

COLLECTIVE AGREEMENT

between

Landssamband íslenzka verzlunarmanna and VR on the one hand

and

the Confederation of Icelandic Employers (Samtök atvinnulífsins, SA) on the other

Article 1

Introduction

This agreement is in addition to the overall wage agreement between SA and the member associations of ASÍ, to which the unions are affiliated; the overall agreement addresses the preparatory agreement, the period of the agreement, when it comes into force, the grounds for the agreement, the acceptance of the collective agreement and other joint matters. This collective agreement includes amendments and additions to the main collective agreement made by Landsamband íslenzka verzlunarmanna and VR and the wage agreements that are considered part of it [the collective agreement].

Article 2

Increases in monthly wages

1.6.2011: 4.25%.

1.2.2012: 3.5%.

1.2.2013: 3.25%.

Other wage-related items shall undergo the same changes by the same proportions on the same dates, unless other arrangements have been agreed.

Article 3

Pay scales

Previous pay scales will be replaced by new ones which are part of this agreement. Pay scales will be valid from 1 June 2011, 1 February 2012 and 1 February 2013.

Article 4

Article 1.2.3 Minimum wages for a full-time position

Minimum wages for a full-time job, a full 171.15 hours actually worked per month (39.5 hours per week), shall be as stated herein for employees 18 years or older who have worked for four consecutive months for the same company:

1 June 2011 ISK 182,000 per month

1 February 2012 ISK 193,000 per month

1 February 2013 ISK 204,000 per month

An extra monthly wage supplement shall be paid to those employees whose wages are less than the rates stated above. Wages in this context include all payments, including any bonus

payments, allowances and extra payments which accrue within the period of the above working hours.

Pay for overtime work carried out in addition to the 171.15 hours per month and payments to cover expenses paid are not included in this context.

Article 5

December and holiday bonuses

The December bonus for each calendar year, based on full-time employment will be:

In 2011: ISK 55,400.

A special supplement to the December bonus of ISK 15,000 will be paid in 2011 unless ASÍ has decided that the agreement will be valid until the end of January 2012.

In 2012: ISK 57,300.

In 2013: ISK 59,200.

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

For the holiday year beginning on 1 May 2011: ISK 20,300.

A special supplement to the holiday bonus, of ISK 10,000, will be paid in 2011, unless ASÍ has decided that the agreement will be valid until the end of January 2012.

For the holiday year beginning on 1 May 2012: ISK 21,000.

For the holiday year beginning on 1 May 2013: ISK 21,600.

Article 6

Acceptance of the collective agreement

The acceptance of the collective agreement shall be notified before 16:00 on Wednesday, 25 May.

Article 7

The following paragraph shall be inserted after paragraph 1 of section 1.2.2:

The employer will in the same manner verify the composition of employee's overall agreement and demonstrate that the employee's total pay and conditions are not worse than those provided for in the collective agreement, should the employee so wish.

Article 8

Item b. of section 1.1.2, young persons' wages, shall be worded thus:

Young persons' wages shall be in proportion to the wages of 18-year-olds as follows:

15-year-olds: 76%.

14-year-olds: 67%.

Article 9

The following text shall be appended to section 1.7.1 regarding extra work and overtime carried out by shop assistants:

From and including 1 February 2013, payment for work carried out between the hours of 0:00 and 7:00 shall be at an hourly rate that is 0.8529% of monthly wages for daytime work up to 171.15 hours per month.

Article 10

The following text shall be appended to section 1.7.2 regarding extra work and overtime carried out by office workers:

From and including 1 February 2013, payment for work carried out between the hours of 0:00 and 7:00 shall be at an hourly rate that is 0.9063% of monthly wages for daytime work up to 162.5 hours per month.

Reykjavík, 5 May 2011

For Landsambands íslenzkra
verslunamanna

For the Confederation of Icelandic
Employers (Samtök atvinnulífsins, SA)

For The Commercial Workers' Union of Reykjavík, VR

Minute regarding rates for night work

In formulating a new collective agreement when this agreement expires, the objective of the parties to the agreement will be that the overtime supplement for work carried out between the hours of 0:00 and 7:00 will be increased from 45% to 50% for up to 171.15 working hours per month for shop assistants (0.8824% of monthly pay for daytime work) and up to 162.5 hours work per month for office workers (0.9375% of monthly pay for daytime work), see Articles 9 and 10 in this agreement.

Minute (2011) regarding the rights of employees who work alone in retail outlets

The parties to the agreement agree that the rights that employees enjoy in law and in collective agreements will be respected. Employees in retail outlets who carry out a proportion of their work alone and without relief have limited opportunities to take uninterrupted refreshment breaks. These employees take refreshment breaks when their work allows them to. If it is foreseeable that there will be considerable disruption of refreshment breaks, then this matter shall be addressed in the employment contract agreed between the parties.

Minute (2011) regarding the rights and safety of shop assistants

The parties to the agreement agree that it is necessary to ensure the safety of employees in retail outlets, particularly where shops are open in the evening and overnight. For this purpose, VR/LÍV on the one hand, and SA on the other, agree to appoint a committee consisting of two persons from each side to make proposals on this matter.

The committee will be able to call on representatives from the police, security companies, the Administration of Occupational Safety and Health and others considered necessary by the committee at any time and whom the committee agree can contribute to the issue.

Special attention shall be paid to the rights and safety points of view of employees who are alone in retail outlets, taking into account the law and collective agreements, among other things with respect to the minimum number of employees, security equipment, handling cash and other matters that could be relevant in this context.

Retail outlets that are open during the evening and overnight shall particularly take into account issues with respect to the safety of employees.

A 1997 minute concerning the safety of shop assistants was unanimously revoked.

Minute regarding work clothing

Stores selling clothing that expect employees to wear clothing from the store while they are working must provide the clothing, which will be the property of the employer. Use of the clothing will be permitted at work only, and the employer may lay down a condition that the clothing is kept at the place of work.

Attachment relating to employee interviews

Paragraph 2 of section 1.2.2 of the collective agreement made by LÍV/VR and SA provides that an employee has the right to an annual interview with a manager regarding his or her job and any possible change to working conditions. The parties to the agreement emphasise that this right should be respected. An increasing number of employers offer their employees interviews about their jobs.

The objective of the employee interviews is that both the employer and the employee can express their opinions about the job and related matters. In order that the employee interview is as transparent as possible, it is preferable that the parties discuss matters relating to the employee's job. The parties to the agreement have drafted instructions about, for instance, what matters can be discussed naturally in such interviews.

- The main tasks at work.
- The job itself and the workload. The employee's knowledge, number of tasks, job management and satisfaction at work.
- Work environment. Working conditions and work facilities.
- Communication, with colleagues, clients and managers. Flow of information. The atmosphere in the workplace and feedback to the employee from his or her immediate supervisor.
- Career development and objectives. Current field of work, training courses and targets for the next 12 months.
- If no decision has been taken to discuss pay separately, then it must be discussed within the year.
- Other terms.

In case of disputes, please refer to the original in Icelandic.