AGREEMENT

between

The Confederation of Icelandic Employers (Samtök atvinnulífsins, SA) and Samtök rafverktaka (SART)

on the one hand

and

The Union of the Icelandic Electrical Workers (Rafiðnaðarsamband Íslands) for member unions on the other hand

Effective as of 1 April 2019 to 1 November 2022

2 Reservation: The Icelandic version always takes precedence in the event of dispute

Contents

Page.

4 Reservation: The Icelandic version always takes precedence in the event of dispute

6 Reservation: The Icelandic version always takes precedence in the event of dispute

Scope

This agreement applies to all electrical work as well as technical work in transmission, creative media and IT. The work in question involves vocational training as well as work that requires other specialist education and/or training in the field of technology.

CHAPTER 1
Regarding wages and expense items

1.1. Wages

1.1.1. Wage system of electricity workers

Minimum pay scale will be as follows during the effective term of the Agreement:

Electrical worker with journeyman's certification:

	l.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**
Base wage	388,165	418,496	454,756	479,756
After 1 year	394,496	430,756		
After 3 years	406,756			

Electrical worker with at least a 5-year journeyman's certificate and a master tradesman's diploma:

	l.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**
Base wage	423,048	451,000	475,000	500,000

Electrical worker with recognised professional rights but who does not fulfil the conditions for a journeyman's certificate according to Icelandic rules, or upon completing a three-year study programme:

	l.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**
Base wage	347,351	378,357	402,357	427,357
After 1 year	354,357			

An employee shall not receive wages in accordance with this pay category for more than two years, provided he can provide proof of working within his trade for at least two years in Iceland. Length of employment according to this pay category is not regarded as length of employment according to the pay category of electrical workers with a journeyman's certificate.

Electrical workers who have completed a two-year professional study programme and can work independently:

	l.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**

Wages	327,303	351,303	375,303	400,303

Electrical technology worker

	1.4.2019	1.4.2020	1.1.2021	1.1.2022
Base wage	425,282	456,246	493,732	518,732
After 1 year	432,246	469,732		
After 3 years	445,732			

The pay scales of electrical workers are minimum wage scales. The wage terms of electrical workers covered by this Agreement are based on wage terms negotiated in the market.

For the wage terms of apprentices, see the chapter on the wages and terms of apprentices.

1.1.2. Divisors

The hourly rate for daytime work is calculated by dividing the monthly wage by 173.33.

The weekly rate for daytime work is calculated by multiplying the hourly day-work rate by 40.

Effective as of 1 April 2020:

The hourly rate for daytime work is calculated by dividing the monthly wage by 160.

The weekly rate for daytime work is calculated by multiplying the hourly day-work rate by 37.

Notes:
On the adoption of active working hours, 37 hours are commonly paid per week (full-time position) instead of 40 hours, and the divisor for daytime pay is 160 instead of 173.33. Hourly rates in daytime work increase, therefore, by 8.33%, or the equivalent of payment for coffee breaks which are transferred to hourly pay for active working hours. If fewer hours are paid per week/month based on a full-time position, the increase shall be calculated in such a manner that daytime rates for 37 hours per week / 160 hours per month are the same as was previously paid for a greater number of hours.

See also Protocol on page 84 on the adoption of active work hours.

1.1.3. Personnel interviews

Employees are entitled to an annual interview with their superiors concerning their jobs, including performance goals and any possible changes in their employment terms. If an employee requests an interview, it should be granted within two months and the resulting outcome of the interview should be available within one month.

1.1.4. Professional responsibility

If electronic technicians, electrical machinery technicians or electricians with master tradesman's diplomas are registered as responsible with respect to the Weights and Measures Office or the Post and Telecom Administration, the master tradesman and the employer must negotiate wages specifically.

1.1.5. If education in electrical technology is required, the electrical technology worker and the employer must negotiate wages specifically.

1.1.6. Electronics industry workers who are specifically recruited to act as group leaders, and who also undertake general work, must be paid separately for administrative responsibility and receive 15% higher wages than otherwise would have been the case. This wage provision varies from person to person and is not a basis for issuing a separate wage scale.

1.2. Pay adjustments

1.2.1. Wage increases contained in the agreement are all in the form of rate of pay increases to monthly wages. Monthly wages refers to fixed monthly wages for daytime work.

General increase of monthly wages for a full-time position

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

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

Wages rates increase specifically, cf. Article 1.1.1.

1.2.2. Lump sum in May 2019

In May 2019, a special lump sum of ISK 26,000 will be paid.

1.2.3. Additional economic growth

In 2020 to 2023, a wage premium will be implemented on the basis of the development of GDP per person.

The calculation of the wage premium is based on interim figures from Statistics Iceland (Hagstofa Íslands) on the index of GDP per person that are issued at the beginning of March each year for the preceding year.

The wage premium is added to both the monthly pay scale of the collective wage agreement and to fixed monthly wages for daytime work. The following table shows the amount of the wage premium and its premises.

GDP per person, increase between years	Wage premium on the monthly pay scale of the collective wage agreement	Wage premium on 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

On determining the wage premium for the years 2019 to 2022, to be implemented in 2020 to 2023, account shall be taken of the updated interim figures for the years that have been used as the basis for the calculation of the wage allocation. The wage premium will be paid on 1 May.

The Wage and Premises Committee of the parties will determine the amount of the wage premium in the event that there are grounds for its payment.

1.2.4. Wage guarantee due to wage developments

During the years 2020–2022, a pay scale increase is calculated due to wage developments, provided certain conditions are met.

The ruling of the Wage and Premises Committee of pay scale increases on the basis of wage developments shall include the same ISK increase.

1.2.5. Wage systems

Instead of pay scales (other than basic wages) and related provisions of the collective wage agreement, such as regarding supplemental payments due to management, education and other factors, the adoption of wage systems between parties to the agreement is permitted in individual companies. The wage system shall contain criteria and components that are ordered together as appropriate, as well as procedures relating to

assessments and development. Each party, employees on the basis of majority support or company, can request negotiations for a new wage system.

Agreement on new wage systems shall be made in writing and shall be referred for approval to all those to whom they are intended to apply in a secret ballot organised by the employees' negotiating committee. In the event that more than one collective wage agreement applies to the position in question, ballots may be organised according to union membership. In such case, the agreement shall only enter into effect for the persons who approve the adoption of the wage system. An agreement shall be considered as being approved if it receives the support of the majority of the votes cast. The trade union involved, or trade unions if more than one union is party to the agreement, shall establish whether the agreement is compatible with the provisions of law and collective agreements regarding minimum terms. On the adoption of a new wage system, care must be taken that no employee is subject to worse terms on the adoption of such system.

1.3. Cost items

1.3.1. Fees for the obligation for different workplace attendance and payments for general working clothing is included in the wage of the employee.

1.3.2. Payment for tools

Tools and payment for tools is governed by Chapter 9 of this Agreement.

1.3.3. Protective and safety clothing

In cases that require special protective and safety clothing, such items are to be made available to the employee. This applies to e.g. work involving paint and special materials, in unsanitary conditions, outdoor work in the cold or rainy conditions. The employer owns such clothing and may attach the company's logo thereto. Such protective and safety clothing is wholly independent of general working clothes according to Article 1.3.1. If the employer does not provide protective clothing in such conditions, the employer is under obligation to pay for the cleaning of such clothing owned by the employee.

1.4. Apprentices

1.4.1. Regarding the rights of apprentices in other respects, agreement provisions on the wages and employment terms of apprentices apply.

1.5. December and vacation supplements

1.5.1. December bonus

The December bonus for each calendar year, based on full-time employment, is to be

ISK 92,000 in 2019,

ISK 94,000 in 2020,

ISK 96,000 in 2021,

ISK 98,000 in 2022,

A full year's employment, for this purpose, is 45 worked weeks or more, excluding holiday time (annual vacation). The bonus is to be paid no later than 15 December of each year, based on the employee's job proportion and length of employment, to all employees who have been employed by an employer for 12 weeks over the past 12 months or who are employed during the first week of December. An agreement may be reached with the employee to the effect that the settlement period runs from 1 December to 30 November of each year instead of the calendar year.

The December bonus includes holiday (vacation) pay, and it is a fixed amount that is not subject to changes according to other provisions. Accrued December bonus shall be paid upon termination of employment in the event that such termination occurs prior to the due date for the bonus.

For the December bonus of apprentices, see the chapter on the wages and terms of apprentices.

1.5.2. Holiday bonus

The holiday bonus for each holiday reference year (1 May to 30 April), based on full-time employment, is to be as follows:

ISK 50,000 during the holiday reference year beginning 1 May 2019,

ISK 51,000 during the holiday reference year beginning 1 May 2020,

ISK 52,000 during the holiday reference year beginning 1 May 2021,

ISK 53,000 during the holiday reference year beginning 1 May 2022,

A full year's employment, for this purpose, is 45 worked weeks or more, excluding holiday time (annual vacation). The bonus

shall be paid before 1 June, based on the employee's job proportion and length of employment during the holiday reference year, to all employees who have been in continuous employment for the same employer for 12 weeks during the previous 12 months as of 30 April or are employed during the first week of May.

The holiday bonus includes holiday (vacation) pay, and it is a fixed sum that is not subject to change according to other provisions. Accrued holiday bonus shall be settled upon termination of employment in the event that such termination occurs prior to the due date for the bonus.

For the vacation bonus of apprentices, see the chapter on the wages and terms of apprentices.

1.5.3. Absences due to childbirth leave or if a woman needs, for safety reasons, to withdraw from work during pregnancy.

After one year in the employment of the same employer, any absence due to legally prescribed childbirth leave shall be counted as working time when calculating the December and holiday bonuses. The same applies in the case of a woman who, as a safety precaution, must cease work during pregnancy, pursuant to a regulation to increase safety and health in the workplace for women who are pregnant, have recently given birth or are breast-feeding.

1.6. Wage payments

1.6.1. Wages shall be paid each month on the first day after the end of the month for which wages are paid. If this day falls on a holiday, then payment shall be made on the last working day of the month.

1.6.2. Wages may be paid in another manner, provided an agreement is reached thereto with the employee.

1.7. Determining amount for piecework carried out by electricians

The composition of the determining amount for piecework carried out by electricians is as follows (ref. date 1.4.2019).

1.0.	Wage item	564.48
2.0.	Equipment allowance 5.7%	32.17
	Total of Items 1 and 2	596.65
3.0.	Extra public holidays 4.0% of Item 1	22.58
4.0.	Attendance obligation 2.67% of Item 1	15.07
5.0.	Clothes allowance 0.90% of Item 1	5.08
6.0.	Increased sickness leave rights 1.5% of Item 18.47	

Determining amount for piecework will be as follows during the effective term of the Agreement:

From 1 April 2019:	ISK 647.85
From 1 April 2020:	ISK 665.34
From 1 January 2021:	ISK 683.30
From 1 January 2022:	ISK 701.75

1.8 Contracts of employment and letters confirming employment

1.8.1. Where a worker is engaged for a period of more than one month and for more than eight hours per week, on average, a contract of employment shall be made no later than two months after the commencement of the job, or the engagement shall be confirmed in writing. If the employee stops work before the two-month period is up, without a contract of employment having been prepared or the engagement having been

confirmed in writing, then he shall be provided with such a confirmation at the termination of employment. In the case of temporary employment / project-based employment, a written confirmation of employment shall be prepared prior to the first payment of wages.

1.8.2. Changes in terms of employment beyond that resulting from laws or collective wage agreements must be confirmed in the same manner no later than one month after their implementation.

1.8.3. The provisions of Articles 1.8.1. and 1.8.2. do not apply to recruitment in occasional jobs, providing that such an arrangement is based on objective considerations.

1.8.4. Obligation of the employer to provide information – The employment contract, or written confirmation of employment, i.e. letter of employment, shall, at least, contain the following information:

1. The identity of the contracting parties, including their ID numbers.
2. The employer's place of work and address. If there is no fixed place of work or place where work is normally carried out, then it shall be stated that the employee is engaged for work at various locations.
3. The title, job position and nature or type of work for which the employee is engaged or a short summary or description of the job.
4. The date of commencement of the job.
5. The duration of employment, if temporary.
6. The employee's right to an annual holiday.
7. The notice period for termination to be given by the employer and the employee.
8. Monthly or weekly wage rates, e.g. including references to pay scales, monthly wage rate used as base for calculations for overtime, other payments and perquisites, as well as the payment periods. If an agreement is reached for fixed total wages (package deal), the agreement shall specify what payments/benefits are included in the total wage payment.
9. The length of an ordinary working day or working week.
10. Pension fund.
11. Reference to a valid collective wage agreement and the trade union involved.

Information on Items 6–9 may be given in the form of a reference to a collective agreement.

1.8.5. Working abroad – employees required to work in another country for one month or longer shall receive written confirmation of their appointment before leaving Iceland. In addition to the information listed in Article 1.8.4, the following must be stated:

1. The estimated time spent working abroad.
2. The currency in which wages are to be paid.
3. Bonuses or perquisites associated with the work abroad.
4. Where applicable, the conditions by which an employee can return to his country of origin.

Information according to Items 2 and 3 may be given in the form of a reference to legislation or collective agreements.

1.8.6. Temporary engagements

Temporary employment shall be governed by the provisions of Act No. 139/2003 on Temporary Employment.

1.8.7. Entitlement to compensation

The employer will be held liable for compensation in the event that the provisions of this article are violated.

1.9. Non-competition provision

Provisions in employment contracts that forbid employees to enter into an employment contract with the competitors of the employer are non-binding if such an engagement is wider in scope than would be necessary in order to prevent competition or to limit in an unfair manner the employee's freedom to employment. Such possibility must be assessed on a case-by-case basis, taking into consideration all circumstances. Competition provisions, therefore, may not be worded too generally.

When making an assessment of the permissible scope of a non-competition clause in a contract of employment, particularly as regards scope and time limits, the following factors must be considered:

a. The type of work performed by the employee involved, e.g. whether a key employee, in direct contact with customers or subject to a high level of confidentiality. In addition, what knowledge or information the employee might possess with regard to the activities of the company or its customers.

b. How quickly the employee's knowledge becomes obsolete, and whether normal levels of equality between employees are ensured.

c. The type of operations involved and the identity of the competitors in the market where the company operates and which the employee's know-how covers.

d. That the employee's freedom of employment is not restricted unfairly.

e. The non-competition clause must be defined and concise with regard to the purpose of protecting certain competition interests.

f. The perquisites of the employee will also have an effect on what his wages are.

The competition provisions of employment contracts do not apply if the employee is dismissed from his job without sufficient cause.

1.10 Wages paid in foreign currency

The employee and the employer may agree that a portion of the regular monthly wages be paid in a foreign currency or that a portion of the regular monthly wages be linked to the exchange rate of a foreign currency. The selling rate of the currency on the date when the agreement between the employee and the employer was made should be used for reference.

Regular monthly wages shall be calculated and stated on the pay statement as follows:

1. The regular monthly wages designated in ISK as per the agreement date.

2. To be deducted is the amount in ISK that an agreement has been made to pay in a foreign currency or to link to the exchange rate of a foreign currency on the date of the agreement.

3. Proportion of fixed monthly wage paid in or linked to foreign currency (cf. Item 2), calculated in ISK at the selling rate of the foreign currency three business days before the date of payment.

The sum of Items 1–3, however, may never be lower than the minimum rate of the collective agreement in force for the industry in question.

The total of Items 1–3 forms the base for the payment of taxes and contributions in accordance with the collective agreement, such as to the pension fund, employee association fund, union sickness fund, rehabilitation fund, holiday home fund and the re-education fund.

The employee and the employer can negotiate that overtime, shift premiums, bonuses and other payments will be settled in part or fully in a foreign currency.

Wage increases shall only be calculated with respect to Item 1, i.e. regular monthly wages in ISK.

An employee can, whenever he wishes, request the termination of the agreement. In the event that an employee submits such a request, the employer should comply with it from and including the beginning of second month from that date. An employee shall receive wages according to Item 1 as amended from the date when the original agreement was made.

The employee and the employer must enter into a written agreement regarding the payment of wages in foreign currency or regarding wage linkage with a foreign currency.

See Attachment 2008 to agreement on wages in foreign currencies – agreement form.

CHAPTER 2
About working hours

2.1. Daytime working hours

Applicable to and including 31 March 2020

Daytime work shall be 40 hours per week during the hours between 07:00 and 18:00, Monday to Friday. Active working hours, i.e. daytime work excluding paid refreshment breaks, is 37 hours and 5 minutes per week. Daytime working hours are to be consecutive. If work is organised so that 8 hours are not worked five days a week, this shall be specified in the employment contract.

Applicable as of 1 April 2020

Active working hours in daytime work shall be 37 hours per week during the hours between 07:00 and 18:00, Monday to Friday.

The time during which a worker is engaged in work is considered active working hours. Daily attendance in the workplace is considered active working hours in addition to refreshment breaks from work.

Daytime working hours are to be consecutive. A written agreement may be reached between the employee and the employer to organise working hours so that the number of hours worked within the daytime working hours period differ between days and weeks. The number of working hours during the month will determine whether there are grounds to pay overtime according to Article 2.2.

See also HYPERLINK \l "_Bókun_vegna_upptöku" Protocol on page 84 on the adoption of active work hours.

2.2. Overtime work

2.2.1. Overtime supplement

Applicable to and including 31 March 2020

Overtime wages are paid at an hourly rate corresponding to 1.0385% of the monthly wages for regular day work.

Applies as of 1 April 2020 / 1 January 2021:

Overtime supplements will be two-tiered

From 1 April 2020:

Overtime 1 wages are paid at an hourly rate corresponding to 1.02% of the monthly wages for regular day work.

Overtime 2 wages are paid at an hourly rate corresponding to 1.10% of the monthly wages for regular day work.

From 1 January 2021:

Overtime 1 wages are paid at an hourly rate corresponding to 1.00% of the monthly wages for regular day work.

Overtime 2 wages are paid at an hourly rate corresponding to 1.15% of the monthly wages for regular day work.

2.2.2. Overtime period

Overtime work is calculated from the time that daytime work ends on Mondays up to and including Fridays until work begins in the morning. On Saturdays, Sundays and during public holidays, other than major public holidays, overtime wages are paid.

Applicable as of 1 April 2020

Overtime work 1

Overtime 1 is paid for all overtime until overtime pay 2 takes over. The same applies to overtime payments that are added to payments for worked time, see Item d) for more information.

Overtime work 2

Overtime 2 is paid for active working hours that exceed 41 active hours during the week on average during a wage period per month (177.33 active hours during an average month). Overtime 2 is also paid during night-time, between the period from 00:00 to 06:00.

Notes:
a) For an employee in a full-time position who works for 37 hours daytime work on average per week during the wage period/month (160 hours during an average month), overtime 1 is commonly paid for the first 4 hours per week, or 17.33 hours per month based on an average month. Overtime 2 is paid for overtime thereafter.

b) In the event that an employee does not complete full daytime work hours due to the organisation of the work or due to absences, overtime 2 is paid when the employee has

completed 41 hours per week on average, or 177.33 hours based on an average month.

c) Daytime hours during special days off, during vacation time, instances of illness or payless days off are, however, regarded as a part of the 37-hour work week / 160-hour work month. Such absences are considered to be working hours under the meaning of Item a).

d) Non-worked overtime, e.g. paid due to the curtailment of rest time and extra payments for work during paid refreshment breaks outside daytime work periods, is not included in hours collected and provide entitlements to the payment of overtime 2.

2.2.3. Overtime supplement on major public holidays

All extra work on major public holidays shall be paid with an hourly pay corresponding to 1.375% of the monthly wages for regular day work. This shall not apply to regular work for which winter leave entitlement is granted in exchange for work on the days indicated.

2.2.4. If not otherwise provided for in the employment contract or pay slip, overtime pay shall be calculated from the regular wages of the employee according to Article 2.2.1.

2.3. Call-outs

If an employee is called to work from his home after normal working hours, such employee shall always be paid one hour, in addition to the time worked, and never less than three hours unless daytime work hours commence within the time that such employee came to work. This provision does not apply to work carried out in direct continuation of normal working hours.

For call-outs during the period from 00:00–06:00 and from 17:00 on a Saturday to 06:00 on a Monday morning, not less than 4 hours are to be paid, unless daytime work begins withing three hours from when the employee came to work.

