

Wage Agreement
between
The Faroese Workers' Union
and
The Faroese Employers' Association

Article 1

This agreement encompasses trade workers and specialised workers' area of work that are geographically and professionally within the field of The Faroese Workers' Union.

Basic wage and wage additions
Article 2

Section 1. As of 1 May 2018, the hourly rate is DKK 128.94. As of 1 May 2019, the wage is DKK 132.24.

Section 2. The hourly rate is to be considered as minimum wage.

Wage additions
Article 3

For excavation, clearing up construction sites, coal work, dirty and filthy work, cement work, working with concrete, armouring, water works, asphalt, tar, rock work as well as working on slipway scrubbing the bottom of ships, inside and out and painting the hips exterior up to the gunwale and spray-painting in the shipyard, the wage is the base wage + a wage addition of 0.29% an hour.

Article 4

- a. For working with the stone crusher, for managing the engines, compressors, windlass and similar relating to construction work. For operating cranes. For driving tractors, dumper trucks and similar tools, such as road roller, hydraulic excavators, mobile derricks and cement truck, the wage is the basic wage + a wage addition of 3.35 % an hour.
- b. For charging and blasting and drilling through rocks, the wage is the base wage + a wage addition of 5.19 % an hour.
- c. For tunnel work, the wage is the base wage + a wage addition of 4.73% an hour.
- d. For cleaning kettles, water tanks on ships, oil tanks, fish oil tanks and smelt machines, and cleaning sewers and keels inside of ships, the wage is the base wage + a wage addition of 5.47% an hour.
- e. For work with dangerous waste in incinerator stations, dangerous substances that require special protection equipment, e.g. asbestos, in addition to cleaning after accidents and for cleaning work that requires expertise, the wage is the base wage + a wage addition of 5.47% an hour. This section is valid from 1 May 2013.

Article 5

For drivers and fork lift operators for the work mentioned in Article 2, and the people that operate the windlass during unloading of the ships, the wage is the basic wage + a wage addition of 1.17% an hour. For drivers and fork lift operators for the work mentioned in Article 3, the wage is the base wage + a wage addition of 1.62% an hour.

For driving crane lorry and tank lorry, the basic wage for those workers mentioned in Article 2 will be the base wage + a wage addition of 3.59% an hour.

Decision from the protocol: The parties commit themselves in the contract time to enter into negotiations concerning the renegotiations of the agreement including additions. The parties agree that the system needs updating and that it must be a goal to make it as simple and flexible as possible.

Letter of appointment Article 6

Letter of appointment must be issued in accordance with parliamentary act concerning letters of appointment.

Youth Article 7

Young workers 14 years old receive 50 %, 15 and 16 year old receive 75 % of the adult wage for both regular time as well as overtime. 17 year old receive full adult wage.

Overtime and holidays Article 8

Overtime wage for all types of work is calculated from regular wage in this fashion:

When the regular working hours are 7am-4pm:

From 4pm-8pm: 35 %

From 8pm-7am: 60 %

When the regular working hours are 8am-5pm:

From 5pm-9pm: 35 %

From 9pm-8am: 60 %

When the regular working hours are 9am-6pm:

From 6pm-10pm: 35 %

From 10pm-9am: 60 %

Saturdays, all day: 65 %

Sundays and holidays, all day: 100 %

The same applies to work that starts on the days mentioned and continues across midnight and until regular hours begin again.

In cases where the lunch hour in accordance with Article 10, section 3 and 4 is shortened, the overtime starts an hour earlier.

Holidays

1 May, Christmas Eve and New Year's Eve are full holidays. Flag day, Easter Eve, Whitsun and 1 November are half holidays.

Urgent work that is done on 1 May, Christmas Eve, New Year's Eve and after noon on these days is remunerated with double normal wage for the duration of the holiday.

In accordance with parliamentary act no. 353, 7 August 1922, Constitution Day is a half holiday.

In addition to these days off, workers also have the right to 5 days off without pay. The employer, together with the worker, decides when these days are held.

Working before 4am/5am

If the work starts in the summer half of the year (the summer half of the year is from 1 May to 31 October) before 4 am and in the winter half of the year before 5 am, then there is no reduction in the wage until there is a possibility to sleep (sleeping is being off the work place for no less than 6 hours).

