

Translated from Icelandic by:
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Agreement on major development

Between the Confederation of Icelandic Employers (SA) on behalf of its members, on the one hand,

and

The Icelandic Confederation of Labor (ASÍ), according to their collaboration agreement dated 22 June 2007

Section 1 Goals and scope

1.1. Goals

The goals of this agreement are to ensure to the extent possible that developers and contractors are fully aware of the demands made in Iceland regarding the conditions and safety of workers, their employment terms and benefits, and the arrangement of the monitoring by shop stewards and the parties to the agreement regarding the terms of employment.

The parties to the agreement deem it as important that there are clear rules in effect regarding major development projects on monitoring the employment terms and facilities of the workers, particularly in light of commonly several contractors, both Iceland and foreign, working in such development projects.

Additionally, the parties emphasize the workers' safety and facilities always being in conformity with the demands of law and the collective agreements.

The parties also regard it as important for the communications between the parties to the agreement and individual contractors, as well as the communications between contractors and workers, being subject to certain rules.

1.2. Scope

1.2.1. General

This agreement is a part of the collective agreements between SA and the ASÍ member unions, and has the same period of validity as said agreements. Those agreements apply to the rights and duties of employers and workers in other respects than stipulated in this agreement.

The agreement does not apply to workers in design, research, supervision and management work. Additionally, the agreement does not apply to workers who primarily work outside of development sites, for example, in the production of equipment, units and facilities.

Workers working in transporting materials, equipment and personnel to and from development sites fall under the agreement provided they stay at the employee camp.

1.2.2. Major development

The following development falls under this agreement subject to the conditions on the extent of the development are met:

- a) The harnessing of waterfalls/oceanic tides and geothermal heat, together with the relevant construction (pipes, connection structures and high-voltage lines) and other extensive construction outside of the capital area, provided
 - the estimated project period, cf. the project contract with the prime contractor, is at least 20 months.
 - the number of workers that will work at the development site is generally estimated to be at least 200, and
 - the project contract with the prime contractor, cf. the signed project contract, amounts at least to ISK 4,7 billion (January 2015).
- b) Construction of tunnels and traffic structures, provided
 - the project period is at least 12 months, and
 - the project contract with the prime contractor, cf. the signed project contract, amounts at least to ISK 4,7 billion (January 2015).

If the contract between the project buyer and the prime contractor meets the aforementioned conditions, the prime contractor is bound by its provisions, as well as the subcontractors undertaking individual project factors on grounds of the contract. The same applies to other contractors entering into project contracts with the same project buyer regarding the development. The contractors' workers are furthermore bound by the provisions of the agreement. Temporary work agencies and their employees fall under this Article.

Projects taking less than 30 days do not fall under this agreement.

1.2.3. Project period

Project period refers to the point in time when construction is launched to the extent that at least 50 workers work at the project site and until it is completed. The development is deemed as being completed in the interpretation of this Article if less than 25 workers are working in the finalization phase of the project.

1.2.4. Value of development

The amounts, cf. Article 1.2.2., increase on 1 January every year in accordance with the proportional increase of the construction index.

1.2.5. Number of workers

Number workers, cf. Article 1.2.2., refers to the number of workers of the prime contractor and its subcontractors directly participating in the development at the construction site, as covered by this agreement cf. Article 1.2.1. and fall under the collective agreements of the member organizations of ASÍ.

1.2.6. Prime contractor

Prime contractor refers to the contractor that, together with its subcontractors, has the most workers at the development site.

1.3. Other development

Although a development is not deemed as being major development in the interpretation of Article 1.2.2., the development party is authorized, upon the tender offering of projects or in contracts with contractors, to have this agreement as part of the tender offer terms/contractual terms. In such instance the contractors and their workers shall be bound by the contents of the agreement.

Representatives of the member organizations of ASÍ in the Permanent Committee are authorized to enter into agreements with developers to the effect that this agreement applies in part or full regarding certain projects.