If an employee who is not on a stand-by shift is required to provide services during his free time, an agreement must be reached regarding such interruption to free time.

2.4. Stand-by shifts

2.4.1. An employee may agree to undertake stand-by shifts, i.e. be ready to respond to call-outs.

2.4.2. During stand-by shifts, the employee must be ready to respond to call-outs.

2.4.3. If an employee is required to be ready to undertake a call-out shift with short notice (within an hour), he shall be paid the equivalent of 33% of a daytime hour for each hour on call-out duty.

If an employee is required to be ready to undertake a call-out shift within two hours, he shall be paid the equivalent of 25% of a daytime hour for each hour on call-out duty.

If an employee is required to be ready to undertake a call-out shift within four hours, he shall be paid the equivalent of 16.5% of a daytime hour for each hour on call-out duty.

For call-out duty during public holidays (other than Sundays) and major public holidays, a 50% higher call-out supplement than the above shall be paid.

2.4.4. For a call-out when on stand-by, employees shall receive payment for the time they work, though never for less than three hours, except when their scheduled daytime work is to begin within two hours. Nevertheless, call-out payments and overtime payments shall never overlap.

2.4.5. In general, call-out shifts are not to be organised for shorter periods than 6 hours during weekdays and 8 hours during weekends. In cases where shorter call-out watches are organised, the payment for call-out supplements shall not be less than 33% of the daily wage rate.

2.4.6. Before the beginning of a call-out watch, all equipment must be organised so as to ensure that there is minimal chance of a call-out during the following call-out watch.

> Notes: By agreeing to a call-out shift, the employee undertakes to attend work during a call-out. The amount paid for call-out differs according to the extent the employee is on duty during the period. As a result, a call-out duty is not considered as such if there is no obligation.

2.4.7. Call-out watches are to be announced with at least ten days' notice, and call-out rosters are to be, as a rule, valid for no more than two weeks.

2.5 Telephone disturbance

If an employee's home or mobile telephone numbers are listed by the company in the company's telephone directory, the

workload resulting from this shall be taken into account when determining wages.

2.6 Services provided outside call-outs through distance solutions and telephone calls

2.6.1. If an employee who is not on a stand-by shift is required to provide services through distance solutions or telephone calls during his free time, an agreement for a fee must be reached regarding such interruption to free time. The fee shall be specified in the employment contract.

2.6.2. The term distance solution refers to work that the employee can carry out outside the workplace using computer equipment.

2.6.3. The assessment of the fee shall i.a. take into account:

a. How likely the employee is to be disturbed due to the service.

b. The extent of the work contribution required of the employee for the service when it is required.

c. How immediate the response required is from the employee.

d. The time of day or night when the employee may be required to provide the service.

2.7. Shift work

Authorisation is granted for shift work so that it applies to a part or all employees of a company. The adoption and ending of shift work shall be provided with 10 days' notice. The duration of such arrangement shall not be less than two weeks.

Refreshment breaks during an eight-hour shift shall be 35 minutes and arranged according to an agreement between the employee and the management. In the event of longer shifts, refreshment breaks shall be amended accordingly.

Shiftwork supplements for regular shiftwork shall be:

30% for the period 16:00–24:00, Monday–Friday.

55% supplement on Saturdays and Sundays.

60% for the period 00:00–08:00, on all weekdays.

For work on public or major public holidays that fall on Monday to Friday, the employee shall receive an extra 8 daytime hours pay.

For each hour in excess of 40 hours on average a week (37 hours active from 1 April 2020), overtime shall be paid.

2.8. Minimum rest[1]*

2.8.1. Daily rest period

Working hours shall be arranged in such a way that during each 24-hour period, starting from the beginning of the working day, the employee receives at least 11 hours' continuous rest. If possible, this daily rest period shall include the period between 23:00 and 06:00.

Work may not be arranged in such a way that the working period exceeds 13 hours.

2.8.2. Exceptions and right to take leave

Working hours may be extended to up to 16 hours. If possible, the employee shall be granted a rest period of 11 hours immediately following the work, without any reduction of the employee's right to regular wages for daytime work.

In the event that the employee is not granted 11 hours of rest per 24 hours based on the normal workday, an additional rest period shall be granted as follows: If the employee is especially requested to come to work before the 11 hours of rest have been reached, the employee is entitled to additional rest of 1.5 hours (daytime) for every hour by which his rest is reduced. It shall be permitted to pay ½ hour (of daytime working time) of the leave entitlement.

If the employee works for such a long time preceding a rest day as to make it impossible to have 11 hours' rest before the normal beginning of the working day, the situation shall be handled in accordance with Paragraph 2. If an employee attends work during a rest day, he is paid according to the hours worked and leave entitlement is calculated according to Paragraph 2.

However, the above provisions shall not apply in the case of organised shift work, in which the rest period may be reduced to as little as eight hours.

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* *See also examples of the arrangement of holiday entitlement.*

Earned leave rights for work during the same 24-hour period cannot, however, be more than the equivalent of one working day at basic wages.

Accrued leave-taking entitlement shall be stated on the employee's pay slip, and leave shall be granted in half and whole days outside the peak periods in the company's activities in collaboration with the employee. Settlement in respect of the employee's unused leave-taking entitlement shall be made on termination of employment, with the entitlement counted as part of the period of engagement.

Work may not, except with the agreement of the employee, be so arranged that accrued leave is taken during periods when the employee is travelling on behalf of the employer or is engaged in work away from his home/residence except in the normal continuation of such accrual.

Call-outs

If an employee is called to work after normal working hours, the following provisions apply:

If the call-out ends before 00:00, no leave entitlements are formed if the employee achieves 11 hours of rest before the beginning of the regular workday to the next workday (24-hour working period).

If the call-out ends during the period between 00:00–06:00, no leave entitlement is form if a continuous 11-hour rest period is achieved before or after the call-out. In other respects, leave rights are to be based on the difference between the longest rest period and 11 hours.

2.8.3. <u>Rest under 8 hours</u>

In the event that a special situation arises due to necessary maintenance, or if there is a disruption of business operations caused by external circumstances such as the weather or other natural forces; accidents; power failure; malfunction in machinery, equipment or any other device; or other comparable unforeseen events so that it becomes necessary to prevent substantial loss or damage, it is permissible to shorten the rest time by eight hours.

If an employee does not get 8 hours rest within the same 24-hour work cycle, the employee shall, in addition to the above leave entitlement according to Article 2.8.2., receive one hour of overtime pay for every hour by which the rest period is less than 8 hours.

2.8.4. Weekly day off

During each seven-day period, the employee shall have at least one weekly day off connected directly to the daily rest period. For this purpose, the week shall be taken as beginning on Monday.

2.8.5. Postponement of the weekly day off

In cases where there is no shift work, the general rule shall be that the weekly day off shall be Sunday, and all those who work for the same company or at the same permanent place of work shall receive a day off work on that day.

In agreement with the employee, the weekly day off may be postponed so that a weekly day off is replaced by two consecutive days off during a two-week period. Days off may be arranged in such a way that they are taken together every second weekend (Saturday and Sunday). In special circumstances, a weekly rest day may be postponed for a longer period so that the employee receives a corresponding rest period within 14 days.

If days off occur on working days due to unforeseen reasons, the employee's entitlement to regular wages and shift supplements may not be reduced.

2.8.6. Breaks

If the employee's daily working time is more than 6 hours, they shall be entitled to a 15-minute break.

Regarding the scope, working time, breaks and other matters, reference is made to the Collective Agreement between ASÍ and VSÍ from 30 December 1996 on certain matters pertaining to the structure of working time, attached to this Agreement, and is regarded as an integral part of this Collective Wage Agreement and is identical to the Agreement between ASÍ and VSÍ. The aforementioned provisions supplement Chapter 13 of this Agreement.

2.9. Public holidays

Public holidays are all the public holidays of the National Church and all national public holidays, i.e. the first day of summer, 17 June and the Saturday before Easter Sunday. In addition, 1 May, which shall not be worked.

On Christmas Eve (24 December) and New Year's Eve (31 December), the daytime working period shall end no later than 12:00 noon.

According to Act No. 94/1982, the first Monday in August is a public holiday.

Major holiday work is on New Year's Day, Easter Day, Whit Sunday, Christmas Day, Good Friday, 17 June (the national day of Iceland), and Christmas Eve and New Year's Eve after 12:00 noon.

2.10 Work reports

An electrician shall, if so requested, submit work reports signed by a buyer or his representative, provided that such persons are present at the end of the working day.

If such persons are not present, the report is to be signed by an employer or floor manager. All work reports are to be prepared in duplicate, and the electrician shall keep a copy.

2.11. Absences

An electrician has no claim to wages for the working hours or parts thereof which he does not attend work, and neglected work hours shall be deducted from weekly pay according to the provisions of Articles 1.1 and 1.3.

In the event that an electrician does not attend work as provided for in this agreement, without reasonable cause, the employer may deduct the first half hour in the morning or part thereof from the weekly wage with overtime.

2.12. Preorganised work cancelled

If preorganised work over a weekend is cancelled with less than a four-hour notice, the employee is entitled to a special payment equivalent to two hours overtime pay.

This payment is cancelled if uncontrollable circumstances cause the cancellation of work.

2.13. Time off instead of work

Authorisation is granted by means of an agreement between the employee and employer that employees save up to 5 days of leave in such a manner that overtime work hours are saved up while overtime supplements are paid on the next wage payment date. Those wishing to take advantage of this right shall do so in consultation with their employer as regards when to use such days off.

Example:

The employee and the employer reach an agreement that the next eight overtime work hours are to be paid in the above manner.

Example:

ISK 100 per hour daytime wages

ISK 180 per hour overtime wages

According to the arrangement, the employees will be paid ISK 100–180 per hour on overtime while saving up leave time.

CHAPTER 3
Regarding meal and coffee breaks, meal and travel costs

3.1. Meal and coffee breaks

3.1.1.1 Meal and refreshment breaks during the daytime work period

The lunch meal break is one hour during the period from 11:30 to 13:00 and is not included in working hours. Employees and employers in each workplace shall reach an agreement on the actual period used for meal breaks. Agreements may be reached for shorter meal breaks.

Applicable to and including 31 March 2020:

There are to be two coffee breaks during daytime work, for a total of 35 minutes, and these are to be counted as working hours. Coffee breaks are to be taken from 9:00 to 10:00 and from 15:00 to 16:00.

Applicable as of 1 April 2020:

Coffee breaks during daytime work are a total of 35 minutes, taken before and after noon, and **are not considered working hours.**

Employees and employers in each workplace shall reach an agreement on the actual period used for coffee breaks. An agreement may be reached within the workplace to cancel one or both coffee breaks.

Overtime shall be paid if the lunch or morning/afternoon coffee break is worked. If only part of the meal or coffee break is worked, overtime shall be paid for such time.

3.1.2. Meal and refreshment breaks during overtime

Meal breaks during overtime are between 19:00–20:00 **(Applicable as of 1 April 2020:** Where refreshment breaks have been shortened or cancelled and attendance at the workplace shortened for this reason, the evening meal break may be moved to 18:00 provided that a meal break is taken and that work continues after the break.)

Mealtimes at night shall be from 03:00 to 04:00.

Coffee breaks during overtime shall be taken between 22:30–22:50 and 06:30–06:50.

All meal and refreshment breaks during overtime and public holiday work shall be counted as working time, and if employees work during them, then they shall receive pay for correspondingly longer periods of overtime work.

The length of refreshment breaks during weekends shall be the same as applies to working days.

3.2. Working within an area

3.2.1. Greater Reykjavík Area

Within the Greater Reykjavík Area, the employee is to travel in his own time and at their own cost to and from the workplace at the beginning and end of the working day. The employer is to pay for other travel between the workplace and the place of work. The Greater Reykjavík Area is limited to the municipalities of Reykjavík (excluding Kjalarnes), Mosfellsbær, Kópavogur, Seltjarnarnes, Garðabær, Hafnarfjörður and Álftanes. In the event of mergers with other municipalities, this does not affect the defined operational area. If the distance to a workplace is greater than one kilometre from the outer limits of continuous habitation, such workplace is considered to be outside the area according to Article 3.3.

If the employer requests that the employee use his own vehicle to transport materials, tools or equipment owned by the employer between his home and a temporary workplace at the beginning and end of a workday, the employer shall pay a special supplement, 15% of the kilometre fee as current, and a minimum of 8 and a maximum of 15 kilometres per day.

If the employer organises the work in such a way that the employee need to attend work on their own time and at their own cost to different workstations within the same month, three or more, the extra cost posed to the employee shall be met or an offer made to cover the cost of the employee from the workshop/operating unit of the employee during his personal time. Workplaces are considered separate if more than 2 km separate the workplaces. Outside the Greater Reykjavík Area, account is taken of an 11.11 km drive per day based on the driving fee of the State Travel Cost Committee.

3.2.2. Outside the Greater Reykjavík Area

Outside the Greater Reykjavík Area, the area to be taken into consideration is limited to a 12 km radius from the centre of each built-up centre. An employee, however, under such conditions, is entitled to transport paid by the employer if the workplace is further away than 5 km from the settled limits of the urban centre settlement in question or if the route driven is more than 12 m from the centre, but on his own time and without meal payments. The provision applies irrespective of municipal boundaries according to Article 3.5.1.

3.2.3. Travel time during piecework

Travel time during piecework, within the aforementioned areas (Article 3.2.1.), is included in the calculated time unit c.f. Article 1.7.

Work outside the area

3.3.1. In the event of work outside the area specified in Article 3.2.1., the employee must be transported to and from the workplace during work hours.

If the employee is sent to work in a location within 61 km from his fixed workplace, such employee is entitled to return home at the end of work and the travel time is considered as part of his working hours.

If the employee is away for longer than 24 hours undertaking services at sea involving maintenance or testing of equipment and machinery, a separate agreement must be reached for such travel.

3.3.2. Travel and meals; payments

Electricians shall be provided with free meals (food and coffee/tea) when working outside the area, provided that employees are not provided with a drive home or a canteen operated by the employer that is located in the workplace.

If the employee dines in the workplace, the meal break shall be a minimum of half an hour and the working day shall end correspondingly sooner, in accordance with the length of the mealtime break.

The above provision shall only apply, however, if the electricians are provided with appropriate heated housing to enjoy their meal.

3.4. Waiting time

If electricians who work outside the time limits specified in Article 3.2.1. are unable to leave the place of work at the end of the working day, due to the lack of transport vehicles or for other reasons, overtime shall be paid for the waiting time until they have been returned to the place (workshop) from where they normally work.

3.5. Working outside the jurisdiction

3.5.1. When working outside the jurisdiction of the municipality in question, the rules applicable to daytime work, overtime work, night shifts and work during public holidays, coffee and meal breaks, as provided for in this agreement, shall apply.

When working outside the jurisdiction of the municipality in question, wages are to be paid in accordance with Articles 1.1 and 1.3 from the time that the employee leaves for work until the time that he returns back home. Payment shall be made for the entire period required to reach the destination if the travel is over land or by air. If, on the other hand, the travel is by sea, the employee shall be paid fixed daily wages and shall be ensured rest if the travel arrangements call for night-time travel. Irrespective of whether travelling over land, by air or sea, wages are to be paid in accordance with these rules until such time as work can commence at the destination. The same provisions as stated herein shall apply to travel back home. In the event that work is not possible due to weather, lack of materials or for other reasons over which the employee has no control, full daily wages shall be paid.

When working outside the jurisdiction in question, electricians shall be provided with free transport during working hours to and from work each weekend if working up to 250 km from their legally registered place of work. Employees and employers may reach an agreement for other travel arrangements.

If the workplace is more than 250 km from the legally registered workplace, the provisions in the earlier paragraph apply, with the exception that there is no obligation to transport employees back to their legally registered workplace more often than every second weekend. The provisions of this Article as regards free transport between the worksite and the legally registered workplace and wage payments during transport shall only apply when employee travel is in consultation with the employer. Employers are permitted to divide return home travel between employees in such a manner that there as little disruption to the progress of the work as possible.

Anyone who does not present themselves at a specified location and time for travel must arrange and pay for their own travel.

All personnel transport shall be conducted using approved personnel transport vehicles. In the event that travel is impossible due to unforeseen circumstances, the employer cannot be held liable for its cancellation and delay to the following weekend.

3.5.2. Travel insurance

Employers are to purchase separate insurance for electricians when they travel at the request of the employer.

3.5.3. Accommodation and meals

When working outside the jurisdiction of the relevant municipality, electricians shall be provided with free accommodation and meals at the worksite.

The accommodation shall be heated and cleaned. Beds are to be padded benches or beds with mattresses, and covers shall be included with each bed. All cleaning operations shall be in accordance with the provisions of the appropriate health statutes or according to the instruction of the regional physician.

As a rule, employees are to be accommodated in single-person rooms.

3.5.4. Absence supplement

If an employee is sent by the company to work in Iceland at a distance from his workplace, an absence supplement of one hour shall be paid for each night in excess of four nights.

3.5.5. Per diem payments during travel abroad

Payments of per diem allowances to employees for travel abroad shall be subject to the decisions of the Government Travelling Expenses Committee unless the company has special rules on the payment of travelling expenses.

If the employee requests that per diem payments are paid before the beginning of travel, the employer shall make such payment.

In the event that the employee, at the request of the employer, needs to travel during unpaid days off, he must receive, on arrival back home, leave corresponding to 8 daytime work hours for each day off thus lost, provided that account has not been taken thereof in the determination of his wages. As regards the use of such days off, reference is made to Paragraph 6 of Article 2.7.2.

CHAPTER 4
About annual leave

4.1. Holidays

Holiday allowance is governed by Act No. 30/1987.

According to the Act, the minimum holiday allowance shall be two days for each worked month, or 24 working days per year. Annual holiday allowance shall be 10.17% of all wage payments, whether at daytime rates, overtime rates or other wages.

An employee who has worked for 5 years in the same industry is entitled to a holiday allowance of 25 working days and a holiday pay of 10.64%.

An employee who has worked for 10 years in the same industry is entitled to a holiday allowance of 27 working days and a holiday pay of 11.59%.

Enters into effect on 1 May 2021:

An employee who has worked for 10 years in the same industry is entitled to a holiday allowance of 28 working days and a holiday pay of 12.07%. The increase in the holiday allowance enters into effect on 1 May 2021 so that the higher holiday pay percentage is paid from that date. The increased holiday allowance, therefore, will be available during the holiday reference year beginning 1 May 2022.

An employee who has worked for 5 years in the same company is entitled to a holiday allowance of 28 working days and a holiday pay of 12.07%.

An employee who has worked for 10 years in the same company is entitled to a holiday allowance of 30 working days and a holiday pay of 13.04%.

An employee who has earned holiday rights because of work for the same employer will be renewed after three years' work for a new company, provided that this has been verified.

The training period of apprentices in a company is regarded as working time in the industry or as work within the same company.

4.2. Holiday period

At least 20 working days of holiday time must be granted during the period between 2 May and 15 September.

Holiday in excess of 20 days may be granted during the defined holiday period from 2 May to 15 September unless other arrangements are negotiated. If an employee requests to use his holiday entitlement outside the aforementioned period, such request shall be granted to the extent possible given the nature of the operation.

Those who do not receive 20 holiday days during the summer holiday period due to the request of the employer are entitled to a 25% extension of the part of the holiday leave remaining of the 20 days.

Efforts must be made to ensure that holidays are taken during the period from 1 June to 15 September.

4.3. Illness and accidents during holidays

In the event that an employee falls so ill while on holiday in Iceland, in a country within the EEA area, Switzerland, the US or Canada that he is unable to enjoy the holiday, he must notify his employer of such event on the first day of illness by means of e.g. telegraph, e-mail or other verifiable manner unless force majeure circumstances prevent him from doing so, in which case he must send notification as soon as such circumstances are alleviated.

If the employee meets the notification requirement, the illness lasts for more than 3 full days and he notifies the employer within that time of the name of the doctor from whom he is receiving medical care or who will issue a medical certificate, he shall be entitled to additional holiday leave for the same length of time as his illness demonstrably lasted. In the above circumstances, the employee must always provide confirmation of illness in the form of a medical certificate. The employer is entitled to have a physician examine an employee who has fallen ill during his holiday. As far as is possible, additional holiday leave shall be granted at the time requested by the employee during the period from 2 May to 15 September, except where special circumstances apply. The same rules as stated above apply to accidents during holidays.

