

Article 1: Scope of the Agreement

§ 1. Scope of the Agreement

1.1 The scope of this Agreement is people with an education in craft who work in the craft sector – hereinafter called craftspersons. This Agreement also includes specialist workers in the craft sector.

1.2 Any individual wanting to take up work as a craftsperson must be able to provide proof of having an education compliant with the Faroese Vocational Education and Training Act, or any other education meeting the approval of the federations.

1.3 Any individual wanting to take up work as a specialist worker must be able to provide proof of having an education as a specialist worker.

When any disputes regarding educations arise, the joint administrations shall enter negotiations about them until such time when a set scheme has been established regarding educations, terms and conditions and other matters.

1.4 Should any disputes regarding the present article arise, then the craftspersons employers' union and craftspersons' union administrations shall take a joint decision.

Article 2: Terms and Conditions of Employment

§ 2. Employment Contract

Any individual employed, pursuant to this Agreement, for a period lasting longer than 3 months, and who on average works more than 8 hours per week, shall receive an employment contract, containing the following information:

- Employer's name
- Date of Employment
- Place of Work
- Area of Work
- Length of Service
- Applicable Agreement
- any other agreements reached regarding employment, if applicable.

§ 3. Injuries

3.1 Should any craftsperson sustain any injuries during his working hours, the difference between his regular weekly wages and any sickness benefits he may receive shall be paid to him, for up to 12 days, by the master or company and the craftspersons' union, which shall each pay him 50% of said difference.

3.2 The craftsperson shall submit a doctor's certificate, if so required by the master or the company. (Notwithstanding any sickness benefits received.)

§ 4. Termination of Employment

4.1 No craftsperson may be dismissed or abandon work without grounds.

4.2 Period of Notice: -10 working days after more than 3 months service. -20 working days after more than 2 years service.

4.3 Both parties are bound by this period of notice and both parties shall give notice in writing. Should the conditions in this subsection be breached by a craftsperson, then he shall be fined with the loss of 5/10 days' wages; should a master breach said conditions, then he shall pay the equivalent of said wage loss.

Article 3: Working Hours §

5. Working Hours

5.1 As of January 1, 1980, in accordance with Law 37 enacted by the Løgting, dated June 1, 1979, the standard working week is 40 hours. Daily working hours shall be in the period between and including Monday to Friday, between 7:00 am and 6:00 pm.

5.2 Working hours at restaurants, hotels and similar establishments are 40 hours a week planned ahead in four-week work schedules. Employees shall receive the work schedule at least 7 days before it enters into force.

§ 6. Meal Breaks

6.1 Any workplace shall be free to schedule meal breaks as agreed by a simple majority of craftspersons, specialist workers and masters voting by ballots at the workplace.

6.2 Meal breaks may be no more than 4 hours apart.

§ 7. Shift Work

7.1 If required, working hours can, on a case by case basis, be scheduled between 7:00 am and 7:00 am the following day after talks between craftspersons and masters, said work shall be arranged as paid shift work pursuant to § 15.

7.2 When working in shifts, meal breaks shall not be deducted for the 2 and 3 shifts.

§ 8 Overtime

8.1 Overtime shall not accrue before the standard working day as per agreement (8 hours) has been worked, if there has been a chance to work.

8.2 Notice regarding overtime shall be given before lunchtime, if possible.

Meal Breaks when Working Overtime

8.3 When working overtime, meal breaks shall be arranged as usual at the workplace, without pay deduction.

8.4 When working 2 hours overtime taking tea is allowed, without any pay deduction. However, leaving the workplace to take tea is not permitted.

8.5 When working 4 hours overtime, a one-hour meal break shall be granted without any pay deduction.

§ 9. Non-Working Days

On May 1 workers have the whole day off. On Faroese Flag Day (April 25), Danish Constitution Day (June 5), November 1 and Christmas Eve (December 24) workers have the day off after 12:00 am.

Article 4: Wages

§ 10. Journeyman Pay Rates

By October 1, 2010 journeyman pay rates rise by 1,80% to DKK 122.91
By October 1, 2011 journeyman pay rates rise by 1,81 to DKK 125.14

10.2 These pay rates shall be understood as minimum wages.

§ 11. Length of Service

Journeymen shall receive the following bonuses for length of service: After 3 years' employment they shall receive 1.6% of their basic rate.

Length of service shall be understood as: a period of employment with a Faroese employer in the profession in which the journeyman has taken his journeyman exams.

Journeymen are entitled to transfer accrued periods of service from one employer to another, provided they have not abandoned their area of work for more than 7 years.