The contractor is authorized to negotiate with its workers about this agreement prevailing while they work on a certain project. The Permanent Committee shall be notified of such an agreement.

1.4. Provision of information about major development

The parties to the agreement, in collaboration with major developers, shall prepare information materials about the contents of this agreement, together with the main factors of the collective agreements.

1.5. Permanent Committee

The Permanent Committee, which consists of appointed representatives of the member organizations of ASÍ, on the one hand, and representatives of SA, on the other hand, supervises the execution of the agreement for the duration of the project period in major development. See further the agreement's Section 7.

1.6. Entry into force

This agreement does not apply to major development that has been subject to tender offering prior to the signing of the agreement.

Section 2 Special differentials

2.1. Special differentials in major development

In respect of major development outside of densely populated areas where at least 50% of the workers, who are covered by this agreement, are staying at employee camps, cf. Regulation no. 941/2002 on Health and Safety, a special differential shall be paid the workers who fall under this agreement, cf. Article 1.2.1.. The differential shall amount to 10% of the monthly pay for regular day work and does not constitute grounds for overtime, a shift differential or other differentials.

Development outside of densely populated areas refers to employee camps that have been established at least 20 km away from a densely populated area. Densely populated area as per this agreement is a population core of at least 3000 inhabitants.

This differential replaces the absence supplement in the collective agreements as applicable.

The contractor is authorized to negotiate with its workers about other arrangement of this differential, for example, that it is a part of other special payments or bonuses, provided this does not entail lesser pay.

2.2. Work in tunnels

Workers who are hired to work in drilling (drilling team) in tunnels shall be paid a 20% wage differential. Drilling work refers to drilling and exploding rock. Total drilling of tunnels with the use of tunnel drills does not fall under this provision.

Tunnel refers to tunnel for traffic or water, and arches that may be categorized as tunnels. The provision does not apply to other explosive work, for example, because of ditches, foundations of buildings or caves.

The criteria shall be that the workers primarily carry out all general work and that meal and coffee breaks are flexible and based on that deemed as normal breaks during work and are taken near the work site.

2.3. Team leaders

Team leaders, who are especially hired for supervisory tasks according to this agreement, shall receive a 15% differential, which shall be calculated according to the wage scale of the agreement by which they are paid.

Section 3 Working hours and breaks

3.1. Regular day work

The regular day work shall be 40 hours per week during the period from 07:00 hours until 18:00 hours, Mondays through Fridays. The active work time, i.e. the day-work hours less the paid meal and coffee breaks, is 37 hours and 5 minutes per week. The day work shall be consecutive work. If the work is arranged such that 8 hours are not worked daily, five days of the week, this shall be stated in the employment agreement.

The lunch break is ½-1 hour during the period from 11:30 hours to 13:30 hours, and is not considered as work time.

There shall be two coffee breaks during regular day work, totaling 35 minutes, and shall be paid as work time. Subject to an agreement at the workplace it is permissible to drop either one or both coffee breaks in which instance the regular work time becomes shorter by the same token.

Overtime shall be paid for work during meal or coffee breaks during the regular day-work period.

3.2. Overtime

Work outside of the specified regular day-work period, cf. Article 3.1., is considered as overtime, cf. however, Article 3.4. on overtime. Overtime shall be paid for work in excess of 40 hours.

When overtime is worked, the meal breaks shall be at 19:00 hours to 20:00 hours and 02:00 hours to 03:00 hours. The right to a meal break is based on the work commencing at least two hours before the beginning of the break.

If overtime is worked, the coffee breaks shall be at 23:00 hours to 23:20 hours and at 05:00 hours to 05:20 hours, or according to a further agreement between the contractor and the workers. The right to a coffee break is based on the work commencing at least two hours before the beginning of the break.

All meal and coffee breaks during overtime are paid as work time. If work takes place during breaks, overtime shall be paid by the same token in terms of time.