CHAPTER 5
Special company agreement provisions

5.1. Definition

Company agreement (workplace agreement), within the meaning of this Chapter, is an agreement between a company and its employees, all or a specific proportion, on the adaptation of collective wage agreements to the needs of the workplace.

A company agreement, negotiated on the basis of this Chapter, is not a collective wage agreement, as employer and union associations are not parties thereto. Reference is made to Article 5.5. as regards the involvement of these parties in the negotiations.

5.2 Objective

The aim of the company provisions in this Collective Wage Agreement is to stimulate collaboration between employees and employers in the workplace with the aim of creating conditions for improved terms of service for the employees through increased productivity.

The aim is to develop collective agreements so that they will bring benefit to both parties. Amongst other things, the aim is to shorten working hours while maintaining or increasing productivity. The aim at all times is to be that defined gains should be apportioned between the employees and the company according to clear principles.

5.3. Authorisation to negotiate

Negotiations on company agreement provisions [agreements with individual enterprises] shall be held under the obligations of general collective agreements to pursue peaceable means and shall be adopted with the consent of both parties. In addition, it shall be stated in writing to whom the agreement is intended to apply.

As a rule, the company provisions apply to all employees covered by the collective wage agreements negotiated by the relevant unions. Special agreements, however, may be made in individual delineated workplaces if this is agreed.

When a decision has been made to hold negotiations, then the relevant unions and SA (Confederation of Icelandic Employers) shall be notified.

5.4. Consultants

Both parties – the employees and the management of the company – shall have the right to seek assistance from consultants during negotiations.

5.5. Representatives of the employees – representation in negotiations

Trade union shop stewards shall represent employees in negotiations with the managers of the company. The representative of the union in question has full rights to participate in the negotiating committee if requested. A shop steward may have an additional two to five persons elected, depending on the number of employees, to sit on the negotiating committee, and together they shall form a joint negotiating committee.

The shop steward and the elected members of the negotiating committee shall be guaranteed a normal amount of time during working hours in which to attend to preparations and negotiations. They shall also enjoy special protection in their work, and they may not be made to suffer for the work they do in the negotiating committee. Thus, they may not be dismissed from their jobs because of their work in the negotiating committee.

At workplaces where the shop stewards are members of two or more trade unions, they shall jointly represent the employees in cases where the special company agreement affects their position. In these cases, care must be taken to ensure that representatives of all divisions of the occupational sector concerned take part in the negotiations; this shall be done even if it means expanding the negotiating committee.

Where no shop stewards have been appointed, the union of the employees involved may take steps to have a negotiating committee elected.

5.6. Dissemination of information

Before a special company agreement is negotiated, the managers shall inform the shop stewards and other members

of the negotiating committee of the company's standing, future prospects and staffing policy.

Shop stewards shall have the right to information on wage payments at the workplaces where they are representatives to the extent necessary to apply the provisions of the special company agreement.

During the period of validity of the special company agreement, shop stewards shall be informed twice each year of the matters mentioned above and the operational direction the company is focused on. They shall be bound by an obligation not to disclose this information to the extent that it is not under public discussion.

An agreement reached on the basis of this section shall be accessible to the employees of the company involved. Unauthorised persons may not be informed of its content.

5.7. Permitted adaptations

Under an agreement within the company between the employees and the company, the provisions of this Agreement may be adapted to the needs of the workplace by introducing variations regarding the following matters, providing that agreement is reached on remuneration to the employees.

a) Four-day working week. The full week's daytime working obligation may be discharged in four working days where this is not prevented by law or other agreements.

b) Shift work. An agreement may be reached on the introduction of shift work with at least one month's notice. Shift periods shall not last for less than one month at a time.

c) After-hours/overtime supplement in the basic daytime rate. Part of the overtime supplement may be incorporated in the base rate for daytime work.

d) Leave entitlement for overtime. An agreement may be reached under which workers may accumulate overtime working hours and take the same number of hours of leave on working days outside the company's busiest periods. Overtime hours may be accumulated and should be paid for in the form of taking leave for the equivalent number of daytime hours, but the supplementary payment for overtime work is to be paid in cash.

e) Refreshment breaks. Agreements may be reached on arrangements different from those in this Collective Wage Agreement regarding meal and refreshment breaks.

f) Holidays. Part of the annual holiday entitlement may be used to reduce the level of activity or to close the company on certain days outside its busiest period.

g) Performance-related wage system. Where considered appropriate by both parties, a performance-related wage system may be developed without formal studies of the work structure. This does not apply to construction workers or electricians.

h) Transfer of holidays falling on Thursdays. It may be agreed at a workplace to transfer leave in connection with the contractual holidays Ascension Day and the First Day of Summer, both of which always fall on a Thursday, to another working day, e.g. Friday or Monday, or to link it to other leave taken by the employees. In this case, the same wages will be paid for these days as for other working days, and the workers will retain their daytime pay when they take days off on the new holidays. If employees are specially requested to work on the new holidays, they shall be paid overtime rates in addition to daytime rates unless other provisions are made in collective agreements regarding shift work. If an employee has not taken the day off when he leaves the employ of the employer, payment shall be made for it in his final wage settlement, at the rate for 8 daytime working hours (based on full-time employment).

Deviations from the general rules of this Agreement over and above the limits set out above shall be permitted only in cases where the approval of the union and employers' association involved has been obtained.

5.8. Remuneration to the employees

Where an agreement is reached on the adaptation of the provisions of this Agreement to the needs of the company, or on other deviations from the agreed work structure, then an agreement shall also be reached on the employees' share of the benefits that the company derives from these changes.

The employees' share may take the form of a reduction in the number of working hours without a corresponding reduction of income, the payment of a fixed sum each month or each quarter, a supplement reflecting their competence, a percentage supplement on their wages, a fixed sum added to their hourly rates or some other form, depending on what is agreed. The benefit to the company, however, and the remuneration to the employees must be clearly stated in the agreement. Both these elements are deviations from this

Agreement and may be abolished by termination under Article 5.9.

5.9. Entry into effect, scope and period of validity

Special company agreements shall be made in writing and shall be referred for approval to all those to whom they are intended to apply in a secret ballot organised by the employees' negotiating committee. An agreement shall be considered as being approved if it receives the support of the majority of the votes cast. The trade union involved shall establish whether the deviations that are agreed from regular terms, and the remuneration in return for them, are compatible, as a whole, with the provisions of law and collective agreements regarding minimum terms. If no notification to the contrary is received within four weeks, then the agreement shall be regarded as having been approved by both parties.

A special company agreement may be made for a trial period of up to six months, after which its contents shall be finalised in the light of experience. Otherwise, its period of validity shall be unlimited. Either party may request a review when one year has elapsed. The parties shall enter into negotiations on the review and renewal of the special company agreement no later than two months after the entry into effect of the main Collective Wage Agreement. If no agreement on amendments is reached within two months, either party may terminate the agreement with six months' notice, counting from the beginning of a month. When that period has expired, then both the amendments agreed and the employees' share in the gains shall cease to apply. In order for termination to be binding, it must receive the support of the majority of the employees concerned in a ballot of the same type as was held when the agreement took effect. If the employer terminates the special company agreement provisions, then wage increases according to them shall only be retracted to the extent involved in the additional costs resulting from the re-adoption of the former contractual provisions.

5.10. Effect of special company agreements on terms of employment

Changes in terms of employment resulting from special company agreements shall be binding for all the employees involved if they do not formally inform the managers of the company and the

employees' negotiating committee of their opposition to the making of the agreement before it is put to a vote.

The provisions of the special company agreement shall apply equally to those workers who are in employment at the time that the agreement is approved in accordance with the provisions of this section and those who are engaged for employment subsequently, providing that they are informed of them at the time of their engagement.

5.11. Shortened working hours

On the basis of a majority approval during a vote, employees are entitled to request negotiations for shortened working hours to an average of 36 working hours per week and the cancellation of coffee breaks according to Article 3.1.2. in the Collective Wage Agreement. Company managers can also request such negotiations.

During negotiations, proposals will be set forth for the arrangement of breaks with the goal of achieving mutual benefits and improving the utilisation of working hours wherever possible.

If formal coffee breaks are discontinued, the benefits of better use of working hours and increased productivity are divided between the employees and the employer. The employees' share involves an additional shortening of active working hours.

Additional shortening of active working hours:

If an agreement is reached on the cancellation of coffee breaks, the active working hours will be 36 hours per week without any reduction to the monthly wages (the divisor for daytime hourly rates will be 156 instead of 160, with a 2.56% increase in daytime hourly rates. Overtime hourly rates do not change).

The arrangement of the shortening of active working hours can take a number of forms, e.g.:

1. Flexible rest breaks from work, one or more
2. Lunch break is extended
3. Each working day is shortened, the agreed number of workdays is shortened or one day in the week is shortened
4. The reduction is accumulated for time off during a whole or half day
5. Mix of the above measures

In cases where the active working hours are shortened to 36 hours per week and the divisor used to calculate the hourly rate is 156, 2 hours of overtime is paid for work in excess of an average of 40 hours per week per month / wage period.

The representatives of the parties are fully involved in negotiations pursuant to this Article.

Article 5.9. shall apply to the entry into effect and voting on the agreement.

44 Reservation: The Icelandic version always takes precedence in the event of dispute

Dæmi um útfærslu innan fyrirtækis
Óbreytt
Óbreyttur vinnutími
Starfsdagurinn helst óbreyttur.
Sérhver vinnudagur helst óbreyttur og kaffitími er ekki greiddur.
1
Styttri vinnudagur
Starfsmenn og vinnuveitendur komast að samkomulagi að nýta styttingu á hverjum degi.
Sérhver vinnudagur styttist um 48 mínútur.
2
Styttri vinnuvika
Starfsmenn og vinnuveitendur komast að samkomulagi að nýta það í lok hverrar viku og ljúka störfum rétt fyrir hádegi á föstudegi.
Hver föstudagur styttist um 192 mínútur (3 klst. og 12 mínútur).
3
Frí annan hvern föstudag
Starfsmenn og vinnuveitendur komast að samkomulagi að nýta það í lok annarrar hverrar viku og taka frí annan hvern föstudag.
Annar hver föstudagur er viðbótar frídagur.
4
Styttri vinnudagur þar sem vélar stjórna hraða
Starfsmenn og vinnuveitendur komast að samkomulagi að nýta styttingu á hverjum degi.
Hvíldarhlé útfærð á hverjum vinnustað eftir þörfum og aðstæðum.

5.12. Handling of disputes

In the event that no agreement is reached in the workplace regarding the shortening of working hours according to Article 5.11., both employees and the employer may refer the dispute to the negotiators, the union in question and SA (Confederation of Icelandic Employers).

In the event of a dispute within the company on the interpretation or application of a special company agreement that cannot be resolved by negotiations between the parties at the workplace, the employees and the employer may seek the assistance of the union in question and SA or entrust both these entities with the resolution of the dispute.

If no agreement is reached on the assessment of the effects of termination under the final sentence of the second paragraph of Article 5.9., either party may refer it for a ruling by an impartial party that both parties accept. 65% of the resulting expenses shall be paid by the company and 35% by the employees.

5.13. Standardised, optional special company agreement provisions (effective as of 1.1.2002)

If no agreement has been reached on the basis of this Chapter as regards the arrangement of working hours, the employees of a company may vote to adopt standardised special company agreement provisions provided for in the collective wage agreement.

The standardised special company agreement provisions provide for 36 hours and 15 minutes of active working hours per week on average (average of 7 hours and 15 minutes of active working hours per day). If no agreement is reached on the arrangement the shortening of active working hours, these shall be 7 hours and 15 minutes per day.

The divisor used to calculate the hourly rate will be 157.08, and 2 hours of overtime is paid for work in excess of an average of 40.25 hours per week per month / wage period.

Daily attendance in the workplace is considered active working hours in addition to the time that the employee is not working.

The adoption of the standardised special company agreement provisions does not affect the working hours in workplaces where the active working hours are shorter than 36 hours and 15 minutes.

The standardised special company agreement provisions shall enter into effect at the beginning of the second month from the date when their adoption was approved following a secret ballot according to Chapter 5 of the collective wage agreement. The shop steward for employees shall manage such voting.

If an agreement is reached on other arrangements for working hours on the basis of this Chapter, the standardised special company agreement provisions shall be cancelled at the same time.

CHAPTER 6
Priority rights to employment

6.1. Preferential right

The members of RSÍ member associations have priority rights to employment in electrical disciplines, provided that the associations are open to all industrial workers in the industries. The associations also undertake to encourage their members to work in companies that are members of SART or SA rather than those who stand outside these associations.

6.2. Accepting apprentices

Only employers in the electronics industry who employ, as a rule, at least one electrician, may accept apprentices. Such apprentices must have completed the first stage in vocational training school (basic programme).

6.3. Transfers from associations

If a member of RSÍ receives certification and begins independent operations, such member must resign from the RSÍ association no later than three months after receiving certification. RSÍ shall inform SART of the names of those who resign from the association for this purpose, and SART member associations undertake to deny membership to such parties as are involved in unsettled disputes with RSÍ or its member associations.

If a member of SART discontinues working as a certified electrical contractor and is employed by a certified electrical contractor, such member shall resign from the member association of SART within three months. SART shall inform RSÍ of the names of those who resign from the association for this purpose, and RSÍ member associations undertake to deny membership to such parties as are involved in unsettled disputes with SART or its member associations.

6.4. Preparation of offers

Electricians within RSÍ may not submit offers for electrical work in competition with members of SART or contractors in

electronic and fine mechanics unless they have resigned from an employer with requisite notice and applied for certification, provided they resign from an RSÍ member association in accordance with the provisions of Article 6.3.

CHAPTER 7
Facilities, safety and health

7.1. General provisions on health and safety in the workplace

Common medicines and medical equipment shall be available in the workplace for use in first response in accidents.

Medicines and medical equipment shall be stored by and are the responsibility of the employer and shop stewards. The utmost care must be taken in all work, and the employer shall supply electricians with the appropriate safety equipment, such as safety goggles, helmets, safety harnesses, work platforms, etc., where conditions require such equipment in the opinion of the Administration of Occupational Safety and Health. The parties to the agreement shall make every effort to ensure that employees in the electrical industry use the necessary safety equipment at all times.

In addition, care must be taken to ensure that all arrangements of machinery and equipment in the workplace are acceptable, in accordance with laws and regulations on safety measures in the workplace.

Employees are to undergo a medical examination at least once a year. Medical examinations are to be organised by the employer and the employees' shop stewards. New employees must always, on recruitment, submit a health certificate stating e.g. that they do not have an infectious disease.

7.2 Facilities in workshops

Electricians shall have access to personal closets/lockers, where they can store work clothing and clothing they use on the way to and from work, in separate compartments.

Working areas must be sufficiently ventilated in locations where there is a risk of the air being saturated with smoke, dust or other unhealthy fumes. The heating of working areas must acceptable depending on conditions.

Work areas are to be bright and have sufficient lighting. Work areas are to be cleaned as needed. Workshops shall have canteens and be equipped in accordance with the requirements of the Administration of Occupational Safety and Health.

Regarding wash basins and lavatories in the workplace, the rules of the Administration of Occupational Safety and Health must be complied with. Cleaning facilities such as wash basins and lavatories shall be kept clean. Hand towels are to be paper towels or air dryers. If there are shower/bathtub facilities in the workplace, the employees are responsible for supplying their own towels.

7.3. Eye and vision protection

Reference is made to Regulation No. 498/1994 on screenwork as regards the eye and vision protection of employees.

7.4. Awards for facilities and occupational health

The parties shall create a committee that shall grant awards to companies that are particularly successful and are role models as regards facilities and occupational health.

CHAPTER 8
Occupational accidents, occupational accident insurance and the payment of wages in cases of illness or accident

8.1 Wages paid during absences due to illness or accidents

8.1.1 The employee earns the right to pay absences traced to illness or accidents as follows:

During the first year of employment with the same employer: two days at the fixed wages for every worked month.

After one year of continuous employment with the same employer: one month at the fixed wages.

After three years of continuous employment with the same employer: two months at fixed wages.

After five years of continuous employment with the same employer: two months at fixed wages and one month at the day-work pay.

8.1.2 Total entitlement over a 12-month period

The right to pay during absence due to illness or accident according to Article 8.1.1. is the total entitlement over a 12-month period irrespective of the type of illness.

Notes:
Illness rights are based on paid illness days during a 12-month wage period. When an employee becomes unable to work, account is first taken of the number of illness days that have been paid during the preceding 12 wage months and this number deducted from accrued illness rights. In the event that an employee was not been paid a wage during some of that period, such period is not included in the calculations.

8.1.3. Accidents at work and occupational diseases

If an employee becomes incapable of working due to an accident at work or if the employee has an accident on his direct route to or from work, as well as if an employee becomes ill from a work-related illness, the employee shall maintain his day-work pay for three months in addition to that specified in Article 8.1.1.

Notes:
Inability to work due to accident can either manifest itself immediately after an accident or later. Proof and causal connection are governed by general rules.

The above rights are independent rights and do not affect the employee's other sick-leave rights.

8.1.4. Wage terms

Regular wage

Regular wage means the daytime wages together with fixed regular overtime. Overtime in the sense of this Article is considered fixed and regular if present continuously for the past four months.

Daytime wages

Daytime wages means the regular wage for work performed during daytime work hours, together with extra payments other than expense payments.

8.1.5. Sick-leave rights of employees employed in piecework

The fixed wage of an employee undertaking piecework, within the sense of Article 8.1.4., is the fixed wage, daytime wages and overtime wage if appropriate. In addition to these rights is an increased sick-leave according to Article 1.8., Item 6. This is considered to be full payment for the illness and accident rights of employees undertaking piecework.

8.1.6. Transfer of accrued rights

An employee who has accrued a two-month sick-leave right after three years continuous employment by the same employer and who begins work for another employer within 12 months, retains fixed wages for 10 days provided that the end of employment for the earlier employer was within normal practices. The employee gains better rights after six consecutive months of employment for the new employer, cf. Article 8.1.1.

An employee who has accrued a three-month sick-leave right after six consecutive months of working for the same employer retains, with the same conditions, the right to fixed wages for

one month if he begins working for another employer within 12 months. The employee gains better rights after three consecutive years of employment for the new employer, cf. Article 8.1.1.

8.1.7. Medical certificate

The employer may require a medical certificate showing that the employee has been unable to work due to illness or accident.

The employer shall pay for the medical certificate, provided that the employer has been notified of the illness immediately at the start of the illness.

8.2. Children's illnesses and leave due to circumstances beyond the individual's control

8.2.1 After the first six months of work for an employer, parents may spend two days for each worked month looking after their children under the age of 13, provided that no other arrangements can be made to have them cared for. The same applies to children under the age of 16 when their illness is so severe that they need hospitalisation for at least one day. After 6 months' employment, the entitlement will be 12 days during each 12-month period. Parents retain their daytime wages as well as supplementary payment for shift work as appropriate.

The term parent in the first Paragraph also refers to foster parents or guardians who support a child and act in lieu of parents.

8.2.2 Employees are entitled to leave from work in the event of circumstances beyond their control (force majeure) and in the event of urgent family circumstances resulting from illness or accidents and necessitating their presence without delay.

The employee is not entitled to wages from the employee in the above cases, cf. however, Article 8.2.1.

8.3. Per diem payments

Per diem payments from Tryggingastofnun ríkisins (the Social Insurance Administration) and/or health insurance plans and according to occupational accident insurance are paid to the employer as long as the employer pays the employee's wages during the absence.

8.4. Medical expenses due to an occupational accident

In the event of accidents at work, the employer shall pay the cost of transporting the injured person to his home or a hospital and will pay normal medical expenses for up to four weeks in each case, other than those paid by social security.

Accidents occurring on a direct route to and from work are considered accidents at work as regards medical and transport costs.

