

# **SPECIAL COLLECTIVE WAGE AGREEMENT**

**between**

VR, on the one hand, and the Confederation of Icelandic Employers (SA) for Icelandair ehf. at Keflavík International Airport, on the other hand, regarding the wages and terms of employment for shift workers who work for the Company's passenger and loading services.

This Agreement is a part of the main collective wage agreement between Parties and is valid for the same period of time.

## **Article 1 On wages**

Par. 1, Article 1 has been amended to reflect the following phrasing:

“From the entry into force of this Agreement, employees working under this Agreement receive wages according to the VR/LÍV wage table for employees of leisure and tourism service companies, although seniority according to the wage table is in all cases based on length of service in the job to which this special collective wage agreement applies. If an employee enters such a job after having held a different position within Icelandair, their work experience is evaluated as 1 year, if they have completed that length of service with Icelandair.”

The adoption of a new wage table shall ensure that an employee working at the time of this Agreement's entry into force receives a minimum increase of 23,750 ISK. per month for daytime work.

Supervisory wage supplements are subject to general wage amendments during the period of validity of this Agreement.

After the words “...of computers and equipment” in the provision regarding supervisory duties, a new sentence replaces the current text:

“The person acting in a supervisory capacity must follow updates to procedures and other important information concerning the job outside of fixed working hours.”

## **Article 2 Permanent employees**

New sentence at the end of Article 2

“Upon permanent employment, employees are paid according to daytime rates for attending a course for new recruits.”

## **Article 3 On shifts**

New Paragraph 4 at the end of Article 3

Employees' working hours must be consecutive to the extent that circumstances allow. For every gap in time worked (i.e. a gap between two shifts on the same day), employees are paid 4,615 ISK. Part of this compensation is due to the employees' obligation to follow updates to procedures and quality issues and arrive informed to each shift.

Payment for gaps in timed worked are subject to general wage amendments during the period of validity of this Agreement.

### **Article 10 Uniforms**

The sentence: “A monetary payment made in lieu of footwear shall take into account the cost of the footwear” is replaced with: “In lieu of footwear, employees shall receive a payment of 42,000 ISK based on full-time work. This payment is subject to general wage increases during period of validity of this Agreement.”

Reykjavík, 13 March 2024

On behalf of VR

on behalf of The Confederation of Icelandic Employers (SA)  
for Icelandair ehf.

## Protocol 1

In a rapidly changing labour market, it is essential that employees' job skills are visible and confirmed. VR members working for Icelandair hold diverse and ever-changing positions. Likewise, following the integration of Icelandair's operations with those of Flugfleálg Íslands, it is necessary to consider the Agreement's consistency. Parties to the Agreement agree on the necessity of performing a job skills assessment in accordance with this Agreement.

Skills assessments are beneficial to employees and promote a company's competitiveness, which in turn is an asset to both the employees and the Company. A skills assessment entails preparing profiles of the aforementioned jobs in consultation with the Education and Training Service Center (ETSC) in which benchmarks for the skills required of each job are identified with an assessment checklist developed for the jobs in question, after which skills are confirmed with the issuing of a professional certificate.

Confirmation of skills serves as a foundation for wage-setting on the basis of the nature and content of a job and employee skills regardless of job title.

Once the results of a skills assessment are available, Icelandair will review them with reference to control groups in order to determine base wages, composition and terms of regular salaries, etc.

Skills assessments and audits within the Company must be completed no later than 30 November, 2025.

## Protocol 2

The Parties agree to continue working towards building a positive and effective workplace by providing information regularly and creating a platform for communication between employees and management.

The Parties also agree that working arrangements will be reviewed in consultation with employees. The objective is to improve the working environment for both staff and management and thus meet the need for better organisation of working hours. These amendments are also intended to promote better employee health and safety and to improve work-life balance as well as the quality of service.

To form a basis for this review, it is important to consider data about Company activities, peak periods, project status, and the length and composition of shifts with an aim to increase continuous attendance during working hours to the greatest extent possible.

The review shall begin no later than 31 May, 2024 and finish before 20 December, 2024.

Each Party may independently request the State Conciliation and Mediation Office's supervision during the review of shift workers' working arrangements cf. this protocol.

The Parties hereby rely on effective cooperation in solving whatever challenges lay ahead.

## Protocol 3 on updates

The Parties agree to update the Agreement on the bases of amended working hours, which are normally 37.25 hours per week for full-time work instead of 38 hours. A shift schedule thus normally assumes 161.42 hours instead of 164.67 hours. The divisor for hourly wages is 161.42. The number of winter holiday hours will also be updated to account for the shortening of the work week to 89.4 hours.

The term for 'employer' will be changed from 'vinnuveitandi' to 'atvinnurekandi' and the term for 'employees' will be changed from 'starfsmenn' to 'starfsfólk'.