3.3. Work sessions

In addition to the work systems stipulated in the collective agreements of the unions and organizations that are parties to this agreement, organizing the work in such a manner that work is consecutive for up to 10 days is permissible. This applies both to regular day-work and shift-work systems.

Subject to an agreement with the employee, it is permissible to postpone the weekly day off such that instead of his weekly day off two consecutive days off are allowed within two weeks. Taking the days off may be arranged such that they are taken every other weekend (Saturday, Sunday). In special instances the weekly day off may be postponed further such that the employee gets the equivalent rest within 14 days.

3.4. Shift-work

It's permitted to organize shift-work for all or a part of the workers. Announcements regarding changes relating to shift-work shall be made with at least one week notice. Shift periods shall not be shorter than 10 days.

Consecutive work for 5 to 10 days on shifts is permissible. The shifts shall not be longer than 12 hours.

The shift differential shall be as follows:

35% differential for the period 16:00 hours to 24:00 hours, Mondays through Fridays.

55% differential for the period 08:00 hours to 24:00 hours, Saturdays and Sundays.

60% differential for the period 00:00 hours to 08:00 hours, all days.

The meal and coffee breaks per every 8-hour shift shall be 35 minutes which shall be divided as per an agreement between the contractor and the workers. If the shifts are longer or shorter the meal and coffee breaks change proportionally. The meal and coffee breaks during 12-hour shifts, however, shall be 60 minutes.

Overtime shall be paid for work in excess of 40 hours per week by average.

If a contractor requires the change of shifts to take place at the work site in order for the workers to exchange information about the progress of the work and if the work does not come to a halt during such time, a special payment shall be made for work in excess of the shift.

3.5. Standby shifts and watch duty

3.5.1.

If the employer deems it as necessary to have standby shifts and/or watch duty, this shall be done subject to an agreement with the relevant employee. Workers on standby shifts or watch duty may not leave the relevant employee camp or watch-duty area.

3.5.2. The standby shifts shall be executed as follows:

- a) From the time that work ends in the evening until the work begins in the morning of the following day. One regular day-work hour shall be paid for every three standby hours.
- b) If an employee on standby shift is called to work, he has the right to overtime pay for the time worked, however, never less than three hours for the call to work.

3.5.3. Watch duty during weekends and holidays

Workers on watch duty shall not work in direct production work, however, shall carry out monitoring and general duties, for example, regarding the camp, the work sites, machinery, water pumps, concrete liquid and/or the heating of concrete and concrete materials, weather monitoring and other relevant minor projects and maintenance. Such shifts shall be paid as 15 overtime hours per day as no special payment is made for worked time.

3.6. Work during Christmas and Easter

It shall be known two months in advance if work is to take place during Christmas or Easter, and in such an instance how many holidays will be taken. The shift and work schedule at any time shall contain such information regarding other holidays.

3.7. Work on days off

If work is scheduled to take place on an employee's day off, cf. the registered work arrangement, this shall be organized at least three days in advance unless special urgency prevails. The employee shall by no means be made to suffer if he is not prepared to work on his day off.

3.8. Pay during bad-weather days

If the employer cancels work due to weather, the absence of materials or for other reasons for which the workers cannot be blamed, full day-work pay shall be paid as well as a shift differential if applicable.

3.9. Work reports

Work reports shall be made daily. The work reports shall be not be changed without collaboration with the employee. If requested, the work foreman is obligated to clarify to the workers the hour registration at any time.

The hour reports shall be accessible at the workplace by the relevant employee and/or the representative of the relevant member organization of ASÍ, if a chief shop steward has not been hired.

3.10. Transportation of workers to the canteen

The contractor shall organize the transportation of the workers from the individual work sites to the canteen in a manner ensuring that all the workers receive the agreed meal time.

3.11. Reference period regarding maximum work time

When calculating maximum work time, cf. Articles 6 and 8 of the agreement between ASÍ and SA, dated 30 December 1996, focusing on a 12-month period, from January through December, is permissible.