8.5. Insurance against death, accident and disability

8.5.1 Scope

Employers are obliged to insure the wage earners covered by this Agreement against death, permanent medical disability and/or temporary disability resulting from an accident at work or on a normal route from their homes to the workplace and from the workplace to their homes as well to and from the workplace during refreshment breaks. If an employee stays outside of his home because of his work, the venue where he stays replaces the home, and in such instance, the insurance also covers normal travel between the home and the venue of stay.

The insurance applies during travel within Iceland and abroad if undertaken on behalf of the employer.

The insurance applies to accidents occurring during sports activities, competitions and games, provided that such events are organised by the employer or the staff association and the employee is expected to participate in such events as a part of the employee's work. In this respect, it does not matter whether or not the accident occurs during normal working hours. Exempted are accidents that occur in boxing, any form of wrestling, driving sports, hang-gliding, sailplaning, bungee-jumping, mountain climbing that requires special equipment, cliff rappelling, scuba diving and parachuting.

The insurance does not pay compensation for an accident resulting from the use of registered motor vehicles in Iceland and which is subject to liability pursuant to mandatory vehicle

insurance, nor the liability insurance or accident insurance of the driver and the owner according to the Traffic Act.

8.5.2. Entry into effect and expiry

The insurance shall take effect with respect to the employee when he begins working for the employer (is added to the payroll roster) and expire when employment is terminated.

8.5.3. Price index and indexation of compensation

Insurance amounts are based on the consumer price index for inflation adjustment effective from 1 April 2019 (462.9 points) and are adjusted on the first day of each month in proportion to the adjustment of the price index.

Compensation amounts are calculated on the basis of the insurance amounts on the date of the accident but are adjusted, however, on the basis of the consumer price index as follows:

Compensation amounts change in direct proportion to changes in the price index from the date of the accident to the date of settlement.

8.5.4. Death benefits

In the event that an accident causes the death of the insured within three years from the date of the accident, the beneficiaries shall be paid death benefits, less already paid-out benefits for permanent medical disability resulting from the same accident.

Death benefits as of 1 April 2019:

1. To the surviving spouse, the benefits shall amount to ISK 8,190,021.

   The term spouse refers to an individual who was married to the deceased, in registered partnership or common-law marriage.

2. To each minor that the deceased had custody of or paid child support for in accordance with the Children's Act No. 76/2003, the benefits shall be equivalent to the total amount of child support in accordance with the Social Security Act, as current, to which the child would have been entitled due to the death until the age of 18. The benefits are paid in a lump sum. On the calculation of benefits, account shall be taken of child support on the date of death. Benefits to each child, however, shall never be less than ISK 3,276,008. Benefits to children shall be paid to the party who has custody of them after the death of the insured. To each adolescent aged between 18 and 22 who has the same

domicile as the deceased and who were demonstrably supported by the deceased, the benefits shall amount to ISK 819,002. If the deceased has been the sole provider of a child or young person, the benefits increase by 100%.

3. If the deceased demonstrably supported a parent or parents aged 67 or more, the surviving parent, or parents jointly, shall receive benefits amounting to ISK 819,002.

4. If the deceased had no spouse pursuant to Item 1 above, then death benefits amounting to ISK 819,002 shall be paid to the estate of the deceased.

8.5.5. Compensation for permanent disability

Compensation for permanent disability shall be paid in proportion to the medical consequences of the accident. Permanent disability shall be evaluated according to injury indices issued by the Disability Committee. The evaluation shall be based on the health of the injured party as it is when it has stabilised.

The base amount of disability compensation is ISK 18,673,248. Compensation for permanent disability shall be calculated in such a manner that ISK 186,732 is paid for each disability degree from 1 to 25, ISK 373,465 is paid for each degree of disability from 26 to 50 and 746,930 for each degree of disability from 50 to 100. Compensation for 100% disability, therefore, is ISK 51,351,433.

Disability compensation, moreover, shall take account of the age of the injured party, so that compensation decreases by 2% for each year past the age of 50. After the age of 70, the compensation shall decrease by 5% of the base amount for each year. However, the age-linking of disability pension shall never lead to greater curtailment than 90%.

8.5.6. Compensation for temporary disability

In the event that an accident causes temporary disability, the insurance shall pay a per diem sum in proportion to the loss of working capacity, starting four weeks after the accident occurred and lasting until the employee is fit for work or until a disability assessment has been made, but it shall not be made for more than 37 weeks.

Per diem payments for temporary disability are ISK 40,950 per week. If the employee is able to work to some extent, the per diem payments shall be paid proportionately.

Per diem payments are made by the insurance to the employer during such time as the employee is paid a wage in accordance with collective wage agreements or an employment contract and subsequently made to the employee.

8.5.7. Obligatory insurance

All employers are under obligation to purchase an insurance from an insurance company holding an operating permit in Iceland that meets the above conditions of collective agreements as regards accident insurance.

In respects other than provided for in this section of the Agreement, the terms of the insurance company in question and the applicable provisions as are contained in the Act on Insurance Contracts No. 30/2004 shall apply.

CHAPTER 9
Regarding tools and working clothes

9.1. Tools used by electricians

9.1.1 List of tools used by electricians who supply their own tools (**effective as of 1 April 2020):**

1 insulated knife
1 elco knife
Hammer
Hacksaw
Tape measure, 5 m
Pencil
Set of spanners 7–19 mm
5–10 hex keys in a set
Tongue-and-groove pliers
Cutting pliers
1 narrow tong (straight)
1 narrow tong (curved)
5 types of screwdrivers, 1000v
2 files
1 testing pen (electricity)
2 bendy springs, 16 mm, 20 mm
1 straight tin-plate cutter
1 wire-end plier 0.5–10 mm
1 small spirit level
Battery-powered drill without percussion, min 12v
Multimeter, cat3 600V
Flashlight
Tool case
Fire and theft insurance

9.1.2. The tools fee of electricians is **6.0% of the hourly rate for daytime work from 1 April 2020,** and the same amount is paid for all worked hours. Holiday pay is paid on the tools fee. The tools fee must be specifically identified on pay slips.

The employer may reach an agreement for the supply of tools together with a tools list. In such case, tools payments are cancelled, provided that the journeyman in question agrees.

9.1.3. Employees must have access to lockable storage space in the workshop.

Protocol on the tools fee of electricians:

It is the shared understanding of the parties to the agreement that tools fees are not paid during sick-leave or during public holidays (red days).

9.2. Tools used by electricians in workshops

9.2.1. List of tools used in workshops by electricians who supply their own tools:

1 multimeter
1 set of small screwdrivers (watchmakers' screwdrivers)
6 screwdrivers of differing sizes
1 set of wrenches (small)
1 adjustable spanner
1 side-cutting pliers
1 needle-nose pliers
1 needle-nose pliers (curved)
1 straight combination pliers
1 knife
1 pinsette
1 soldering iron w/ heat control or of equivalent quality
1 soldering iron holder
1 desoldering suction pump
1 set of trim tools
1 piang
1 toolbox

9.2.2. The tool fees of electricians in workshops are 3% of wages. Tool fees are calculated on both day and overtime wages. The tools fee must be specifically identified on pay slips.

The employer is to provide lockable storage, a cabinet or drawer for tools.

9.3. Tools used by electricians in ships

9.3.1. List of tools used in ships by electricians who supply their own tools:

1 multimeter
1 soldering iron 230v
2 soldering irons 24v or gas soldering iron
1 wrench set, small
6 screwdrivers of differing sizes
2 adjustable spanners of differing sizes
2 needle-nose pliers, different sizes
1 side-cutting pliers
1 tongue-and-groove pliers
1 flashlight
1 small hammer

2 sets of hex keys, mm and inches
1 hacksaw, small
1 measuring tape or folding metre rule
5 metal drills, 2-3-4-5-6 mm
1 pocketknife
1 awl
1 piang
2 mandrels, 2–3 mm
1 stripper pliers
1 chisel
1 Toolbox

9.3.2. The tool fees of electricians in workshops are 4.8% of wages. Tool fees are calculated on both day and overtime wages. The tools fee must be specifically identified on pay slips.

9.4. Tools from employers

Electricians shall handle the tools supplied by the employee with proper care and respect.

9.5. Fire insurance

The employer is under obligation to purchase fire insurance for the clothes and necessary equipment of employees, including tools and instruments in the workplace. The fire and theft insurance, however, is included in the tools fee paid to electricians.

9.6. Damages to necessary items

If an employee suffers damage to ordinary, necessary clothing or personal items, such as a wristwatch, spectacles, etc., in the course of his work, compensation shall be paid in accordance with an assessment of the value involved. Compensation will only be paid for damage of this type if it occurs as a result of an accident in the workplace. Compensation will not be paid for such damage if it occurs as a result of negligence or carelessness on the part of the employee. The same applies if the employee suffers damage caused by chemical materials.

CHAPTER 10
Grant and holiday fund premiums, pension funds and the Vocational Rehabilitation Fund

10.1 RSÍ's Grants Fund

Employers are to pay 1% of wages into the RSÍ Grants Fund.

10.2. Holiday funds of RSÍ and SART

Employers are to pay 0.25% of the wages of electricians into the RSÍ Holiday Fund and the same percentage of paid-out wages into the SART Holiday Fund. The Stafir Pension Fund is responsible for collecting the contributions.

10.3. Pension fund

10.3.1 Premiums paid into Birta Pension Fund are paid for all wage earners aged 16 and older who are paid wages in accordance with this agreement or a proportion thereof. The premiums are 15.5% of all wages, of which employers pay 11.5% and wage earners 4%.

10.3.2 Additional contributions to pension savings

If the employee makes an additional contribution of at least 2% to a supplementary savings fund, the matching contribution from the employer shall be 2%.

10.4. Vocational Rehabilitation Fund

10.4.1. Employers pay a contribution to Virk – Vocational Rehabilitation Fund as provided for in Act No. 60/2012.

CHAPTER 11
Membership fees

11.1 Collection of membership fees

The employer is under obligation to withhold from the wages of each electrician working for him, the fees that each employee is under obligation to pay to RSÍ and member associations and to deliver them to the representatives of RSÍ or its member associations as such entity collects the fee from the employer. Such payment is in accordance with a list provided by RSÍ or its member associations to the employer.

CHAPTER 12
Continuing education fee

12.1 Continuing education fee

Employers shall pay 1.1% of wages to a continuing education committee. The fee for electricians is calculated as 1.2% according to Article 15.1.

12.2. Continuing education programmes

Electricians shall have the option of attending industry-related course programmes held by the educational institutions of the association of employers and employees in the electricity industry to follow developments in the electrical industries. The assumption is made that employees can spend up to 16 daytime hours attending study programmes without curtailment of fixed wages, with the proviso, however, that at least half of the study programme hours are in their own time. Both electricians and the company may take the initiative regarding time spent on study programmes. Time for course attendance shall be chosen taking into consideration the project status of the company.

In the event that more than two years elapse between study programmes, this does not lead to more than 24 daytime hours entitlement unless specifically negotiated or such circumstances have been created due to project status within the company.

Electricians that have worked for three consecutive years in the same company shall, every two years, be ensured the right to up to 40 daytime hours for study programme attendance relating to professionally related courses without curtailment of fixed wages, with the proviso, however, that at least half of the study programme hours are in their own time. This entitlement replaces the entitlement stated in Paragraphs 1 and 2.

In the event that the employee is required to attend a study programme useful for the position he fills in the opinion of the employer, the study programme attendance according to Paragraphs 1–3 shall not lead to reductions in fixed daytime wages.

When an employer pays study programme fees for programmes that are generally useful in the industry, the employer may require a refund of the programme fee from the employee if

said employee leaves his employ within a certain period (e.g. 6 months) from the time that the study programme ended. The refund is proportionate based on the time remaining of the period when the contractual notice period ends.

Such conditions for refund can only be seen as valid if the employee has verifiably been informed of it before being registered for a training course. Refunds can only cover the cost that are covered by the employer after having taken into account any grants that the employer may have received from the educational funds that employment sectors provide for education.

On 1 April 2020, the number of hours changes in accordance with the adoption of active working hours, i.e. each day is counted as 7.4 hours instead of 8 as was previously the case.

RSÍ and SART are members of Nordic co-operation as regards education within the electronics industry sector (NEUK) and undertake to consult therewith and co-operate thereto as regards continuing education in the electronics industry.

Permanent employees shall have the option of participating in courses in first aid at least once a year per each 4-year period without any deduction of fixed wages. The company pays for such courses.

CHAPTER 13
Termination of employment

13.1. Absences

If an electrician comes to work half an hour too late for three days or more in the same week without having a valid reason to do so, the employer may terminate his employment without notice, provided that the electrician has received prior warning and has not improved his behaviour. The same applies in the event of long-term absence from work without permission or valid reason.

The provisions of this Paragraph apply to workplaces in which there are time-stamp clocks for employees or in cases where the person in question is given written warning to make sure that real negligence has occurred.

13.2 Notice period for termination

The notice period for both the employer and the electrician shall be one month. When electricians are employed for a specific period, no notice of termination is necessary unless the electrician has worked for four or more consecutive weeks.

13.3 Termination of employment according to Act No. 19/1979

In other respects, termination of employment shall be governed by Act No. 19/1979.

Article 1.

In cases where labourers have served continuously for a year with parties engaging in business operations within the same trade, they are entitled to one month's advance notice of termination of employment, provided that notice of termination with former employers has occurred in a lawful manner.

Labourers having been engaged with the self-same employer continuously for three years are entitled to two months' advance notice of termination.

Following upon five years of continuous engagement with the self-same employer, labourers are entitled to three months' advance notice of termination.

Labourers are considered to have worked within a trade or to have been engaged with an employer for one year if they have served a total of at least 1550 hours during the last 12 months, thereof at the least 130 hours during the last month prior to notice of termination. In this connection, absence on account of illness, accidents, vacation, strikes and lockouts of up to 8 hours per day is considered the equivalent of hours of work discharged.

Surcharge and piecework payments or other payments of that nature are, on the other hand, not considered equivalent to working hours discharged.

A wage earner who is entitled to notice of termination in accordance with the present Article shall be duty bound to give the same advance notice if he desires to cease serving with his employer. Termination shall be in writing, and the notice period shall be calculated from the end of the month.

Article 2.

In case a labourer does, at the request of the employer in whose service he is, repair for work for a time with another employer, that time shall be counted as working hours discharged with the former employer as it pertains to the rights referred to in Article 1.

Article 3.

In case work is suspended with an employer, such as due to the fact that raw material is not available with a fish processing plant, loading and unloading work is not at hand with a shipping line agency or a firm sustains an unforeseen calamity, such as on account of fire or the loss of a vessel, the employer will not be required to pay indemnity to his wage earners even if their work does not amount to 130 hours per month, provided that wage earners shall not forfeit their right to advance notice of termination while such a condition prevails.

In case a labourer has lost his employment due to the aforementioned reasons and he is offered another job which he wishes to accept, he shall not be bound by the provisions of Paragraph 5, Article 1 relating to advance notice of termination, provided that he give the employer immediate notice in case he signs on with another for the future.

13.4. Implementation of termination

13.4.1 <u>In general on termination of employment</u>

The right to terminate employment is mutual. Any termination of employment shall be in writing and in the same language as the employment contract of the employee.

13.4.2. Interview on the reason for termination

Employees are entitled to an interview on their termination of employment and the reasons for termination. Requests for an interview must be submitted within 4 days from the date that the termination notification is received, and the interview must take place within 4 days from such request.

Employees may request, on the conclusion of such interview, or within 4 days, that the reasons for the termination be provided in writing. In the event that the employer acquiesces to such request, the request shall be fulfilled within 4 days thereafter.

If the employer does not accede to the request of the employee as regards written reasoning, the employee is entitled, within 4 days, to another meeting with the employer as regards the reason for the termination of employment in the presence of his trade union representative or other representative of his trade union if the employee so requests.

13.4.3. Limitations to termination authorisations according to law

On termination of employment, account must be taken of the provisions of law that limit employers' general rights to terminate employment. These include, among others, provisions relating to shop stewards and safety stewards, pregnant women and parents on parental leave, employees who have given notice of maternity/paternity and parental leave and employees with family responsibilities.

Care must also be taken of the provisions of Article 4 of Act No. 80/1938 on Trade Unions and Labour Disputes, legislation on the equal status and equal rights of men and women, legislation on part-time workers, legislation on the legal status of workers on transfer of ownership of companies and consultation obligations in laws on collective redundancies.

When an employee enjoys protection against termination according to law, the employer is under obligation to justify in writing the reasons for the termination of employment.

13.4.4. Penalties

Violations of the provisions of this section may be subject to compensation according to general rules of tort.

13.5. Accrued rights

13.5.1 Employees' accrued rights shall remain valid if they are re-engaged within one year. In the same way, accrued rights shall become valid again after one month's work if the employee is re-engaged after more than one year but within three years.

13.5.2 Earned rights due to work abroad

Foreign employees in Iceland, as well as Icelanders who have worked abroad, bring with them their accrued period of employment with respect to the rights in the collective agreements that relate to the employment period in the relevant field of work, provided the work abroad is considered comparable.

Employees must, when recruited, provide evidence for their period of employment with a certificate from their former employer or by equally verifiable means. If an employee is not able to submit a certificate that meets the requirements according to Paragraphs 3 and 4, he may submit a new certificate within three months from the engagement. In that event, the accrued rights will become effective from the end of the current month. The employer shall confirm the reception of the certificate.

The certificate of the former employee shall i.a. indicate the following:

- Name and ID No. of the employee involved.
- The name and identity of the company issuing the confirmation, including the telephone number, e-mail address and the name of the party responsible for issuing the confirmation.
- A description of the work of the person involved.
- When the person involved began working for the company in question, when he quit working and whether there was any break, and if so, when the break occurred in the employment of the person involved.

The certificate shall be in English or translated into Icelandic by a certified translator.

13.6 Retirement

On the termination of an employee's employment after 10 years' consecutive employment for the same company, the notice of termination shall be four months if the employee is aged 55, 5 months if aged 60 and 6 months if aged 63. The employee, however, may resign from work with three months' notice.

13.7. Collective redundancies

The parties agree that it is desirable that notice of redundancy should be directed exclusively to employees who are to be made redundant and not at all the employees or groups of employees. Accordingly, the parties have entered into the following agreement:

13.7.1 Scope

This agreement applies solely to collective redundancies affecting permanent employees where the numbers of those to be given notice in a 30-day period are:

at least 10 in enterprises with 16–100 employees.
at least 10% of the employees in companies with 100–300 employees.
at least 30 in enterprises with 300 employees or more.

Where employment is terminated in accordance with employment contracts that are made for a specific term or to cover specific problems, this shall not constitute a collective redundancy. This agreement does not apply to the termination of employment of individual employees, to terminations carried out in order to make changes to terms of employment and where no redundancy is planned or to the termination of employment of ships' crews.

13.7.2. Consultation

An employer intending to implement collective redundancies shall, before doing so, consult the shop stewards of the trade unions involved in order to seek ways of avoiding collective redundancies to the extent possible and to reduce their consequences. If there is no shop steward, then the employer shall consult with representatives of the employees.

Shop stewards shall have the right to obtain information that is relevant concerning the proposed redundancies, particularly as regards the reason for the redundancies, the number of employees to be laid off and when the redundancies are to be implemented.

13.7.3. Implementation of collective redundancies

If, in the opinion of the employer, collective redundancies are unavoidable even though the intention is to re-engage part of the employees without their stopping work completely, then the aim shall be that a decision on which of the employees are to be offered re-engagement should be made as soon as possible.

Where no decision has been made on re-engagement and the employee is informed that he cannot be re-engaged, and this is

done sufficiently early in the process so that at least 2/3 of the notice period applying to the employee in question remains, then the notice period shall be extended by one month in the case of a three-month notice period, by three weeks in the case of a two-month notice period and by two weeks in the case of a one-month notice period.

This provision applies to employees who have acquired the right to a notice period of at least one month.

Notwithstanding the provisions of this section, an announcement of re-engagement may, in the event of external circumstances that are beyond the employer's control, be made subject to the condition that the employer will be able to continue the activities for which the employee is engaged, without this resulting in an extension of the notice period.