§ 12. Specialist Worker Pay Rates

By October 1, 2010 hourly rates are:

a) Specialist workers qualified in a craft: DKK 114.85

b) Unqualified specialist workers:

1. Year DKK 109.99
2. Year +1,45%
3. Year + 2,92%
4. Year and thereafter +4,41%

By October 1, 2011 hourly rates are:

a) Specialist workers qualified in a craft: DKK 116.93

b) Unqualified specialist workers:

1. Year DKK 111.98
2. Year +1,45
3. Year +2,92
4. Year and thereafter +4,41

§ 13. Delayed Work

If craftspersons arrive to the workplace at the agreed time, but work does not start, then they shall receive 2 hours' pay. If work starts after the agreed time, they shall receive pay for the time lapsed.

§ 14. Bonuses and Allowances

14.1 The rate of Tools Allowance is +0,83% per hour if the craftsperson uses all the standard tools required for his trade.

14.2 The rate of Dirty Work Allowance is +0,41% per hour.

14.3 The allowance for work on new tunnels; in steam boilers; in used oil, cod-liver oil and other tanks and in small tanks; as well as in trash fish and herring holds is 8,28% per hour.

14.4 Small tanks can be defined as tanks measuring less than the average height of a man on all sides. Should there be any particularly cramped areas of tanks, it is up to the parties at each individual workplace to agree on an allowance.

14.5 The parties at each individual workplace are free to agree a higher hourly allowance for work mentioned in subsection 14.3. If any such agreement is made, the allowances in subsection 14.3 shall be replaced by the agreed allowances.

14.6. If the parties at a workplace agree to carry out work that is unusually dirty for a specific trade, and which is not mentioned in subsection 14.3, then the allowance stipulated in subsection 14.3 shall be paid. The parties may also agree on an allowance pursuant to the stipulations in subsection 14.5.

§ 15. Piecework

15.1 When the nature and circumstances of work allow for piecework, masters and journeymen shall agree on a number of hours to do the work or a specific amount to be paid for the work. Said agreement shall be reached in the initial phases of work, be in writing and signed by both parties

15.2 Parties are obliged to negotiate piecework in all areas where practicable.

15.3 If orders are given to carry out piecework overtime, wages shall rise in accordance with § 17.

15.4 The parties agree to prepare standard agreement slips and possibly a rate list.

§ 16. Shift Wages

16.1

- 1. Shift: standard wages.
- 2. Shift: standard wages + 6,63%
- 3. Shift: standard wages + 9,11%
- 4. These allowances shall not be indexed-linked

16.2 Regarding overtime, see § 17.

§ 17. Displaced Work Hours (bakers and service workers)

17.1 Bakers Bakers receive an additional DKK 65.00 per hour for working from 4:00 am to 7:00 am on ordinary working days, on Saturdays and public holidays they receive an additional DKK 100.00.

17.2 Service Workers Service workers who usually work on Saturday receive the following additional payments:

8:00 am – 2:00 pm 35 %
2:00 pm – thereafter 100 %

§ 18. Overtime Pay

18.1 Overtime is paid as follows for both craftspersons and specialist workers: First 4 hours, standard wages + 35 % Following 3 hours, standard wages + 60 % Following hours, standard wages + 100 %

Saturday..... + 100 %

18.2 Working on Sundays, public holidays and non-working days is compensated with 100% additional pay, which shall be kept up if continuous work is required.

18.3 Double wages shall be paid for working during meal breaks.

18.4 Overtime – if working hours exceed the 8-hour shift – for shift work as well as Sundays and holidays – allowances are paid pursuant to 18.1 of this Section.

§ 19. Detailed regulations regarding driving and working away from the workplace for craftspersons and specialist workers

19.1 Craftspersons are employed according to their employment contract in one of the following three categories:

- A. Craftsperson with a fixed workplace
- B. Craftsperson with changing fixed workplaces
- C. Craftsperson providing customer services / service worker

Craftspersons in category A spend most of their time at the workplace. The workplace is the company's registered address. Craftspersons in category B work, for example, in the construction industry, and, thus, the building site is their fixed workplace for a specific period of time. Craftspersons in category C provide services for changing customers and regularly drive out to carry out assignments in the field- they are usually called service workers and, thus, have no fixed workplace.

19.2 A distinction is made between *Útiarbeiði* (same day away work) and *Burturarbeiði* (overnight away work).

Útiarbeiði is: Work carried out elsewhere than at the workplace where craftspersons have been hired to work, according to their employment contract, which they can travel to and from on the same day.