Section 4 Environment, health and safety

4.1. General

4.1.1.

The contractor is responsible for the implementation of a systematic work protection effort at the development site whose objective shall be for the workers being protected against any health hazards or damage to their health that could be caused by their work or working conditions. In this respect, the employer and his workers shall abide by Act no. 46/1980 on Working Environment, Health and Safety in Workplaces with subsequent amendments, the regulations that are set on grounds of this law, as well as the provisions of collective agreements.

The work clothes and the safety equipment provided the workers by the employer on grounds on instructions by law and/or this agreement shall be free of charge to the workers.

4.1.2.

The appointment and role of safety shop stewards shall be according to Act no. 46/1980 and the regulations set on grounds of this act.

4.2. Work clothes

4.2.1.

The workers shall be provided every two weeks with clean and whole external work clothes in the appropriate size. The type of work clothes is determined with respect to the work carried out. Their cleaning shall be at the expense of the employer. The work clothes are the property of the employer.

In circumstances demanding special protective and safety clothing, such clothing shall be available for use by the workers. This applies, for example, to work with paint and other special materials at unclear locations, outdoors work in cold or rainy conditions. The employer owns this clothing and is authorized to identify it.

4.2.2.

In dirty conditions where the project or workplace causes unusual soiling or wear and tear of the work cloths, the workers shall be provided with work clothes more frequently than stipulated in Article 4.2.1. and shall wear undamaged work clothes, for example, to reduce the risk of accidents.

4.2.3.

Workers in welding, rough metal work, rock drilling, wire changing and in all construction work, shall be provided with work mittens and/or leather gloves as needed. Workers in welding shall be provided with a protective leather apron in addition to that stated above.

4.2.4.

Workers in rock drilling, concrete work, cleaning concrete casts, iron reinforcement and working with tar, shall be provided with, in addition to the aforementioned, rainwear (a jacket and trousers). Workers in concrete work and tar work shall be provided with rubber boots with a safety toe and sole.

4.2.5.

Workers in rock drilling, construction work, vehicle mechanics, iron workers, metal and electric workers shall be provided with safety shoes or safety boots as appropriate, free of charge. The safety equipment in other work is subject to the Regulation on the Use of Personal Protection.

4.2.6.

If storage facilities for work clothes are installed at the work sites, they shall also be arranged in a manner that allows for the workers' work clothes being dry at the beginning of the work day.

4.3. Clothes of workers at canteens and in cleaning

Workers working in the canteen or in cleaning shall always be clean and in their work shall only use special clothing that is not used elsewhere. Workers in kitchen work shall always wear special light-colored clothing and shall always wear hair protection, which shall be provided by the employer. The workers shall be provided with aprons, gloves and shoes as needed.

4.4. Insurance for clothes and items

The employer shall take out fire insurance for the clothes and necessary equipment of the workers at the workplace. If the workers suffer damage to their clothes and items during work, for example eyeglasses and watches, they shall be fully compensated on grounds of evaluation. The same applies to damage caused by fire or chemical substances. Money, however, is not insured. The aforementioned damage will only be compensated if it occurs because of mishap at the workplace. Damage caused by an employee's negligence or carelessness shall not be compensated.

4.5. Transportation of workers within the development site and between the development site and the employee camp

In instances where deemed as necessary, the employer shall provide transportation for the workers to and from the work sites in safe and sufficiently spacious vehicles. If the workers are unable to leave the worksite upon the end of the work due to the absence of vehicles or for other reasons for which they cannot be blamed, they shall maintain their full pay during their waiting period and until such time they have been transported to their point of destination.

4.6. Medical supplies and medical facilities

4.6.1.

The prime contractor shall see to it that the most common and necessary medical supplies, pharmaceuticals and first-aid facilities exist at the development site.

4.6.2.

In instances where the work site is at a greater distance than 50 km from the nearest healthcare center, a registered nurse/paramedic or a trained nurse's aid shall be on location in the event that a registered nurse/paramedic cannot be obtained, provided at least 100 persons work in the area. The contractor shall provide them with a good and safe facility.

