

**The Faroese Merchant Shipowners Association**

**The Faroese Union of Shipmasters and Navigators**

**The Faroese Engineers' Union**

**The Faroese Fishermen's Union**


hereby certify, that these wage agreements are the authorised translations of the current Faroese wage agreements applicable for crew signed on Faroese merchant ships.

In case of legal disputes the Faroese version of the agreements prevails.

Signed on the 22<sup>nd</sup> of March 2021

  
\_\_\_\_\_  
Jens Meinhard Rasmussen,  
chairman of Shipowners of the Faroe Islands

  
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Annfinnur Garðalið,  
chairman of the Faroese Union of Shipmasters and Navigators

  
\_\_\_\_\_  
Ólavur Gunnarsson,  
chairman of the Faroese Engineers' Union

  
\_\_\_\_\_  
Jan Højgaard,  
chairman of the Faroese Fishermen's Union

# *Agreement*

*between*

*Føroya Skipara- og Navigatørfelag FSN*

*(The Faroese Union of Shipmasters and Navigators)*

*and*

*Reiðarafelagið fyri Handilsskip (RFH)*

*(The Faroese Association of Cargo Vessel Owners)*

*2021*

## **Main Agreement**

### **1. Scope of the Agreement**

1.1 This Agreement only applies to members of Føroya Skipara- og Navigatørfelag and Reiðarafelagið fyri Handilsskip.

1.2 This Agreement does not apply to vessels in the offshore industry; nevertheless, the special terms of such an agreement shall be based on this Agreement.

### **2. Employment**

2.1 Masters and mates are employed in accordance with the applicable statutory provisions, as well as the terms set forth in this Agreement. Employees shall receive a copy of the employment contract duly signed by the employer.

2.2 This Agreement shall not amend existing pay and holiday arrangements or any other terms and conditions of employment for any member of FSN in the event that these arrangements, terms or conditions are better than the provisions herein.

### **3. Illness, Accidents and Bereavement Compensation**

3.1 If the ship master/officer must sign off due to illness or accident, for which the shipping company is liable according to the current law on the employment conditions of seafarers, he shall receive compensation for wages and medical care costs in accordance with the aforementioned law. The ship master/officer shall in addition receive compensation for medical care costs for 4 months and 3 weeks if he has been employed for 7 years or longer; or compensation for medical care costs for 6 months if he has been employed for 10 years or longer.

3.2 When seafarers are on sick leave, seafarers accrue and spend days-off, as if the party concerned was at work.

3.3 If master or mate die while in employment, his spouse or children under 18, for whose maintenance he was responsible, are entitled to bereavement compensation for up to 3 months. If the deceased was employed by the shipping company for 5 years as an officer, they are entitled to bereavement compensation for up to 4 months. After 7 years, 6 months and after 10 years, 6 months. Any time off accrued shall be considered in addition to the above.

3.4 Concerning rights in connection with maternity/paternity leave, please refer to the Act regarding maternity/paternity leave.

### **4. Insurance of Personal Property**

In the event of shipwreck or other damage, such as fire, the shipping company's insurance shall compensate the master/mate for loss of personal property in accordance with the Seafarer's Act in force.

### **5. Period of Notice**

5.1 The period of notice from a shipping company is 1 month to the last day of a month during the first 6 months of employment. After 6 months' employment it is 3 months to the last day of a month. The period of notice is extended by 1 month every third year of employment up to a maximum of 6 months. Masters/mates shall give 1 month's notice to the last day of a month. The period which the compensation in §41 In the parliamentary act regarding working conditions and other circumstances affecting seafarers, can be set off against this period of notice.

Notwithstanding any other provisions, seafarers who have already acquired rights in accordance with Art. 41 of the Seafarers' Act shall not lose these rights. These seafarers were hired in 2001, 1998 or 1995.

5.2 If a shipping company terminates the employment of a master or mate while abroad, the

shipping company shall pay for his travel home. If the period of notice ends before he returns home, and provided that he has not failed to comply with the contract of service, he shall receive wages until the day he returns. The foregoing does not apply when employment is terminated due to an engineer's failure to comply with the contract of service.