Burturarbeiði is: Work carried out elsewhere than at the workplace where craftspersons have been hired to work, according to their employment contract, and which requires them to stay overnight.

19.3 Travel time from home to the workplace and back is, as a general rule, not included in working time.

19.4 For people employed in category A or B (fixed or changing fixed workplace)

Útiarbeiði: a) If craftspersons are required to be at the workplace away from their fixed workplace when their working hours begin, then employers shall compensate any additional mileage as compared to travel to and from the fixed workplace. b) Travel to the workplace away from the fixed workplace during regular working hours is part of the working hours. c) Travel expenses are compensated as follows: If public transport is used then, in addition to travel time, travel expenses from the workplace to the workplace away from the fixed workplace are compensated. If the company arranges transport, then only travel time is compensated. If a craftsperson uses his own vehicle then, in addition to travel time, every kilometre driven is compensated according to public sector regulations. Ferry transport, tunnel toll charges and similar expenses shall also be compensated.

d) Masters are under no obligation to pay board; except when a craftsperson was unaware that he would be working away from his fixed workplace. This implies that craftspersons are to be notified of work away from the fixed workplace on the previous day, at the latest, should masters fail to do so, then they are obliged to pay board.

Burturarbeiði (Same stipulations as for *Útiarbeiði*, except for the following difference):

e) Masters are obliged to pay room and board. If masters do not arrange room and board, they are obliged to pay for these, within reason, upon receipt of the bill, unless other arrangements have been made.

19.5 For people in category C (service workers)

a) When people are hired by employment contract in category C, a special agreement shall be entered into between the employer and service worker regarding the terms and conditions of work. b) *Burturarbeiði* is subject to the same stipulations as listed for category A and B.

19.6 Travel abroad: Travel abroad shall be compensated according to public sector regulations, unless other arrangements have been made.

19.7 Use of own vehicles to provide services for masters: If craftspersons use their own vehicle they shall receive compensation for each kilometre driven, according to the public sector regulations in force at any given time.

19.8 Thus masters cannot order craftspersons to use their own vehicle for work.

19.9 Any agreements reached between craftspersons employed before October 1, 2007 and masters must not deteriorate due to this Agreement; therefore, any changes to such agreements shall be announced with a term of notice.

§20.

20.1 Overtime shall not accrue before the ordinary working day as per agreement (8 hours) has been worked, if there has been a chance to work. However, illness and night work caused by the master or company are excluded from the aforementioned.

20.2 When a member is summoned by a master outside ordinary working hours, members shall receive standard wages + the following additional pay:

. 35% between 6:00 pm – 9:00 pm

. 60% between. 9:00 pm – 12:00

pm

. 100% between. 12:00 pm – 7:00

am

20.3 Additional payments shall continue if evening or night work continues uninterrupted into the regular working hours the morning after.

§ 21. Payments

21.1 Wages shall be paid according to a fixed scheme either weekly or fortnightly. However, if a special agreement is signed between individual companies and the trade

union federation concerned (Føroya Handverkarafelag or Landsfelag Handverkaranna), wages can be paid monthly.

21.2 Each payment shall be accompanied by a payslip.

21.3 Masters shall pay wages, holiday pay, pension contribution and any other items agreed by the federations over the system of tax deducted from income at source.

21.4 All payments pursuant to agreements shall be made when wages are paid.

§ 22. High Cost of Living Compensation

The High Cost of Living Compensation shall be determined pursuant to the law of the Løgting.

§ 23. On-call Shifts

Craftspersons on call shall receive an On-call Allowance of DKK 15.00 per hour between and including Monday to Friday at 12:00 pm. After Friday and before regular working hours on Monday morning craftspersons on call shall receive an On-call Allowance of DKK 30.00 per hour. On-call allowances on public holidays and non-working days shall be the same as in weekends.

Agreed Minutes: The parties agree to appoint a committee to draft special agreement stipulations for journeymen in the restaurant and hotel service industry. The committee shall be made up of two representatives of Føroya Handverksmeistarafelag and two representatives of the craftspersons' unions. One of each party's representatives shall have specialist knowledge of the trade. Said committee shall issue its recommendations before May 1, 2008.

Article 5: Payments

§ 24. Membership Fee

24.1 Each workplace may freely decide whether the master shall retain the membership fee for members of the craftspersons' unions.

24.2 The aforementioned decision shall be made by a simple majority of craftspersons, specialist workers and masters voting by ballots at the workplace.

24.3 If it is decided that the master is to retain membership fees, said fees shall be paid to the craftspersons' union concerned, by arrangement.

