

COLLECTIVE AGREEMENT

BETWEEN
THE CONFEDERATION OF ICELANDIC EMPLOYERS
(SAMTÖK ATVINNULÍFSINS, SA)
ON BEHALF OF THE COMMERCIAL BANKS
AND SAVINGS BANKS

AND

THE UNION OF ICELANDIC BANK EMPLOYEES
(SAMBAND ÍSLENSKRA BANKAMANNA, SÍB)

1 October 2004 – 1 October 2008

The Union of Icelandic Bank Employees and the Confederation of Icelandic Employers (on behalf of the commercial banks and savings banks) signed a new collective agreement on 8 December 2004. Under that agreement, the collective agreement in force between these parties was extended until 1 October 2008.

The collective agreement of 8 December has now been incorporated into the older agreement.

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Collective agreement with bank employees

1 WAGES

1.1 Monthly wages

1.1.1 As from 1 October 2004, the monthly wages of employees in full-time positions shall be as stated in the pay-scales below in accordance with the further provisions of this Agreement.

Pay scale 144 A

Change from previous pay scale: + 5.25% and step no. 202 has been added

Effective as from 1 October 2004

Step	Basic rate	After	After	After	After	After	16%	17%
		3 yr	5 yr	7 yr	9 yr	12 yr		
	4%	7%	11%	14%	16%	17%		
step	Basic rate	4%	7%	11%	14%	16%	17%	
101	106.955	111.233	114.442	118.720	121.929	124.068	125.137	
102	110.458	114.876	118.190	122.608	125.922	128.131	129.236	
103	114.185	118.752	122.178	126.745	130.171	132.455	133.596	
111	118.064	122.787	126.328	131.051	134.593	136.954	138.135	
112	122.077	126.960	130.622	135.505	139.168	141.609	142.830	
113	126.230	131.279	135.066	140.115	143.902	146.427	147.689	
121	130.518	135.739	139.654	144.875	148.791	151.401	152.706	
122	134.959	140.357	144.406	149.804	153.853	156.552	157.902	
123	139.548	145.130	149.316	154.898	159.085	161.876	163.271	
131	144.291	150.063	154.391	160.163	164.492	167.378	168.820	
132	149.196	155.164	159.640	165.608	170.083	173.067	174.559	
133	154.269	160.440	165.068	171.239	175.867	178.952	180.495	
141	159.514	165.895	170.680	177.061	181.846	185.036	186.631	
142	164.939	171.537	176.485	183.082	188.030	191.329	192.979	
143	170.547	177.369	182.485	189.307	194.424	197.835	199.540	
151	176.345	183.399	188.689	195.743	201.033	204.560	206.324	

152	182.340	189.634	195.104	202.397	207.868	211.514	213.338
153	188.536	196.077	201.734	209.275	214.931	218.702	220.587
161	194.948	202.746	208.594	216.392	222.241	226.140	228.089
162	201.576	209.639	215.686	223.749	229.797	233.828	235.844
163	208.433	216.770	223.023	231.361	237.614	241.782	243.867
171	215.520	224.141	230.606	239.227	245.693	250.003	252.158
172	222.847	231.761	238.446	247.360	254.046	258.503	260.731
173	230.423	239.640	246.553	255.770	262.682	267.291	269.595
181	238.257	247.787	254.935	264.465	271.613	276.378	278.761
182	246.361	256.215	263.606	273.461	280.852	285.779	288.242
183	254.736	264.925	272.568	282.757	290.399	295.494	298.041
191	263.396	273.932	281.834	292.370	300.271	305.539	308.173
192	272.350	283.244	291.415	302.309	310.479	315.926	318.650
193	281.610	292.874	301.323	312.587	321.035	326.668	329.484
201	291.186	302.833	311.569	323.216	331.952	337.776	340.688
202	301.086	313.129	322.162	334.205	343.238	349.260	352.271
203	311.323	323.776	333.116	345.569	354.908	361.135	364.248

**The maternity/paternity grant is ISK 46,647.
Holiday pay disbursement on 1 June: ISK 110,000.**

All wages shall rise by 3.75% on 1.1.2006; on 1.1.2007 they shall rise by 3% and on 1.1.2008 they shall rise by 2.25%.

Employees on steps up to and including No. 163 on the pay-scale who are in employment at the time of signature of this Agreement shall be raised by one step on 1 January 2005. Two new steps shall be added to the pay-scale during the period of the Agreement: No. 202 on 1 January 2005 and No. 203 on 1 January 2006.

1.1.2 Optional pay-scale

Pay-scale 144 B is an optional pay-scale in which the 13th month and the holiday-pay contribution (including holiday-pay supplement) are included and are spread over 12 months and paid out each month. Basic rates of pay remain unchanged as compared with the basic pay-scale at any given time. In this pay-scale, no holiday pay is calculated in respect of the 13th month.

Pay-scale 144 B

Employees may choose to be paid according to this pay-scale.

Change from previous pay scale: + 5.25% and step no. 202 has been added

Effective as from 1 October 2004

Step	Basic rate	After 3 yr 4%	After 5 yr 7%	After 7 yr 11%	After 9 yr 14%	After 12 yr 16%	After 15 yr 17%
101	125.378	130.013	133.489	138.124	141.600	143.917	145.076
102	129.173	133.959	137.550	142.336	145.926	148.319	149.516
103	133.211	138.158	141.870	146.818	150.529	153.003	154.239
111	137.413	142.530	146.366	151.482	155.320	157.877	159.157
112	141.761	147.050	151.018	156.308	160.276	162.920	164.243
113	146.260	151.729	155.832	161.302	165.404	168.140	169.507
121	150.905	156.561	160.802	166.458	170.701	173.528	174.942
122	155.716	161.564	165.950	171.798	176.185	179.108	180.571
123	160.687	166.735	171.269	177.317	181.853	184.876	186.387
131	165.826	172.079	176.767	183.020	187.710	190.837	192.399
132	171.139	177.605	182.454	188.919	193.767	197.000	198.616
133	176.635	183.320	188.334	195.019	200.033	203.375	205.047
141	182.317	189.230	194.414	201.327	206.510	209.966	211.694
142	188.194	195.342	200.703	207.849	213.210	216.784	218.571
143	194.270	201.660	207.203	214.593	220.136	223.832	225.679

151	200.551	208.193	213.924	221.565	227.296	231.117	233.028
152	207.045	214.947	220.873	228.774	234.701	238.651	240.627
153	213.758	221.927	228.056	236.225	242.352	246.438	248.480
161	220.704	229.152	235.487	243.935	250.272	254.495	256.607
162	227.884	236.619	243.170	251.905	258.457	262.824	265.008
163	235.313	244.345	251.119	260.152	266.926	271.441	273.700
171	242.990	252.330	259.334	268.673	275.678	280.347	282.682
172	250.928	260.585	267.827	277.484	284.727	289.555	291.969
173	259.135	269.120	276.610	286.595	294.083	299.076	301.572
181	267.622	277.946	285.690	296.014	303.758	308.920	311.502
182	276.402	287.077	295.084	305.760	313.767	319.104	321.773
183	285.474	296.513	304.792	315.831	324.109	329.629	332.388
191	294.856	306.270	314.831	326.245	334.804	340.511	343.365
192	304.556	316.358	325.210	337.012	345.863	351.764	354.715
193	314.588	326.791	335.944	348.146	357.298	363.401	366.451
201	324.962	337.580	347.044	359.661	369.125	375.434	378.589
202	335.687	348.734	358.519	371.566	381.352	387.875	391.137
203	346.777	360.268	370.386	383.877	393.994	400.740	404.112

The maternity/paternity grant is ISK 46,647.

In pay-scale B, the 13th month and the holiday-pay disbursement have been spread over 12 months.

In the case of those who are members of older pension schemes, the basis provided for by each individual scheme will continue to apply.

1.1.3 Fractions of monthly wages shall be calculated as follows: the monthly wage shall be divided by 21.67 and then multiplied by the number of calendar days, excluding Saturdays and Sundays, from the beginning to the end of the period.

1.1.4 When employees are placed on steps in pay-scales, consideration shall be given to factors including their length of working experience (service) and their educational qualifications. One year's working experience shall be equivalent to one step on the pay-scale. Working experience shall be assessed with reference to the following:

- a) Work in positions in banks shall be credited in full.
- b) Work in positions with the state, a local authority or other parties shall be credited in full providing that the experience gained is relevant to the employee's job.

For the purpose of this Article, 'length of working experience' shall mean continuous working time in at least 50% of a full-time position for 3 months or longer.

1.1.5 Pay-scale steps Nos. 101 – 113 are intended only for temporary employees.

Permanent employees shall be entitled to receive wages not lower than those specified under pay-scale step No. 121.

Employees shall be entitled to receive wages not lower than those specified under pay-scale step No. 122 when they have acquired four years' working experience.

1.1.6 Employees who have worked in a bank for 3 years shall receive a supplement of 4% on the wages they receive under Article 1.1.1. After 5 years' work, this supplement shall become 7%; after 7 years' work it shall become 11%; after 9 years' work it shall become 14%; after 12 years' work it shall become 16% and after 15 years' work it shall become 17%.

Employees who have taken university degrees shall receive the experience-related supplements provided for under this Article not more than 4 years earlier than would otherwise be the case, providing that their education is relevant to their work.

When determining the rate of experience-related supplements, employee's working experience gained in positions with other employers apart from the bank may be taken into account, providing that this experience has not been used previously as the basis of an assessment of an experience-related supplement. However, the maximum period of experience assessed for this purpose shall be 3 years.

1.1.7 Articles 1.1.4 - 1.1.6 shall also apply to employees who are not in full-time positions.

1.1.8 The general rule shall be that permanent employees receive their wages in advance on the first working day of each month in respect of that month, while temporary employees shall receive their wages in retrospect at the end of each month, or on the first working day of the following month, unless other arrangements are agreed with the relevant employees' association.

1.1.9 When employees' wages are paid, they shall have the right to receive pay-slips marked with their names. The pay-slip shall state the employee's fixed wage for the period covered by the payment, the number of hours of overtime the employee has worked and an itemisation of the individual earning and deduction items resulting in the wage disbursement, and also the employee's leave entitlement.

1.2 Daytime rates

1.2.1 The hourly rate for daytime wages shall be found by dividing the monthly rate for the pay-scale step in which the employee is placed by 160.

1.3 Inflation adjustment

1.3.1 Inflation adjustments to wages shall be made according to law.

1.4 Overtime rates

1.4.1 Overtime work shall be paid at hourly rates. The hourly rate for overtime for each pay-scale step shall be 1.0385% of the monthly wage for the pay-scale step according to which the employee is paid.

1.4.2 All work done on major public holidays (New Year's Day, Easter Sunday, Whit Sunday, Christmas Day and after 12 noon on Christmas Eve (24 December) and New Year's Eve, Good Friday and 17 June) shall be paid for at hourly rates equivalent to 1.375% of the monthly wage for the pay-scale step according to which the employee is paid.

1.4.3 Agreements may be made with employees on fixed monthly payments for overtime work.

1.4.4 Payment for all overtime work shall be made retrospectively for each month or 30-day period, and shall be disbursed not later than 2 weeks after the last accounting day.

1.4.5 Part-time employees who attend courses during the day shall receive wages at daytime rates even though the courses are held outside their regular working hours.

1.5 Supplementary payments and shiftwork supplements

1.5.1 Shiftwork supplements shall be based on the pay-scale step in which the employee concerned is placed.

The shiftwork supplement for the period 5 p.m. to 12 midnight shall be 33.33%; for the period from 12 midnight to 9 a.m. and at weekends it shall be 45%, and for major public holidays it shall be 90%.

However, this provision shall not apply to evening and night watchmen or to employees who work during the period between 12:30 p.m. and 7.15 p.m. (see Article 2.2.3).

1.6 Ranking in pay-scales according to job designations

Ranking in pay-scales according to job designations shall be as follows:

102-132 Desk tellers and bank secretaries

132-152 Deputies (fulltrúar)/service officers (þjónustufulltrúar)/tellers (féhirðir)

142-172 Department/service/front desk and office managers

142-181 Specialists

153-182 Branch managers, heads and officials.

A wage committee of the parties to this Agreement shall make a special examination of the ranking of job designations in pay-scales, taking into account developments and changes in the jobs of bank employees in recent years. The wage committee shall submit proposals for a new text of Article 1.6 to the negotiating committees of both parties before 1 January 2007.

The amendment to Article 1.6 shall take effect on 1 January 2005.

2 WORKING TIME

2.1 Daytime work

2.1.1 Ordinary daytime working hours shall be from 9 a.m. to 5 p.m. from Monday to Friday, both days included.

2.1.2 Employee's working hours shall be continuous. If this is not the case, then the free time in between working hours shall be counted in full.