5.3 When employment is terminated on grounds of *force majeure* preventing a vessel from leaving port, stoppage because a vessel is in dock, undergoing repairs or on similar grounds, the period of notice for masters/mates, who have been in a shipping company's service for more than 1 year, does not commence before the vessel or master/mate has returned home.

5.4 Masters and mates are bound to sign on to any vessel as decided by the company, and to be transferred from one vessel to another.

5.5 When masters or mates resign while at home and before they are due to sign on again their term of employment, and with it their wage entitlements, end when the time off they have accrued has been settled, unless the shipping company is able to assign them to one of the company's other vessels within the period of notice stipulated in Art. 5.1.

5.6 Masters or mates who leave employment before the period of notice has ended shall pay the shipping company a sum equivalent to the wages for half of their period of notice.

5.7 Should the provisions in 5.4 or 5.5 generate any travel expenses to and from a vessel, the shipping company shall pay for any such expenses.

5.8 Repeat termination of employment, meaning any termination of employment repeated monthly or every third month, is null and void.

5.9 The use of intoxicants while working or in transit to the vessel may result in dismissal.

5.10 Any time off in lieu of pay accrued during the period of notice shall be considered part of the period of notice from the shipping company. Time off in lieu of pay accrued before the period of notice shall not be considered part of the period of notice from a member of the crew.

## **6. Professional Secrecy**

A master and a mate are bound to secrecy regarding all matters concerning the shipping company, such as freightage, consignor, consignee and other particulars. Breach of secrecy may result in a notice of discharge.

## **7. Partners**

7.1 Once masters and mates have been with a shipping company for over half a year, they may, by agreement with said company, bring their partner on board for a maximum of 3

months per year.

7.2 If a partner remains on board for more than 3 months, the vessel shall receive payment for board. The shipping company is not liable for any travel expenses, insurance or any other responsibility whatsoever.

7.3 The above provisions are contingent upon conditions on board allowing for any such arrangement and that the vessel is not in any industry, which requires anyone on board to have special skills.

## **8. Working Hours**

8.1 The fixed monthly wages for masters and mates is based on 11 working hours in 24 hours.

8.2 Working hours are arranged by the master.

8.3 During loading and offloading one navigator shall always be on duty.

8.4 If masters or mates for some reason have to participate in work on land (unloading/loading, fastening/unfastening, driving a forklift or similar activities), they shall receive pay pursuant to Article 10.1

## **9. Days off and Holidays**

9.1 Masters and mates are entitled to 30 days off for every 30 days on board. This time off include any holidays provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments.

9.2 Masters and mates are entitled to 26 continuous days off per 30 days signing on.

9.3 Masters and mates are entitled to days off in lieu of holidays, which have not been taken. In agreement with the shipping company any unspent holidays may be exchanged for pay.

9.4 If the number of days off pursuant to the Act on Paid Holidays amended, then the change shall converted into the number of days off per 30 working days and added to or subtracted from the total number of days off.<sup>[L1]</sup> Days off are calculated as:

Days off = + - number of days off/ (average number of days signed on per year) x 30

9.5 Shipping companies shall schedule time off in such a way that after 10 weeks signed on engineers are entitled to free transport and holidays pursuant to Art. 9.1, with the same fixed monthly wages as while signed on. Shipping companies are not liable for any expenses accruing from more frequent changes.

9.6 Travel days in addition to the first day of travel count as 0 days. This means that wages are paid for that day; however, no days off are accrued.

9.7 When sailing in Faroese waters the period signed on may as per agreement with the shipping company.

9.8 The first day off is the day after seafarers return to their home country. The last day off is the day before they leave their home country.

9.9 Holidays shall be agreed between master/mate and the shipping company no later than 20 days before the intended signing off date.

9.10 For periods signed on exceeding 10 weeks, 1/2 day off per day is accrued during the first 14 days and 1 day off per day for subsequent days.

## **10. Overtime**

10.1 For any work carried out by masters/mates exceeding 11 hours per 24 hours, overtime pay shall be calculated as follows: monthly wages/173 x 1.25. In addition, they shall receive a holiday supplement, pursuant to the Faroese Act on Paid Holidays in force, currently 1.5%.

10.1.a For vessels in categories 1, 2 and 3 refer to Art. 13.2.

