

Proposals for amendments to the laws for the VR 2023 Annual General Meeting

1. Article 1 Name, area of operations

Current wording:

The name of the union is VR, and it is the labour union of employees in commerce, services and offices. Its area covers the legal venue of Reykjavík, Kópavogur, Hafnarfjörður, Garðabær, Seltjarnarnes, Mosfellsbær, Kjósahreppur, Reykjanesbær, Grindavíkurbær, Suðurnesjabær, Sveitarfélagið Vogar, Vestmannaeyjar, Árnassýsla, Rangárvallasýsla, Vestur-Skaftafellssýsla, Húnaþing vestra, Akranes and vicinity, Langanes region, Vopnafjörður county, Borgarfjarðar county, Seyðisfjörður town, Fljótsdalshérað region, Fljótsdals county, Fjarðarbyggð region, Breiðdals county and Djúpavogur county. The residence and venue of the union is in Reykjavík.

Will become:

The name of the union is VR, and it is the labour union of employees in commerce, services and offices. Its area covers the legal venue of Reykjavík, Kópavogur, Hafnarfjörður, Garðabær, Seltjarnarnes, Mosfellsbær, Kjósahreppur, Reykjanesbær, Grindavíkurbær, Suðurnesjabær, Sveitarfélagið Vogar, Vestmannaeyjar, Árnassýsla, Rangárvallasýsla, Vestur-Skaftafellssýsla, Húnaþing vestra, Akranes, **Hvalfjarðarsveit**, Langanes region, Vopnafjörður county, **Múlaþing**, Fljótsdals county and Fjarðarbyggð region. The residence and venue of the union is in Reykjavík.

Note:

It is proposed to change the company's area of operation so that the laws are updated based on the merger of municipalities that has taken place in recent years, and that Akranes and its surroundings will be replaced by Hvalfjarðarsveit. This is not a material change and the area of operation will remain the same after the change.

In the merger of municipalities in east Iceland, the municipalities of Fljótsdalshérað, Borgarfjarðarhreppur, Seyðisfjarðarkaupstaður, and Djúpavogshreppur were merged into the municipality of Múlaþing. It is therefore proposed that the older municipalities of Fljótsdalshérað, Borgarfjarðarhreppur, Seyðisfjarðarkaupstaður, and Djúpavogshreppur be replaced by Múlaþing. Breiðdalshreppur was merged with Fjarðarbyggð, so there is no need to specify it in VR's laws.

Verzlunarmannafélag Akraness merged with VR in 2002 and, with that merger, the area of operation of Verzlunarmannafélag Reykjavík expanded. The area of operation of Verzlunarmannafélag Akraness was defined as follows in the association's bylaws:

"Akranesskaupstaður and the districts south of Skarðsheiði from the border of Andakílshreppur and Leirá and Melasveit to the north, and to Botnsá to the south."

When the municipalities south of Skarðsheiði were merged, Hvalfjarðarsveit was created, which is actually the area of operation specified in the laws of Verslunarmannafélag Akraness, and therefore it is proposed that "surroundings" be replaced by Hvalfjarðarsveit.

2. Article 3. Paragraph 4 - Membership (older members)

Current wording:

Older members who receive benefits and have been in the union not less than five years before receiving pension benefits, at the age of 67, shall continue to be viewed as VR members but cannot stand for office. Those members who choose to accept benefits at the age of 65 can maintain their rights by paying dues out of their pension benefits from those pension funds that offer intermediation for remitting dues to unions up to the age of 67. They must have been members not less than for 5 uninterrupted years before the commencement of pension benefits.

Will become:

Older members who receive benefits and have been in the union for at least five years before receiving pension benefits, at the age of 67, shall continue to be viewed as VR members but cannot stand for office.

Note:

There has been a change in that members are retiring earlier, and therefore it is considered appropriate not to set a certain age when members can become older members with the accompanying rights. Lífeyrissjóður verzlunarmanna has amended its Articles of Association so that fund members can start receiving benefits at the age of 60. Likewise, the payment of membership fees from the age of 65 to 67 is being waived from retirement pension payments, so that there is no obligation to pay before a certain age. As before, if you are receiving retirement pension and earning wage income at the same time, membership fee is paid from the wages, which also entitles you to the payment of sickness allowance, payment to the reserve fund, etc., but older members do not have that right when receiving retirement pensions from pension funds.

3. Article 12 Paragraph 8 Activities of the Board

Current wording:

The Board shall hire a manager and entrust him/her with the daily operation of the union's office. The chairman of the union may be hired as manager. The manager hires staff and negotiates their emoluments. The salary committee proposes pay and emoluments of the chairman and manager, subject to the approval of the Board of VR.

Will become:

The Board shall hire a manager and entrust him/her with the daily operation of the union's office. **The Board is not permitted to appoint board members or the chairman of the union as its manager.** The manager hires staff and negotiates their emoluments. The salary committee proposes pay and emoluments of the chairman and manager, subject to the approval of the Board of VR.