2.1.3 Employees shall complete their ordinary daily tasks even though this takes longer than the defined period of daytime working hours.

2.1.4 The working day may be arranged in a way other than is specified in Article 2.1.1 if this is agreed between the employees concerned, the committee of the employees' association and the bank.

2.2 Part-time work

2.2.1 Employees in part-time positions shall receive wages and holiday pay in accordance with their job proportions.

2.2.2 Job proportions shall be assessed with reference to Articles 1.1.3 and 1.1.2. Meal times shall not be regarded as working time.

2.2.3 The wage proportion of employees who work 6 ¼ hours per day, with regular working hours during the period 12.30 p.m. – 7.15 p.m., shall be 100%, and no overtime pay or shiftwork supplement shall apply to work during this period.

2.3 Overtime

2.3.1 If employees work in excess of their ordinary working hours at tasks that are not considered as constituting part of their daily tasks, they shall receive overtime pay providing that a decision to this effect has been taken in each given instance.

2.3.2 All work done on holidays shall be paid for as overtime work (*cf.* Articles 1.4.1 and 1.4.2). In addition to the ordinary weekly holidays, the following days shall be regarded as special holidays: New Year's Day, Maunday Thursday, Good Friday, Easter Saturday, Easter Day, Easter Monday, the First Day of Summer, Ascension Day, Whit Sunday, Whit Monday, 17 June, the first Monday in August, Christmas Eve, Christmas Day and Boxing Day, and also New Year's Eve after 12 noon.

2.3.3 If the employee works during a meal or refreshment break, with the result that working break does not last for the full agreed time, then the meal or refreshment break shall be paid for at overtime rates. Meal and refreshment breaks during a period of overtime work in which the employee works shall be paid for with a supplement over the overtime rate; the same shall apply to meal and refreshment breaks during overtime work periods if work lasts until these breaks begin.

2.3.4 When employees are called out to work in periods that do not follow directly on from their working hours, they shall receive overtime wages for at least 3 hours at weekdays and at least 5 hours after 5 p.m. on Fridays and on Saturdays, Sundays and special holidays, except when their regular working hours commence within three or five hours of the time when they go to this work.

2.3.5 When employees' obligatory working time is shorter than that allowed for in Article 2.1.1, work done in excess of the obligatory time shall be paid for in accordance with Articles 2.3.6 and 2.3.7.

2.3.6 Unusual working time in excess of the shorter obligatory working time, or continuous work lasting less than one month, shall be paid for at the rates paid for overtime work.

2.3.7 Continuous regular working time lasting one month or more within the limits of daily working hours and amounting to anything up to full obligatory working time shall be paid for as a calculated proportion of monthly wages, providing that this is announced to the employee before this work begins.

2.4 Minimum rest periods

2.4.1 Working time 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 11 p.m. and 6 a.m. Work may not be arranged in such a way that the working period exceeds 13 hours.

2.4.2 Under special circumstances, when it is necessary to protect items of value, a work session may be extended to as much as 16 hours, in which case a rest period of 11 hours shall be granted immediately following the work, without any reduction of the employee's right to regular wages for daytime work. When special circumstances make it unavoidable to deviate from the daily rest period, the following shall apply: If employees are specially asked to report for work before the 11-hour rest period is up, then the rest period may be postponed and granted later, in such a way that a right to take leave, in the form of 1½ hours (of daytime working time) shall be accumulated for every hour by which the rest period is shortened. It shall be permitted to pay ½ hour (of daytime working time) of the leave entitlement if the employee wishes. In no case may 8 hours of continuous rest be reduced.

If the employee works for such a long time preceding a holiday or weekend as to make it impossible to have 11 hours' rest before the normal beginning of the working day, the situation shall be handled in the same way as above. If the employee reports for work on a holiday or at a weekend, payment at overtime rates shall be made for the time worked, without further additional payments in respect of this.

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 8 hours.

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 bank's activities in consultation with the employees, providing that their accrued leave-taking entitlement amounts to at least 4 hours. Settlement in respect of the employee's unused leave-taking entitlement shall be made on termination of employment, the entitlement being counted as part of the period of engagement.

2.4.3 During each 7-day period, the employee shall have at least one weekly day off work, which shall be in direct sequence with the daily rest period. For this purpose, the week shall be taken as beginning on Monday.

2.4.4 To the extent practicable, the weekly day off shall be Sunday.

2.4.5 Regarding scope, working time, breaks and other matters, reference is made to the Agreement between the parties of 11 June 1999 on certain matters regarding the structure of working time. That agreement is appended to this Collective Agreement and is regarded as constituting a part of it.

2.4.6 Employees who work exclusively at monotonous and mechanical jobs, and in particular jobs involving the use of registration equipment, shall receive regular rest periods from work at the equipment in the form of 10 minutes per hour, so breaking up the monotonous strain and providing them with some variety.

2.5 Stand-by shifts

2.5.1 If it is desired that employees be on stand-by, meaning that they are not required to be at work, but are to be prepared to respond to a call-out, they are to be paid by the hour with shiftwork supplements (*cf.* Article 1.5.1) for the duration of the shift. If employees are called out during this period, they are to be paid at overtime rates as provided for under Article 2.3.4, and payment for being on stand-by shall not apply for the period paid in that way.

2.5.2 Employees shall have the right to take time off instead of payment. Twenty minutes of time off shall be equivalent to a 33% shiftwork supplement per hour and 27 minutes' time off shall be equivalent to a 45% shiftwork supplement.

2.6 Shiftwork and abnormal working hours

2.6.1 The working week for shiftwork shall begin at 12 midnight on Sunday night and end at 12 midnight on Friday night. It shall normally consist of 40 hours per week, the day being divided into two or three shift sessions.

2.6.2 Those who work at regular shifts, or who work part of their obligatory weekly working time outside the daytime working period, shall receive shiftwork supplement payment for the work they do outside the ordinary daytime working period.

2.6.3 Where work is structured in regular shiftwork periods, a shift roster showing the employee's probable working time shall be submitted one month before the first shift provided for in the scheme begins, except where agreement is reached with the employee regarding a shorter notice period.

2.6.4 If a shift roster is changed due to special circumstances with less than 24 hours' notice, compensation shall be paid in the form of three hours' overtime pay. If the notice of the change is between 24 hours and 168 hours (1 week), two hours' overtime shall be paid.

2.6.5 Shifts may not be arranged on Saturdays and Sundays or other holidays except under a special agreement with the relevant employees' association and/or the SÍB.

2.6.6 Working sessions on shift shall last from 6-10 hours, and at least 10 hours shall elapse before the next shift session. Deviations from this arrangement may be permitted by an agreement between the employees and directors of the institution and with the written permission of the relevant employees' association.

2.6.7 Employees working on shifts do not have special meal and refreshment breaks. They may, however, consume food and drink while working at the shift if this can be done without interfering with their work. Due to the aforementioned restrictions regarding meal and refreshment breaks, each shift worked towards completing the employee's weekly working-time obligation shall be considered as lasting 25 minutes longer than the time during which the employee is actually on the job.

2.6.8 If shift-workers work overtime or additional shifts, then they shall be paid, in addition to the time they actually work, for 12 minutes in respect of each hour that they actually work, except where they take meal and refreshment breaks during the shift. In that case, these meal and refreshment breaks shall be regarded as working time, amounting to up to 12 minutes for each full hour worked.

2.6.9 Where the day is divided into three shifts, employees shall receive payment for 15 minutes of shared time at the change of shifts, providing that they do not leave their positions until their working sessions are complete and the next shift team (or shift worker) has taken over from them.

2.6.10 Employees who work at shiftwork on a regular basis may, on reaching the age of 55, stop working night shifts and call-out shifts, providing that they have worked at shiftwork for at least 6 years at the same institution. This shall not apply to security work.

3 MEAL AND REFRESHMENT BREAKS, FOOD AND CANTEEN/KITCHEN

3.1 Breaks during daytime work

3.1.1 A meal break of 30 minutes shall be taken during the period 11:30 a.m. – 1:30 p.m. If there is no canteen on the premises then the meal break shall be one hour, taken during the same period, without any lengthening of the period of daytime work.

3.1.2 Meal and refreshment breaks may be lengthened, shortened or omitted by agreement between the institution, the employees involved and the committee of the employees' association.

3.1.3 If a change is made in the time of the meal break under Article 3.1.2., then the period of daytime work shall end correspondingly earlier or later.

3.1.4 On normal working days there shall be a 20-minute refreshment break, which shall be counted as working time.

3.1.5 Any employee shall have the right to a full hour's meal break, even if there is a canteen on the premises, if, in the opinion of the institution's consulting physician, this is necessary for health reasons.

3.2 Breaks during overtime work

3.2.1 When overtime work takes place, meal breaks shall consist of one hour from 7-8 p.m. in the evening, 3-4 a.m. during the night and 11.30 a.m. -1.30 p.m. on holidays as defined in Article 2.3.2.

These meal breaks taken during overtime work periods shall be counted as working time.

Employees who work until 7.15 p.m. under Article 2.2.3 shall take meal breaks from 7.15-8.15 p.m.

3.2.2 During overtime work or extra shifts, the refreshment breaks shall be from 9-9.20 p.m., 12 midnight to 12.20 a.m., 5.40-6.00 a.m. and 7.40-8.00 a.m. Refreshment and meal breaks during overtime work done in the daytime working period between 8 a.m. and 5 p.m. shall be the same as those for daytime workers.

3.3 Food and canteens

3.3.1 Employees shall have access to a canteen/kitchen where this is possible and where agreement is reached on such an arrangement between the employees and managers of the workplace.

4 ANNUAL HOLIDAY (LEAVE)

4.1 Length of annual holiday

4.1.1 Minimum annual holiday leave shall be 24 working days. Employees who have worked part-time, or for part of a year, shall receive two working days' holiday for each month they have worked.

4.1.2 Those who have worked for 10 years or have reached the age of 35 shall, however, receive 27 working days' holiday each year, and those who have worked for 15 years or have reached the age of 50 shall receive 30 working days' holiday each year.

In addition, the following shall apply to those employees who were in permanent employment prior to 11 June 1999: Employees on steps 131-133 of the pay-scale shall receive 27 working days' holiday, and employees on step 141 of the pay-scale and higher shall receive 30 working days' holiday per year, irrespective of their age or length of working experience.

Those employees who already have more generous rights shall retain their annual holiday rights in full.

4.1.3 Length of working experience for the purpose of calculating annual holiday entitlement shall be assessed in the same way as length of working experience for calculating wages (*cf.* Articles 1.1.4 and 1.1.7).

4.2 Holiday pay and holiday pay disbursement

4.2.1 Employees shall receive 10.17% holiday pay calculated on all overtime and supplementary payments under this Agreement. When they have acquired 10 years' working experience, or reached the age of 35, they shall receive 11.59%. When they have acquired 15 years' working experience or reached the age of 50, they shall receive 13.04%.

In addition, the following shall apply to those employees who were in permanent positions on 11 June 1999: Employees on steps 131-133 of the pay-scale shall receive 11.59% holiday pay, calculated on overtime and

supplementary payments, and employees on step 141 of the pay-scale and higher shall receive 13.04%, irrespective of their age or length of working experience.

4.2.2 All employees who receive wages under Article 1.1.1 above shall be paid a holiday pay disbursement on 1 June each year. In June 2005 this amount shall be ISK 110,000, this sum changing according to changes in basic wages.

Employees who have worked for only part of the year, or part-time, shall receive holiday pay disbursement at a proportional rate.

4.3 The holiday-reference year

4.3.1 The holiday-reference year runs from 1 May to 30 April.

4.4 Annual holiday period

4.4.1 Annual holiday shall normally be taken in the period between 15 May and 30 September.

4.4.2 Employees who use their annual holiday entitlement, or part of it, during the period between 1 October and 14 May shall have it lengthened by $\frac{1}{4}$.

4.5 Decisions on the taking of annual holiday

4.5.1 The head shall decide, in consultation with the employees, when annual holiday is to be taken. Attention shall be given to the taking of annual holiday before the annual holiday period begins, and work on planning when holiday is to be taken shall be done in good time. To the extent compatible with business operations, the head shall take account of employees' wishes regarding when they take their holiday. Having ascertained the employees' wishes, the head shall announce as soon as possible, and at the latest one month before the beginning of the annual holiday period, when annual holidays are to begin. Other employees shall do the jobs of those who are on holiday.

4.5.2 When an employee who works shift work goes on holiday, he shall receive definite information as to when he is to report for shift after the holiday period, and the aim shall normally be that the shift roster remains unchanged.

4.6 Illness during annual holiday

4.6.1 If an employee falls ill while on holiday, the time that the illness lasts shall not be counted as holiday, providing that the employee provides proof of the illness in the form of a medical certificate.