4.6.3.

There shall be a vehicle at the site, suitable for emergency transportation, appropriately equipped for travel in snow and other rough conditions.

4.6.4.

Local work sites, the work foreman's vehicle and the work sheds, shall have an emergency medical box containing regular medical supplies for responding to accidents. The main workplaces shall have a stretcher, splints, and other such equipment. The emergency medical boxes shall be in the possession of and safeguarded by the foreman and under the supervision of a registered nurse in case there is such a nurse on site.

4.7. Safety Committee

A Safety Committee, cf. Article 8 of Regulation no. 920/2006 on the Organization and Execution of Work Protection at Workplaces, shall be established at the beginning of development work.

The members of the Safety Committee are as follows:

- a) The security representatives of individual contractors
- b) The safety shop stewards
- c) A coordinating representative of safety and health at the construction level, cf. Article 6 of Regulation no. 547/1996 on Work Environment, Health and Safety at Construction Sites and during other temporary Construction.
- d) The chief shop steward if such has been hired.

The Safety Committee is authorized to summon representatives of the Administration of Occupational Safety and Health in Iceland and of the health control to attend meetings of the Safety Committee, as well as other parties as deemed necessary. Individual committee members shall present their requirements for the aforementioned parties through the chairman of the committee.

Representatives of individual contractors may be called to meetings of the Safety Committee in instances of matters concerning them. More than one safety committee may be appointed if the extent of the project requires it.

The shop stewards are authorized to turn to the Safety Committee with any complaints and recommendations regarding workplace facilities and other that pertains to the safety of the workers, and by the same token the employer is authorized to make observations and present complaints about the use of safety equipment.

4.8. Calls to work

Calls to work shall always be responded to by two persons in instances of isolated work, provided there is no employee at the relevant work site.

4.9. Workplace ID

The workers of the prime contractor and the subcontractors shall carry workplace identification certificates (ID), cf. an agreement between ASÍ and SA thereon.

Section 5 Employee camps

5.1. General

If employee camps, canteens and other facilities for the workers are set up by the contractors at the workplace, such facilities shall meet the requirements of the health authorities, cf. Act no. 46/1980 on Working Environment, Health and Safety in Workplaces, and the provisions of this agreement.

5.2. Free housing

5.2.1.

Workers, who permanently stay at the workplace during every work period, shall have free housing. Workers shall generally be placed in single rooms.

5.2.2.

In exceptional instances may workers be placed in double rooms. These rooms shall be sufficiently spacious and it shall be ensured that workers sharing a room do not have to sleep there at the same time. At the beginning of the development project, during the building of the employee camp, however, two may be placed together in a room.

5.2.3.

Each room shall have, in addition to the normal furniture, a reading light over the bed and blinds for the window.

The employee camp shall have a sitting room with a television and seats for the inhabitants. An effort shall be made to provide other leisure options as appropriate.

5.2.4.

Every employee shall have a locked storage facility for clothes and other personal items. The rooms shall be lockable. Bed linen shall be changed not less than every two weeks. The workers shall have access to a telephone automat and Internet connections at the employee camp.

The sleeping wings of the employee camp shall be furnished with a sufficiently large storage facility for protective clothing and facilities for drying work clothes.

Alarm systems shall be installed in all sleeping wings as approved by the Fire Prevention Authority. The workers shall be informed of the handling of fire prevention equipment and first-aid and fire-prevention courses shall generally be held for the workplace foremen and the shop stewards at six-month intervals.

5.3. Free meals

5.3.1.

Workers working according to this agreement shall receive free meals. A meal refers to breakfast and two meals per day, and bread and/or other that is served with coffee during coffee breaks.

Workers who do not live at the employee camp, however, shall only receive free meals as per their work time at any given time.

When holidays/shifts-off are taken at the development site, the employer shall provide the workers with free meals and housing.