Working hours, working around the clock and working in shifts

Article 9

1. Normal working hours are 40 hours a week and must be eight hours a day from Monday to and including Friday, and daily working hours must be between 7 am and 6 pm. The parties on each work place decide this.

There must be a standard majority on the work place in favour of this and the vote must be conducted using slips of paper.

If there is an agreement in the work place that regular working hours are between 7am and 4pm, then this will apply for the entire workplace.

If there is an agreement in the work place that regular working hours are between 8am and 5pm, then this will apply for the entire workplace.

If there is an agreement in the work place that regular working hours are between 9am and 6pm, then this will apply for the entire workplace.

In workplaces where the work is naturally divided into different departments, it is possible to vary the regular working hours to deviate from the requirement that regular working hours apply to the entire workplace in an agreement between the workers together with the union representative and the company. Voting must be conducted using slips. These working hours must be between 7am and 6pm and these working hours must be submitted in writing for the approval of the managements of the central organisation of the union. If the central organisations have not –within 14 days – notified any differently, the agreements are considered to be valid.

If an agreement is reached with the workers in a particular department concerning deviation from regular working hours in accordance with the above, then the new working hours of the workers will be considered as regular working hours, which means that work outside of these hours is considered overtime in accordance with Article 8.

Working around the clock

2. Working around the clock must be conducted in shifts. All factories that can have 3 shifts are defined as working around the clock.

If working around the clock in a fish factory is shorter than 3 days/2 consecutive days, and in other industrial factories no more than 5 consecutive days, then this work is considered regular work and must be paid accordingly, also regarding overtime and night time.

The pay for working around the clock is:

From 8am-4pm regular wage.

From 4pm-midnight regular wage + 4.58 % an hour.

From midnight-8am regular wage + 6.41 % an hour.

If work in a fish factory lasts shorter than 3 days, but at least 2 days, the wage is as follows:

From 8am-4pm regular wage.

From 4pm-midnight regular wage + 7,32 % an hour.

From midnight-8am regular wage + 9.15 % an hour.

These wage additions are not wage indexed. Food break is not deducted in work around the clock.

If the work around the clock happens during Saturday, Sunday and holidays, then this must be calculated as Saturday, Sunday and holidays, but it must not break the 3/2 and 5 day rule.

The notification deadline is 24 hours before the shift begins. If the notification does not arrive before the deadline, then 1st overtime must be paid for the day each worker is in the shift.

Working in shifts

3. In industrial factories work can be conducted in 2 shifts, 8 hours in each, using similarly sized teams that rotate every week.

If working in shifts in fish factories is shorter than 3 consecutive days, and shorter than 5 consecutive days in other industrial factories, then this is considered as regular work and wages must be paid accordingly, also regarding overtime and night time.

The workers and the employer can, through negotiations, set the working hours between 7am and midnight, and the wage must be as follows:

1st team: Regular wage.

2nd team: Regular wage + 11%

This addition is not indexed. Food time will not be deducted for the 2nd team.

Overtime – if the work is conducted for longer than 8 hours on the shift –on call shift work is just like Sundays and holidays and paid in accordance with Article 8.

Sunday and holidays must not break the 3 and 5 day rules.

In workplaces where the work is naturally divided into different departments, it is possible to enter into an agreement resulting in the use of shift work in individual departments.

The agreement is made between the workers together with the union representative and the company. Voting among all the employees must be made using slips and representative for the parties mentioned in the agreement must be present during the vote. These working hours must be submitted in writing for the approval of the management of the union.

If the union has not –within 14 days – notified any differently, the agreements are considered to be valid.

The notification must be given 24 hours before the shift starts. If the notification is not given before this deadline, then 1st overtime must be paid for each worker in the shifts.

Decision from the agreement protocol:

In the case of around the clock work where there is a shortage of workers, the committee of the Faroese Worker' Union agrees that should the relevant worker or female workers' union wish to deviate from the time allotment in the around the clock work, the committee will treat this request positively.

If workers who work in shifts of three shifts wish to change their working hours, then this change must be notified and approved in every incident by the working committee of the Faroese Workers' Union.

Eating and drinking hours in work around the clock work is practiced just as it has been so far in the respective work places.