4.7 Deferment of annual holiday

4.7.1 Annual holiday may only be saved up until the next year by special arrangement with the personnel manager, and such retained holiday entitlement shall not normally be used in the period December-January. Employees shall, however, take annual leave every year, as is obligatory, and leave that they have deferred from the previous year shall be used up each year.

4.7.2 If an employee does not take annual holiday or part of annual holiday at the request of his superior, then this holiday entitlement shall be held until the following year in accordance with Article 4.7.1. Employees may not accept work in place of annual holiday.

4.7.3 If a person comes from another job without using up his annual holiday entitlement, he shall be entitled to take leave without pay until he has used his holiday entitlement in full.

5 TRAVELLING AND ACCOMMODATION

5.1 Travelling costs as per invoice

5.1.1 Costs incurred while travelling in Iceland on the bank's business shall be reimbursed as per invoice, providing that satisfactory originals are presented. The same applies if the employee works for part of a day at such a distance from his regular place of work as to make it necessary for him to buy food at a location other than his home or regular place of work.

5.1.2 Employees shall receive estimated travelling costs paid in advance.

5.2 Per diem allowances in Iceland

5.2.1 Accommodation and travelling costs may also be paid in the form of *per diem* allowances if this arrangement is agreed or if it is not possible to present invoices.

5.2.2 *Per diem* allowances for travelling in Iceland shall be determined by a committee as provided for under Article 5.8.1.

5.3 Method of payment

5.3.1 The bank and the employee shall decide in advance how travelling costs are to be paid in each individual instance.

5.4 Driving to and from work

5.4.1 Employees' working time begins or ends at a time when buses are not running, they shall be provided with transport or their travelling expenses shall be paid.

5.4.2 Individual associations may negotiate further agreements concerning how the provisions of this Article are to be applied in individual instances.

5.5 Travelling fares abroad

5.5.1 Fares paid on trips abroad shall be paid as per invoice, providing that travel tickets are presented in all cases.

5.6 Per diem allowances on trips abroad

5.6.1 Other travelling costs incurred on trips abroad shall be paid in the form of *per diem* allowances, which shall be determined by a committee as provided for under Article 5.8.1.

5.6.2 *Per diem* allowance granted for travelling abroad shall be used to pay all travelling costs except fares, i.e. the cost of taxi transfers to and from airports, food and accommodation.

5.7 Per diem allowances for study courses

5.7.1 *Per diem* allowances to cover study courses, training and inspection work shall be paid in accordance with the provisions of Article 5.2 or 5.6 for the first 30 days; *per diem* allowances for periods in excess of 30 days at the same location shall be determined by a committee as provided for under Article 5.8.1.

5.8 Review committee

5.8.1 The amount of the *per diem* allowance under this Agreement shall be determined and reviewed when necessary and when the parties so desire. Reviews shall be carried out by a committee consisting of two representatives of the SÍB and two representatives nominated by the banks.

5.8.2 This committee shall also review the classification of countries for reference when paying allowances for time spent abroad and allowances granted for employees' use of their own cars where this is required in connection with their work.

5.8.3 If no agreement is reached by the committee, a chairman with a casting vote shall be nominated by Statistics Iceland.

5.9 Transport to and from home when employees work far from their regular place of work

5.9.1 When employees work far from their regular place of work, they shall be entitled to free transport to and from their homes as follows:

- a) Every day if the distance between their temporary and regular places of work, by the main route, is 30-60 km.
 - b) Every week if this distance is 61-150 km.
 - c) Every fortnight if this distance is 151 km or more.
- Employees shall be guaranteed a leave period of not less than 48 hours between trips under items b) and c) above.

6 ILLNESS, MATERNITY/PATERNITY LEAVE AND SAFETY ISSUES

6.1 Absence due to illness

6.1.1 If an employee falls ill, as a consequence of which he is unable to go to work, he shall immediately inform his superior and it shall then be decided whether a medical certificate will be required.

6.1.2 In the event of illness, permanent employees shall retain their wages in full if their periods of illness do not exceed 3 months in a 12-month period. If, due to illness, they are unable to work in the bank for more than 3 months in a 12-month period, their wages shall be reduced by half during the period in excess of 3 months. When the illness period has lasted for 6 months in a 12-month period, wage payments shall be discontinued. In the case of employees who have reached 10 years' service (working experience), the 3-month period shall be extended to 4 months and the 6-month period to 8 months.

In the case of employees who have reached 15 years' service (working experience), the 3-month period shall be extended to 6 months and the 6-month period to 12 months. Employees who have reached 20 years' service shall be entitled to full wages for 12 months, after which wage payments shall be discontinued.

6.1.3 Temporary employees shall be entitled to full wages for 30 days and to half wages for a further 30 days.

6.1.4 'Full wages' shall include, in addition to regular monthly wages according to this Collective Agreement, payments for regular overtime and shiftwork supplements, providing that the work contribution or working time has been determined by means of a regular shiftwork roster. The provisions of this paragraph shall apply to other regular overtime work that has lasted for 12 calendar months or longer or is intended to last for at least so long.

6.1.5 When an employee has been absent from work due to illness for a continuous period corresponding to more than one week of his obligatory working time, he shall receive, in addition to the regular wages paid under Articles 6.1.2-6.1.4, pay for the overtime work that he has demonstrably done and that is not attributable to his absence.

6.1.6 If an employee becomes unfit for work as a result of an accident in the workplace or on the way to or from work, he shall receive wage payments according to the same rules as are set out in Article 6.1 from the beginning of his period of absence.

6.1.7 Employees who are obliged to stop work due to permanent disability shall receive 4 months' wages paid.

6.1.8 Each bank shall engage a physician to carry out necessary monitoring of the health and protection of the health of its employees; this physician shall also be the consulting physician of the board of the bank, also for the purpose of monitoring absence from work due to illness.

6.1.9 Attempts shall be made to prevent technological development from resulting in new occupational illnesses. The banks shall pay all the costs of necessary medical inspections, e.g. eye tests, for their employees who work at computer monitor screens, not less often than once each year. The banks shall pay for medical certificates issued for their employees.

6.1.10 Parents shall receive up to 10 days' leave on pay in connection with their child's illness, providing that the parents take an equal share of the responsibilities involved, except where particular circumstances prevent this.

6.2 Maternity/paternity leave

6.2.1 The bank shall pay a permanent employee who is on legally-prescribed maternity/paternity leave the difference between his or her full wages under Article 6.1.4 and the payments received from the Maternity/Paternity Leave Fund, though in no case more than the equivalent of the difference between the payments received from the Maternity/Paternity Leave Fund and the Fund's reference ceiling as it is

determined at any given time (currently according to the third paragraph of Article 13 of the Act No. 95/2000). The same payment shall be made if a permanent employee adopts a child, in which case the maternity/paternity leave period shall begin as soon as the child is received for care. The same payment shall be made for two months of maternity/paternity leave in connection with a miscarriage following 18 weeks of pregnancy and for three months of maternity/paternity leave in the event of a still birth following 22 weeks of pregnancy.

In the event of a multiple birth, the period during which the bank pays for leave shall be extended by an amount corresponding to that during which the Maternity/Paternity Leave Fund is obliged to make payments. The same shall apply if more than one child is taken into foster-care at the same time. Payments made to parents who are on maternity/paternity leave cease from the day on which the parents give the child up for adoption, foster-care or permanent residence in an institution. In such cases, however, payments shall never be made for a period shorter than 2 months.

Furthermore, the obligation of the bank to make payments during maternity/paternity leave shall be extended by up to 2 months in the event of the child's suffering a serious illness which calls for additional care by the parent. The presence of such a need shall be demonstrated by a medical certificate and confirmed by the consulting physician. If, in the opinion of the consulting physician, there is a need for the employee to be absent from work for a longer period, the payments shall be assessed in accordance with the provisions on sick days (*cf.* Article 6.1).

6.2.2 An employee who is on maternity/paternity leave shall pay a premium to a pension fund of 4% of the payments made by the Maternity/Paternity Leave Fund and the bank, and the bank shall guarantee a complementary payment of 6% of the same sum for the period for which the leave lasts, providing that the employee pays premiums calculated on the same base. For employees who are in the share divisions of pension funds (but not Section B of LSR), the bank shall guarantee complementary payments based on their fixed wages in accordance with the rules of the relevant funds.

The bank shall pay a premium of 7% of payments made by the Maternity/Paternity Leave Fund and the bank into a private fund for employees who are on maternity/paternity leave and who have acquired the right to payments into private funds under Article 12.6.2. in this Collective Agreement.

6.2.3 All periods of absence from work due to this maternity/paternity leave shall be counted as working time for the purpose of assessing rights.

Pension rights, however, shall be subject to the reference base described above.

6.2.4 Permanent employees shall receive a payment of ISK 46,647 on the birth of a child. The right of a male employee to receive this payment shall be subject to the condition that he is married to, or in a registered cohabitational relationship with, the child's mother. The amount of this payment shall be revised to take account of general changes in the pay scales of bank employees.

6.2.5 If an employee wishes to take longer leave than is provided for above in connection with the birth of a child without pay, the bank involved shall attempt to grant this request.

6.2.6 If changes are made to the rules of the social security system regarding payments to parents during maternity/paternity leave during the term of validity of this Agreement, these rules shall be revised.

However, such a revision may not result in a reduction of total payments made to parents.

6.3 Health and safety at work

6.3.1 The Act No. 46/1980 shall apply concerning health and safety at work.

6.3.2 Each individual bank will revise its safety rules in consultation with the relevant employees' association regarding employee's safety. Measures shall be taken to ensure that employees receive regular training and that these rules are observed.

7 INSURANCE AND DEATH

7.1 Accident insurance

7.1.1 Employees shall be insured against death or permanent disability as a result of accidents.

7.1.2 As from 1 January 2005, compensation in the event of death resulting from an accident shall be as follows:

1) If the deceased was unmarried, leaves no children and was not responsible for the support of a parent or parents aged 67 or older: ISK 911,228.

2) If the deceased was unmarried but leaves a child or children, adopted children or foster-children under the age of 18: ISK 2,925,842. The same compensation sum shall apply if the deceased demonstrably provided for a parent or parents aged 67 or older.

3) If the deceased was married, the compensation sum due to his or her spouse shall be ISK 4,027,473. If the deceased was cohabiting with a partner, the partner shall be entitled to compensation as in the case of a married couple, providing that the partner demonstrably shared a home with the deceased for a number of years, this period being not less than two years preceding the death of the deceased. If the deceased is not survived by a spouse, but if his or her single mother, unmarried sister or other unmarried person demonstrably kept a home for him/her for a number of years preceding the death (not, however, for a period shorter than 4 years), comparable compensation shall be paid, i.e. ISK 2,925,842.

4) If the deceased leaves a child or children/adopted children/foster-children under the age of 18, compensation of ISK 764,648 shall be paid for each child. Each child/adopted child/foster-child of the deceased aged 18-25 who pursues studies at upper-secondary school level or university level for at least 6 months of the year shall have the same right.

Children/adopted children/foster-children of the deceased aged 18-25 who suffer from serious or chronic illnesses, or have reduced working capacity or are disabled or retarded, shall also have the same right. The provisions of this paragraph shall apply irrespective of whether the deceased was married or cohabiting with a partner.

Compensation shall only be paid under one of the items 1, 2 and 3 above. Compensation under item 4 may be paid in addition to that paid under items 2 and 3.

Those entitled to receive compensation for death are:

1) The statutory heirs of the deceased.

2) The parties concerned, in equal shares.

3) The surviving spouse or cohabiting partner of the deceased.

4) The children concerned; however, compensation shall be paid to the surviving spouse if he/she is the other parent; if not, it shall be paid to the party carrying out the division of the deceased's estate and/or the children's financial trustee.

7.1.3 As from 1 January 2005, compensation for permanent loss of working capacity shall be paid in proportion to the insurance sum, ISK 19,116,192, though in such a way that each degree of disability rating in the range 26-50% shall have double weighting and each degree of disability rating in the range 51-100% shall have triple weighting. The basic amount is ISK 8,496,085.

7.1.4 The insurance sums shall be revised twice a year, on 1 January and 1 July, and shall rise by an amount equivalent to the change in the consumer price index. Insurance sums as of 1 January 2005 are based on the consumer price index in December 2004, which was 239.0 points.

7.1.5 These provisions shall not in any way result in a reduction of more advantageous insurance entitlements that wage-earners may have agreed previously.

7.1.6 The insurance shall take effect as soon as an employee subject to obligatory insurance begins work, and shall expire as soon as he leaves the job. The insurance shall also apply during leave taken by the employee without pay, unless during that period the employee accepts paid employment from another party.