10.3 Overtime earned may in consultation with the shipping company be converted into days off in the following manner:  $2/3 \times 8$  overtime hours = 8 ordinary hours = 1 day off.

10.4 Accrued holiday may, in consultation with the shipping company, be paid out.

## **11. Continuing Education**

Stk. 1. Masters and mates, who have been in a company's service up to 2 years, are under obligation to, as per instruction from the shipping company, spend up to 7 calendar days of their holidays on courses in each calendar year. After 2 years' employment, masters and mates are under obligation to, as per instruction from the shipping company, spend up to 4 calendar days of their holidays on courses in each calendar year.

Each additional day off spent shall entitle masters and mates to one day off.

For course expenses exceeding DKK 25,000 in the first two years following the first day of employment as a navigator for a shipping company, the shipping company is entitled to demand a reimbursement from the navigator in case the navigator gives notice or is subject to summary dismissal on lawful grounds within the first 4 years of employment.

The shipping company's entitlement to reimbursement shall gradually decrease in relation to the time in employment as follows:

- up to and including the 3<sup>rd</sup> year of employment as a navigator 100% reimbursement can be required
- during the 4<sup>th</sup> year of employment as a navigator 75% reimbursement can be required

After the 4<sup>th</sup> year of employment as a navigator no reimbursement can be required.

The total reimbursement required may, however, not exceed one month's wages. For this purpose, the month's wages is the monthly remuneration received by the navigator at the time of notice or summary dismissal.

Shipping companies have a duty to inform navigators in writing about the above mentioned rules of reimbursement. Course expenses are course fees, travel, accommodation and board.

11.2 Supervision related to building activities, meetings with the shipping company and similar activities, which cannot directly be considered education or training courses, are not covered by this provision.

11.3 If masters or mates fail to request permission from the shipping company by the end of the year to use any days not spent (out of said 7/4 days) for relevant educational purposes in the following calendar year, they forfeit the entitlement to spend them on educational activities, but shall retain them as days off.

11.4 Masters and mates shall agree the use of any unused days as mentioned in Art. 11.3. Said days shall be used before the end of the following calendar year.

11.5 Should shipping companies want masters or mates to spend more than 7/4 days on courses, the following rules apply:

- Courses lasting more than a week, Saturdays and Sundays shall not be deducted from holidays.
- Courses lasting more than 4 consecutive weeks: If, after 4 weeks, the course runs the first 4 days of the week, day 5 shall not be deducted from holidays.

## **12. Salary Scheme**

12.1 The Salary Scheme is attached to this Agreement and shall be considered an integral part hereof.

12.2 Fixed monthly wages are calculated for normal working hours pursuant to Art. 8.1.

12.3 The master shall be the highest paid individual on board, receiving a wage, which shall be a least 5% higher than the second highest paid position on board.

12.4 Seniority will be calculated from the date of appointment until the day of receiving notice. However, seniority which has been earned with the shipping company, will be included if the person concerned has left the company on grounds for which he is not at fault, or in case of continuing education and similar activities.

12.5 Mates or masters who, through no fault or wish of their own, experience a waiting period after their holidays have ended shall receive their regular pay.

12.6 When on call, DKK 27.00 shall be paid for each hour on duty. If a mate is called in on duty, unsocial hours are paid for a minimum of 2 hours. On call duty means that mates shall meet at the place of work within no more than 20 minutes.

### **13. System for Officers without the Necessary Sailing Experience**

The provisions of the Main Agreement apply to officers without the necessary sailing experience; however, they are subject to the specific provisions stipulated in this article.

13.1. The time signed on system is 2:1, meaning that for every 30 days on board officers get 15 days off. The parties may agree to apply a different system.

13.2. Shipping companies shall schedule time off so that after 3 months signed on officers are entitled to free transport and holidays pursuant to Art. 13.1, with the same fixed monthly wages as while signed on. Shipping companies are not liable for any expenses accruing from more frequent changes.

13.3. Wages are stipulated in the Salary Scheme under the 2:1 system. If the parties agree to use a different system, salaries should be adapted accordingly. Henceforth, the amount will rise by the same percentage points as the Salary Scheme.

13.4. The period of notice given to those employed under the terms of this article shall be 1 month from the shipping company and half a month from the chief officer.