13.8. Childbirth leave and antenatal care

According to Act No. 95/2000 on Maternity/Paternity Leave and Parental Leave, maternity/paternity leave shall count as working time for the purpose of assessing work-related rights, such as the right to holiday or the extension of the holiday period under wage agreements, wage increases due to seniority, sickness rights and notice period of termination of employment. The same applies in the case of a woman who, as a safety precaution, must cease work during pregnancy, pursuant to a regulation to increase safety and health in the workplace for women who are pregnant, have recently given birth or are breast-feeding.

Parental leave is counted as worked time for the purpose of calculating holiday leave entitlements, i.e. the right to take a holiday, but not for the calculation of holiday pay.

Pregnant women are entitled to absences from work that are necessary for antenatal care without reduction of their regular wages if such examinations must be made during working hours.

13.9. The rights of part-time workers

Persons who are engaged to work part time, and who work regular working hours, shall be paid monthly wages in proportion to those paid to full-time employees.

Employees who work regular part-time work for the same employer shall enjoy the same entitlements to payment for contractual holidays, days off work due to illness and accidents, pay increases due to length of service, etc. as those who work

full-time, and these payments shall be based on the employee's normal working hours.

The parties are in agreement that the above provision shall apply equally to those who work a continuous portion of each day throughout the week and to those who work at regular intervals, e.g. one day or a part of one day each week.

Other arrangements concerning part-time workers shall be subject to the agreement between ASÍ and SA concerning part-time work and, as appropriate, the Part-Time Workers Act.

CHAPTER 14
Shop stewards

14.1. Election of shop stewards

The management of member associations may select a shop steward from among the members in any workplace.

In this context, a workplace is any company in which a group of people work together. In companies with more than one operating unit, the shop steward shall be given the opportunity to undertake his shop steward duties in all operating units. Alternatively, a greater number of shop stewards may be elected to undertake such work.

14.2 Courses for shop stewards

Shop stewards at workplaces shall be given the opportunity to attend courses intended to increase their competence in their work.

Each shop steward is entitled to attend one or more courses that are organised by the trade unions with the intention to make the shop stewards better equipped to handle their job, for a total of one week per year. Those who attend these courses shall retain their daytime working wages for up to one week each year. In enterprises with more than 15 employees, the shop stewards shall retain their daytime working wages for up to two weeks during the first year. This shall apply to one shop steward in each enterprise with 5–50 employees and to two shop stewards where there are more than 50 employees.

14.3. Data to which shop stewards have access

In connection with disputes, shop stewards shall have the right to examine records and work schedules that have a bearing on the matter in dispute. Such information shall be treated as confidential.

14.4 Facilities for shop stewards

The shop steward shall have access to a lockable storage space and a telephone, in consultation with his superior.

14.5. Meetings in the workplace

The shop steward in each enterprise shall be able to call a meeting with the employees twice a year, at the workplace and during working hours. These meetings shall begin one hour before the end of the daytime working period if this can be arranged. The meetings shall be called in consultation with the relevant trade union and the managers of the enterprise, with three days' notice, except where the matter to be discussed is extremely urgent and directly connected with a problem at the workplace. In such cases, one day's notice shall be sufficient. Employees' wages shall not be reduced in view of the first hour of the meeting.

14.6 Complaints of shop stewards

Shop stewards shall present employees' complaints to their floor managers or other managers within the company before approaching other parties.

14.7. Union rights

This agreement concerning shop stewards at workplaces shall not abridge the rights of those unions that have already, in their collective agreements, acquired further rights regarding shop stewards at workplaces.

In other respects, the laws applicable to unions and work disputes are be followed.

14.8. Floor managers

Floor managers are not to be appointed as shop stewards and are not to be members of RSÍ negotiation committees. In the event of strikes or other actions carried out by RSÍ, floor managers are exempt from participation in such actions.

Electricians that are members of RSÍ affiliates and who are granted floor management duties shall receive special payment for managerial responsibility. The amount of the supplement shall be negotiated between the parties, depending on the scope of work and attendant responsibility and may not be lower than that paid for a group leader.

Membership of RSÍ affiliates can in no case prevent electricians from being appointed as floor managers provided that they undertake all the duties that such position involves.

Protocol regarding the protection of those undertaking commissions of trust for unions

The parties to the agreement agree that employees who undertake commissions of trust for their unions by being members of the Boards, negotiating committees or Council of Representatives, and who interact with their employers in conjunction with such commissions of trust, may not be coerced as a result of such work, as provided for in Article 4 of Act No. 80/1938 on Trade Unions and Industrial Disputes.

CHAPTER 15
Piecework and bonus work

15.1 Piecework

15.1.1. Electricians, working in direct connection with time-measured piecework, such as in accordance with instructions on the preparation and execution of methods analysis, as approved by ASÍ, VSÍ and VMS on 29 January 1972, controlling work speed, shall be entitled to a work supplement which takes bonus payments for the product line and the workload of the position in question into account.

In accordance with the policy formulation provided for in Article 1.1. "Guidelines on the preparation and execution of methods analysis", that the undersigned associations hereby approve, the associations have agreed to the following:

In companies where it is not possible to employ general provisions due to specialised work and special circumstances, such companies and their employees may reach an agreement on performance-encouraging wage systems, suitable to the operation of the companies, provided that wages paid according to such systems are never lower than according to the general agreement between the associations.

In other respects, reference is made to the piecework basis for electrical industries.

To cover the cost of publications and operations in connection with the Electrical Industries' Workshop, a fee of 0.1% of the wages of electricians is collected together with the continuing education fee, as provided for in Article 12.1.

15.1.2. Bonus payment for piecework

If carrying out piecework according on the basis of electrician piecework according to the agreement between RSÍ and SART from 2000, the contractor may hold back the payment of up to a 30% bonus for up to 120 days while the work is carried out. The bonus is considered the amount that the work represents in profits in excess of employee insurance.

The contractor is under obligation to inform the employee about this arrangement.

It must be ensured, however, that the employee carrying out the piecework is never in debt to the project.

Bonus payment may not be withheld for more than 30 days after the completion of the project. A project is considered completed when one aspect of the following has taken place:

1. Buyer's final inspection
2. Building representative's final inspection
3. Electrical inspection carried out by the Iceland Construction Authority

Protocol on work to increase the proportion of piecework

It is the intention of RSÍ and SART to increase the proportion of piecework in new projects in the electronics industry, and it would be an improvement if more electricians became members of the piecework workshop as stated in the agreement between RSÍ and SART on the piecework basis for electrical industries from 2000. The piecework workshop will embark on work to expand the piecework basis and add further items which will enable more electronics industry workers to work on the basis of piecework, such as electrical engineers, energy distribution electricians and others who commonly work on electrical installations irrespective of whether considered extra-low voltage, low voltage or high voltage. In continuation of this work, the decision will be made as to whether RSÍ and SART feel that these groups should also pay contributions to the piecework workshop. [2019]

RSÍ and SART protocol relating to the calculation figure used for the piecework carried out by electricians

The parties to the agreement agree to examine more closely the effects of general increases of wages that are comparable to what is the norm in piecework for the electricity industry and to make changes if necessary.

The parties to the agreement agree to examine the manner in which the shortening of working hours from 40 hours to 37 active working hours, as well as if coffee breaks are eliminated and the active working hours are shortened to 36 hours, are calculated into the calculation figure of piecework carried out by electricians. This work shall be completed by the end of 2019 / beginning of 2020. [2019]

CHAPTER 16
Vehicle rate

16.1 Vehicle rate

16.1.1. If the parties agree that an electrician should use his own vehicle at work, the following rules are to apply:

16.1.2. Payment for each driven km shall be the same as state employees are paid for minimum driving distances.

16.1.3. Shorter distances, up to 6 km, however, shall be paid according to special rates A, B and C. Rate A (basic rate) is calculated as follows:

100/11.12 x km-rate according to Item 1. The rates are calculated in whole or half tens of aurar (100 aurar in ISK 1).

16.1.4. The range between rates A, B and C is 20%.

16.1.5. Rates A, B and C are based on a circle being drawn around the workshop (starting point) and the distance calculated in a simple manner.

Rate	A is up to		2 km from the workshop.		
"	B	"	4	"	"
"	C	"	6	"	"

16.1.6. If an electrical worker undertakes to transport materials, tools or machines which would otherwise necessitate a transport vehicle, a 30% surcharge is calculated on all of the above rates.

CHAPTER 17
The principal substance of the collective wage agreement – agreement criteria

17.1. Introduction and principal substance

The collective wage agreement pays particular attention to improved wage terms for industrial workers with the lowest wages. Wage increases contained in the agreement are all in the form of rate of pay increases to pay scales and fixed monthly wages for daytime work. In addition, every effort is made to shorten working hours in Iceland and thereby improve quality of life.

One of the main goals of the collective wage agreement is to promote interest rate decreases, which will be of particular beneficial use to households and the employment sector. In the opinion of the parties to the Agreement, the Agreement creates room for interest rate decreases, which increases the spending power of households and makes it easier for companies to meet the wage increases that the Collective Wage Agreement calls for. In addition, interest rate decreases promote decreases in rental prices.

One of the prerequisites for advantageous terms for wage earners and full employment is the competitive ability of the Icelandic economy. The goal of the parties is to safeguard the purchasing power of wages and to promote lasting lower inflation and interest rates.

The agreement provides for the direct connection between the flexibility of the economic sector to embark on wage changes and wage increases. Provisions on wage premiums due to increased productivity ensures wage earners a share in the benefits when the GDP per person increases past a particular level.

The Agreement also ensures that wage earners who are paid according to negotiated pay scales will follow general wage developments in the event of significant wage drifts in the mainstream labour market.

The parties to the agreement wish to secure a healthy labour market where violations against wage earners are not tolerated. Measures used will include enacting actions against serial incorporation and social underbidding, which will, at the same time, ensure the equal competitive position of companies.

17.2. Wage and Premises Committee

A special wage and premises committee shall be appointed by SA and representatives nominated by the negotiating committees of the ASÍ associations that are involved in preparing the shared agreement principals. The task of the Committee is to evaluate the premises of the collective wage agreement and the provisions of the agreements on economic growth increases and rate increases.

17.3. Conditions for this Agreement

The object of this Collective Wage Agreement is to promote increased spending power and lower future interest rates. The Agreement is based on the prerequisite that the purchasing power of wages increases during the term of the Agreement in accordance with the aim of the Agreement to raise the lowest wages, that interest rates decrease, and that the government fully delivers on the declaration it issued on 3 April 2019. The parties agree that the Agreement creates conditions for a significant decrease in interest rates.

The Agreement prerequisites are as follows:

1. The purchasing power of wages is to increase during the effective term of the Agreement according to the wage index of Statistics Iceland (Hagstofa Íslands).
2. Interest rates are to decrease significantly until the review of the Agreement in September 2020 and are to remain low during the effective term of the Agreement.
3. The authorities are to deliver on promises made according to the Government's declaration.

Assessment of criteria

The Wages and Premises Committee shall assess whether the following criteria has been met:

In September 2020, the Committee is to assess whether the criteria for purchasing power according to Item 1, interest rates according to Item 2 and whether the government decisions, legislative amendments and funding promised in the declarations of the Government according to Item 3 have been

met. The Committee is to announce before the end of September 2020 whether the above prerequisites have been met.

In September 2021, the Committee is to assess whether the criteria for purchasing power according to Item 1, interest rates according to Item 2 and whether the government decisions, legislative amendments and funding promised in the declarations of the Government according to Item 3 have been met. The committee is to announce before the end of September 2021 whether the above prerequisites have been met.

Response to failure to fulfil conditions

In the event that the Wages and Premises Committee reach an agreement on amendments to the agreements in question, comparable amendments shall apply to this Agreement. In the event that collective wage agreements in the mainstream labour market are generally terminated, this agreement may be terminated from the same date.

In the event that no agreement is reached as regards responses to failure to meet criteria, that party wishing to invalidate the effectiveness of the agreement shall send notification of such intention as follows:

As regards the review in September 2020. Before 16:00 on 30 September 2020, in which case the agreement shall be cancelled on 1 October 2020.

As regards the review in September 2021. Before 16:00 on 30 September, in which case the agreement shall be cancelled on 1 October 2021.

CHAPTER 18
Effective term

18.1. Period of validity.

This Collective Wage Agreement shall remain in effect as of 1 April 2019 to 1 November 2022 , when it shall expire without prior special termination.

Reykjavík, 3 May 2019

Attachments and protocols

Protocol on wage systems

The parties to the agreement plan to adopt a new payroll system as a part of the collective wage agreement. Its principal object is to ensure that wage determinations within companies are objective and tale circumstances into account. The payroll system is to provide an optional arrangement for workplaces as a permitted deviation under Chapter 5 of the Collective Wage Agreement. The provisions of Chapter 5 apply in other respects as regards the adoption of new payroll systems in companies. The trade union involved, or trade unions if more than one union is party to the Agreement, shall establish whether the deviations that are agreed from regular terms, and the remuneration in return for them, are compatible, as a whole, with the provisions of law and collective agreements regarding minimum terms, cf. provisions thereto in Chapter 5.

1. Basis

It is the shared understanding of the parties to the agreement that the efficient operation of companies is a prerequisite for good employment terms and reasonable working hours. Continuous improvements that promote increased productivity and efficiency ensure the operational and competitive capabilities of companies as well as improved wage terms. One aspect of competitive ability relates to ensuring that wage determinations within companies involve measurable performance factors in payroll systems that are developed in co-operation with parties to collective agreements.

2. Objectives

The aim of new payroll systems is to classify jobs in an objective manner, increase the number of factors taken into account when determining wages and preparing clear criteria for the wage determination and wage development of individual employees. With a new payroll system, employees and employers are provided with a powerful tool that promotes increased education and career development, transparency and job satisfaction and thereby ensure that technological advancement and increased productivity lead to improved terms for employees. At the same time, there are clearer career development incentives for employees.

The successful development and adoption of new payroll systems can promote increased vocational training and career development, better employment terms and transparency in wage structures. This entails clearly defining the manner in which assessments of jobs, roles, capabilities, responsibilities, education and performance create the basis for wage determination and increased benefits for employees and companies.

The Act on the Equal Position and Equal Rights of Women and Men No. 10/2008 requires companies with 25 employees or more to employ payroll systems and wage determinations based on objective and transparent criteria. According to the Act, companies are under obligation to adopt an equal pay standard during the period between 2019 and 2022. A new payroll system will facilitate such adoption. Smaller companies should preferably base their payroll systems on comparable criteria.

The project

The project involves developing a simple and accessible payroll system that is based on few but clear factors and can be used by wage earners and companies of all sizes and types. The payroll system must reflect the different needs of companies so as to ensure that it is possible to take the appropriate criteria into account. Thus, the payroll system does not involve a final definition of the criteria or significance of individual aspects, rather it is a framework that employees and managers can jointly develop and adapt to the needs of each workplace in accordance with the authorisations contained in the Collective Wage Agreement.

The new payroll system is intended to support and reflect other developments in the labour market and in connection with the educational system. This applies to e.g. skills assessments in conjunction with jobs, education and the adoption of equal pay certification. Account will be taken of the Icelandic Qualifications Framework in the further development of the system and in formulating definitions of criteria. The focal point is to create a basis for wage determination based on the nature of the work, educational requirements and the skills of the employee irrespective of job titles, which will not be part of the system. The wage system must at least be based on collective wage agreements and acts of law and cannot, therefore, contravene their provisions.

The system is based on six main aspects, with further criteria within each aspect. The aspects are both job related and individual based. On the basis of the aspects and the criteria within them, a foundation is created for wage determination, the aspects and the criteria within each aspect. The categories and examples or possible levels within each category are:

Work-related aspects

- *Role* Criteria in this aspect include the nature of the work and position in the workplace, floor management, training management and reception of new recruits.
- *Responsibility* Responsibility for tasks, people, machines, equipment, etc.
- *Independence* Requirement for work-related independence, which can relate to the position as a whole or individual aspects thereof.

Individual-based aspects

- *Education*
- *Experience and knowledge.* Additional knowledge, experience and training useful for the position. General competencies, such as communication skills, initiative and flexibility.
- *General competencies.* Communication skills, initiative, flexibility, etc.

3. Implementation plan

After the entry into effect of this Collective Wage Agreement, the joint work of all parties in the development of a new payroll system will begin and shall be completed by the end of 2019.

Parties to the Agreement shall appoint a working committee consisting of three representatives from the unions of industrial workers and three from SA (Confederation of Icelandic Employers). The working committee is responsible for the execution of the project and its timely completion. This includes authorisation for the temporary recruitment of an expert.

The work involves arrangements relating to aspects and criteria that create a new payroll system, taking into account the underlying basis described earlier. This includes, i.a. more detailed descriptions of criteria and their direct connections to wage determinations.

Once the work on the development of a payroll system has been completed and the negotiating parties have reached an agreement on its substance, the second phase will begin in the first half of 2020, i.e. the preparation of introductory material and presentations. [2019]

Protocol relating to the adoption of active working hours 1 April 2020.

With the adoption of active working hours and changes to divisors on 1 April 2020, all the provisions of collective wage agreements that directly relate to working hours per day, week or month, will be amended. Collective wage agreements that provide for 173,33 will be amended to become 160 and where they provide for 40 hours, they will be amended to 37 hours, etc. Payments for tools, clothes and similar items that are a present paid at a rate based on 40 hours, will be amended to 37 hours per week. The parties agree to update before issue, the provisions of the collective wage agreement to which these provisions apply.

On the adoption of active working hours, 37 hours are commonly paid per week (full time position) instead of 40 hours and the divisor for daytime pay is 160 instead of 173.33. Hourly rates in daytime work increase, therefore, by 8.33% or the equivalent of payment for coffee breaks which are transferred to hourly pay for active working hours. If fewer hours are paid per week / month based on a full-time position, the increase shall be calculated in such a manner that daytime rates for 37 hours per week / 160 hours per month are the same as was previously paid for a greater number of hours. In cases where an employee is paid extra payments based on a 40-hour week (e.g. for tool or clothing), such payment shall be increased accordingly. [2019]

Protocol
on the lease of housing in connection with employment contracts

When an employer provides an employee with housing in exchange for payment in connection with recruitment, the provisions of the Rent Act No. 36/1994 apply to the preparation and substance of the lease agreement.

Lease agreement according to the Rent Act shall be in writing and fulfil the requirements made by Chapter II of the Rent Act, including as regards the amount of the rent, whether the agreement is temporary or unlimited and what services are included in the lease.

As a rule, employees are not to pay a higher rent than is the norm and that the rent amount is fair and reasonable for both parties. When assessing whether the rent amount is fair and reasonable account will be taken of the size of the property, its location and condition and rent amounts according to registered lease agreements in the same area.

The housing must be intended for residential purposes and fulfil requirements for facilities, safety and health.

In the event of an agreement that the employee does not pay rent for housing, wage terms may nevertheless not be poorer than the minimum requirements made in collective wage agreements according to Article 1 of Act No. 55/1980.

These provisions shall apply while the employee is paid a wage by the employer in question. [2019]

Protocol
on the review of the collective wage agreement's provisions on competition

The parties agree to review the competition provisions of the collective wage agreement during the effective term of the Agreement. Particular attention will be paid to further define payments for such restriction. The parties, however, agree that competition provisions cannot apply to pay scale employees. [2019]

Protocol
on the review of the chapter on facilities

The parties agree to review and revise the chapters of the Collective Wage Agreement applicable to industrial workers as regards working environment, health and safety in workplaces in conjunction with their issue. [2019]

Protocol
on continuing education and competency assessments

The parties are in agreement as regards the importance of the workplace as a place of education and ensuring that employees are able to document their skills irrespective of where such skills are gained. In recent years, competency assessments (as opposed to formal curricula) has been gaining more respect in certain sectors. Members of the employment sector focus on strengthening the importance of competency assessments to meet the criteria set by the economic sector and are of the opinion that this will make it simpler to meet the challenges that the economic sector faces in a world of rapid technological advances. The basis for competency assessments as opposed to the criteria set by the employment sector are skills assessments for positions that will be performed in co-operation with companies and other entities in the labour market.

Focused development and the strengthening of competency assessments is a basic requirement for achieving these goals and the parties agree that it is necessary to place importance on developing competency assessments during the effective term of the agreement. This applies to competency assessments as opposed to the criteria set by the economic sector and competency assessments as opposed to formal curricula.