7.1.7 The terms and conditions shall be the ordinary terms and conditions of the Association of Icelandic Insurance Companies (Samband íslenskra tryggingafélaga) in force regarding occupational accident insurance for employees at the time of this Agreement.

7.1.8 The insurance shall apply all round the clock. The limitations to compensatory liability mentioned in the terms and conditions of the policy shall not apply when the employee is occupied in his work or travelling in connection with his work, except when damage results from intentional acts or from gross negligence on the part of the employee.

7.1.9 Employees shall not lose their right to compensation under this insurance even though they are insured elsewhere. An exception to this, however, shall be travel accident insurance purchased by the banks for their employees.

7.1.10 If the employer becomes liable towards an employee who is insured against accidents under this Agreement, then compensation for accidents that may be paid to the employee under the provisions of this Agreement shall be deducted in full from the compensation that the employer may be made to pay.

Per diem payments shall be made to the employer while contractual wage payments continue.

7.1.11 The bank shall compensate employees for direct and demonstrable injury, loss or expense that they may incur as a result of an accident in the workplace for which compensation is not paid under the accident insurance provisions of the social security system.

7.2 Travel insurance

7.2.1 If an employee falls ill or dies when travelling on the service of the institution, the bank shall pay the direct expenses resulting from this.

7.2.2 If an employee's luggage is lost or stolen when he is travelling on the service of the institution, it shall compensate for the loss or damage. The institution shall become a party to, and enjoy the benefit of, insurance by which the party suffering the loss is covered.

7.3 Personal effects

7.3.1 If an employee suffers damage to his clothing or personal effects while at work or travelling on the service of the bank, he shall receive full compensation for the damage, providing it was not caused by evident negligence on the employee's part.

7.4 Life insurance

7.4.1 Employees shall be covered by group life insurance according to the agreement between the SÍB and the banks' negotiating committee. The group life insurance policy shall cover permanent employees of the banking institutions who, at any given time, are on the payroll of the banking institution concerned and receive wages according to the bank employees' collective agreement. The insurance shall be subject to the agreement on group life insurance dated 24 September 1982. (This was renewed on 18 December 1990, and a further annexe was included on 26 June 1992).

The insurance amounts are the same as are stated in Article 7.1.2, and shall be revised twice each year.

The banks shall pay the premiums for group life insurance of members of the SÍB.

7.4.2 Holiday pay rights accrued by the deceased shall be paid to his or her spouse, cohabiting partner, children or other parties who were supported by the deceased. In other cases, this holiday pay shall be paid to the estate at death.

7.4.3 On the death of a permanent employee, his or her surviving spouse or children under the age of 18 shall be paid the equivalent of 4 months' wages of the deceased, counting from the change of month following the death.

7.5 Grant fund

The banks shall pay 0.4% of basic wages, based on the calculation premises according to Table 144 B in Article 1.1.2 as from 1 January 2005, 0.45% as from 1 January 2006 and 0.5% as from 1 January 2007.

8 WORKING CLOTHES

8.1 Uniforms

8.1.1 If an employee, e.g. a guard, wears a special uniform in connection with his work, he shall have it provided free of charge.

8.2 Protective clothing

8.2.1 If protective clothing, e.g. overalls, are necessary at work, they shall be provided free of charge.

9 DEPUTISING (REPLACEMENT WORK)

9.1 Deputies (replacement staff)

9.1.1 If an employee's principal job is paid as that of a deputy for his superior in a position that has been advertised, he shall be paid according to the superior's step on the pay scale for the entire time that he executes the job outside the superior's annual holiday period during the current reference year for calculating annual holiday entitlement, providing that he has been instructed specifically to stand in for his superior.

An employee who is not deputising for his superior in a position that has been advertised, but is instructed specifically to do his job during periods of absence, or the job of another more highly paid employee in a position that has been advertised, shall be paid wages according to the absent worker for the entire time during which he does his job.

When applying this Article, the rule shall be that the difference in wages mentioned above shall be paid out each month if it is foreseeable that the superior will be absent for at least two continuous months; otherwise, it shall be paid out at the end of the year.

10 EDUCATION AND TRAINING; LEAVE; REHABILITATION AND LOSS OF EMPLOYMENT

10.1 Adult education

10.1.1 More adult education and retraining programmes shall be provided, both for groups of employees and individual employees.

Emphasis shall also be placed on the development of specialist skills.

10.1.2 The parties have entered into a collaboration agreement, dated 19.01.1994, on how more education and training can be provided for bank employees..

10.1.3 When preparing changes in the banking system, special attention shall be given to training and rehabilitation of the personnel, and the SÍB shall receive additional freedom of action to formulate training activities in collaboration with the banks.

10.2 Leave

10.2.1 Employees who have a special need to take leave in connection with their work may receive temporary leave to attend educational activities or study trips organised by the banks and at their instigation (*cf.* Article 5.7). Also, employees shall be enabled to take leave from work for their own purposes by arrangement with the management of the bank.

10.3 Vocational training

10.3.1 When major technical or organisational changes are made, the employees shall have the opportunity of undergoing training to adapt to new demands and techniques in their work without this resulting in direct expense to the employees or a loss of income for their work in the bank.

10.4 Loss of employment

10.4.1 If jobs are abolished or permanent employees are laid off in connection with major organisational or technical changes, attempts shall be made to provide the personnel involved with other employment in the bank with comparable earning opportunities, and with the training necessary to meet the demands of the new jobs.

10.4.2 Every month, the SÍB shall send the banks information about all the employees who are on the unemployment register.

11 ENGAGEMENT IN POSITIONS; PERMANENT ENGAGEMENT AND NOTICE PERIODS FOR TERMINATION

11.1 Engagement in positions

11.1.1 New positions, or positions that become vacant, shall be advertised as open for application with four weeks' notice in the bank involved, and the announcement shall be sent to the office of the SÍB. The advertisement shall state the professional designation applying to the position advertised in accordance with Article 1.6.

The deadline for submitting applications may be shortened after receiving the approval of the chairman of the employees' association.

The provisions of this Article shall also apply to the positions of assistant bank managers and other comparable positions.

The provisions of this Article shall not apply to the positions of new recruits, bank secretaries, guards, desk tellers and assistant deputies.

11.1.2 After the deadline has passed, the chairman of the employees' association may obtain the names of those who have applied for a position. If the applicants request that their applications be kept anonymous, then the chairman of the employees' association may obtain their names as a matter of the strictest confidence, providing that the applicants concerned are informed of this. If no appointment is made to a position within 30 days, it shall be advertised again. Applicants shall be informed by letter of the outcome. Deviations may be made from the provisions of this Article after receiving the approval of the chairman of the employees' association.

11.1.3 Bank employees shall normally enjoy priority regarding appointment to these positions.

11.1.4 Employees may not, except with the permission of the management board of the bank, run businesses or be the agents of other parties vis-à-vis the bank.

11.2 Trial period, permanent engagement and notice period for termination

11.2.1 The general rule shall be that new employees are engaged for a six-month trial period.

The trial period may be shortened. As soon as the trial period is at an end, a decision shall be taken on permanent engagement. When an employee is permanently engaged, a written employment contract shall be made.

11.2.2 The mutual notice period for termination of employment in the case of temporary employees shall be two months, running from the beginning of the following month. Notice of termination shall be given in writing.

11.2.3 The mutual notice period for termination of employment in the case of permanent employees shall be three months, running from the beginning of the following month. Notice of termination shall be given in writing. However, employees who have worked for at least 10 years in a bank, or have reached the age of 45, may not be given less than six months' notice of termination of their employment.

11.2.4 An employee who receives notice of termination of his employment shall be given an opportunity of expressing his position before a final decision on the termination is taken. The chairman of the relevant employees' association shall be given the opportunity of observing the handling of the matter.

11.2.5 If an employee has substantially violated the bank's working rules, he may be dismissed from his position immediately, in which case wage payments to him shall cease at once. The chairman of the relevant employees' association shall be given the opportunity of observing the handling of the matter.

11.2.6 When they are engaged on a permanent basis, employees shall be entitled to a basic introduction to the bank and the banking system. This instruction is to take place within the bank involved and in BMS/FMB in accordance with further decisions made by the educational and training committee of BMS/FMB.

12 MISCELLANEOUS PROVISIONS

12.1 Collaboration on organisational and technical matters

12.1.1 Collaboration shall prevail between the management and the employees, aiming at achieving a good working environment and safety at work, so that successful operations can be guaranteed, at the same time stimulating and boosting the operations of the bank concerned. Through this co-operation, it shall be ensured that the employees' viewpoints at any given time are revealed.

Agreement shall be sought between the bank, on the one hand, and the appropriate employees' association and/or the SÍB, on the other, regarding changes in organisation, e.g. mechanisation, opening hours, the environment, working facilities, education and vocational training, providing that these issues affect a considerable number of the employees in each place of work.

The bank shall inform the employees' association and/or the SÍB of the proposed changes as soon as they are under discussion, and a representative of the employees shall be involved in making decisions.

12.1.2 The SÍB is to have freedom of action to monitor and have an influence on preparations for mechanisation and computerisation of the banks, providing that this has an impact on the scope and nature of the work of SÍB members.

The SÍB shall have the right to nominate representatives to working groups or committees that work on joint projects for the banks in this area. When the technical changes proposed are restricted to individual banks, the representative of the committee of the employees' association shall be involved in the discussions and preparations for the technical changes straight away from the initial stage.

12.1.3 The parties agree that the policy must be that at any given time, capable and well-educated employees should be working in the banks and savings banks. It is desirable that more employees should be chosen for work in the banks than is the case at present because they are interested in making banking their life career.

12.1.4 Within each bank, where possible, there should be an education and training committee composed of representatives of the bank involved and the employees' association.

12.2 Definition

Where the word "bank" is used in this Collective Agreement, it refers to the institutions in which the members of the SÍB work and which are parties to this Agreement, whether they are commercial banks, savings banks or service institutions owned by individual banks or jointly by several banks.

12.3 Minimum wages and terms

12.3.1 The wages and terms provided for in this Collective Agreement are minimum wages and terms.

12.3.2 No employee shall be placed on a lower step in a pay-scale or receive wages and terms poorer than those currently provided for under this Agreement or special agreements. If an employee receives better wages and terms than are provided for in this Agreement, they shall remain in force.

12.4 Working rules

12.4.1 The banks may, individually, set further working rules for their employees, and shall harmonise them. The comments of the board of the SÍB shall be sought before these rules take effect.

12.4.2 Employees are strictly forbidden to divulge to unauthorised persons information concerning the bank's affairs or any matters concerning dealings between individual persons, institutions or companies with the bank. This non-disclosure obligation shall remain in force even if they leave the bank's employment.

12.4.3 Employees who are summonsed to appear before a court in connection with their work shall receive free legal assistance from the bank. This shall not apply, however, in the case of court proceedings that may arise between the bank and the employees.

12.5 Shop stewards, etc.

12.5.1 Chairmen of employees' associations and the SÍB shall receive suitable time off work on full pay in order to participate as necessary in meetings connected with their work as such, this time off work being taken in full consultation with their appropriate superiors, providing that it results in the minimum possible disruption of the bank's operations. Shop stewards in workplaces and the chairman of the employees'

association shall be permitted to carry out their work for the association during their working time, and shall be provided with facilities, including the use of a telephone and a place where they can talk with the employees in private.

12.6 Pension funds

12.6.1 Premiums paid to the point-accumulation divisions of pension funds shall be in accordance with the provisions of law and the rules of the pension funds; thus, 4% is deducted from each employee's wages and the employer pays the equivalent of 6% in a complementary contribution. In the case of persons who are members of older pension plans, the basis specified for each individual person shall remain in use.

12.6.2 In the case of those employees who pay into the point-accumulation divisions of pension funds, the bank shall pay the equivalent of 7% of the employee's gross wages into a private pension fund in accordance with the agreement in existence with each individual. The right to receive this payment shall be subject to the same rules as other length-of-service-related rights granted in respect of jobs done in another bank.

12.6.3 In instances where the employee pays an additional premium contribution into a private pension fund, the bank shall, as from 1.1.2003, pay an equivalent complementary contribution, amounting to up to 2% against a 2% contribution by the employee.

12.7 Provisions on automatic teller machines (ATMs) and on-line work

12.7.1 The filling of ATMs shall take place during daytime working hours (*cf.* Article 2.1).

Notwithstanding the provisions of the first paragraph, the filling of ATMs and other general services may take place outside daytime working hours in order to avoid the ATMs being emptied. These services shall be carried out in accordance with the valid security rules of the bank concerned.

12.7.2 Work on general services outside daytime working hours shall be done in accordance with an agreement with the owner of the ATM and the employees of the bank involved. If no agreement is reached between the employees and the bank, then individual employees may be called out, but not more often than 12 times a year in the case of each employee.