Similarly drinking break time in other work will be practiced as it has been so far in the various work places and various works.

**Food breaks
Article 10**

Section 1. the lunch break is one full hour between 12 noon and 1 pm and you will not be paid for this time. If you are working through the lunch hour, the remuneration must be double normal hourly wage, however, on Sundays and holidays, double Sunday hourly wage applies

Under no circumstance can there be more than 4 hours between each meal.

Section 2. If the overtime work for one day exceeds 60 minutes, then the workers have the right to a dinner break. The dinner break must last for one hour and must be between 6pm and 7pm, and there will be no pay for this hour. If the workers work through the dinner hour, then double overtime pay

must be paid. The notification for overtime work must be given the previous day. If this is not possible, then the notification must come before lunch on the day of the overtime. If no notification has come before lunch and the workers go to dinner, then the workers receive one hour extra wage corresponding to overtime 1, if the work starts again at 7pm.

Section 3. Regardless of sections 1 and 2, the parties in the work place can reach an agreement that the workers receive a 20 minute food break for each 4 working hours.

In this scenario, no wage is deducted for food break.

Section 4. In workplaces where the number of workers is at least 10, an agreement can be made that the food breaks in accordance with Article 3 can be organised in a rolling fashion with groups of similar size.

In this scenario, wage is not deducted for food break.

Section 5. The agreement on the work place, in accordance with sections 3 or 4 is performed in accordance with the above rules concerning working hours.

The workers' union must be notified in writing about the changes in food break times.

The rules above apply to drinking time.

Union representative and union committee members

Article 11

In each work place, the workers have the right to elect a union representative. The specific rules for union representatives are registered in a special system between the unions.

b. Union committee members have the right to get time off from work because of committee work, negotiations and courses. The committee member must notify his employer immediately when he is summoned to a committee meeting.

c. In cases of termination of committee members of the Faroese Workers' Union, the same rules apply to committee members as apply to union representatives.

Minimum working hours and wage

Article 12

Regardless of the work, any worker participating will be remunerated for a minimum of 2 hours, even when the actual work is over faster.

Similarly, workers who are summoned to work, when there is no work will be remunerated for a minimum of 2 hours, or if the work starts after a certain time, they will be remunerated for the time they have waited.

Payment of wage

Article 13

Wages are paid every week. If an agreement is made with the respective union (The Faroese Workers' Union), the wage payment can be conducted every fortnight or on a monthly basis. A weekly slip must accompany every wage payment.

Workers' wages must be paid through the financial institutions that exist and that will come into existence, where the unions want, or in accordance with current legislation.

Work injuries Articles 14

Section 1. If a worker is injured during work, and he is deemed unfit for work through a doctor's certificate, 20% of the lost income is paid for as long as 10 days with 10% coming from the employer and 10% from the union.

Section 2. If a worker – who has been with the same employer for more than 9 months - is injured during work, and he is deemed unfit for work because of a work injury, the employer – after the time mentioned in section 1 has passed – is obligated to pay the difference between the benefit and the regular wage that the worker would have been paid if the injury did not happen.

The employer's obligation continues until the wage earner is ready for work again, however no longer than 4 months after the work injury occurred.

Being on piecework and special work Article 15

- a. Where the work and circumstances are beneficial, being on piecework is permitted, however, the union committees may demand to approve this.

If workers are required to work overtime on piecework, then the wage is increased using the overtime mentioned in article 8.

Protocol decision:

The parties agree that there is a need for specialised workers' agreement and verify that efforts are made to sign such an agreement as soon as possible.

Foreman Article 16

Every employer has the right to have a foreman, who is not required to be a member of a union.

Workers on loan Article 17

Workers on loan from one employer to another keep their employee rights.

Night watchmen on ships Article 18

Night watchmen on ships docked for the night receive a night addition to their wage, which corresponds to 7.5 regular wage hours. On Saturdays and Sundays, the wage addition is 10 regular wage hours. Night is defined as 9pm-8am.

If the night watchman work on board with other duties that the watch, a wage must be paid to him in accordance with the regulations in this agreement.

Worker on call
Article 18a

Worker who is on call from Monday to Friday at midnight is remunerated with 13.73% an hour. After Friday and until regular working hours on Monday morning, the worker is remunerated with 27.45% an hour.