By focusing on competency assessments as opposed to the criteria set by the economic sector and ensuring that the education gained in the workplace more visible, it will become easier to react when jobs changes and to respond positively to the employees who need to strengthen their skills due to technological changes in the labour market. Competency assessments can be an advantage to employees with formal education to strengthen themselves in their work and to keep up with changes in jobs due to technological advancements.

The parties agree that it is important to find ways to make it easier for industrial workers who need retraining due to technological advances to participate in competency assess by e.g. reducing costs and adapting the process to their needs. [2019]

Declaration
issued by ASÍ and SA regarding volunteers.

National associations in the labour market have shared responsibility for the development of the labour market and the rights and obligations applicable thereto. Their goal is to ensure a competitive labour market where associations of employers and wage earners negotiate for wages and other employment terms in collective wage agreements. Members of the employment sector are

under obligation to ensure that the rules applicable to the labour market are followed.

These parties share the task of making sure that the wages and employment terms of manufacturing and service companies are in accordance with Icelandic law and collective wage agreements.

If collective wage agreements are not respected, this undermines the operation of other companies and disrupts the basis for normal competition and a healthy employment sector.

In light of this, ASÍ, SA and their member associations believe in the importance of there being a mutual understanding of volunteer work in the employment market.

It is worth reiterating that it goes against collective wage agreements and employment market principles for volunteers to replace wage earners in general work for the economic activity of a company. For these jobs, the provisions of collective wage agreements apply, cf. Article 1 of Act No. 55/1980 on Working Terms. Wage earners have carried out this work and will therefore not be replaced by volunteers. Contracts of employment with individual wage earners stipulating poorer employment terms than those provided for in the collective agreements are invalid.

Volunteer work nevertheless has a long history, and such work is important for charities and cultural or humanitarian efforts. This kind of volunteer work is not disputed, as it is well-established and has not been a matter of contention.

Reykjavík, 6 September, 2016

Protocol on flexible retirement

The parties agree on the importance of providing employees with the option of enjoying some flexibility when leaving work due to age. The needs and circumstances of people in the labour market vary, as with greater longevity and improved health, it is common for people to have the energy and the will to continue to work after having reached retirement age. Flexibility at retirement could involve reduced worktime ratio over the final years of the working life together with the option to continue to work past retirement age for those who are fully able and willing to continue to be active in the labour market. It is important to take the circumstances of each individual into account.

Flexible retirement has been under discussion in a committee which has the role of reviewing legislation on social security. Members of the employment sector also have representatives in the committee. The committee is in agreement that legislation should encourage increased individual-orientated flexibility and has proposed raising the retirement age to 70 years in stages and to allow the deferment of pension payments to the age of 80 instead of 72 as it is at present in exchange for an increase in the amount of pension payments.

Over past decades, life expectancy has increased, and average life spans have increased throughout the world. Ever more people live longer and are healthier in old age. These developments require reassessments of retirement ages. Most of our neighbouring countries have raised pension ages for these reasons.

The value of employment for the mental and physical wellbeing of people is unquestionable and understanding of this fact is growing. The work contribution of older employees is important and is growing with the decrease in the natural increase of workers in the labour market due to changed age distributions. [2015]

Protocol on discussions about working hours arrangements

The parties to this Agreement aim to change definitions of working hours and thereby approach the working-hour arrangements common in the Nordic countries. The principal aim of the changes is to promote a family-friendly labour market with shorter total working hours, which could also involve streamlining and the simplification of payroll systems throughout the labour market.

Discussions on changes to the working time provisions of the collective wage agreements will address the adoption of "active work hours" and a review of peak periods and supplementary payments for work outside daytime work periods.

Supplementary payments for work outside the defined daytime work period are higher here in Iceland than is generally the norm in the Nordic countries. This has the effect of making daytime wages a lower proportion of the total wages.

The main aim of the changes is to increase the proportion of daytime pay in the total wages and encourage discussion in workplaces as regards better organisation of working hours and increasing productivity. This will bring the Icelandic labour market closer to the arrangements common in the other Nordic countries. Better organisation can also promote shorter working hours and thereby support a more family-friendly labour market. Changes in this respect would improve Iceland's position internationally, as regards both the working hours and basic wages, and could therefore strengthen Iceland's position in the competition for staff.

In exchange for working-hour changes, the pay scales of the collective wage agreement would increase. In addition, the minimum wages of some professions could change if it proves necessary to respond to the effects of altered supplementary payments. The minimum income supplement, however, will not increase.

The parties to the agreement will appoint members to a working group before the end of July 2015 to work on preparations for changing the working-hours

provisions of the collective agreement. A special schedule for negotiations is to be prepared for the arrangement of discussions, as provided for in Article 23 of the Act on Trade Unions and Labour Disputes. The aim is to reach an agreement by October 2016 which will then be put to the vote in November 2016. Concurrent working hours changes and wage changes would then enter into effect on 1 May 2017. The parties will, from the very beginning of the work, seek the assistance of the State Conciliation and Mediation Office for project management.

Voting procedures will be negotiated separately. [2015]

Protocol
evaluating education for wage calculations

The industrial workers association and SA will work together on assessing further education and specialisation on the achievement of a journeyman's certificate, or formal final degree, as regards wages.

A schedule will be prepared on the analysis of other on-the-job training and specialist knowledge in related sectors jobs with the involvement of both parties where the skills aspects of jobs are set up in curricula.

A committee from the parties, three members from industrial workers and three from SA, will begin work no later than 1 October 2015.

The aim is to ensure that education, courses and/or real competence assessments, as appropriate, will be implemented on the basis of this work by autumn 2016.

Information on the manner in which payment is to be effected for assessed professional competence must be available by 1 October 2016. [2015]

Protocol
on the strengthening of industrial trades

The parties to the agreement agree to enter into special co-co-operation for the purpose of strengthening industrial trades and to improve their image with the goal of attracting young people to consider them as option. In addition, work will be carried out on improving working conditions, advertising the advantages of incentive programmes that can improve the position of employees and companies and strengthen the abilities of employees with continued collaboration as regards the educational issues of industrial workers.

To achieve the above goals, the parties to the agreement will appoint an executive committee to have overall management of the task. The task will be executed in collaboration with the authorities and the educational branches of the association.

Every effort is to be made to appoint the members of the executive committee by 1 October 2015. [2015]

Protocol on the overall review of entitlement to wages due to illness or accident

SA and the industrial workers associations are of the opinion that it is important to embark on the comprehensive revision of labour market rights when employees are absent from work due to illness or accidents. Every effort must be made to ensure as far as possible that there is a system where the interaction between sickness benefits from employers, payments from sickness leave funds and social security together with benefits from accident insurance form a comprehensive entitlement system. Particular attention is to be paid to the position of those returning to the labour marked after long-term sickness leave and accidents and efforts made to ensure as far as possible that the financial position of the employee or employee do not prevent the employee from returning to work. In addition, an examination is to be made of how to co-ordinate sickness entitlements in collective wage agreements in the general labour market. The participation of other associations within ASÍ in such work will be requested. [2015]

Protocol on the strengthening of workplace inspections

The parties to the agreement agree to join forces to promote the increased participation of the Commissioner of the Inland Revenue in workplace inspections with the goal of improving its efficiency and prevent tax evading operations as well as serial incorporation.

Protocol on efforts to increase productivity

The parties agree to seek means to increase productivity in industries. Changes made to collective agreement provisions on working hours, including the adoption of "active working hours" can lead to improved workplace organisation and increased productivity which leads to fewer total working hours. Reference is made to a separate protocol on work after such changes. In addition, the parties agree that changed arrangements as regards special days off, particularly in cases where such days are in the middle of the working week, can lead to increased productivity and, in the event that an agreement is reached for changes thereto, there may be an option to define the period before 12 noon on Christmas Eve and/or New Year's Eve as special days off. In

conjunction with this work, the parties agree to develop co-operation to increase employee and employer awareness of the importance of proper organisation of working hours and processes to increase productivity. [2015]

Protocol on stand-by shifts

The parties agree that it is necessary to further define the arrangement of services provided by employees to companies outside normal working hours where employees complete tasks without being present at the worksite. The parties agree that analytical work must be carried out, beginning in September 2015 and completed before 31 December 2015, ending with an agreement on criteria to be used as a foundation when negotiating a fee for such work. [2015]

Protocol on consecutive employment and accrued rights

"Consecutive employment" in the context of collective wage agreements means that an employee has been in a continuous employment relationship irrespective of whether he has temporarily been off the payroll list. A payless period, however, is not considered a part of an engagement period in the accruement of rights, unless laws and collective wage agreements decide otherwise, as is the case for instance with statutory childbirth leave. [2015]

Protocol on tooth damages in occupational accidents

The parties will jointly request insurance companies to change employee accident insurance terms to the effect that they will compensate for the necessary costs resulting from broken teeth caused by accident while working and which is in excess of payment participations according to the Act on Social Security. Reservations are in other respects to be in accordance with the Act on Social Security and the terms and conditions of the insurance companies. [2015]

Protocol on the examination of the implementation of employment terminations

During the effective term of the agreement, the parties will reach an agreement on questions that are to be put before the members of the unions and SA member companies in surveys carried out by the parties, where an effort will be made to examine the general implementation and knowledge of the

provisions of collective wage agreements on employment terminations (form, deadlines, interviews). [2015]

Protocol on the revision of the Holiday Allowance Act

During the effective term of the agreement, the parties will request the authorities to revise the Holiday Allowance Act, with a view of providing clearer instruction on the rights and duties of the parties. [2015]

Declaration 2011 on pension issues

SA and ASÍ agree to continue to work on pension rights equality on the entire labour market, on the basis of the work that has been carried out in joint committee. This work has been delayed due to, among other things, the failure to reach an agreement between the state and public servants as regards the prior problems of the public pension plan system, and therefore, there are no grounds for completing discussions between parties on the basis of their declaration from 5 May 2011. The parties agree that the substance of the declaration is to maintain its effectiveness and that work will continue on its advancement during the term of the agreement. [2015]

Vocational training issues

The parties agree to embark on a joint review of the present arrangements of educational and vocational training issues with the goal of:

a. Increasing the significance of education that is assessed toward credits or recognised competency on the labour market

b. Encouraging increased collaboration between funds for the benefit of undertakings and individuals and to establish a shared web portal for them

c. Embarking on efforts to advertise the funds and the benefits that can be sourced from them

d. Discussing the manner in which a proportion of the increase agreed in this agreement can be disposed of toward achieving the goals stated in Items b and c

The review is to be completed before 1 May 2014. [2014]

Written confirmation of engagement

The parties agree that there has been some failure in the preparation of written contracts of employment or written confirmation of engagement in accordance with the provisions of collective wage agreements on contracts of employment and letters of engagement. The parties will, during the effective term of the agreement, spend some effort on presenting the duties of employers and the rights of wage earners according to these provisions. The parties will, before

the end of 2015, perform an examination of the implementation of the provision and its function and then revise the provision in light of the results. The new provision on penalties is intended as a response to the criticisms of the EFTA Surveillance Authority (ESA). In the event that ESA is of the opinion that the provision is not satisfactory, the parties will immediately hold discussions to respond. [2014]

Declaration 2011 on pension issues

The parties agree to continue work on the synchronisation of pension rights in the labour market. This declaration is intended to facilitate consensus on the main aspects of pension issues. The main aim is that all pension funds in the labour market operate sustainably and that pension rights develop in accordance with needs for acceptable pensions. The parties to the agreement will be working on the assumption that premiums to pension funds on the general labour market will need to be increased from 12% to 15.5% over the course of 2014 to 2020.

The discussion of the parties will revolve around the manner in which the increase in premiums will be implemented, including the division into stages and the division of the premium between employers and employees on the basis of co-ordination for the labour market as a whole. Account will be taken of different wage system such as on fishing vessels.

The parties aim to complete this work by the end of 2012, and it will be included in negotiations in the review of the collective wage agreements at the beginning of 2013. This declaration grants authorisation to the Executive Board of SA and the Negotiations Committee of the member associations of ASÍ to complete the arrangements for the increase in premiums which could come into effect in 2014.

Protocol 2011 on general wage increases

The negotiated general wage increase in the collective wage terms of the member associations of ASÍ and SA refers to the minimum increase in the regular wages enjoyed by an employee on the date when the increase according to the collective wage agreement is to be implemented, irrespective of the wages of the employee in question at that time.

Overpayments may not be decreased or discontinued by failing to pay out general wage increases. Overpayments can only be reduced or discontinued by following the provisions of the employment contract. This provision, however, does not prevent companies from being able, by means of wage decisions, to accelerate increases through special decisions, in which case account can be taken of unrealised general increases in the next 12 months in a foreseeable and predetermined manner. The employee is verifiably pre-informed that the increase is an accelerated increase according to the collective wage agreement.

Protocol 2011
on the definition of shifts

The parties agree to map and plan to revise the working hours section of the collective wage agreements of the member associations of ASÍ and SA which relate to shifts, working outside the daytime work period and variable daytime work periods, with co-ordination and increased transparency as the guiding light.

Protocol 2011
on sickness and rehabilitation issues

The parties resolve to review the structure of preventative health care and occupational safety and health.

The goal is to promote foreseeable responses to illnesses and that the employees who fall ill are offered the appropriate remedies as soon as possible. This includes increased flexibility in the labour market to ensure that individuals who fall ill or who have been injured and are undergoing active vocational rehabilitation have the opportunity to come back in accordance with their ability to work as current.

It is clear that this goal can only be achieved if there is mutual trust between the employer and the employee as to the arrangement of sickness reporting, employee return from illness, preventative healthcare services in companies, etc.

The parties are involved in a steering group managed by VIRK which is working toward the goals mentioned above.

A development project on preventative measures and vocational rehabilitation under the auspices of VIRK will soon be underway and will be monitored closely. The parties will take advantage of the experience and knowledge created there in their work.

The parties will provide support to the employees of this development project and advise them about any matters of uncertainty that may arise in the project as regards the rights and duties that are bound by statute and collective wage agreements in the labour market.

Protocol 2011
on closings due to force majeure circumstances

During the first year from the entry into effect of the principal collective wage agreement between the member associations of ASÍ and SA, a special working group, consisting of representatives from ASÍ and SA, is to collect information and data from the Nordic countries on the arrangement of wage payments and/or compensation to employees in the wake of force majeure events.

Protocol 2011
on equal rights issues

The equal opportunities of men and women to work, career development and wages are a matter of great interest to wage earners and undertakings. The parties, therefore, will work together on the following issues during the term of the agreement.

- Complete the preparation of a standard on the implementation of the equal opportunities of the genders to work and professional development. The work on the standards is carried out in co-operation with Standards Iceland (Staðlaráð Íslands) and the Ministry of Welfare. The aim is to publish the standard before the expiry of the agreement.
- Collaborate with Statistics Iceland will be continued in the study of the wage formations of men and women based on the organisation's database with the view of carrying out one study during the term of the agreement.
- Jointly prepare promotional and educational material for wage earners and undertakings on equal rights in the labour market during the term of the agreement.
- Encourage company managers to attend to formulating family policies within companies with the aim of increasing flexibility in the organisation of work and working hours so that account is taken of both the family circumstances of employees and the needs of the economy.

Protocol 2011
on the recording and treatment of personal information

The treatment and processing of personal information is governed by the Act on the Protection of Privacy as Regards the Processing of Personal Data as in effect, currently Act No. 77/2000, and rules established under the Act such as on electronic surveillance. The parties agree to work together on the preparation of promotional and educational material about employee personal data protection during the term of the agreement.

Protocol 2011
on information and consultation

The parties agree to embark on a joint campaign to present and implement the Act on Information and Consultation in Undertakings No. 151/2000 and to prepare educational and promotional material on the rights and obligations of undertakings and employees according to the Act. The parties agree to call on employers to meet with shop stewards at least twice a year to discuss the position and employment issues of the undertaking.

Protocol 2011
on inability to work due to illness

The parties agree that, in addition to cases of illness and accidents, the sickness rights under this agreement are to be active if the employee needs to undergo urgent and necessary medical treatment in order to reduce or eradicate consequences of illness that would foreseeably result in the employee being unable to work.

The above definition does not imply a change in the concept of illness in labour law as it has been interpreted by the courts. The parties agree, however, that any treatment that the employee needs to undergo in order to alleviate the consequences of accidents at work should also result in the activation of sickness rights under this agreement.

Protocol 2011
on temporary work agencies

The parties agree that on the adoption of the temporary work agencies directive, note should be made of the fact that in the Icelandic labour market, the principal rule is that employees are engaged without time limits directly to the employer given that there is generally quite a bit of flexibility in recruitment that is intended to make it easier for companies to respond to fluctuations in their operation.

In addition, that according to legislation on the employment terms of wage earners and Act No. 55/1980 on the Mandatory Insurance of Pension Rights, collective wage agreements determine minimum terms. Furthermore, the directive's principal rule on equal treatment is to be adopted, and the recruitment terms of employees of temporary work agencies at that time are to be at least the same as those that would have applied if the employee in question had been directly engaged by the undertaking in question to carry out the same work. Reference must be made to the actual wage terms at the service user company irrespective of how they are determined and how they are paid.

Declaration
from ASÍ and SA 2011 on the implementation of tendering issues

It is vitally important for the Icelandic economy that the business sector and the labour market operate in accordance with clear and transparent laws and regulations and ensure normal and healthy competition in the market. The tendering of works projects is an important aspect of commercial operations. As a result, it is extremely important that tender specifications for works projects, assessments of tenderer competence, choice of tenders and provisions on the settlement of payments to all those involved in tendered projects are

better prepared and set forth in a clearer manner than has hitherto been the case.

In its statement in connection with the negotiations of the parties in the labour market, as regards the implementation of tendering issues, the government states:

"An examination will be made of what changes need to be made to legislation pertaining to public procuration and, as appropriate, other legislation, in order to strengthen the position and rights of wage earners working for companies in the contracting market and to ensure at the same time the equal competitive position of companies. The aim is that a working group on behalf of the authorities, with the membership of municipal representatives, ASÍ and SA, submit proposals on the above issues no later than in June 2011 and that it will be possible to submit to the Alþingi proposals for preferred legislative amendments at the beginning of the autumn session. The authorities will at the same time, where appropriate, adopt the conclusions of the working group into the state's owners' policy."

SA and ASÍ agree that the further defined tasks of the working group include:

1. Taking a position on and submitting proposals for legislation on the joint and several liability of contractors/buyers for the wages of employees and the public levies imposed on contractors and sub-contractors. Particular note should be taken of the legislation pertaining to the matter in neighbouring countries.

2. Taking a stance on the manner in which it would be possible to further secure the rights of wage earners through amendments to the laws that apply to public procuration and tenderer competence.

3. Taking a position on the manner in which it would be possible to adopt into the tender invitation terms the requirements that the buyer makes to the bidder as regards working arrangements that are based on conditions bound by the collective wage agreement (such as methods-time measurements, piecework), to ensure equality among tenderers and to show the scope and nature of the project.

4. Taking a position on the manner in which it would be possible to adopt Article 15.1 in ÍST 30 into the general legislation on the implementation of invitations to tender.

In addition, SA and ASÍ have agreed on a co-ordinated buyer assessment process as regards tenderer competency in invitations to tender (Attachment 1 to the Agreement between SA and the ASÍ negotiating committee). Importance is placed on ensuring that the assessment applies to both the public and the general market and applies equally to principal contractors and sub-contractors. In addition, the focus is on ensuring that the assessment receives a recognised standing in laws or regulations. When assessing tenderers, the main rule is that the employees should be in a fixed employment relationship.

SA and ASÍ, moreover, have agreed on further defined rules on the manner in which tender documents are to be prepared on the basis of Articles 42–45 of Act No. 84/2007 on Public Procuration, the choice of tender on the basis of Articles 73 and 77 of Act No. 84/2007 and settlement of payments on the basis of the standard ÍST 30:2003, Item 31.5 (see Attachment 2 to the Agreement between SA and the ASÍ negotiating committee).

2008 Agreement between SA and ASÍ regarding information and consultation in undertakings

1. Introduction

With reference to the Act on Information and Consultation in Undertakings, No. 151/2006, the Icelandic Confederation of Employers (SA) and the Icelandic Confederation of Labour (ASÍ) have agreed on the following rules on information and consultation within undertakings as regards representation and the calculation of employee numbers.