12.7.3 Payment for work done under Article 12.7.2 shall be in accordance with Article 2.3.4. 12.7.4 The aim shall be that employees shall be given the opportunity of varied work which develops their abilities, together with additional training and education.

Those employees who are moved to new jobs as a result of the introduction of new technology are to receive sufficient preparation, and the employees' approval for being moved to the new job shall be sought.

13 PERIOD OF VALIDITY

13.1 The current Collective Agreement between the parties shall be extended until 1 October 2008, when it shall expire without any special notice of termination.

The Collective Agreement of 8 December was signed by:

On behalf of the negotiating committee of the SÍB

Friðbert Traustason, Chairman
Helga Jónsdóttir
Gréta Kjartansdóttir
Anna Karen Hauksdóttir
Björn Tryggvason
Atli Atlason
Helgi H. Steingrímsson
Guðjón Rúnarsson

On behalf of the Confederation of Icelandic Employers

Sigurjón Þ. Árnason, Chairman
Ari Edwald
Svali Björgvinsson
Vilborg Loftis
Ingimar Haraldsson

Protocols

Job security

One of the premises for this Collective Agreement is that the banks will, during its period of validity, seek to ensure job security for bank employees. In the event of collective redundancies (*cf.* the Collective Redundancies Act, No. 95/1992), either party may terminate the agreement with two months' notice.

Information on wages

During the period of validity of this Agreement, the parties shall work jointly on a new statistical data system which will give a clear picture of wage trends of individual groups of employees.

This system shall be built up in a manner similar to that which is done by the Wage Investigation Committee and the Civil Servants' Wage Investigation Committee. The banks will continue to ensure that the SÍB receives the information processed by the Banks' Data Processing Centre, drawing on information from all the banks, showing the number of employees on each step of the pay-scale, broken down by age, length of service (working experience), service-related wage supplements and gender.

Review in connection with price-level changes and wage trends

If collective agreements in the private sector are terminated on the basis of provisions in them during the period of validity of this Agreement, the parties may terminate the wage provisions of this Agreement with three months' notice, running from the next change of month. If it happens that the committee which deals with the premises for collective agreements in the private sector reaches agreement on amendments to the agreements, a comparable amendment shall apply to this Agreement.

Protocol I

As from 1 January 2005, membership fees to the SÍB shall be calculated on the same base as the amendment to Article 7.5 (*cf.* Article 9 of the Agreement of 8 December 2004).

Protocol II

The SÍB shall have amended its constitution in conformity with the requirements of the Act No. 80/1938 by the end of 2005.

Agreement on contributions to the SÍB's educational and training activities

For the year 2005, the banks shall pay the SÍB ISK 15 million. As from the beginning of 2006, the banks shall pay the SÍB ISK 20 million at the beginning of each year to meet the cost of educational and training activities for the members.

The amount of this payment after the year 2006 shall be subject to the same proportional changes as the consumer price index, based on the initial reference index applying to the amount and measured up to the value of the index in January during the year for which payment is made. The initial reference index applying to the amount shall be that for January 2006.

Agreement between the Union of Icelandic Bank Employees (the SÍB) and the Confederation of Icelandic Employers (SA), 2004

(the following are the actual items agreed on in the negotiations 2004)

Article 1

The last valid Collective Agreement between the parties shall be extended to 1 October 2008, with the amendments contained in the present Agreement, and shall then expire without notice of termination.

Article 13.1 shall therefore read as follows: "The current Collective Agreement between the parties shall be extended until 1 October 2008, when it shall expire without any special notice of termination."

Article 2

A new pay-scale, No. 144, shall stand in Article 1.1.1, taking effect as from 1 October 2004, with amounts 5.25% higher than those in the present pay-scale. On 1.1.2006, all wages shall rise by 3.75%. On 1.1.2007, all wages shall rise by 3%, and on 1.1.2008 all wages shall rise by 2.25%.

Article 3

A new optional pay-scale, No. 144B, shall appear in Article 1.1.2; this shall be subject to the same changes as Pay-scale No. 144 in Article 1.1.1 as provided for under Article 2 of the present Agreement.

Article 4

Employees on steps up to and including No. 163 on the pay-scale who are in employment at the time of signature of this Agreement shall be raised by one step on 1 January 2005. Two new steps shall be added to the pay-scale during the period of the Agreement: No. 202 on 1 January 2005 and No. 203 on 1 January 2006.

Article 5

Article 4.2.2 shall read as follows: "All employees who receive wages under Article 1.1.1 above shall be paid a holiday pay disbursement on 1 June each year. In June 2005 this amount shall be ISK 110,000, this sum changing according to changes in basic wages.

Employees who have worked for only part of the year, or part-time, shall receive holiday pay disbursement at a proportional rate."

Article 6

The pay-scale placement of individual groups of workers in Article 1.6 shall be revised and shifted one step upwards.

Article 1.6 shall therefore read as follows:

"Ranking in pay-scales according to job designations shall be as follows:

102-132 Desk tellers and bank secretaries

132-152 Deputies (fulltrúar)/service officers (þjónustufulltrúar)/tellers (féhirðir)

142-172 Department/service/front desk and office managers

142-181 Specialists

153-182 Branch managers, heads and officials.

A wage committee of the parties to this agreement shall make a special examination of the ranking of job designations in pay-scales, taking into account developments and changes in the jobs of bank employees in

recent years. The wage committee shall submit proposals for a new text of Article 1.6 to the negotiating committees of both parties before 1 January 2007.
The amendment to Article 1.6 shall take effect on 1 January 2005.”

Article 7

Article 1.1.5 shall read as follows:

“Pay-scale steps Nos. 101 – 113 are intended only for temporary employees.

Permanent employees shall be entitled to receive wages not lower than those specified under pay-scale step No. 121.

Employees shall be entitled to receive wages not lower than those specified under pay-scale step No. 122 when they have acquired four years’ working experience.”

Article 8

The first two paragraphs of Article 6.2.1 shall be amended to read as follows:

“The bank shall pay a permanent employee who is on legally-prescribed maternity/paternity leave the difference between his or her full wages under Article 6.1.4 and the payments received from the Maternity/Paternity Leave Fund, though in no case more than the equivalent of the difference between the payments received from the Maternity/Paternity Leave Fund and the Fund’s reference ceiling as it is determined at any given time (currently according to the third paragraph of Article 13 of the Act No. 95/2000). The same payment shall be made if a permanent employee adopts a child, in which case the maternity/paternity leave period shall begin as soon as the child is received for care. The same payment shall be made for two months of maternity/paternity leave in connection with a miscarriage following 18 weeks of pregnancy and for three months of maternity/paternity leave in the event of a still birth following 22 weeks of pregnancy.

In the event of a multiple birth, the period during which the bank pays for leave shall be extended by an amount corresponding to that during which the Maternity/Paternity Leave Fund is obliged to make payments. The same shall apply if more than one child is taken into foster-care at the same time.”

Article 6.2.2 shall read as follows:

“An employee who is on maternity/paternity leave shall pay a premium of 4% of the payments made by the Maternity/Paternity Leave Fund and the bank, and the bank shall guarantee a complementary payment of 6% of the same sum for the period for which the leave lasts, providing that the employee pays premiums calculated on the same base. For employees who are in the share divisions of pension funds (but not Section B of LSR), the bank shall guarantee complementary payments based on their fixed wages in accordance with the rules of the relevant funds.

The bank shall pay a premium of 7% of payments made by the Maternity/Paternity Leave Fund and the bank into a private fund for employees who are on maternity/paternity leave and who have acquired the right to payments into private funds under Article 12.6.2. in this Collective Agreement.”

The amendments under this Article shall take effect as from 1 January 2005, and the maximum figure of monthly payments to be made by the employer shall be revised in accordance with changes that may be made to the Maternity, Paternity and Parental Leave Act.

Article 9

Article 7.5, on the Grant Fund, shall read as follows:

“The banks shall pay 0.4% of basic wages, based on the calculation premises according to Table 144 B in Article 1.1.2 as from 1 January 2005, 0.45% as from 1 January 2006 and 0.5% as from 1 January 2007.”

Article 10

The following provisions shall replace the agreement that is currently valid regarding educational and training activities:

For the year 2005, the banks shall pay the SÍB ISK 15 million. As from the beginning of 2006, the banks shall pay the SÍB ISK 20 million at the beginning of each year to meet the cost of educational and training activities for the members.

The amount of this payment after the year 2006 shall be subject to the same proportional changes as the consumer price index, based on the initial reference index applying to the amount and measured up to the

value of the index in January during the year for which payment is made. The initial reference index applying to the amount shall be that for January 2006.

Article 11

If collective agreements in the private sector are terminated on the basis of provisions in them during the period of validity of this Agreement, the parties may terminate the wage provisions of this Agreement with three months' notice, running from the next change of month. If it happens that the committee which deals with the premises for collective agreements in the private sector reaches agreement on amendments to the agreements, a comparable amendment shall apply to this Agreement.

Protocol I

As from 1 January 2005, membership fees to the SÍB shall be calculated on the same base as the amendment to Article 7.5 (*cf.* Article 9 of this Agreement).

Protocol II

The SÍB shall have amended its constitution in conformity with the requirements of the Act No. 80/1938 by the end of 2005.

The Collective Agreement of 8 December was signed by:

On behalf of the negotiating committee of the SÍB

Friðbert Traustason, Chairman

Helga Jónsdóttir

Gréta Kjartansdóttir

Anna Karen Hauksdóttir

Björn Tryggvason

Atli Atlason

Helgi H. Steingrímsson

Guðjón Rúnarsson

On behalf of the Confederation of Icelandic Employers

Sigurjón Þ. Árnason, Chairman

Ari Edwald

Svali Björgvinsson

Vilborg Lofts

Ingimar Haraldsson

Agreement on pension arrangements for the employees of Íslandsbanki and its subsidiaries

The Union of Icelandic Bank Employees (the SÍB), on behalf of the Íslandsbanki Employees' Association and Íslandsbanki Ltd ("the bank"), representing itself and its subsidiaries Glitnir Ltd and VÍB Ltd, hereby enter into the following agreement on detailed arrangements regarding the pension rights of employees of the bank. This Agreement shall constitute part of the bank employees' Collective Agreement and shall be subject to change according to the rules applying to the making of collective agreements under the Act No. 34/1977 and the special agreement on collective agreements of the members of the SÍB. (See Article 12.6.2).

Article 1

All employees of Íslandsbanki are members of the Commercial Workers' Pension Fund (LV) and pay premiums to it. Premiums to LV shall be paid on each employee's regular wages; the employee's share is 4% and the bank's share is 6%, as has been the case up to now. In addition to old age pension, this fund guarantees its members disability pension, spouse's pension and child support in accordance with the rules of the fund at any given time.

Article 2

After reaching the age of 65, an employee may stop working at any time and have the right to a pension, but may also apply to continue working providing that, in the opinion of the company (consulting) physician, he or she has sufficient stamina and energy to work; however, this may not continue after the employee has reached the age of 70.

Employees engaged prior to 1 January 1994

Article 3

In order to be entitled to pension rights over and above those earned in the Commercial Workers' Pension Fund, employees shall have worked for at least 6 years in the bank. Pensions shall be equivalent to a specific percentage of the regular wages applying at any given time to the job last done by the employee as follows: If the employee continues working in the bank after acquiring the right to a 75% pension, he shall receive a 2.0% increase of pension for each full year of work done, up to a maximum of 85%.

Working experience	Pension	Working experience	Pension
6 years	12%	21 years	42%
7 years	14%	22 years	44%
8 years	16%	23 years	46%
9 years	18%	24 years	48%
10 years	20%	25 years	50%
11 years	22%	26 years	52%
12 years	24%	27 years	54%
13 years	26%	28 years	56%
14 years	28%	29 years	58%
15 years	30%	30 years	60%
16 years	32%	31 years	63%
17 years	34%	32 years	66%
18 years	36%	33 years	69%
19 years	38%	34 years	72%
20 years	40%	35 years	75%

If the employee continues working in the bank after acquiring the right to a 75% pension, he shall receive a 2.0% increase of pension for each full year of work done, up to a maximum of 85%.

Article 4

The rights of the former employees of Útvegsbanki Íslands (the Fisheries Bank of Iceland) who continued working in Útvegsbanki Íslands h.f. (the Fisheries Bank of Iceland Ltd) and have since continued working

in Íslandsbanki Ltd without interruption shall be subject to Article 6 of the Act No. 7/1987. When the pension rights of those employees of Íslandsbanki Ltd who worked for the longest periods in Alþýðubanki, Iðnaðarbanki and Verslunarbanki are calculated, the rule shall be that each year of working experience prior to 1 January 1974 shall give an entitlement of 1.5%, each year after 1 January 1974 shall give an entitlement of 2% and each year from 31 to 35 years' experience shall give 3% entitlement. This rule shall also apply to those employees who worked in Samvinnubankinn in Húsavík at the time when the bank purchased the branch.