If the worker also works in the time he is on call, he is remunerated in accordance with Article 8.

However, this regulation must not lead to a decrease in the watchman rates that are currently in place for ships.

Article 19

The parties agree that it is important that workers receive training, education and courses.

When workers are obligated to attend courses, then this is remunerated in accordance with Article 2 of this agreement in addition to possible wage additions, however no more than 8 regular hours a day. This also applies if these courses are on a Saturday, Sunday or fixed holiday.

Maternity or paternity leave
Article 20

Wage earner who is employed under this agreement has the right to a maternity or paternity leave in accordance with current legislation.

Article 21

Workers who receive special orders or in accordance with previously established work tradition temporarily undertake a higher position for 1 week or more, must in this period be remunerated in accordance with the same wage as the person, whom the worker replaces under the condition that the worker assumes the same work duties that come with the higher position.

Article 22

Workers that have been with the same employer for 5 consecutive years is allowed a leave without pay, insofar as it does not infringe on the employer's interests. The employer must have a job for the worker after the end of the leave.

Termination
Article 23

Section 1. In any work that lasts longer than 3 months, the term of notice for hourly paid workers to the

employer is as follows:

Less than 6 months seniority:	5	working days.
More than 6 months seniority:	7	working days.
More than 1 year seniority:	10	working days.
More than 2 year seniority:	15	working days.
More than 3 year seniority:	20	working days.
More than 5 year seniority:	25	working days.

The term of notice from the employer to the worker is as follows:

More than 3 months seniority 5 working days

More than 6 months seniority 7 working days

However, this does not apply when work stops because of a shortage of raw material or because of weather.

The term of notice must be in writing for both parties.

Section 2. The employer is obligated – at the end of a worker’s employment – to present the worker with a verification of the worker’s employment period.

Employee termination must be based on reasonable grounds. The employer must give grounds in writing should the terminate work demand it. Grounds for termination may be demanded if you have been with the employer for more than nine months.

Section 3. If a wage earner, who has been with the same employer for more than 9 consecutive months, becomes unfit for work because of a work injury, which can be proven with a doctor’s certificate, then the employee cannot be terminated before 6 months have passed since the injury. The employer’s obligation to pay is valid until the wage earner is fit for work again.

Membership fee, Life insurance, pension and widow/er benefit

Article 24

Section 1. In order to support the important purpose of the Faroese Workers’ Union, a fee of 1.5% is deducted from the wage before it is paid out.

The employer pays the fee to the Faroese Workers’ Union in accordance with the crew list and statement of account at the same time as they pay the wage.

The percentage for the local branch is deducted before the wage is paid out.

Section 2. A fee of 1.5% is deducted from the wage before it is paid out for life insurance and other social purposes.

The employer pays the percentage to the Faroese Workers’ Union in accordance with the crew list and statement of account at the same time as they pay the wage.

The Faroese Workers’ Union receives the regulations that are made regarding the abovementioned

percentage fee.

Section 3. In addition to the wage, the employer pays 10% of the wage to the union's pension fund. This percentage is paid to the fund at the same time as the wage is paid out.

Section 4. When a worker who has been with the current employer for more than 1 year dies, the bereaved spouse/co-habitant or children under the age of 18, that the worker was obligated to support, receive the right to widow/er benefit for the month in which the worker dies and the three following months.

As for hourly paid workers, the wage is calculated as the average of the wage, which has been paid out by the current employer the last 12 months that the person has been in employment.

Disagreement and arbitration **Article 25**

- a. In the case of any disagreement about work that is not stipulated in the general agreement, the unions must take up negotiations immediately regarding these work and wage circumstances before any approach to the arbitration court.
- b. All disagreements concerning the true understanding of the general agreement, are decided by an arbitration court. The Faroes Workers' union elects 2 members and the Faroese Employer's Association elects 2 members and these 4 elect an arbitrator. If they cannot reach an agreement concerning the person, then the court appoints one.
- c. If possible, the decision must be reached no later than 3 months after the arbitration court has convened.

Pension fund and increase in basic wage **Article 26**

The employers pay 10 % of the wage to the Faroese Workers' Union's pension fund.

These percentages are paid out together with the wage.