2. Calculation of the number of employees

The Act on Information and Consultation applies to undertakings in which an average of at least 50 persons are employed in the domestic labour market. When calculating the number of employees, the average number for the previous calendar year shall be taken. If the average number of employees was under 50 during the previous calendar year, the obligation regarding information and consultation shall nevertheless apply under this Agreement if the number of employees, based on the average over the past four months, exceeds 70.

If the average number of employees was 50 or greater during the previous calendar year, the obligation regarding information and consultation shall not apply under this Agreement if the number of employees, based on the average over the past four months, is less than 40.

Substitute workers in connection with summer holidays, illnesses or absence for other reasons shall not influence the calculation of employee numbers.

3. Collaboration committee

3.1. Enterprises covered by this Agreement shall have an active collaboration committee of the enterprise and the employees. This committee shall consist of two representatives from the employer and two employee representatives.

3.2. Shop stewards from the undertakings select the representatives from among their ranks. Employees, however, may request that the employees' representative be elected from among the employees, providing that at least one-fifth of the employees submit a request to this effect.

If there is no shop steward in the company, the employees shall elect their representatives on the collaboration committee from among their number. If there is one shop steward in the company, the employees shall elect the other member of the collaboration committee from among their number. Those who are not represented by a shop steward shall have the right to vote.

The electoral term shall be two years from the date when election results are announced, unless otherwise decided.

When electing shop stewards to the collaborative committee, each shop steward shall have one vote.

If an election is held among the employees, the employer shall provide a list of the employees and assist with the preparation of the election materials and the election if necessary.

"Shop stewards" here refers to shop stewards who work on the basis of Act No. 80/1938 and the provisions of collective agreements applying to shop stewards. Other representatives of the employees on the collaborative committee shall enjoy the same protection as shop stewards as regards their work on the collaborative committee.

3.3. The provision of information under the Act on Information and Consultation in Undertakings shall proceed within the forum of the collaborative committee unless another method of implementation is agreed within the collaborative committee.

3.4. Consultation with the employees under the Act on Information and Consultation in Undertakings shall proceed within the forum of the collaboration committee unless another method of implementation is agreed within the collaboration committee.

3.5. The collaboration committee shall set itself rules governing its work.

3.6 The representatives of the employers shall be responsible for calling meetings of the collaboration committee, with the aim that it meet not less frequently than twice a year unless the committee itself agrees otherwise.

3.7. The undertaking's obligations regarding information and consultation shall take effect when the shop stewards or, as appropriate, the employees have elected their representatives on the collaborative committee in accordance with the rules set forth above and have notified the undertaking of the results of the election.

4. <u>Groups of undertakings</u>

Groups of undertakings with independent subsidiaries may, subject to the agreement of the collaborative committees of the subsidiaries involved, establish joint collaborative committees under the auspices of the parent company, containing representatives from the collaborative committees of the subsidiaries.

Matters of common interest to the subsidiaries may be discussed in this committee.

Similarly, under special circumstances, the collaborative committee of the parent company may take over the role of the collaborative committees of individual subsidiaries.

A joint collaborative committee under the auspices of the parent company shall be abolished if either party, i.e. the representatives of the employees on the committee or the representatives of the undertaking on the committee, so demand with at least one month's notice.

5. Consultative committee of SA and ASÍ

A consultative committee, composed of two representatives from each of the parties to this Agreement, shall examine the execution of the Agreement and the application and interpretation of individual provisions thereof as is considered necessary.

In the event of any dispute as to the interpretation of the Agreement, the parties concerned may refer them to the committee, which shall attempt to reach a settlement.

Protocol 2008 on information and consultation

The parties agree to aim for collaboration with respect to the provision of information and the preparation of educational material on the rights and obligations of undertakings and employees in accordance with Act No. 151/2006 on Information and Consultation in Undertakings.

Protocol 2008 on European works councils

The parties agree to work together to support undertakings and employees in the establishment and operation of European works councils, cf. Act No. 61/1999 on European Works Councils in Undertakings. To this end, the parties will complete the preparation of the action plan in May 2008.

Moreover, the parties plan to collaborate on the provision of information and educational material on the rights and obligations of undertakings and employees in European works councils.

Protocol 2008 on the arrangement of employment terminations on the labour market

With the agreement between ASÍ and SA dated 17 February 2008, the parties have reached a consensus on the arrangements of terminations of employment on the labour market. According to the agreement, employees are entitled to an interview with their employer about the reason for their termination of employment if employees so request. It is reiterated that the employers' freedom to terminate employment is subject to certain restrictions according to law. The parties, furthermore, agree to encourage the best implementation of terminations of employment on the labour market and will, to this end, work together to prepare informative material that shall be ready by year-end 2008.

100 Reservation: The Icelandic version always takes precedence in the event of dispute

Protocol 2008
on the review of the collective wage agreement's section on shop stewards

The parties to the agreement agree to review the provisions on shop steward training in the collective wage agreement during the effective term of the agreement in light of increased and altered tasks allotted to shop stewards.

Protocol 2008
on occupational diseases

The parties will jointly endeavour to ensure the establishment of a regulation on the registration of occupational diseases that give rise to benefits in accordance with Article 27 of Act No. 100/2007 on Social Security.

The parties believe that it is important to step up research and preventive measures in the field of occupational diseases under the auspices of the Administration of Occupational Safety and Health in Iceland.

Protocol 2008
on medical certificates

The parties will submit a request to the Minister of Health that he take steps to change rules on medical certificates. A special medical certificate should be required in the event of long-term absences. If an employee becomes unable to work due to disease or accident for four consecutive weeks, the medical certificate shall state whether vocational rehabilitation is necessary to achieve or speed up recovery.

Protocol 2008
on notifications to the company's medical officer / service company in the sphere of health and safety in the workplace

The parties are of the opinion that the development of preventive healthcare services and worker safety measures are of the greatest importance for the labour market. The positive development of services in this field is important so as to benefit employees and companies.

The parties will appoint a discussion committee which is to reach an agreement on more detailed arrangements relating to the notification of illness to company physicians / service companies in the sphere of health and safety at work.

The discussion committee shall at least discuss the following issues:

- The conditions to be met by company physicians / service companies.

- The procedure regarding employee notifications to service companies in the sphere of health and safety at work as regards absences due to illness and accidents in the event the employer wishes to adopt such arrangement, provided that such notification generally replaces the submission of medical certificates.
- Non-disclosure obligations and procedures in the handling of personally identifiable information that the company physician / service company obtains by means of their activities. This applies to the collection, treatment, storage and deletion of such information.
- The manner in which the activities of company physicians / service companies may be of benefit to work in the interests of occupational safety and health in companies.

In its work, the discussion committee will collaborate with the Data Protection Authority (Persónuvernd), the Medical Director of Health, the Administration of Occupational Safety and Health in Iceland and other interested parties.

The discussion committee shall complete its work no later than 30 November 2008.

The ASÍ and SA negotiation committees shall adopt a position on the proposals of the discussion committee no later than 15 December 2008.

In the event that the parties reach a common conclusion, their agreement shall be considered a part of the collective agreement for their member associations and shall enter into effect on 1 January 2009.

During the course of the above work, the parties make no observations on the activities of the service companies in the sphere of occupational safety and health that have received certification from the Administration of Occupational Safety and Health in Iceland as service providers or of the obligation of employees to send notification to such service companies.

Attachment 2008
with the agreement on wages in foreign currencies – contract form

The company ehf., ID No. xxxxxx-xxxx, on the one hand and _____, ID No. _____, on the other, enter into the following agreement to link a proportion of the wages with a foreign currency or to pay a proportion of the wages in a foreign currency on the basis of the provisions of the collective wage agreement thereto.

Linking with a foreign currency or payment in a foreign currency:

☐ Linking a part of wages to a foreign currency

☐ Payment of part of wages in a foreign currency

Currency:

☐ EUR

☐ USD

☐ GBP

☐ Other currency, specify _____

Part of regular fixed wages or gross wages paid in / linked to the foreign currency:

☐ Part of regular fixed wages to be paid in / linked to a foreign currency

☐ Part of gross wages to be paid in / linked to a foreign currency

Proportion of wages to be paid in / linked to a foreign currency:

☐ 10%

☐ 20%

☐ 30%

☐ 40%

☐ Other percentage, specify_____

This agreement is made in duplicate, each party to retain a copy.

Date: _____

On behalf of the company Employee

_____ _____

Agreement on foreign workers in the Icelandic labour market

The Icelandic Confederation of Labour (ASÍ) and the Confederation of Icelandic Employers (SA) have agreed on the following procedures in disputes relating to foreign workers.

Criteria and shared goals

The parties agree that Iceland's obligations according to the EEA Agreement on the free flow of goods, capital, services and wage earners over state borders has a positive impact on the interests of individuals and companies in Iceland as well as provides increased availability of goods and services, dissemination of knowledge between countries, increased competition between companies, progress in a range of community sectors and increases in the number of jobs.

The EEA Agreement means that the citizens of member states can freely cross borders to find work without being required to obtain work permits. Companies domiciled therein are also entitled to provide services to other member states using their own employees without obtaining a special permit. Citizens of EFTA states have, for the most part, the same rights according to the EFTA Memorandum of Association.

As a rule, other foreigners (third-country citizens) may not be engaged for 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 increases in the number of foreigners in the Icelandic labour market should not disrupt effective arrangements in the determination of wages and other employment terms of wage earners through collective wage agreements. The present rules on the implementation of collective wage agreements will continue to remain in effect.

These parties share the task of making sure that the wages and employment terms of manufacturing and service companies that employ foreign workers are in accordance with Icelandic law and collective wage agreements.

If collective wage agreements are not respected, this undermines the operation of other companies and disrupts the basis for normal competition and a healthy employment sector.

The parties agree that the adaptation of foreign workers and foreign companies to the customs and traditions of the Icelandic labour market and society is likely to create trust and peace among the parties involved.

A worker's entitlement to hold certain jobs is frequently restricted by statutory requirements to persons holding professional degrees or who are specially authorised to work in a particular field or area. The EEA Agreement provides for the entitlement of foreign workers to have their professional degrees, occupational qualifications and work experience acquired in other EEA states accredited in Iceland according to the applicable laws and regulations.

Principal rules regarding the employment terms of foreigners

ASÍ and SA intend, by means of this Agreement, to ensure the implementation of effective laws relating to the employment terms of foreign workers in the Icelandic labour market. These rules may largely be found in the following fields:

Wages and other working conditions Act No. 55/1980 on Employed Persons' Terms of Employment and Compulsory Insurance for Pension Rights provides that wages and other employment terms, as negotiated by parties to the labour market, shall be minimum terms, irrespective of nationality for all wage earners in the relevant field of work in the covered by the agreement.

Employees of foreign service companies, including temporary recruitment agencies. Act No. 54/2001 on the Legal Status of Employees Working Temporarily for Foreign Enterprises in Iceland[2] states that employees shall, while working in Iceland, enjoy collective wage agreement terms, vacation rights and rules applicable to facilities and occupational health and safety.

Free movement of wage earners. Act No. 47 on the Free Right of Employment and Residence Within the EEA states that wage earners that are citizens of an EEA state other than that in which they are employed may not be discriminated against as regards employment and working conditions, particularly and specifically as regards wage terms.

Work permits for third-country citizens. Act No. 97/2002 on Foreign Nationals' Right to Work[3] states that work permits grant the right to work in Iceland according to the laws and rules applicable in the Icelandic labour market and provides for the obligation to prepare an employment contract that ensures the employee the same wages and other employment terms as Icelanders, cf. Act No. 55/1980.

Information on the wages and other employment terms of foreign workers

It is the role of the unions' shop stewards at the workplace to see to it that the collective agreements that have been made are honoured in respect of foreign workers., cf. Article 9 of Act No. 80/1938. In the event that there is reason to suspect violations of the applicable collective wage agreement or laws that relate to the employment terms of foreign workers, the shop steward is entitled, on the basis of this Agreement, to review documentation relating to the wages or other employment term of the foreign employees to which the collective wage agreement applies and who are employed by the employer in question,

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[2]*Now Act No. 45/2007 on the Rights and Obligations of Foreign Undertakings that Post Workers Temporarily in Iceland and their Workers' Terms and Conditions of Employment.*

[3]*Now Act No. 78/2008 on the Employment Rights of Foreigners.*

and, as applicable, data on the occupational qualifications of those employed in positions where such qualifications are required.

If there is no shop steward at the workplace, a representative of the relevant trade union has the same authorisations and the same duties as the shop steward to review documents.

As a rule, the information is to be supplied in such a manner that the shop steward is permitted to view copies of wage slips or other documentation confirming wage payments and the employment terms of the employees in question. The shop steward may not remove the information from the workplace. The shop steward shall maintain the strictest confidence as regards the information provided. Shop stewards may, however, consult the appropriate union, and in such case, the representatives of the union must maintain the strictest confidence regarding the information they have been supplied with.

In the event that the employer does not agree to the request of the shop steward to gain access to information on the wages and other employment terms of a foreigner and/or in the event of a dispute as to whether the provisions of collective wage agreements or laws are met, cf. Act No. 55/1980, Act No. 54/2001[4] and Regulation (EEC) No. 1612/68 of the Council of 15 October 1968 on freedom of movement for workers within the community, cf. Act No. 47/1993, and efforts to resolve such dispute within the company have failed, the dispute may be referred to a special consultation committee operated by ASÍ and SA.

ASÍ and SA Consultation Committee

The ASÍ and SA Consultation Committee that addresses the issues of foreigners according to this Agreement shall consists of four members: two appointed by ASÍ and the national association involved in the case in question and two members appointed by SA.

The Consultation Committee shall seek means to discover the truth regarding cases referred to it according to the above rules and seek to resolve the dispute through negotiations among themselves.

Cases referred to the Committee are to be addressed by the Committee within two weeks unless special circumstances prevent this.

When investigating a case, the Committee may require the employer to submit necessary documents on the wages or other employment terms of the foreign employees involved and, as applicable, data on the occupational qualifications of those employed in positions where such qualifications are required. The authorisation covers the foreign employees covered by the collective wage agreement of ASÍ, cf. Article 1 of Act No. 55/1980.

The shop steward or the union representative replacing the shop steward is not bound by confidentiality regarding communications with the Committee as

[4]Now Act No. 45/2007.

regards issues addressed by the Committee. In addition, the representatives of the Consultation Committee may contact the shop steward or the union representative replacing the shop steward according to the above to obtain further information regarding the cases under consideration.

Committee members are to maintain confidentiality as regards the information obtained from employers, the shop steward or union representative and may not deliver or disclose such information to any third party.

The conclusions of the Committee are to be presented to the parties to the dispute.

Irrespective of the conclusions of the Committee, a case may be referred to the courts. The obligation of confidentiality according to the above does not, in such instance, preclude the submission of data in a court case.

Reykjavík, 7 March 2004

Protocol regarding family policies

The parties agree to instruct companies in the electronics sector and their employees to embark on formulating a family policy within the companies, with the goal of achieving a beneficial balance between work and private life.

The formulation of a family policy for the workplace is based on flexibility. Studies indicate that workers who experience greater flexibility in the workplace are generally happier at work and that it increases employee loyalty. In a good working environment, flexibility is a policy that increases job satisfaction, productivity and loyalty and ensures that employees are better able to balance work and private life.

Declaration on the revision of the collective wage agreement [1989]

The parties agree to revise Chapters V and VIII of the Collective Wage Agreement and to revise accordingly special provisions applicable to fine mechanics according to the Agreement from 26.11.1975 and the special provisions applicable to electricians according to the Agreement from 25 June 1977.

Special provisions applicable to electricians from 25 June 1977

The following special provisions according to the Agreement of the Association of Journeymen Radio Engineers and Association of Master Radio Engineers from 25 June 1977 apply to these associations together with the provisions of the General Agreement.

In the event that a radio engineer is unable to return to the workplace and is further away than 150 km from the jurisdiction in which the work is, for longer than 12 hours, such employee shall be paid a double daytime wage for each 24-hour period that he is away from the workshop.

This also applies on board ships out at sea. During such days after-hours and night-time work is cancelled, public holidays are calculated as double daytime work during the period.

Special provisions applicable to fine mechanics according to the agreement from 26.11.1975.

1. Work outside the municipality

When working outside the area where the fine mechanic normally works, the rules on coffee and meal breaks, as provided for in this agreement, shall apply.

When working outside the area, the fine mechanic shall retain, without deduction, the wages that he would have had for that work period which is commonly carried out in his workplace during that period.

Payment shall be made for the entire period required to reach the destination if the travel is over land or by air. If, however, the travel is by sea, the number of working hours paid is the same number as would generally be worked in the workplace of the fine mechanic while travelling, provided the fine mechanic is provided with accommodation if travelling by night. The same provisions as stated herein shall apply to travel back home. In the event that work is not possible due to weather, lack of materials or for other reasons over which the fine mechanic has no control, working hours shall be paid in accordance with the above.

When working outside the area, fine mechanics shall have free transportation to and from the workplace. In addition, they shall have free transportation every other weekend to and from the workplace if working within 150 km from their place of employment. When working outside the municipality and staying overnight, 10% shall be added to the wage.

2. Vehicle allowance

If the parties agree that a fine mechanic should use his own vehicle at work, the following rules are recommended:

1. Payment for each driven km shall be the same as state employees are paid for minimum driving distances.

2. Driving within Reykjavík, with the exception of the Breiðholt and Árbær areas, is calculated as a 10 km trip to each separate customer.

3. Trips to Breiðholt, Árbær, Kópavogur and Seltjarnarnes are calculated as 16 km in the same manner.

4. Trips to other locations are calculated according to the vehicle's km counter.

5. If a fine mechanic undertakes to transport materials, tools or machines which would otherwise necessitate a transport vehicle, a 30% surcharge is calculated on all of the above rates.

3. Travel abroad

When staying abroad on behalf of the employer, such during travel to and from Iceland, the fine mechanic shall retain, without deduction, the wages that he would have had for that work period which is commonly carried out in his workplace during that period.

All travel and accommodations costs for such travel is paid according to invoice.

4. Accident and disability benefits

Employers are under obligation to insure the employees specified in this Agreement by purchasing general accident insurance against death or permanent disability resulting from an accident. Such insurance must remain in effect 24 hours a day.

1. The amount of insurance coverage* shall be ISK 3,000,000 – ISK three million – for death and permanent disability.
2. Insurance amounts are to be revised annually at the end of each year in accordance with changes to the contractual beginners' wages of fine mechanics, for the first time at the end of 1976.
3. Fine mechanics pay 1/3 of the premium and the employer 2/3. The employer deducts the employee's share of the premium from his wages and pays it to the insurance company in question.

   Special terms are to be as follows:

   a. The age limit is to be 70 years.

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* *Insurance amount believed to be ISK 650,063 on 21 February 1984 for 83/84.*

b. The insurance shall also apply to accidents that are either directly or indirectly attributable to earthquakes, volcanic eruptions, floods, landslides or other natural disasters.

c. The insurance is to remain in effect 24 hours a day, including the employee's time off.

Special collective wage agreement between RSÍ/FTR and SA for technicians in electronics industry

Chapter 1 Scope

This agreement applies to all electrical work as well as technical work in transmission, creative media and IT. The work in question involves vocational training as well as work that requires other specialist education and/or training in the field of technology.

The agreement forms part of the general collective agreement between the parties and is valid for the same period. The provisions of the main collective wage agreement shall apply to all issues not specifically negotiated in agreements.

Chapter 2 Wages

Technician I

	1.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**
Starting wages	327,303	351,303	375,303	400,303

Technician II

	1.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**
Starting wages	347,351	378,357	402,357	427,357
After 1 year	354,357			

Technician III

	1.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**
Starting wages	388,165	418,496	454,756	479,756
After 1 year	394,496	431,756		
After 3 years	406,756			

Chapter 3 Job definitions

Technician I

Beginner in technical work Applies also to assistance and relief work and those who commonly do not undertake complicated technical work. No requirement is made for professional or industrial education or experience of comparable work. Work at competence stage 2.

Technician II

Applies to those who have completed a minimum of two years specialised vocational training that is of use for the position and those who undertake technical work that requires knowledge and experience in the profession. The employee must be able to work independently. No requirement is made for professional or industrial education. Work at competence stage 2–3.