Article 5

Additional entitlements over and above those provided by LV are kept in the Íslandsbanki Ltd Employee's Pension Fund (Eftirlaunasjóði starfsmanna Íslandsbanka h.f.). The Regulation governing that fund was approved by the bank's council on 10 January 1994 and has been approved by the Ministry of Finance in accordance with the Act No. 55/1980.

Article 6

If the employee defers the drawing of his pension, and at the same time accepts another job that is paid at a lower rate than the one in which he was previously employed, then his pension rights shall be calculated with reference to the more highly paid job.

Article 7

On the death of the employee, his or her surviving spouse shall be entitled to a pension from the fund, providing that the deceased paid premiums into it in conformity with Articles 1 and 6 of this Agreement. The amount of the pension to which the surviving spouse is entitled shall depend on the length of service of the deceased and the wages applying at any given time to the job last done by the deceased, as follows:

6 years 17%

7 years 19%

8 years 21%

9 years 23%

10 years 25%

rising subsequently by 1% of annual wages for each year worked until a maximum of 50% of annual wages is reached after 35 years' work. The right to pension under this Article shall lapse if the surviving spouse remarries.

Article 8

The bank shall be responsible for the undertakings set forth above, after deduction of the undertakings of the Commercial Workers' Pension Fund. At the beginning of the pension withdrawal period, the Íslandsbanki Ltd Employee's Pension Fund shall disburse the employee's monthly accrued pension, less the part due from the Commercial Workers' Pension Fund and paid by that fund each month.

Employees who are engaged after 1 January 1994

Article 9

For each new employee engaged on or after 1 January 1994 and who has worked in the bank for 36 months, the bank shall open a private account at ALVÍB or another approved pension fund nominated by the employee to build up pension rights in addition to those that the employee is guaranteed through obligatory membership of the Commercial Workers' Pension Fund.

Premiums paid by the bank to this fund shall be equivalent to 7% of the regular wages of the employee concerned.

Liability regarding the pension rights of these employees shall rest with the pension funds referred to above, and the bank shall not bear any further liability regarding their pension rights.

Reykjavík, June 1994.

Union of Icelandic Bank Employees

Íslandsbanki Ltd

The SÍB Grant Fund

Article 1

Name of the fund

- 1.1. The name of the fund is the SÍB Grant Fund (Styrktarsjóður SÍB)
- 1.2. The fund has been established on the basis of a protocol to the bank employee's collective agreement signed on 3 April 1997.
- 1.3. The fund is the property of the Union of Icelandic Bank Employees (hereinafter the SÍB). Its domicile and venue are in Reykjavík.

Article 2

Role of the fund

- 2.1. The role of the SÍB Grant Fund is as follows.
 - 2.1.1 To pay the members of the SÍB *per diem* payments or give them financial assistance in other forms if they become unfit for work as a result of illness or accidents, providing that their wage earnings have lapsed.
 - 2.1.2. To pay the members of the SÍB *per diem* payments or give them financial assistance in other forms in connection with the chronic illness of their spouses or children, providing the fund member has lost wage earnings as a result.
 - 2.1.3. To pay the members of the SÍB grants in connection with treatment for alcohol abuse, providing that their wage earnings have lapsed.
 - 2.1.4. To pay the members of the SÍB grants in connection with physiotherapy, therapeutic massage and chiropractic treatment in which the State Social Security Institute pays a share, or which receives public subsidy in another form.
 - 2.1.5. To pay the members of the SÍB grants in connection with cancer screening tests and heart disease screening tests.
 - 2.1.6. To pay the members of the SÍB who need special prosthetic or other equipment due to illness or disability in order to be able to do their work grants to enable them to purchase such equipment.
 - 2.1.7. To pay the spouses or children of members of the SÍB grants towards the cost of the funeral of a deceased member.
 - 2.1.8. To pay for the medical certificates that are necessary in connection with applications for grants from the SÍB Grant Fund.
 - 2.1.9. To pay the members of the SÍB grants in connection with their participation in health-promotion campaigns.
- 2.2. The right to receive payments from the fund expires if it is not used within six months.
- 2.3. The board of the fund shall set further rules on payments from the fund. These shall include provisions on the length of time for which payments may be made, whether payments are to begin after a certain interval from the end of the payment of wage earnings, the amount of payments in individual cases and how applications for payments from the fund are to be made. Payments under Article 2.1.8 shall, however, cover the full costs involved.
- 2.4. The rules on payments from the fund shall be revised each year in the light of the fund's financial position. If, in the opinion of the board of the fund, its financial position has deteriorated, rights to receive payments from it shall be reduced; they shall be increased if its financial position has improved substantially.
- 2.5. The fund may purchase insurance to replace, to some extent or entirely, the fund's payment obligations under the first paragraph.

Article 3

Entitlement to grants

- 3.1. The following shall be entitled to receive grants from the fund:
 - 3.1.1. Valid members of the SÍB according to the union's constitution.
 - 3.1.2. Unemployed members of the SÍB, in accordance with further decisions by the board of the SÍB.
- 3.2. Persons for whom payments have been made into the SÍB Grant Fund for at least six months shall be entitled to receive payments in proportion with the work contribution of the individuals concerned. This period may be shortened if the applicant has previously been a valid member of the SÍB.

- 3.3. The payment of grants may begin from the time when contractual wage payments end. Further provisions regarding this shall be set in the rules of the fund.
- 3.4. Applications for grants from the fund shall be submitted in the form decided on by the board of the fund, together with the certificates necessary to ensure justification for the payments.
- 3.5. If epidemics break out, the board of the fund may release the fund from its payment obligations on a temporary basis. Furthermore, the board of the fund may decide to lower the amount of *per diem* payments on a temporary basis if the financial viability of the fund appears to be jeopardized.

Article 4

Board and management

- 4.1. There shall be three representatives of the SÍB on the board of the fund, two of whom shall be elected by direct election at the annual meeting of the SÍB. An alternate for each shall also be elected. The cashier of the SÍB shall also sit on the board of the fund and be its cashier. The members of the board of the fund shall divide other responsibilities between themselves. The cashier of the SÍB shall call the newly-elected board of the fund to a meeting not later than one month after the union's annual general meeting.
- 4.2. The board of the fund shall exercise executive power regarding the fund's affairs in between the union's annual general meetings.
- 4.3. The fund shall have independent finances, which shall be kept separate from those of the SÍB and those of other funds owned or administered by the SÍB.
- 4.4. The fund shall pay all expenses resulting from its operation.
- 4.5. The day-to-day operation of the fund shall take place at the office of the SÍB.

Article 5

Income and investment of assets

- 5.1. The fund's income shall consist of:
- a) Contractually-agreed payments by employers as determined in the bank employees' collective agreement at any given time.
 - b) Interest earnings and other capital earnings.
- 5.2. The fund's assets shall be kept in reliable securities and bank deposits. The fund should own a 25% share in the premises of the SÍB. The fund may spend up to ISK 15 million on the purchase of a flat in Reykjavík. This flat shall be for the use of fund members who have to seek medical attention in the metropolitan area. The fund may not purchase other real estate or make loans.
- 5.3. The board of the fund may entrust the investment of its assets to an external party.

Article 6

Annual financial statements and auditing

- 6.1. The fund's financial year shall be the calendar year. The fund's annual financial statements shall be audited by the SÍB's inspectors and a chartered accountant or accounting firm. They shall be presented together with the financial statements of the SÍB and shall also be sent to the banks' negotiating committee.

Article 7

Dissolution of the fund

- 7.1. If the SÍB is abolished, without being replaced by another joint union of bank employees, the fund shall be dissolved. The fund's assets shall then revert to the employees' associations that are members of the SÍB when it is abolished, in direct proportion to the numbers of members in each association at that time. There, the assets shall be disposed of in accordance with the provisions of Article 2.
- 7.2. An employees' association or individual who withdraws from the SÍB shall not have any claim to the fund's assets.

Article 8

Amendments to these Regulations

- 8.1. Amendments to these Regulations shall not take effect unless they are approved by the annual general meeting of the SÍB and by the banks' negotiating committee. On the votes required in support of an amendment to these Regulations at an annual general meeting of the SÍB, the same rules shall apply as apply to amendments to the constitution.

Article 9

Further rules

9.1. The board of the fund shall issue further rules under these Regulations, which shall be approved by the board of the SÍB and a meeting of chairmen.

Article 10

Commencement

10.1. These Regulations take immediate effect.

Approved by the banks' negotiating committee in Reykjavík on 11 June 1999.

Declaration by the SÍB

on

the SÍB Grant Fund

During the first year of the functioning of the SÍB Grant Fund, 10% of its income shall be disposed of in grants in accordance with Article 2.1.9 of the Regulations on the fund. This proportion will then be reviewed each year and amended in accordance with its financial position.

Agreement on certain aspects of the organization of working time

With reference to the EEA Agreement, the Banks' Negotiating Committee, on behalf of the commercial and savings banks, and the Union of Icelandic Bank Employees (the SÍB) have made the following agreement in order to give effect to Council Directive 93/104/EC, of 23 November 1993, Concerning Certain Aspects of the Organization of Working Time. Under an approval by the EEA Committee, dated 28 June 1996, the directive is part of the EEA Agreement.

The aim of this Agreement is to set minimum requirements in order to promote improvements, particularly as regards the working environment, in order to secure further protection of the safety and health of employees.

Article 1

Scope

This Agreement applies to employees' daily and weekly minimum rest periods, their annual holiday leave, breaks and maximum working hours per week and also certain matters regarding night work, shift work and the overall working pattern.

The Agreement covers all wage-earners in the geographical area administered by the parties.

The provisions of Articles 3, 4, 5, 6 and 8 shall not apply to senior managers and others who determine their own working hours.

Article 2

Definitions

2.1 Working time

'Working time' shall mean any period during which the worker is working, at the employer's disposal and carrying out his activity or duties.

'Working time' refers to active working time; thus, refreshment breaks and special holidays are not counted as working time. The same applies to journeys to and from the workplace or regular work station and paid waiting periods or breaks in work during which the employee is not required to make any work contribution.

Minimum annual paid holiday according to law, absence due to illness and statutory or contractual maternity or paternity leave shall not be counted as working time, and shall play a neutral role in calculations of averages. Time during which the employee is in paid vocational training shall be counted as working time.

2.2 Rest time

'Rest time' is the time that is not counted as working time.

2.3 Night time

'Night time', for working purposes, is the period between 11.00 p.m. and 6.00 a.m.

2.4 Night workers

a. 'Night workers' are workers who normally work at least three hours of their daily working time during night time.

b. 'Night workers' are workers who have worked regularly, according to a predetermined working arrangement, at least three hours during night time for one month. The same applies to workers who deliver 40% of their regular annual working contribution during night time.

2.5 Shift work

'Shift work' is work that is divided into various working periods/shifts according to a specific system in which the worker works in various shifts during a specified period that is measured in days or weeks.

2.6 Shift workers

'Shift workers' are workers who work at shift work.

Article 3

Daily rest period

Working time shall be structured in such a way that in each 24-hour period, counting from the beginning of the working day, employees shall receive at least 11 continuous hours' rest. If it can be arranged, then the daily rest period shall cover the night time period.

Article 4

Breaks

Employees whose daily working time is longer than six hours shall be entitled to a break of at least 15 minutes. Breaks shall be provided for in a collective agreement between the parties.

Article 5

Weekly rest period

In each seven-day period, employees shall receive at least one day off which shall be directly connected with the rest period provided for in Article 3. To the extent possible, the weekly rest period shall fall on Sunday.

Article 6

Maximum weekly working time

Average weekly working time, including overtime, shall not exceed 48 hours.

It is desirable that working time should be as far as possible the same from week to week.

The reference period for calculating average weekly working time shall be six months: January to June and July to December.

Article 7

Annual holiday (leave)

Annual holiday shall be determined by the Annual Holiday Act and the provisions of the collective agreement between the parties.

Monetary allowances may not be substituted for the minimum period of annual paid holiday leave except in the case of the termination of employment.

Article 8

Length of night work

Normal hours of work for night workers shall not exceed an average of eight hours in any 24-hour period.

The normal hours of work for a night worker may be lengthened to up to 48 hours per week. In this case, working time shall be organized so as to be as regular as possible.

The reference period for calculating average weekly working time for night workers shall be six months: January to June and July to December.

Night workers whose work involves special hazards or heavy physical or mental strain shall not work more than eight hours in any period of 24 hours during which they perform night work.

Article 9

Health assessment

Night workers and shift workers who perform part of their working obligations during night time shall be entitled to a free health assessment before they begin work, and thereafter regularly at intervals of not more than three years.

This entitlement shall be stated in their contracts of employment.

