

Special collective wage agreement Between

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

The agreement forms part of the general collective wage agreement between the parties and is valid for the same period.

1. On wages

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Starting wage	450.992	476.136	501.280	526.424
After 1 year in job	458.125	483.667	509.209	534.751
After 3 years in job	464.176	490.055	515.934	541.813
After 5 years in job	470.705	496.948	523.191	549.434
After 10 years in job	484.860	511.892	538.924	565.956

From the effective date of this agreement, employees working under this agreement shall receive wages according to the VR/LÍV pay scale for employees in entertainment and tourism companies, with the condition that the length of service according to the pay scale shall in all cases refer to the length of service in the position covered by this special collective agreement.

If an employee takes this type of job after having held a different position within Icelandair, their work experience is evaluated as 1 year if they have completed that length of service with Icelandair.

Supervisors:

Permanent employees who work as a supervisor shall receive a supervisory supplement based on a full-time position, due to supervising the training of new employees on site, safety control, quality control and management of computer and equipment. The individual performing the role of supervisor shall monitor updates to procedures as well as other important information outside fixed working hours:

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Starting wage	66.644	68.976	71.390	73.889
After 1 year in job	70.052	72.504	75.041	77.668
After 3 year in job	75.005	77.630	80.347	83.159
After 5 years in job	95.978	99.337	102.814	106.413

2. Permanent employees

A permanent employee is considered to be an employee who has been employed indefinitely for three consecutive months and has completed their trial period.

Upon permanent employment, employees shall be paid for attending an onboarding course according to the daytime pay rate.

3. On shifts

During shifts, a supplement must be paid on the basic wage according to the following:

On Saturdays and Sundays, as well as during the period from 00:00-08:00 daily, 45% supplement.

33% supplement for the period 17:00–24:00, Monday–Friday.

90% supplement on national holidays.

Shifts are organised according to the scope of the activity at any given time, and a time management system is used to organise shifts. Wages are paid according to the clock-ins and clock-outs.

Shifts must be a minimum of 4 hours. The shift rota shall generally be based on 161.42 hours per month based on 100% employment rate and proportionally for part-time workers. Icelandair is permitted, in consultation with employees, to change the scheduled start of shifts or part of them with 30 days' notice. Shift rotas must be organised one month in advance and must be available one week before the effective date. They must be posted at the employees' workplace or presented on the website or delivered to each employee.

The working hours of employees shall be continuous as far as possible. For each gap in working hours (a gap between two shifts on the same day), 4,615 ISK shall be paid. Part of this compensation is due to the obligation of employees to monitor updates to procedures and quality documents and to arrive informed for each shift.

Payment for gaps is subject to general wage changes during the contract period.

4. Working hours

The weekly working hours of full-time employees shall be 37.25 hours on average, based on day-time work, but the normal working hours may be extended to up to 41.25 hours. The difference of 41.25/37.25 shall be paid with an overtime payment amounting to 1.0385% of the monthly wage.

The divisor for hourly wages is 161.42.

5. Overtime

If an individual works continuously for longer than a 12-hour shift according to the rota, overtime must be paid.

If a supervisor works overtime as a supervisor, a 15% management supplement is applied on top of the standard overtime rate. The payment is for hours worked.

When an employee has worked 30 min beyond the regular 12-hour shift due to flight disruptions, a minimum of 2 hours of overtime must be paid. Similarly, if they work longer than 2 hours, 4 hours are paid.

When an employee is called out for work that is not in direct continuation of their daily work, overtime shall be paid for at least 4 hours except when their regular working hours commences within four hours.

Meal and refreshment breaks during overtime are not deducted from working hours.

6. Winter leave

In the general collective wage agreement for commercial workers, Article 2.2.4., full-time permanent employees must receive 89.4 hours (eight 11.18-hour work shifts) in winter leave based on a year's employment for work on public holidays according to Art. A payment (12/30 of the monthly wage) is permitted as substitution for the agreed leave if an agreement is reached with the employees.

7. Allocation of summer leave and winter leave

Summer and winter leave must be decided one month before the first holiday begins. The employer allocates the leave in consultation with the employees.

- 1) On the allocation of summer leave and winter leave of permanent shift workers:
 - a. Summer leave and winter leave shall be allocated in such a way that it begins on the first day of the respective employee's shift cycle and ends at the end of the above-mentioned leaves.
 - b. Now, the National Church's holiday is included in an employee's summer leave or winter leave according to the above and such a holiday is then considered included in the leave, cf. item a.
 - c. Summer leave must be taken in the period 02.05-30.09 and winter leave in the period 01.10-30.04 each year, taking into account authorisations for deferment of leave-taking.
 - d. During the traditional summer leave period, 20 days of earned summer leave are allocated. Leave beyond that can be granted outside this period without supplement.
- 2) Summer leave and winter leave for part-time workers are calculated in proportion to work contribution.
- 3) Freelance employers who work on shifts shall be paid holiday pay instead of paid winter leave for the work done on holidays, cf. Art. 2.2.4. in the general collective wage agreement of the parties.