1 May 2018, the basic wage increases DKK 3,25 an hour.

1 May 2020, the basic wage increases DKK 3,30 an hour.

These increases also apply to special agreements.

The worker who have reached the pension age will instead receive the amount, which should have come as pension, as wage. Before the amount is paid out, any fees that are due to be paid at the same time as the wage, will be deducted from the amount ensuring that the employer's expense is unchanged.

The same applies to persons that have been relieved from the obligation to pay to a Faroese pension scheme in accordance with Article 1, section 5 of the pension act.

Note: As of 1 January 2018, these fees correspond to 16.56% of the hourly wage and 6.6% of the monthly wage. The fees are holiday pay, unemployment fee, maternity fund fee, Work market pension fund as well as fees for the industrial illness fund. This means that as of 1 January 2018, 5.58% are added to the hourly paid worker's wage and 9.43% are added to the workers' who have a paid holiday. (28.08.2018)

Seniority Article 27

After 3 year seniority, the wage addition is 2.50% of the basic wage
After 5 year seniority, the wage addition is 3.50% of the basic wage
After 7 year seniority, the wage addition is 4.00% of the basic wage
After 9 year seniority, the wage addition is 5.00% of the basic wage
After 11 year seniority, the wage addition is 6.25% of the basic wage

Workers have the right to bring their seniority from one workplace to another, provided that they have not been off their area of work for longer than 7 years.

The wage addition for 3 year seniority is given from 1 May 2003
The wage addition for 5 year seniority is given from 1 May 2005
The wage addition for 7 year seniority is given from 1 May 2007
The wage addition for 9 year seniority is given from 1 May 2013
The wage addition for 11 year seniority is given from 1 May 2017

In order to get the seniority from the new employer, the worker must notify the employer about possible seniority from other employer at appointment and no later than when the contract of employment is signed.

Sunday and holiday work Article 28

Sunday and holiday work by workers are only allowed where there is a danger that value relating to national production is lost.

Membership Article 29

Section 1. The parties agree that it is their common interest that the employers are organised as members of the Employers' Association and that all employees are organised as members of men and women's workers' unions.

Section 2. The Employers' Association works to inform employers about the advantages of being member of an employers' association. In a similar fashion, the union informs the workers about the advantages of being in a male or female workers' union. The parties work to ensure that the current agreements are kept. Workers and employers have an obligation to inform their respective association and union when unorganised workers or employers appear in work places.

Section 3. If an employer is contacted by a union regarding an informative event in the work place, such a notification must be treated kindly, just as the union must make sure not to interfere with daily work. In addition to this, the employer must allow the union - through its union representatives - to give

the workers, both current as well as new workers, informative material concerning the benefits of being in a union.

Chairperson's leave Article 30

The chairperson of the Faroese Workers' Union has the right to a leave for no more than 6 years without wage and the employer must have a job available at the end of the leave.

Cleaning Article 31

Section 1. If the union does not deem that certain cleaning work can be performed within the time that the employer has allocated for this work, then the union can demand that an adviser with the necessary competences on behalf of the union is allowed to examine the rooms and work procedures in order to re-examine the work in light of the aforementioned time, The same applies if the union deems that the circumstances surrounding the cleaning work have not been met, e.g. that the rooms are not ready for cleaning.

Representative for the employer has the right to be present when the examination takes place. When the aforementioned examination has been conducted, the adviser has the right to demand a meeting with the employer in order to discuss a possible settlement concerning the mentioned work time.

If the disagreement is settled, the union can demand that the matter is resolved together with the Faroese Employers' Association.

All the information, that appear in such an examination must be treated in strict confidence.

Section 2. A wage addition of 9.15% an hour is given for thorough cleaning.

Article 32

Section 1. The control initiatives initiated by the employer must be based on safety or operations and have prudent purpose.

Section 2. Control initiatives must not lead to any unnecessary hindering for the workers and there must be a fair connection between the purpose of the control and the way that the control is performed.

Section 3. The employer must notify the workers in writing before initiating any control measures.

Section 4. If it is paramount to implement control without notifying the workers, the employer is nevertheless obligated to notify the workers as soon as possible that the control measure is in place and the reason for this.