This provision shall not apply, however, in the case of work that is intended to last 6 continuous months or less. The same shall apply to replacement (stand-in) jobs, e.g. in connection with holiday, illness, maternity/paternity leave, etc., providing that the engagement is not intended to last more than 12 continuous months.

The health assessment referred to in the first paragraph shall be subject to the rules regarding physicians' non-disclosure obligations. Night workers and shift workers who perform part of their working obligations during night time and suffer from health problems that are demonstrably attributable to their job shall, where this is possible, be transferred to suitable daytime jobs.

Article 10

Protection of night workers

Night workers shall enjoy protection with regard to the hazards that accompany their work.

Article 11

Notification of regular use of night workers

Employers who regularly use night workers shall give the competent authorities information on the number of night workers and their working hours.

Article 12

Pattern of work

Employers who intend to organize work according to a certain pattern shall take account of the general principle of adapting work to the worker, with a view, in particular, to alleviating monotonous work and work at a predetermined work-rate, depending on the type of activity, and of safety and health requirements, especially as regards breaks during working time.

Article 13

Derogations

- a. The rest period provided for under Article 3 may be shortened to as little as eight hours in the case of changes of shift. The same shall apply under special circumstances when it is necessary to preserve or salvage items of value.
- b. In the event of a disruption of operations due to external conditions, e.g. the weather or other forces of nature, accidents, power failure, mechanical failure in plant or equipment or other corresponding unforeseeable events, derogations may be made from the provisions of Article 3 to the extent necessary to avoid substantial loss or damage until regular operations are resumed. This shall apply whether these circumstances affect the company itself or its business partners.
- c. If use is made of the provisions of items *a* or *b* above to derogate from the daily rest period, the employee shall receive corresponding rest periods in exchange.
- d. By agreement at the workplace, it may be decided to defer the weekly day off of those who perform jobs in which special circumstances make such deviations necessary, and those who work at safety and security issues and the preservation of items of value.

If the weekly rest period (*cf.* Article 5) is deferred, the employee shall receive a corresponding rest period in exchange. In the case of special necessity, the taking of the weekly rest period may be deferred, so that instead of the weekly rest day, two continuous rest days shall occur during every two weeks. If there is a special need to organise work in such a way that the weekly rest day is deferred, a collective agreement shall be made to this effect.

Article 14

Application of this Agreement and resolution of disputes

A consultative committee, consisting of three representatives of each party, shall be appointed. The consultative committee shall examine the application and interpretation of individual provisions. In the event of a dispute, attempts shall be made to resolve it in the consultative committee before referring it to the courts.

Article 15

More favourable provisions

This Agreement applies as a minimum agreement, and shall in no case annul more advantageous rights and further protection for employees according to law, a collective agreement, contract of employment or letter of appointment.

Article 16

Protection of health and safety

Other aspects of the protection of employees' health and safety shall be subject to the provisions of the Health and Safety at Work Act and other administrative instructions.

Article 17

Commencement, etc.

This Agreement shall take effect on 1 July 1999. This Agreement shall be regarded as part of the collective agreement between the parties.

This Agreement shall be reviewed not later than three years after its commencement. When that review is carried out, the length of the reference periods provided for under Articles 6 and 8 shall be reassessed in the

light of experience. In addition, a special assessment shall be made of the application of the provisions on derogation.

The parties shall ensure that the substance of this Agreement is publicised as well as possible.

Reykjavík, 11 June 1999

Banks' Negotiating Committee For the Union of Icelandic Bank Employees

Act No. 34/1977, on collective agreements with the employees of state-owned banks

Article 1

This Act shall apply to all employees, other than bank managers and assistant bank managers, who are engaged for periods of any length in the service of the state-owned banks, providing that their jobs can be regarded as their principal occupations.

The wages and other terms of service of the employees covered by this Act shall be determined in collective agreements between the parties referred to in Article 2.

Article 2

The boards of the banks mentioned in Article 1 shall represent the banks in the negotiation and application of collective agreements. They shall appoint a joint committee to handle agreements on their behalf.

The Union of Icelandic Bank Employees (the SÍB) shall represent the bank employees in the negotiation and application of collective agreements. The union shall appoint a committee to handle agreements on its behalf.

The Minister of Commerce shall be informed, not later than at the time that notice of termination of the agreements is given, of the identity of the members of the negotiating committees.

Article 3

Bank employees covered by this Act shall have the right to be members of the Union of Icelandic Bank Employees or of an organisation within it, in accordance with further provisions in the union's constitution. Bank employees who do not stand within the SÍB shall pay dues to the union and to the constituent association of the union of which they should be members; these dues shall be equivalent to those that persons in comparable positions are made to pay when they stand within the union.

Article 4

A copy of the notice of termination of collective agreements, and proposals and demands regarding new collective agreements, shall be sent to the State Mediation and Conciliation Officer at the same time as they are sent to the opposite party.

If no agreement is reached by the negotiating committees, the parties may agree on referring their dispute to a court of arbitration.

The court of arbitration shall consist of a chairman with a casting vote, on whose appointment the parties shall agree, two persons nominated by the chairman from outside the ranks of the parties to the agreement, and one representative of each party.

If no agreement has been reached, and the dispute has not been referred to a court of arbitration during the first 60 days of the notice period for termination, the State Mediation and Conciliation Officer shall begin treatment of the matter. The State Mediation and Conciliation Officer shall appoint two persons to work with him on the resolution of the wages and terms dispute. These persons shall have the same rights and obligations as the officer.

Article 5

The provision of the Civil Servants' Strikes Act, No. 33 of 3 November 1915, shall not apply to the bank employees covered by this Act.

A decision on a work stoppage shall be reported to the State Mediation and Conciliation Officer and to the parties against which the stoppage is directed, not later than 15 days before it is due to begin.

Announcements of strikes shall be made in writing and sent by registered post or made known to the recipients in another verifiable manner.

Strikes may not begin:

1. If the dispute concerns only matters on which the Labour Court has the right to deliver rulings, except to implement the court's judgements.
2. If a conciliatory proposal made by the conciliation committee under Article 6 has been approved.
3. In support of a party to another wages and terms dispute.

If a strike has been called, the conciliation committee shall present a conciliation proposal regarding the collective agreements not later than 5 days before the strike is due to begin. The conciliation committee shall confer with the parties' negotiating committees before submitting its conciliation proposal. When a conciliation proposal has been submitted, the conciliation committee may postpone the strike by up to 16 days. It shall confer with the parties' negotiating committees before deciding on the postponement of the strike.

Article 6

Provisions on how voting on conciliation proposals is to be carried out shall be made in the agreement provided for under Article 9.

A conciliation proposal shall be regarded as being rejected if at least half of the votes cast are against it, providing that not less than half the employees who are entitled to vote and are on the voters' roll cast their votes. Otherwise, the conciliation proposal shall be regarded as approved.

The conciliation committee shall rule on all points of dispute that may arise in connection with voting. The ruling of the conciliation committee shall be final.

After a work stoppage has begun, the conciliation committee may present a compromise proposal; regarding voting, this shall be treated according to the same rules as conciliation proposals.

Article 7

Even if a lawful strike has begun, employees in a state-owned bank who are on strike shall be obliged to continue to work at necessary security functions and to attend to direct obligations of the banks and Iceland towards foreign parties.

Further provisions shall be made in the agreement allowed for in Article 9 on which employees are to continue work even though a strike has begun and what functions they are to perform.

Article 8

The Labour Court shall judge cases that arise between the parties concerning the validity of a strike, disputes on the interpretation of a collective agreement, the social rights of employees and disputes on the voters' roll.

When the Labour Court handles such matters, the SÍB, on the one hand, and the boards of the state-owned banks, on the other, shall appoint judges to serve in the court in place of those that have been nominated by the Icelandic Confederation of Labour and the Confederation of Icelandic Employers.

The SÍB shall conduct cases before the Labour Court on its own behalf, that of its constituent associations and that of the employees involved. In other respects, the provisions of the Trade Unions and Industrial Disputes Act regarding the capacity to bring a case as plaintiff before the Labour Court shall be observed.

Article 9

The boards of the state-owned banks and the SÍB shall enter into an agreement on the negotiation of collective agreements, the implementation of work stoppages and other matters of significance for which no provision has been made in this Act.

The Minister of Commerce shall approve such an agreement before it takes effect, and also all amendments that may be made thereto.

Article 10

This Act shall take immediate effect. At the same time, the provisions of the Central Bank Act, No. 10/1961, the National Bank Act, No. 12/1961 and the Fisheries Bank Act, No. 28/1976, that are at variance with those of the present Act, shall stand repealed.

Agreement on the collective agreements of bank employees

Article 1

This Agreement shall apply to the negotiation of collective agreements on wages and other terms of service between the negotiating parties in the workplaces of banks in Iceland, and shall cover all members of the Union of Icelandic Bank Employees (the SÍB) who are engaged for any length of time in the service of the companies that have signed the Agreement.

Article 2

The banks undertake to give members of the Union of Icelandic Bank Employees (the SÍB) a priority right to engagement for the bank employee positions covered by the collective agreement when this is required and when members of the union who are competent for the work involved offer themselves for employment.

Article 3

The Trade Unions and Industrial Disputes Act, No. 80/1938, shall apply regarding representation of the parties in the negotiation and application of collective agreements.

Article 4

Collective agreements shall be made in writing and it shall be agreed in each individual case how for how long they are to remain valid. Otherwise, their period of validity and procedures for terminating them shall be subject to the provisions of the Trade Unions and Industrial Disputes Act, No. 80/1938.

Article 5

Work stoppages, decisions on them, their calling, implementation and conciliation measures, shall be in accordance with the provisions of the Trade Unions and Industrial Disputes Act, No. 80/1938.

Article 6

However, work stoppages shall only be permitted if they include all members of the SÍB, with the sole exceptions provided for in Article 7 of this Agreement. Work stoppages may not be initiated in support of a party in another industrial dispute.

Article 7

When a strike begins, all service venues of the companies involved shall be closed and employees who are in the SÍB may not perform any work for their employers, though with the following exceptions:

1. Not more than three days before a work stoppage that has been called is due to begin, employers may submit to the SÍB by way of information a list of the names of those of their employees who are to work during the work stoppage; this list may include, on the one hand, all those who have security guarding as their principal occupation and, on the other, up to five per cent of the members of the SÍB who work for each employer, though not fewer than one employee in full-time employment. This list may not be changed during the work stoppage without the approval of the SÍB.
2. Employees named on the aforementioned list shall be obliged, and permitted, only to work at the following tasks:
 - a. Necessary security functions, including the emptying of night-safe deposit boxes.
 - b. The necessary operation of systems and service units in order to honour the bank's direct obligations to foreign parties, the payment of foreign securities and the payment of interest and the service of the bank's foreign debts or loans for which it is liable, or to carry out business on behalf of other banks. Furthermore, they may pay interest and instalments on foreign loans taken by the Icelandic state and other customers, and on loans for which these parties are liable.
 - c. The reception, sorting and necessary work on post and electronic messages received by the bank.

The wages and terms of service applying to those who work during a work stoppage shall be in accordance with the collective agreement made after the end of the work stoppage.

Article 8

Either party may refer a dispute that arises regarding the application of a collective agreement to a consultative committee on the application of the collective agreement. This committee shall consist of three persons appointed by each party to the agreement following conclusion of the agreement, and they shall serve until new collective agreements have been made.

Article 9

This Agreement, with the appended notes and footnotes, shall remain valid for five years from its date of signature, after which it may be terminated with six months' notice.

The parties may, however, make amendments to this Agreement if they agree to do so.

Reykjavík, 14 October 2004

Friðbert Traustason
Chairman, SÍB

Sigurjón Þ. Árnason
Landsbanki Íslands Ltd

Helga Jónsdóttir
1st Deputy Chairman, SÍB

Hreiðar Már Sigurðsson
Kaupthing Bank Ltd

Gréta Kjartansdóttir
2nd Deputy Chairman, SÍB

Bjarni Ármannsson
Íslandsbanki Ltd

Björn Tryggvason
Cashier, SÍB

Sigurður Hafstein, Icelandic Savings Banks' Association,
for the Savings Banks

Anna Karen Hauksdóttir
Secretary, SÍB

Halldór Guðbjarnason
Greiðslumiðlun hf.

Oddgeir Gunnarsson
Co-director SÍB

Helgi H. Steingrímsson
Banks' Accounting Centre

Heiðrún Hauksdóttir
Co-director SÍB

Sæmundur Sæmundsson
Savings Banks' Computer Centre

Notes to the Agreement on the collective agreements of bank employees

Until now, bank employees' collective agreements have been made on the basis of the Act No. 34/1977 and the agreement on the collective agreements of members of SÍB of the same year. As the scope of the act is restricted to the state-owned banks, the parties consider it appropriate to make an agreement on how relations between them are to be brought into line with the law applying to the private sector, i.e. the Trade Unions and Industrial Disputes Act, No. 80/1938. It is assumed that the SÍB will amend its constitution in accordance with the demands of the Act No. 80/1938.