5.3.2.

If a contractor is unable to drive the workers at a permanent workplace to the canteen during coffee breaks (if taken), the contractor shall set up a coffee-break facility at the work sites. The workers shall have access to hygiene facilities/toilets at the work sites.

5.4. Bathing and washing facilities

Each sleeping wing at employee camps shall have a sufficient bathing and washing facility, i.e. no more than 10 persons to every shower, as well as a sufficiently large storage facility for protective clothing and for drying work clothes.

5.5. Coffee facilities and work sheds

The coffee facilities and the work sheds at the work sites shall have a hygiene facility, a table and chairs.

5.6. Cleaning

The coffee sheds and facilities, meal rooms and toilets shall be cleaned daily.

5.7. Traffic at employee camps

The arrangement of employee camps shall be such that there is no disturbance from traffic in the vicinity of the workers' sleeping wings.

5.8. Breakdowns and unforeseen mishaps

If a power breakdown occurs or other unforeseen mishaps, rendering it impossible to maintain a temperature of 10° C in the sleeping wings, and/or necessary cooking of meals, and if a solution is not foreseeable inside of the next 8 hours, the workers shall be taken to heated quarters and returned to the development site when a normal situation has been restored. The workers shall maintain their regular day-pay in such instances.

Section 6 Union shop stewards

6.1. Selection and duties of shop stewards

6.1.1.

The union members of the member organizations of ASÍ who work according to this agreement are authorized to select a shop steward at the development area in conformity with the provisions of the collective agreements.

The workers should approach the shop stewards with any requests or complaints regarding unsatisfactory circumstances or other they deem as being amiss.

The shop stewards are obligated to consider such requests and complaints and if they conclude that the complaints or requests of the relevant persons are grounded, they should turn to the employer or its representative, for example, the foreman, stating the complaint or request improvement.

6.1.2.

The shop stewards shall have the use of a joint office equipped with a telephone and an Internet-linked computer. This room is under the supervision of the chief shop steward. Additionally, they shall be provided with a facility for having meetings in collaboration with the chief shop steward and a representative of the employer.

6.1.3.

Supervisors shall hold at meeting at least once per month with the shop stewards (or some of them) to discuss and resolve problems that may exist. The employer's representative at such meetings shall have the authority to enter into decisions on behalf of the undertaking.

6.1.4.

Shop stewards shall maintain their full normal pay based on regular work time although they have to leave their work due to their duties as shop stewards, including meetings, which the chief shop steward unavoidably calls because of the normal duties of shop stewards, provided such meetings are decided upon in collaboration with management and that they do not disrupt work to abnormal extent, as well as negotiations meetings upon the renewal of collective agreements.

6.1.5.

The collective agreement of the member organizations of ASÍ prevails regarding the right of shop stewards to attended courses.

6.1.6.

Act no. 80/1938 on Trade Unions and Labor Conflicts prevails in other respects regarding the rights and duties of shop stewards.

6.2. Chief shop steward

6.2.1.

The national organizations and unions that are party to this agreement are authorized to jointly hire a representative for the position of a chief shop steward of the workers at a development site towards the contractors and the buyer.

6.2.2.

The national organizations and the unions pay the wages of the chief shop steward.

6.2.3.

The buyer provides the chief shop steward with meals, a satisfactory work facility, i.e. an office with the necessary furniture, a telephone and an Internet-linked computer. If the chief shop steward has a permanent presence at the development site, the buyer shall provide him with a room.

6.2.4.

The chief shop steward has the same position as the employee's shop steward in respect of meetings with the workers and access to the development site/employee camp.

6.2.5.

Contractors should contact the chief shop steward or the shop stewards of the trade unions if a chief shop steward has not been hired, if they receive information about circumstances that could result in problems or disagreement. By the same token, the chief shop steward shall contact the contractors in such instances. In the absence of a solution, the matter shall be referred to the Permanent Committee.

6.2.6.