8. Meal and coffee breaks

Refreshment breaks shall be equivalent to 5 minutes for each hour worked and shall be divided as agreed by the immediate supervisor and employee, when convenient, so that urgent matters and services will not be disrupted. In a 12-hour shift, there are generally a 30-minute meal break and two coffee breaks. Employees pay for food and pastries at the internal company price. Staff representatives shall be allowed to review pricing.

9. Education and training

Employees must attend and take part in the courses that Icelandair deems necessary to establish, to increase their education in their work, and take exams if requested. This applies whether the course is held in Iceland or abroad.

When attending courses domestically, according to the aforementioned, the employees should be paid the full fixed wage for the entire duration of the course as well as a shift supplement, provided that the person was working according to a fixed shift work

arrangement when the course attendance began. However, course attendance must not be planned during shift breaks, except in exchange for a day's work in accordance with the timecard and not immediately after or before a shift. An employee is allowed to take leave in lieu of payment for attending a course during a shift break, hour for hour. However, the timing of the leave is subject to the employer's approval in each case.

A minimum of 4 hours must be paid in daytime work for the courses organised by Icelandair Keflavík Airport that employees are required to attend.

10. Uniforms

No later than at the end of the trial period, Icelandair will assign a permanent employee appropriate uniform/work clothes according to the company's rules. The employee must comply with Icelandair's rules regarding the use of uniforms. Uniforms/work clothes are the property of Icelandair. In place of footwear, a payment of 42,000 ISK is provided based on full-time work. This payment is subject to general wage increases during the contract period.

Payment must take place no later than October 1 and be proportional to work.

Renewal of uniforms/work clothes is in accordance with requirements and the company's rules.

11. Travel allowances

Included in the employees' fixed wages are travel allowances that were previously paid separately.

12. Travel allowances for extra shifts

When employees are called to an extra shift that is not directly before their shift or immediately following their shift, they must receive a special payment, ISK 2,920 per shift.

13. Job responsibilities

- a) The duties of the staff in passenger and loading services consist of providing customers with all the necessary services, including check-in, in order for flight operations and services to run smoothly and optimally in and around the Leif Eiríksson Terminal. As well as other tasks in connection with passenger and loading services according to the detailed instructions of the superiors.
- b) Employees must be ready for work as soon as the shift starts.

14. Confidential

Employees are not permitted to share with others information that should be kept confidential but that they may come across in the course of their work, or because of it, unless it is necessary for the operation of the airport.

Reykjavík, 13. mars 2024

Protocol 1 (2024)

In a rapidly changing labour market, it is essential that employees' job skills are visible and confirmed. VR members working for Icelandair hold diverse and ever-changing positions. Likewise, following the integration of Icelandair's operations with those of Flugfleálg Íslands, it is necessary to consider the Agreement's consistency. Parties to the Agreement agree on the necessity of performing a job skills assessment in accordance with this Agreement. Skills assessments are beneficial to employees and promote a company's competitiveness, which in turn is an asset to both the employees and the Company. A skills assessment entails preparing profiles of the aforementioned jobs in consultation with the Education and Training Service Center (ETSC) in which benchmarks for the skills required of each job are identified with an assessment checklist developed for the jobs in question, after which skills are confirmed with the issuing of a professional certificate. Confirmation of skills serves as a foundation for wage-setting on the basis of the nature and content of a job and employee skills regardless of job title. Once the results of a skills assessment are available, Icelandair will review them with reference to control groups in order to determine base wages, composition and terms of regular salaries, etc. Skills assessments and audits within the Company must be completed no later than 30 November, 2025.

Protocol 2 (2024)

The Parties agree to continue working towards building a positive and effective workplace by providing information regularly and creating a platform for communication between employees and management. The Parties also agree that working arrangements will be reviewed in consultation with employees. The objective is to improve the working environment for both staff and management and thus meet the need for better organisation of working hours. These amendments are also intended to promote better employee health and safety and to improve work-life balance as well as the quality of service. To form a basis for this review, it is important to consider data about Company activities, peak periods, project status, and the length and composition of shifts with an aim to increase continuous attendance during working hours to the greatest extent possible. The review shall begin no later than 31 May, 2024 and finish before 20 December, 2024. Each Party may independently request the State Conciliation and Mediation Office's supervision during the review of shift workers' working arrangements cf. this protocol. The Parties hereby rely on effective cooperation in solving whatever challenges lay ahead.

Protocol 3 on updates (2024)

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

Protocol (2019)

Icelandair Keflavík International Airport is prepared to review the wage structure of supervisors.

Protocol (1997)

VR(VS) does not comment on flight attendants working at the gates at Leif Eiríksson Terminal according to Article 4 of the collective wage agreement of the Flight Attendants Association of Iceland and Flugleiðir from April 26, 1995.

*Please note this is a translation.
In matters of dispute, please refer to the original in Icelandic.*