | |
| 3 years in profession | 2.420,63 | 4.357,21 | 3.219,44 | 3.509,91 | |
| 5 years, same employer | 2.469,04 | 4.444,35 | 3.283,82 | 3.580,11 | |
| Transporting of valuables and central station | | | | | 10 |
| Starting wage | 2.402,57 | 4.324,70 | 3.195,42 | 3.483,73 | |
| 1 year in profession | 2.426,60 | 4.367,95 | 3.227,38 | 3.518,57 | |
| 3 years in profession | 2.463,00 | 4.433,47 | 3.275,79 | 3.571,35 | |
| 5 years, same employer | 2.512,25 | 4.522,14 | 3.341,29 | 3.642,76 | |

FISH PROCESSING WORKERS

| | Wage category |
|--|---------------|
| General fish processing workers | 5 |
| Specialized workers in fisheries I | 7 |
| Specialized workers in fisheries II | 9 |
| Specialized workers in fisheries III | 11 |
| Fisheries technician | 13 |
| -General clothing pay : 19,89 salt fish and stockfish: 25,57 | |
| - Index in gropu pay scheme isr 299,79 | |
| - Minimal bonus in fish processing is 318,6,00 kr. per paid hour | |

GENERAL WORK IN FISH FARMING

| | Wage category |
|--------------------------|---------------|
| General employees | 5 |
| Specialized employees | 7 |
| Fish farming specialists | 17 |

CAFETERIA WORKERS

| | Wage category |
|---|---------------|
| General workers | 4 |
| Cooks/ kitchen managers | 6 |
| Cooks/ kitchen managers that manage one or more employees | 10 |

OIL STATIONS

| | Wage category |
|--|---------------|
| General labour work and general service | 6 |
| Delivery van and truck drivers | 13 |
| Drivers with trailers / specialized workers at gas station | 17 |

HOTELS AND RESTAURANTS

Wage category

Occasional work - not shift work

Major public holidays

4

| | Daytime* | Overtime | |
|------------------------|----------|----------|----------|
| Starting wage | 2.338,58 | 4.177,21 | 6.515,79 |
| 1 year in profession | 2.361,96 | 4.218,98 | 6.580,94 |
| 3 years in profession | 2.397,39 | 4.282,27 | 6.679,66 |
| 5 years, same employer | 2.445,34 | 4.367,91 | 6.813,25 |

Wage category

General workers of restaurants

Mon. - Fri.
17.00-24.00

Mon.- Fri.
24.00-08.00
and Sat. / Sun.

5

| | Daytime* | Overtime | 33% shift bonus*** | 45% shift bonus*** | 90% shift bonus** |
|------------------------|----------|----------|-----------------------|--------------------|-------------------|
| Starting wage | 2.352,14 | 4.201,44 | 3.128,35 | 3.410,60 | 4.469,07 |
| 1 year in profession | 2.375,66 | 4.243,46 | 3.159,63 | 3.444,71 | 4.513,75 |
| 3 years in profession | 2.411,30 | 4.307,11 | 3.207,03 | 3.496,39 | 4.581,47 |
| 5 years, same employer | 2.459,52 | 4.393,25 | 3.271,16 | 3.566,30 | 4.673,09 |

Wage category

Specialized workers of restaurants

Mon. - Fri.
17.00-24.00

Mon.- Fri.
24.00-08.00
and Sat. / Sun.

6

| | Daytime* | Overtime | 33% shift bonus*** | 45% shift bonus*** | 90% shift bonus** |
|------------------------|----------|----------|-----------------------|--------------------|-------------------|
| Starting wage | 2.365,78 | 4.225,80 | 3.146,49 | 3.430,38 | 4.494,98 |
| 1 year in profession | 2.389,44 | 4.268,07 | 3.177,96 | 3.464,69 | 4.539,94 |
| 3 years in profession | 2.425,28 | 4.332,08 | 3.225,62 | 3.516,66 | 4.608,03 |
| 5 years, same employer | 2.473,78 | 4.418,72 | 3.290,13 | 3.586,98 | 4.700,18 |

Wage category

General workers of hotels

Mon. - Fri.
17.00-24.00

Mon.- Fri.
24.00-08.00
and Sat. / Sun.

6

| | Daytime* | Overtime | 33% shift bonus*** | 45% shift bonus*** | 90% shift bonus** |
|------------------------|----------|----------|-----------------------|--------------------|-------------------|
| Starting wage | 2.365,78 | 4.225,80 | 3.146,49 | 3.430,38 | 4.494,98 |
| 1 year in profession | 2.389,44 | 4.268,07 | 3.177,96 | 3.464,69 | 4.539,94 |
| 3 years in profession | 2.425,28 | 4.332,08 | 3.225,62 | 3.516,66 | 4.608,03 |
| 5 years, same employer | 2.473,78 | 4.418,72 | 3.290,13 | 3.586,98 | 4.700,18 |

A 15% premium is paid to employees recruited to management positions, acc. to art. 1.2.4

** Daytime pay for workers in hotels and restaurants is calculated by dividing the monthly pay by 172

** Shift work employees earn winter holiday acc. to art. 3.4

*** It is not permitted to pay according to shift work rates unless explicitly stated in the employment contract.

Travel allowance is 2½ times the starting fare of taxis acc. to art. 4.5.2.
(February 2023, this corresponds to 1.825 kr. at Hreyfill)

Care workers

21

The wages specified for each job title are the minimal

Holiday bonus is 56.000 kr. 1. June 2023

Decemberbonus is 98.000 kr. Desember 2022

Decemberbonus is 103.000 kr. Desember 2023

Wages of young people:

| | |
|----------------|---|
| 18 to 21 years | 95% of starting wages in training |
| | The starting wages are based on the employee having reached the age of 18 and <i>acquired the ability to do the job in question. Training time can last a maximum of 300 hours at the same employer or 500 hours in an industry after reaching the age of 16.</i> |
| 17 years | 89% of starting wages |
| 16 years | 84% of starting wages |
| 15 years | 71% of starting wages |
| 14 years | 62% of starting wages |

The age of 22 shall be considered equivalent to having 1 year's employment in the industry.

Food stipend, if worked outside the bus routes:

| | |
|-------------------------------|-----------|
| - one meal per day | 2.178 kr. |
| - two meals per day | 4.546 kr. |
| - per 24 hours (calendar day) | 6.325 kr. |

The reimbursement for driving your own car is according to the advertisement of "ferðakostnaðarnefnd ríkisins" at any given time, see also:

<https://www.stjornarradid.is/verkefni/mannaudsmal-rikisins/kjarasamningar-laun-og-starfskjar/ferdakostnadur/>

| | |
|------------------------------|------------|
| - the first 10.000 km a year | 134,00 kr. |
| - the next 10.000 km | 121,00 kr. |
| -more than 20.000 km a year | 107,00 kr. |