Transportation compensation Article 33

- a. In the case of public work that is so far out of town that it is necessary to transport the worker, they are afforded free transportation to and from work with the wage for the transportation time.

- b. When men are sent away from work, they have full right to board and stay and transportation expenses covered as well as wage for the transportation time and otherwise in accordance with the agreement.
- c. If a worker is summoned by the employer to another village/town for work that is urgent, and the distance is so far that it is necessary to transport the workers, they have the right to free transportation.

However, this does not apply to workers who already are employed by the relevant employer.

Eating room and work clothes **Article 34**

In all stationary work places, which employ many people, a room must be made available for eating and clothes. These rooms must be heated.

In work places where a special uniform is required, the employer is obligated to provide such uniform. The same applies to uniform (shoes and clothes) that the employer only wants used in the work place. In the latter case this obligation is not valid until the worker has been in employment for 3 months.

Apprentice wage and professional rate **Article 35**

Section 1. For apprentices that are employed under Parliamentary Act no. 94 from 29 December in 1998 concerning vocational education with later amendments or corresponding legislation and that work within the general agreement area, the apprentice wage is as follows:

1 st apprentice year	32 % of the professional rate
2 nd apprentice year	40 % of the professional rate
3 rd apprentice year	45 % of the professional rate
4 th apprentice year	55 % of the professional rate

For overtime in all the apprentice years, a basic wage + overtime wage in accordance with Article 8 in the general agreement is paid.

Section 2. The professional rate for those who have completed their education in accordance with section 1 is DKK 140.56 an hour, and the monthly wage is DKK 24,363.26. The professional rate is indexed just as it is for professional workers.

The overtime rate is as stipulated in the general agreement; however, the percentages are calculated from the professional rate.

Decision from the protocol:

The Faroese Workers' Union/Tórshavn Female Workers' Union/Tórshavn Male Workers' Union/Klaksvík Male Workers' Union/ Klaksvík Female Workers' Union and the Faroese Employers' Association hereby attest that if any law or regulation concerning training/course activities that are not covered in the current apprentice initiative in Parliamentary Act no. 94 from 29 December in 1998 concerning vocational education and later amendments, is put into effect, then the parties will take up

negotiations about agreement amendments to determine the wage for those persons who undertake such training or courses.

This agreement comes into effect on the day that it is signed, and it follows the general agreement.

Tórshavn, 30 April, 2003.

Article 36

The agreement parties can enter into agreements among themselves that are limited to certain areas and certain workplaces. These agreements must be in writing.

Termination of agreement

Article 37

This agreement is valid from 1 May 2018 and can be terminated by either party with 4 month's notice, no earlier than 1 May in 2020.

Tórshavn on 19th of May, 2018

THE FAROESE WORKERS' UNION

Georg F. Hansen, Chairperson
Elin K. Sørensen, Deputy chairperson
Sunrid Vang
Jógvan Páll Johansen
Suni Mortensen
Amy Jacobsen
Maud Túgvustein

THE FAROES EMPLOYERS' ASSOCIATION

Bogi Jacobsen, Chairperson
Høgni Hansen, Deputy chairperson
Kristoffur Laksá
Jón Sigurdsson
Atli Gregersen
Fróði Magnussen
Jens Meinhard Rasmussen
Odd Eliassen
Árni Ellefsen

Decision concerning Spacious Work Market

As a starting point, the parties agree that the overall responsibility is with the government and parliament. At the same time, the connection of the individual citizen to the work market is of great significance, socially and psychologically.

The parties believe that all citizens in a well-organised society must have the opportunities to take on work that is within their line of competence. That is why it is of great importance that as many citizens as possible enter and stay on the job market.

The job market must be flexible, so that as many people as possible are offered work throughout their working lives.

Based on this, the parties agree that an active old age policy will be to the benefit of both companies and workers. The employers must show consideration to older workers by establishing an old age policy where the workers' opportunities and offers are treated. This must be based on competences, work assignments and work hours, in order to adapt them to life and professional situation of the workers and the companies' situation.

In addition to this, the parties agree that work needs to be done to allow people with limited capabilities to receive opportunities in the job market. This can be done e.g. by offering these groups specially adapted hiring conditions. Based on the regular conditions in the general agreement, it should be possible to have work performed under special conditions.