The chief shop steward may be requested tasks applying to other major development projects at the same time.

Section 7 Permanent Committee

7.1. Appointment

A Permanent Committee, consisting of six representatives, shall operate for the duration of each project. On behalf of ASÍ appointments shall be made from members of its Negotiation Committee and representatives of its relevant affiliates who have the greatest vested interest in the area where the construction site is situated. SA shall appoint three representatives to the Permanent Committee.

7.2. Role

The role of the committee is as follows:

- a) Be the venue of the distribution of information about wages and other terms of employment in conformity with the collective agreements of the relevant member organizations of ASÍ.
- b) Facilitate the solution of disagreements that may arise between contractors and workers.
- c) Discuss other matters which the representatives of the member organizations of ASÍ are authorized to address within the Permanent Committee.

If a disagreement arises or doubt over the interpretation of individual provisions of this agreement, the resolution by the SA and ASÍ joint committee shall be sought.

The representatives of the member organizations of ASÍ on the Permanent Committee are authorized to enter into agreements with contractors on deviations from this agreement.

The development party / the buyer is authorized to seek the opinion of the Permanent Committee on whether the agreement applies to the planned project. The opinion shall be available within two weeks from the date the Permanent Committee receives such a request.

7.3. Meetings

The Permanent Committee meets regularly during the execution of the project. The Permanent Committee further determines the arrangement of the meetings and sets rules of procedure regarding its work.

The Permanent Committee is authorized to call to its meetings representatives of the buyer, individual contractors, the chief shop steward, representatives of the member organizations of ASÍ who generally do not attend the meetings of the Permanent Committee, and other competent parties as deemed necessary.

7.4. Information duty

The Permanent Committee requests information from the buyer about the contractors that are involved in the project, the number of their workers and their nationality.

The information duty of contractors, in other respects, is subject to the rules of procedure as per the agreement between ASÍ and SA on the affairs of foreign persons on the Icelandic labor market, dated 7 March 2004. The chief shop steward shall have the same status as shop stewards according to the agreement.

7.5. Joint Permanent Committee

It is permissible to appoint one joint permanent committee, which shall operate according to the aforementioned for more than one major development project.

Accompanying Document I

The parties to the agreement call upon developers, public parties and private parties alike, who announce tender offering for projects that are deemed as being major development in the interpretation of this agreement, to include the following information and conditions in the tender-offer specifications regarding the relevant development project:

- According to Act no. 55/1980 on the working terms of workers, wages and other working terms negotiated by the social partners, shall be minimum terms irrespective of gender, nationality, or period of employment for all workers in the relevant field of work in the area covered by the agreement. This also applies to workers of employers outside of the organizations of employers or who have not themselves entered into collective agreements with the trade unions. Agreements between individual workers and employers on worse terms than provided for by the general collective agreements are invalid and not binding for the employee.
- Special rules apply to foreign laborers who are sent to Iceland by foreign undertakings in connection with the provision of service. According to Act no. 45/2007 on the rights and obligations of foreign undertakings that post workers temporarily in Iceland and their workers' terms and condition of employment, their workers shall have rights, according to Icelandic collective agreements, regarding minimum pay and other wage factors, overtime pay and rights to vacation and vacation pay. Additionally, the rules on maximum work time and minimum rest time should be honored. The act stipulates their rights to pay during illness or accidents, and to accident insurance.

- The prime contractor shall iterate in the project contracts with subcontractors that their workers shall have the facilities as provided for by Icelandic law and the collective agreements.
- The workers of the prime contractor and the subcontractors shall carry workplace identification certificates; cf. the agreement between ASÍ and SA on workplace ID.
- The prime contractor and the subcontractors shall fully abide by the provisions of the agreement between ASÍ and SA on major development projects. This applies, among other things, to participation in the activities of the Collaboration Committee, information dissemination about the employment terms of workers, etc.

Reykjavík, 17 February 2008

On behalf of the ASÍ negotiations committee

On behalf of SA