§ 25. Education Fund

Craftspersons and master craftsmen each pay DKK 0.10 of each hour of work to the education and continuing training of craftspersons and master craftsmen.

§ 26. Pension Fund

26.1 Masters pay 11% of wages into Føroya Handverkarafelag or Landsfelag Handverkaranna's pension fund. On October 1, 2008 pension payments increase 1% to 12%. On October 1, 2009 pension payments increase 1% to 13%.

26.2 The pension fund is both for journeymen and specialist workers in craft.

26.3 When a craftsperson turns 67, the pay quotient equivalent to pension payments is paid as wages.

Article 6: Other Stipulations

§ 27. Dining and Cloak Rooms

27.1 Any workplace with several workers shall have a dining room.

27.2 Any workplace with several workers shall have a cloak room.

§ 28. Work Clothes, Protective Clothes and Exhaust Ventilation

28.1 Bakers shall receive work clothes for free.

28.2 Welders, mechanics and others who carry out welding, cutting and grinding assignments shall receive protective clothes, such as oilskin aprons, sleeves and gloves from the master.

28.3 Exhaust ventilation is required during welding inside tanks.

Article 7: Union Matters

§ 29.

The parties agree that it is in their common interest for all employers/masters to be members of an employers' association and for all craftspersons to be members of a craftspersons' union.

Arbeiðsgevarafelagið/Handverksmeistarafelagið are working to inform employers/masters about the advantages of membership in the employers' association and in working for such membership. Similarly, the craftspersons' unions are working to inform craftspersons about the advantages of membership in craftspersons' unions and also in working for such membership. The parties strive to ensure that the agreements in force are upheld.

§ 30. Unskilled Labourer's Work

Craftspersons working at companies that also hire unskilled labourers must not be ordered to carry out unskilled work. Extraordinary exceptions can be made, however, if they are made, craftspersons shall receive their standard wages.

§ 31. Transfers between Unions

Upon transfer between unions, any debt, arrears or membership fees to the date of transfer shall be paid.

§ 32. Non-unionized Craftspersons/Masters

32.1 Craftspersons and masters are obliged to inform the unions or associations if non-unionized craftspersons or masters join their workplace.

32.2 The boards shall jointly decide whether to allow their members to continue working at such workplaces.

§ 33. Issues Relating to Board Members

33.1 If a board member perceives any inconvenience due to being a board member of a craftspersons' union or employers' association, he can lodge a complaint with the board of which he is a member.

33.2 The board shall process the complaint immediately and submit it with a recommendation to its federation within 3 days.

33.3 The federation that receives such a complaint shall process it immediately.

33.4 Should the nature of the complaint be such that it concerns both federations, then a joint meeting shall be summoned immediately, before 3 days have lapsed since either of the federations received the complaint from the local union.

§ 34. Work Disputes

34.1 Should any dispute about work, which is not stipulated in this Agreement, arise, the unions and associations shall negotiate the terms and conditions of work and pay in question, before taking the matter to a committee.

34.2 Any dispute whatsoever regarding the correct interpretation of this Agreement shall be settled by a committee.

34.3 Each union and association shall appoint 2 members of said committee. Should the committee fail to reach an agreement, the matter shall be subject to arbitration by the judge or any other person appointed by him. The arbitrator's decision shall be final.

§ 35. Union Steward System

The union steward system is recognized by both unions. See union steward system regulations.

§ 36. Special Agreements

Member unions and associations may enter special agreements with each other, however no such agreement may go against the federations' agreement.

§ 37. Cooperation Board

37.1 A Cooperation Board with representatives from the federations shall process issues of common interest and make recommendations to the authorities.

37.2 The Cooperation Board shall also contribute to federation members' compliance with the agreements in force.

37.3 The Cooperation Board shall meet at least 4 times per year.

Article 8: Terms of Validity and Notice

§ 38. Validity and Notice

38.1 These agreements enter into force on October 1, 2010 and can be terminated with 2 months' notice by an October 1, though by October 1, 2012 at the earliest. The parties shall meet for negotiations 1 month after notice of termination has been given, at the latest, that is on September 1, and at such time both parties shall submit proposals for amendments or new agreements.

38.2 The parties shall negotiate until an agreement has been reached or the official mediator has declared the negotiations ended.

Tórshavn, October 6, 2010

On behalf of Landsfelag Handverkaranna

Daniel P. Djurhuus, chairman

Eli Brimsvík, Vice-Chairman

On behalf of Føroya Arbeiðsgevarafelag

Jón Danielsen

On behalf of Føroya Handverksmeistarafelag

Magnus Magnussen,

Chairman

Ólavur Asafsson Olsen