Technician III

Applies to those who have completed a minimum of three years specialised vocational training that is of use for the position and those who undertake technical work that requires extensive knowledge and experience in the profession. Undertakes specialised technical work in two or more fields or manages certain fields due to specialised knowledge. The employee must be able to work independently. No requirement is made for professional or industrial education. Work at competence stage 3.

Chapter 4 Working hours

4.1 Regarding aspects not negotiated in this Agreement, the general working hours provisions of the Collective Wage Agreement between RSÍ and SA shall apply.

4.2 Technicians may be recruited for shiftwork every day of the week. Shifts may not be longer than 12 hours and, as a rule, not shorter than 6 hours.

4.3 The length of shifts shall be stated in a shift schedule, e.g. in light of the beginning and end of the shift.

4.4 As a rule, shifts shall be planned for 4 weeks at a time and the shift schedule presented in a good time as possible and no later than 14 days before the schedule is to come into effect.

4.5 Work in excess of the specified working hours shall be paid as overtime if the employee is working full time but at an hourly rate if the employees is working part time. In such case, daytime work is paid at daytime rates and overtime work at overtime rates, cf. definitions of working hours in Chapter 2 of the main Collective Wage Agreement.

4.6 If no special provisions are made for coffee or meal breaks for employees working shift work, a separate payment must be negotiated in the case of paid refreshment breaks. If an employee is given the option of consuming meals and coffee while working his shift only during periods when this is suitable in light

of the work, such employee shall be paid, in addition to each 8-hour shift, an additional 25 minutes unless otherwise negotiated. If the shift is longer or shorter than 8 hours, proportionate additions or deductions will be made to the 25 minutes.

4.7 Supplements shall be paid as follows on daytime wages for that part of the 40 hours (on average) of work per week falling outside the daytime work period:

33% for the period 17:00–24:00, Monday–Friday.

45% for the period 00:00–8:00 every day and also on Saturdays and Sundays.

On public holidays, a 45% supplement, as provided for in Article 2.8 in the general agreement between RSÍ and SA.

On major public holidays, a 90% supplement, as provided for in Article 2.8 in the general agreement between RSÍ and SA.

4.8 Winter leave due to work on public holidays

Employees who work shift work earn a total of 12 winter vacation days, based on full-year employment, in exchange for working on major public holidays and other public holidays according to Article 2.2.3. occurring Monday to Friday.

If the workplace is closed on the days referred to above, or if days off are granted, then the corresponding number of days shall be deducted from the additional leave days, except in the case of employees who are owed accumulated leave related to shift work according to Article 2.4.7.

Winter holidays are to be granted during the period from 1 October to 1 May. The recording period for winter leave days shall be based on the period October–October.

Subject to agreement between employer and employee, it shall be permitted to have payment replace the leave days referred to, with 8 hours at daytime work rates being paid for each leave day, based on full-time employment.

Protocol
The parties will embark on further work in the preparation of comprehensive agreement for employees in the technical industry.

Chapter on the wages and terms of apprentices in the Collective Wage Agreement between RSÍ, SA and SART

Article 1.

A written training agreement must be signed with an apprentice no later than one month after he begins training under the guidance of a Master.

The first three months of the training period according to the apprenticeship agreement is regarded as a trial period. Either party may terminate the apprentice training agreement during the trial period.

The mutual notice of termination is one week during the trial period.

If the training agreement is terminated during the trial period, the apprentice shall be paid a final settlement upon leaving. An apprentice who has been paid wages on an annual basis shall be paid a settlement for time worked according to the rates paid to apprentices.

Article 2.

I. Wage terms of apprentices according to training agreements:

Wages for hours worked. Apprentices and trainees who are paid wages for time worked under a master / for an industrial company shall pay all costs of their schooling. The following minimum wages are paid only for worked hours.

Study year	**l.4.2019**	**1.4.2020**	**1.1.2021**	**1.1.2022**
2 years	261,465	285,465	309,465	334,465
3 years	272,659	296,659	320,659	345,659
4 years	283,854	307,854	331,854	356,854

II. Wage terms of trainees:

The wages of trainees who have completed the requisite theoretical courses shall be as follows and only paid for worked hours:

Six-month trainees in the electronics industry:

	l.4.2019	**1.4.2020**	**1.1.2021**	**1.1.2022**
The first 3 months	282,422	306,422	330,422	355,422
The next 3 months thereafter	294,693	318,693	342,693	367,693

Nine-month trainees in the electronics industry:

	1.4.2019	1.4.2020	1.1.2021	1.1.2022
The first 3 months	270,218	294,218	318,218	343,218
The next 3 months thereafter	282,422	306,422	330,422	355,422
After 6 months	294,693	318,693	342,693	367,693

The overtime wages apprentices are 1.0385% of the electronics industry minimum wages.

Since a part of training takes place in a school, apprentices nevertheless begin their traineeship in the workplace at the initial grade and are transferred earlier to the next pay grade or in proportion to the shortening of the traineeship period.

> Example: An employee is paid the rate for the initial grade for the first 12 weeks, the next 12 weeks in the middle grade and thereafter at the highest grade. The employee is granted the option of lengthening his internship in school and thereby shortening the training period in the workplace by half. In such case, he will be paid the rate for the initial grade for the first six weeks, the next 6 weeks in the middle grade and thereafter at the highest grade.

Article 3.

In work involving shifts, the shift supplements are the same as for journeymen but are calculated as a percentage of the daytime wages of students.

Article 4.

The working hours of apprentices shall be the same as for journeymen in the industry in question.

Apprentices shall begin their school studies at the beginning of the semester and shall begin working for a master or company on completion of the last exam of the semester.

When studies are carried out during daytime hours with the full complement of study hours, the apprentice shall be regarded working full-time during the period spent at school and is not under obligation to attend work under a master or for a company on the days when he attends school. If, however, the apprentice is requested by his master to come and work, the apprentice shall

be paid overtime. If an apprentice does not attend school and has no legitimate reason for such absence, this is regarded as an absence from work.

During the schooling period in a daytime school, apprentices shall come to work for a master or company during Christmas holidays or during strike actions that prevent the operation of the school.

Article 5.

The wages and division of profits for apprentices engaged in piecework shall be in proportion to wages of journeymen.

Article 6.

The wage terms of apprentices according to Article 2 are based on the length of the study period, as determined in the curriculum according to Regulation No. 280/1997. In the event of any changes to the curriculum as regards the duration and content of the study courses, wages according to Article 2 shall be revised.

The pre-study course that students must complete to meet the acceptance requirements of industrial education schools shall be the responsibility and at the expense of the student.

Apprentices granted a shortening of their apprenticeship agreement shall be transferred, in proportion to such shortening, earlier between years in wages.

Article 7.

Holiday bonus

Apprentices who have a signed apprenticeship agreement and trainees shall, at the beginning of holiday taking, but not later than 15 August, be paid a holiday bonus.

The holiday bonus for each holiday reference year (1 May to 30 April), based on full-time employment, is to be as follows:

ISK 50,000 during the holiday reference year beginning 1 May 2019,

ISK 51,000 during the holiday reference year beginning 1 May 2020,

ISK 52,000 during the holiday reference year beginning 1 May 2021,

ISK 53,000 during the holiday reference year beginning 1 May 2022.

The right to a holiday bonus shall be in proportion to the period worked for a company. Full employment, for this purpose, is 45 worked weeks (1800 daytime hours) or more, excluding holiday time (annual vacation). For apprentices with an apprenticeship agreement, the study period in school is not seen as worked hours.

The holiday allowance bonus includes holiday allowance, and it is a fixed amount that is not subject to alterations according to other provisions.

Article 8.

December bonus

Apprentices who have a signed apprenticeship agreement and trainees shall, no later than 15 December, be paid a December bonus. The bonus, based on full-time work during the calendar year, is

ISK 92,000 in 2019,

ISK 94,000 in 2020,

ISK 96,000 in 2021,

ISK 98,000 in 2022.

The right to a December bonus shall be in proportion to the period worked for a company. Full employment, for this purpose, is 45 worked weeks (1800 daytime hours) or more, excluding holiday time (annual vacation). For apprentices with an apprenticeship agreement, the study period in school is not seen as worked hours.

The December bonus includes holiday (vacation) pay, and it is a fixed amount that is not subject to changes according to other provisions.

Article 9.

Apprentices shall enjoy membership of the Electrical Workers' Pension Fund, and their payments to the Fund shall be in accordance with the RSÍ Collective Wage Agreement.

Article 10.

Apprentices are to enjoy full membership in the Journeymen's Sickness Pay and Holiday Pay Funds. Their payments to the Sickness Pay and Holiday Pay Funds shall be the same as those paid by journeymen.

Article 11.

Apprentices are to enjoy the same rights and benefits as provided for in agreements on the terms of journeymen in the trade in question, i.e. food allowances, clothing allowances unless work clothing is supplied, provisions on distance lines, etc. but not, however, accrued or negotiated due to more vocational education, special training or journeyman responsibilities.

Payments for distance lines and comparable are not paid during the hours that students are in school.

Article 12.

Insurance amounts with respect to death or permanent disability are the same as those provided for in the RSÍ Collective Wage Agreement.

Article 13.

The employer is under obligation to deduct their membership fees to the appropriate entities from the wages of apprentices if they so request.

Article 14.

Act No. 19/1979 applies to wage payment entitlements during occurrences of illness and accident.

Article 15.

Apprentices are entitled to holiday time and holiday pay in accordance with the Holiday Allowance Act No. 30/1987.

Article 16.

Once the study period and theoretical studies have been completed, the apprentice shall be paid wages according to the definition of jobs in the journeyman agreement, until the next journeymen's examination is held. In the event that a student does not complete a journeyman's examination on time, he shall be transferred to the pay rate of non-professional employees.

Attachment
Reference is made to the ASÍ and VSÍ agreement on certain aspects of the organisation of working hours.

With reference to the EEA Agreement, Alþýðusamband Íslands (ASÍ) and Vinnuveitendasamband Íslands (VSÍ) have entered into the following agreement to implement Council 93/104/Directive EC of 23 November 1993 concerning certain aspects of the organisation of working time. The Directive is a part of the EEA Agreement according to the decision of the EEA Joint Committee, dated 28 June 1996.

The object of the agreement is to establish minimum requirements to promote improvements, particularly as regards working environments, to ensure the increased safety and health protection of wage earners.

Article 1.

Scope

This Agreement applies to the daily and weekly minimum rest of employees, annual paid leave, breaks, maximum number of working hours per week as well as certain aspects in connection to night-time work, shift work and work patterns.

The Agreement covers all wage earners within the negotiating field of the parties to the Agreement.

The Agreement, however, does not apply to work involving transportation by sea and air and fisheries and other work at sea. In addition, the Agreement does not apply to work involving transportation by road. Such transportation is governed by the Regulation on the driving and rest period of drivers (presently No. 136/1995) or comparable rules that may subsequently be established.

The provisions of Articles 3, 4, 5, 6 and 8 do not apply to senior managers or other persons who decide their own working hours.

Article 2.

Definitions

2.1. **Working hours**

The time during which a worker is engaged in work, at the disposal of the employer and doing his job or discharging his obligations.

Working hours refers to active working hours. Refreshment breaks and special days off, therefore, are not included. The same applies to travel to and from the workplace or the regular workstation and paid waiting periods or work breaks where no work contribution is required.

Annual paid leave according to laws, sickness leave, and law or contractual childbirth leave shall be considered working hours and be neutral in the calculations of averages. In addition, the period in which the employee is in paid occupational training shall be considered working time.

2.2. **Rest time**

Time that is not counted as working time.

2.3. **Night working time**

The period between 23:00 and 06:00.

2.4. **Night-time employee**

a. A worker who normally does at least three hours of his daily work during the night working time period.

b. A permanently employed employee who has work, on a regular basis, at least three hours during the night-time period for one month, while such work persists. The same applies to an employee who works 40% of his regular work contribution during night-time hours on an annual basis.

2.5. **Shift work**

Work that is divided into different work periods / shifts according to a predetermined system and by which a worker works on various shifts over a specific period that is measured in days or weeks.

2.6 **Shift worker**

A worker who does shift work.

Article 3.

Daily rest period

Working hours shall be arranged in such a way that during each 24-hour period, starting from the beginning of the working day, the employee receives at least 11 hours' continuous rest. If possible, this daily rest period shall include the night-time period.

Article 4.

Breaks

If the employees' daily working time is more than 6 hours, they shall be entitled to a 15-minute break. Breaks are governed by the relevant collective wage agreements.

Article 5.

Weekly rest period

In each seven-day period, the worker shall receive at least one day off in direct conjunction with his daily rest time according to Article 3. To the extent possible, the weekly day-off should be on a Sunday.

Article 6.

Maximum number of working hours

The average number of working hours per week, including overtime, may not exceed 48 hours. Ideally, the working time should be as balanced as possible from one week to the next.

The reference period when calculating average working hours per week shall be six months, January to June and July to December.

Article 7.

Annual holiday

Holiday time is determined by the Holiday Allowance Act and the provisions of collective wage agreements.

Article 8.

Duration of night-time work

Night workers' working time shall normally not be longer than eight hours during each 24-hour period.

Lengthening night workers' working time so that it becomes, on a regular basis, up to 48 hours per week is permitted. In such cases, work shall be arranged in such a way that working time is as regular as possible.

The reference period when calculating average working hours of night workers per week shall be six months, January to June and July to December.

Night workers who are involved in particularly dangerous jobs, or jobs that involve great physical or mental strain, shall not work for longer than eight hours during each 24-hour period that they work during night-time working hours.

Article 9.

Health assessments

Night workers and shift workers that work part of their working hours during the night are entitled free health checks before beginning work and then regularly at least every three years. This right must be provided for in the employment contract.

The health check provided for in Paragraph 1 shall be subject to the rules of physician confidentiality.

Night workers and shift workers who work a part of working hours during the night and who have health problems that can demonstrably be traced to their

working time shall, when possible, be transferred to daytime jobs that suit them.

Article 10.

Protection of night workers

Night workers are to enjoy protection in light of the risks inherent in their work.

Article 11.

Notification of regular recruitment of night workers

An employer who commonly employs night workers shall inform the appropriate authorities of the number and working hours of night workers.

Article 12.

Work patterns

An employer who organises work according to a particular pattern must take account of the main principle of adapting the work to the employee, making particular efforts to mitigate the effects of monotonous works and works at a predetermined work-rate, and depending on the nature of the work in question, to safety and health requirements, particularly as regards breaks during working hours.

Article 13.

Deviation authorisations

a. Rest periods may be reduced, cf. Article 3, for up eight hours at shift changes. The same applies to special conditions when valuables need to be saved.

b. If a disruption of normal activities occurs due to external causes, such as the weather or other natural forces; accidents; power failures; malfunctions in machinery, equipment or other devices; or other comparable unforeseeable events, deviations from the provisions of Article 3 are permitted to the extent necessary to prevent substantial loss or damage until regular activities have been resumed. This applies irrespective of whether these events apply to the company itself or its customers.

c. In the event that authorisations pursuant to a. or b. are employed to deviate from the daily rest period, the employee shall be granted a comparable rest period instead.

d. The decision may be made, by means of a workplace agreement, to postpone the weekly day off of those responsible for production and services as special circumstances may make such deviations necessary, as well as those working on safety issues and the protection of valuables.

   If the week rest period, cf. Article 5, is postponed, the employee shall be granted comparable rest instead. If necessary, the weekly rest time may be postponed so that instead of a weekly holiday, two consecutive

rest days shall occur during every two weeks. If it is necessary to structure work in such a way that the weekly day off work is postponed, then a collective agreement shall be reached thereto.

e. Permission is granted, in exceptional cases, to lengthen the reference period due to the maximum weekly hours, cf. Articles 6 and 8, for up to 12 months (the calendar year) by means of collective wage agreements, provided that such decision is based on special objective reasons. Such collective wage agreement provisions must be approved by the appropriate national association or by ASÍ for members with direct membership.

Confirmation must be obtained no less than four weeks from the preparation of the agreement provided that it has been presented to confirming parties no later than one week after signing. If confirmation has not been submitted within this period, confirmation is regarded as having been obtained.

Article 14.

Execution of the agreement and resolution of disputes

A consultation committee, containing three representatives from each party, must be established.

The consultation committee shall address the arrangement and interpretation of individual provisions. In the event of a dispute, the consultation committee must make every effort to reach an agreement for its resolution before referring the dispute to the courts.

Article 15.

More advantageous provisions

This Agreement applies as a minimum requirements agreement and does not, in any instance, supersede better rights and further protection of wage earners according to laws, collective wage agreements, employment contracts or letters of engagement.

Article 16.

Safety and health protection

The safety and health protection of employees in other respects shall be governed by the provisions of the Act on Working Environment, Health and Safety in Workplaces and other administrative instructions.

Article 17.

Validity, etc.

This Agreement enters into effect on 1 January 1997 and its execution no later than 1 April 1997. The Agreement shall be regarded as an integral part of the

Collective Wage Agreements of member associations and the members of the undersigned umbrella associations.

This Agreement must reviewed no later than within three years from its entry into effect. During such review, in light of experience, the length of the reference period, cf. Articles 6 and 8, is to be reassessed. In addition, particular attention is to be paid to an assessment of the execution of deviations.

On the implementation of this Agreement, the agreement between the parties as regards the implementation of the rest period and leisure time provisions of Act No. 46/1980, dated 10 April 1981, is cancelled.

The parties must ensure that the substance of this Agreement is presented as thoroughly as possible.

Reykjavík, 30 December 1996.

Examples of the arrangement of holiday entitlement according to Article 2.7.

Example 1:

The employee works to 02:00 and begins again at 08:00. He receives only 6 hours of rest. According to the Collective Wage Agreement, his accrued leave entitlement is 11 - 6 or 5 x 1.5 hours = 7.5. According to Paragraph 2 of Article 2.7.3. he receives, in addition to worked hours, 2 hours of overtime (due to 6 hours of rest instead of 8 hours). The same applies if the following day is a holiday.

Example 2:

The employee works to 02:00 and begins again at 13:00. He receives 11 hours of rest. There is, therefore, no entitlement to extra leave. According to Paragraph 2 of Article 2.7.3. he receives, in addition to worked hours, 2 hours of overtime (due to 6 hours of rest instead of 8 hours within the 24-hour period).

Example 3:

The employee works for 24 hours, from 08:00 to 08:00 and then goes home to sleep. If the following day is a workday, no leave entitlement is accrued. The employee retains basic wages for that day. According to the additional rule above, he receives, in addition to worked hours, 8 hours of overtime (due to 0 hours of rest instead of 8 hours within the 24-hour period). If, however, the following day is a holiday, the employee has accrued one day off on basic wages (earned leave rights for work during the same 24-hour period cannot, however, be more than the equivalent of one working day at basic wages, cf. Paragraph 5 of Article 2.7.2.).

Example 4:

The employee works for 32 consecutive hours, or from 08:00 to 16:00 the next day. In addition to worked hours, he receives 8 hours overtime pay, cf. Example 3, and also earns a day off on basic wages (11 hours missing from the rest period, but the leave rights, however, are limited to wages for one day, cf. Paragraph 5 of Article 2.7.2.).

Example 5:

The employee works from 08:00 to 17:00. He is called out and works from 21:00 to 23:00. The call-out ends before midnight, in which case he does not earn leave rights, as the added-up rest period is 11 hours.

Example 6:

The employee works from 08:00 to 17:00. He is called out and works from 01:00 to 03:00. He returns to work at 08:00. The longest rest period is 8 hours, thereby lacking 3 hours to achieve the 11-hour rest. The right to leave, therefore is 4.5 hours (3 hours x 1.5).

Example 7:

The employee works from 08:00 to 19:00. He is called out and works from 01:00 to 03:00. He is asked to return to work at 08:00 the next day. Although the added-up rest reaches 11 hours, that rule does not apply because the call-out ended after midnight. The longest rest period is 6 hours, thereby lacking 5 hours to achieve the 11-hour rest period. The leave right is 7.5 hours (5 hours x 1.5). In addition, two hours of overtime will be paid because 2 hours were missing to achieve 8 hours of consecutive rest.

Index