Where the word "bank" is used in this Agreement, it refers to the companies at which members of the SÍB are employed and which are parties to the Agreement, whether they are commercial banks, savings banks or service companies owned by individual banks or jointly by several banks. This provision is substantively identical with Article 12.2 in the last valid bank employees' collective agreement. Specifically, it refers to the following enterprises: Íslandsbanki Ltd, Kaupthing Bank Ltd, Landsbanki Íslands Ltd, the Icelandic Savings Banks Association, the Banks' Accounting Centre and Greiðslumiðlun Ltd. At the same time, it has been established that the following companies and institutions have used the bank employees' collective agreement from the time of their foundation: The Regional Development Institute, the National Debt Management Agency and the New Development Fund. The Central Bank of Iceland has been a party to the bank employee's collective agreement, its operations still being subject to the Act No. 24/1977.

Agreement on collective agreements of the members of the SÍB for employees of the Central Bank of Iceland

Article 1

This Agreement shall apply to all members of the Union of Icelandic Bank Employees (the SÍB) who are engaged for periods of any length in the service of the institutions that have signed the Agreement, providing that their jobs can be regarded as their principal occupations.

Article 2

The wages and other terms of service of the employees covered by this Agreement shall be subject to the provision of this Agreement and collective agreements made in accordance with it.

Article 3

Under this Agreement, the boards of the banks and the boards of the credit institutions shall represent their institutions, while the SÍB shall represent the employees in negotiations of collective agreements and other decisions relating to them.

Negotiations shall take place between negotiating committees of 3-7 persons appointed by each party. Collective agreements shall be approved by the boards of the banks involved and the board of the SÍB.

Article 4

Collective agreements shall provide for fixed wages, the number of steps on pay scales, working hours, payment for overtime work, holiday pay, the payment of travelling costs, meal and refreshment facilities, insurance, general principles for reference when placing employees on steps in the pay scale according to their job designations and other matters concerning terms of service which are not covered by provisions in law.

Collective agreements shall be written, and agreements shall be made in each individual instance on their period of validity.

If, in the light of a particular special event of circumstance, either party requests a review of the wage provisions of a collective agreement during the period of its validity, then the parties shall begin negotiations immediately. If no agreement is reached within 30 days, the matters in dispute shall be referred to a court of arbitration in accordance with the provisions of Article 6.

Such reviews shall not, however, take place more than once during the period of validity of the agreement.

Article 5

The required notice period for termination of a collective agreement by either party shall not be less than three months. Notice of termination shall be given in writing and sent by registered post or made known to the recipient in another verifiable manner.

The constitution of the SÍB shall include provisions on who is competent to take a decision on the termination of a collective agreement, the calling of a strike and how such decisions are to be taken.

The party who terminates a collective agreement shall, at the time of giving notice of termination, send the opposite party its claims and principal demands regarding a new collective agreement, and negotiations shall be opened immediately.

A copy of the notice of termination of collective agreements, and proposals and demands regarding new collective agreements, shall be sent to the State Mediation and Conciliation Officer at the same time as they are sent to the opposite party.

Article 6

If no agreement is reached by the negotiating committees, the parties may agree to refer their dispute to a court of arbitration. The court shall consist of one representative of each party and a chairman with a casting vote, on whose appointment the parties shall agree, who shall be president of the court. The chairman shall select a further two persons from outside the ranks of the parties as members of the court.

The court of arbitration shall deliver its ruling within a month from the time when the dispute is referred to it unless the parties agree on a longer period. The ruling shall take into account terms of service applying to comparable work and the trends in such terms on the labour market as a whole, embracing both business in the private and public sectors, government institutions, local authorities and their institutions.

Article 7

If no agreement has been reached, and the dispute has not been referred to a court of arbitration during the first 60 days of the notice period for termination, the State Mediation and Conciliation Officer shall begin treatment of the matter.

The State Mediation and Conciliation Officer shall appoint two persons to work with him on the resolution of the wages and terms dispute. These persons shall have the same rights and obligations as the officer.

Article 8

Work stoppages may be applied immediately at the end of the notice period for termination, subject to the limitations stated in this Agreement.

A decision on a work stoppage shall be reported to the State Mediation and Conciliation Officer and to the parties against which the stoppage is directed, not later than 15 days before it is due to begin.

Announcements of strikes shall be made in writing and sent by registered post or made known to the recipients in another verifiable manner.

Work stoppages may not begin:

1. If the dispute concerns only matters on which the Labour Court has the right to deliver rulings, except to implement the court's judgements.
2. If a conciliatory proposal made by the conciliation committee under Article 10 has been approved.
3. In support of a party to another wages and terms dispute.

If a strike has been called, the conciliation committee shall present a conciliation proposal regarding the collective agreements not later than 5 days before the strike is due to begin. The conciliation committee shall confer with the parties' negotiating committees before submitting its conciliation proposal.

The conciliation committee shall decide, in consultation with the parties' negotiating committees, how voting on a conciliation proposal is to be carried out on, including the number of polling stations and when voting is to be held.

Article 9

When a conciliation proposal under Article 8 has been made, the conciliation committee may postpone a strike that has been called by up to fifteen days. The parties' negotiating committees shall be consulted before a decision is taken on postponing a strike.

Article 10

Voting by the banks' boards on agreements and conciliatory proposals shall take place as follows: votes shall be cast in the banks' boards (and the board of the Icelandic Savings Banks' Association), the position of each individual institution being determined by the majority of its votes. The votes cast in the institutions shall then be weighted using certain weightings reflecting, amongst other things, their staff numbers, and the majority vote obtained in this way shall then determine the issue.

All the principal members of the Union of Icelandic Bank Employees who meet the conditions of Article 1 of this Agreement and are involved in an industrial dispute shall be entitled to vote on conciliation proposals. Voters' rolls shall be presented before voting begins. Disputes involving voters' rolls shall be resolved by the Labour Court. Votes shall be cast in writing and shall be secret, and voting shall last at least two days. The conciliation committee or its representatives may be present at voting sessions.

As soon as voting is complete, the votes and voting materials shall be sent to the conciliation committee.

Votes shall be counted under the supervision of the conciliation committee, and both parties may have representatives present at the counting.

A conciliation proposal shall be regarded as being rejected if at least half of the votes cast are against it, providing that not less than half the employees who are entitled to vote and are on the voters' roll cast their votes. Otherwise, the conciliation proposal shall be regarded as approved.

The conciliation committee shall rule on all points of dispute that may arise in connection with voting. The ruling of the conciliation committee shall be final.

A conciliation proposal that has been approved shall be regarded as a valid collective agreement.

Article 11

If a conciliation proposal is rejected, the parties may agree to refer the matters in dispute to a court of arbitration (*cf.* Article 6).

Article 12

After a work stoppage has begun, the conciliatory committee may put forward a compromise proposal; voting on such a proposal shall be subject to the same rules as voting on conciliation proposals.

Article 13

When a work stoppage has begun, all service venues of the institutions involved shall be closed and employees of the banks, other than bank managers and assistant bank managers, may not carry out any work for their employers, though with the following exceptions:

1. Not more than three days before a work stoppage that has been called is due to begin, employers may submit to the SÍB a list of the names of those of their employees who are to work during the work stoppage; this list may include all those who have the care of premises as their principal occupation and also up to five per cent of the members of the SÍB who work for each employer.

This list may not be changed during the work stoppage without the approval of the SÍB.

2. Employees whose names appear on the aforementioned list shall be obliged, and permitted only, to work at the following tasks:

a. Necessary security functions.

b. Service functions necessary in order to honour the institution's direct obligations to foreign parties, the payment of foreign securities and the payment of interest and the service of the institution's own foreign loans or loans for which it is liable. They may also pay interest and instalments on foreign loans taken by the Icelandic state or for which the state is liable.

c. Work connected with overseas post, telegraph or telex communications.

The wages and terms of service applying to those who work during a work stoppage shall be in accordance with the collective agreement made after the end of the work stoppage.

Article 14

Disputes regarding the application of a collective agreement shall be dealt with by a wages and terms committee. This shall be composed of three persons appointed by each party following the conclusion of negotiations on a collective agreement, and shall serve until a new collective agreement has been made. The wages and terms committee shall call in a chairman with a casting vote to work with it in handling matters on which agreement cannot be reached.

Article 15

The Labour Court shall judge cases that arise between the parties concerning the validity of a strike, disputes on the interpretation of a collective agreement, the social rights of employees and disputes on the voters' roll.

When the Labour Court handles such matters, the SÍB, on the one hand, and the employers, on the other, shall appoint judges to serve in the court in place of those that have been nominated by the Icelandic Confederation of Labour and the Confederation of Icelandic Employers.

The SÍB shall conduct cases before the Labour Court on its own behalf, that of its constituent associations and that of the employees involved. In other respects, the provisions of the Trade Unions and Industrial Disputes Act regarding the capacity to bring a case as plaintiff before the Labour Court shall be observed.

Article 16

Provisions in employment contracts shall be invalid if they infringe a collective agreement to the detriment of the employee.

If a company is founded which is owned by the institutions that are signatories to this Agreement, the wages and terms of the employees shall be determined by agreement between the institutions involved and the SÍB.

Article 17

This Agreement shall take effect when provisions on the rights of the employees of state-owned banks to bargain collectively and to strike have been enacted in law in accordance with the declaration by the banks dated 18 June 1976 and have been approved by the Minister of Commerce.

It is envisaged that the period of validity of this Agreement will be the same as that of the legal provisions. However, the parties may amend this Agreement at any time, if they agree to do so; such amendments shall be subject to the approval of the Minister of Commerce.

Agreement on shop stewards

Article 1

At each workplace in which at least 5 members are employed, the workers may choose shop stewards from the employees' association and the SÍB for that workplace. Their number shall be decided in collaboration with the SÍB, the employees' association involved and the relevant institution.

Article 2

Shop stewards shall ensure that collective agreements are honoured and that the employees' rights are respected in all details, particularly as regards holiday, job security, safety and health. Shop stewards shall do their best to create and maintain good collaboration within the institution and seek to resolve disputes that may arise.

When disputes arise concerning employees' contractual wages, rights and obligations, the shop stewards elected by the employees shall appear on behalf of groups of workers and assist individuals, as requested by an employee or the bank, except when the dispute extends beyond the defined workplace, in which case the committee of the employees' association shall represent the employees vis-à-vis the bank. Nevertheless, the elected shop stewards may entrust the handling of the matter to the committee of the employees' association if they consider there is reason to do so.

Article 3

Employees shall approach the shop steward with their complaints. The shop steward shall be obliged to investigate the matter immediately when he receives complaints or when he has reason to consider that the rights of the employees or the trade union at his workplace are being violated by the institution. If the shop steward comes to the conclusion that the complaints or suspicion are justified, he shall be obliged to demand a rectification of the situation.

Article 4

Shop stewards shall not be made to suffer in any way, in their work or in another manner, for having been chosen to play the role of shop stewards.

Article 5

Shop stewards shall give the employees in their workplace, and the employees' association involved, and also the Union of Icelandic Bank Employees, as appropriate, a report on complaints made by the employees as soon as this can be arranged. Furthermore, they shall give the same parties a report on the ways in which they consider that the institution has failed to honour the collective agreement, and the measures that have been taken to rectify the situation.

Article 6

If it is necessary for the employer to reduce staff, the shop steward shall normally enjoy priority as regards keeping his job.

Article 7

Shop stewards and the chairman of the employees' association shall receive a suitable amount of time off on full wages in order to participate as necessary in courses and meetings connected with their work as such, providing that this results in the minimum possible disruption of the bank's operations.

Article 8

Shop stewards and the chairman of the employees' association shall be permitted to carry out their work on behalf of the employees during their working time, and shall be provided with facilities with access to a telephone and a place where they can talk with the employees in private.

Article 9

The chairman of the employees' association, in consultation with its committee and representative council, shall monitor, and have the right to make proposals on, changes in wages and the implementation of collective agreements.

Representatives of the employees' association shall be entitled to meet the board of the bank in order to discuss matters concerning the employees.

Article 10

Meetings of the board of the bank, the personnel manager and representatives of the workers concerning general matters relating to the interests of the employees, shall be held when either party so requests.

Article 11

Meetings of the managers and departmental managers of the bank, and the board and/or shop stewards of the employees' association, and particularly those meetings that concern the structure and operations of the bank and plans to change them, shall be held when the occasion arises and either party so requests.

Article 12

The parties may make amendments to this Agreement at any time if they agree to do so.