Note:

Currently, the union's laws include positive authorisation for the chairman to also be the union's manager. It is considered appropriate to set clear boundaries between the chairman and the manager so that the chairman cannot also be the manager. Thus, it is the manager's responsibility to handle the day-to-day operations of the union and all personnel management. While the chairman's role is to manage the union's campaign issues, set policy, be the union's representative and spokesperson towards member organisations, the government, and the union's public spokesperson. The roles of the chairman and manager are specified in more detail in their job descriptions approved by the union's Board of Directors. There is also a degree of certainty in the fact that if there is a change of chairman, there is a manager in place who is in charge of keeping all the union's activities going despite the fact that the union is hiring a new chairman. If the same person can hold the position of chairman and manager, there is a greater risk that the chairman as manager could make extensive changes, e.g. on personnel without the involvement of the Board.

Furthermore, it is proposed that the manager cannot sit on the Board and that the Board cannot appoint one of its own as manager. With this, the separation between the Board and the manager is better guaranteed. It is still the Board that appoints and dismisses the union's manager, and they have to work according to the policy that the Board formulates at each time.

4. Article 10 The Board

Current wording:

The Board of the union shall consist of 15 principal members and three alternates. The chairman shall be elected for a term of two years. Other principal members shall be elected 7 at a time for a term of two years, thus 7 members alternately leave the Board each year. Alternates shall be elected for one year at a time. If a Board member leaves employment in commerce, services or offices or begins employment under the auspices of another union, a member shall be elected in his/her place at the first Board meeting thereafter. The Board elects a vice chairman and secretary and allocates its tasks in other respects.

Will become:

The Board of the union shall consist of 15 principal members and three alternates. The chairman shall be elected for a term of two years. Other principal members shall be elected 7 at a time for a term of two years, thus 7 members alternately leave the Board each year. Alternates shall be elected for one year at a time. If a Board member leaves employment in commerce, services or offices or begins employment under the auspices of another union, a member shall be elected in his/her place at the first Board meeting thereafter. **The Board of the union shall set its own Rules of Procedure.** The Board elects a vice chairman and secretary and allocates its tasks in other respects.

Note:

It is proposed that to Article 10 a sentence will be added stating that the union's Board shall set its own Rules of Procedures. This is not a material change, as the union's Board has established and maintained Rules of Procedure for many years, and it is part of good governance practices for the Board. It seems appropriate that the union's laws clearly stipulate that the Board must establish Rules of Procedure. The Rules of Procedure discuss in detail the work of the Board, e.g. on convening meetings, writing minutes, disqualification of board members, etc.

5. A new Paragraph 8. Article 12 Activities of the Board

Will become:

Board members shall carry out their duties with integrity, be able to devote the time to Board work that their position requires, and make independent decisions in each individual case.

Note:

It is proposed that the basic duties of board members be included in the laws, as there is no discussion of this in the company's bylaws today. Thus it is proposed that board members shall carry out their duties with integrity, devote time to Board work, and make independent decisions in each individual case. This provision states that board members

must be independent and, as required, they must give themselves the time needed to carry out board work for VR.

6. 20.4. On ballots and the ranking on lists

Current wording Paragraph 1 Art. 20.4:

On the election of the Board:

Candidates shall be ranked alphabetically on the ballot, and voters shall mark at least one and at most seven. In order to maintain gender equality in the VR Board, the candidate receiving the most votes shall receive the first seat on the Board. The next seat shall be awarded to the person of the opposite gender receiving the second-most votes, etc. This gender arrangement shall also apply to the ranking of alternates. The seven candidates who receive the most votes according to the above shall be deemed the duly elected principal Board members of VR for the next two years. The next three shall be deemed to be the three duly elected alternates to the VR Board for a period of one year.

Will become:

On the election of the Board:

Candidates shall be ranked on the ballot in a **random order** and voters should mark at least one and the most seven. In order to maintain gender equality in the VR Board, the candidate receiving the most votes shall receive the first seat on the Board. The next seat shall be awarded to the person of the opposite gender receiving the second-most votes, etc. This gender arrangement shall also apply to the ranking of alternates. The seven candidates who receive the most votes according to the above shall be deemed the duly elected principal Board members of VR for the next two years. The next three shall be deemed to be the three duly elected alternates to the VR Board for a period of one year.

Note:

It is proposed to change the way candidates are ordered on the ballot. Voting has been electronic for the past years. Ordering candidates alphabetically may result in candidates who are at the back of the alphabet not being immediately visible on the ballot and having to scroll down to find them on the ballot. In order to better ensure equality, it is proposed that the candidates be ranked in a random order, either by drawing lots for the order of candidates on the ballot or that the ballot be variable depending on when it is downloaded.