13.5. Officers are entitled to training in all relevant aspects on board, shipping companies shall facilitate such training.

13.6. The terms of employment in this article only apply until officers have accrued sufficient sailing experience for their first license, STCW III/2 for engineers and STCW II/1 for mates. Any officers who continue their employment after this point, shall be considered re-employed under the terms and conditions and wages stipulated in the general provisions of the Main Agreement.

### **14. Supplements**



14.1 For sailing in categories 1, 2 and 3 the following monthly compensations will be paid in lieu of overtime, if there are fewer than three officers taking watches on board the vessel:

Applicable as of March 1, 2021.

	Master	Chief Officer	First Mate
Category 1	DKK 2,966	DKK 2,709	DKK 2,449
Category 1	DKK 3,263	DKK 2,966	DKK 2,709

Applicable as of March 1, 2022.

	Master	Chief Officer	First Mate
Category 1	DKK 3,003	DKK 2,743	DKK 2,480
Category 1	DKK 3,263	DKK 3,003	DKK 2,743

The above compensations shall increase by the same percentage point as the Salary Scheme.

## 15. Pension Scheme

15.1 Shipping companies pay in early retirement pension 12,25% to a pension scheme approved by both parties. Early retirement pension shall be 13% after 1 June 2022.

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Pension contributions shall be calculated based on the basic wages stipulated in the Salary Scheme in addition to any compensation mentioned in Art. 2.3 in the Special Agreement for Offshore Activities (multipurpose standby, supply and anchor-handling vessels).

15.2 Pension scheme contributions shall be transferred at the same time as wages are paid.

15.3 Foreigners, who pursuant to art. 1. sa. 5. in the Early Retirement Pension Act, are exempt from paying to a Faroese pension scheme, and Faroese persons, who have reached the age of retirement shall instead receive the amount, which was to be transferred as an early retirement pension payment, paid as wages. Before the amount is paid, payments, which are to be paid simultaneously as the wages, are deducted from the amount concurrently, so that the expense of the employer remains unaltered.

## **16. Board Wages**

16.1 During service on board when the vessel is home and meals are not provided; DKK 110 shall be paid per day.

16.2 During service away from home when meals are not provided, DKK 290 shall be paid per day.

16.3 If a master/mate is unable to stay at home or on board under fitting circumstances while the vessel is undergoing repairs, suitable board shall be paid by the owner ashore.

## **17. Transfers between Vessels**

17.1 When masters/mates are transferred between vessels, they shall receive their regular wages during any waiting period.

2. When an individual is away from home, he is entitled to full board and accommodation paid for by the shipping company.

## **18. Declared Areas of War**

If vessels arrive in areas declared in danger of war, Føroya Skipara- og Navigatørfelag and Reiðarafelagið fyrri Handilsskip shall discuss the matter immediately.

## **19. Relieve**

When mates cover higher-ranking positions, they shall be entitled to any wages and time off corresponding to said position.

## **20.**

The parties recognize the social benefit of including trainees in the crew, provided that this does not affect the regular size of the crew.

## **21. Payment of Wages**

21.1 Masters and mates are entitled to receive wages earned by the 1 of the following month,

at the latest

21.2 If wages are paid after the 10 of the month, 1.5% shall be added to the wages. Subsequently, 1.5% shall be added for each additional month for any unpaid wages.

## **22. Membership Fees**

FSN and RFH agree that the shipping company shall deduct the membership fees applicable at any given time from the wages of the shipmaster and mate, and to transfer these fees to FSN upon settlement.

## **23. Security Fund**

FSN shall notify RFH whether portions of wages are to be transferred to a security fund or not. Such notification shall also specify the percentage of the wages payable.

## **24. Changed Conditions and Membership**

24.1 If the conditions upon which this agreement is based change considerably, one party may bring up the matter in question with the other party.

24.2 The parties agree that it is in their shared interest that seafarers and shipping companies organize in a trade union and employers' union, respectively.

As needed, the parties shall disseminate information about the benefits of joining a union. Furthermore, the parties shall strive to guarantee compliance with the Agreement.

## **25. Arbitration**

25.1 Should any disagreement arise regarding the interpretation of this Agreement, the parties shall first of all try to settle the disagreement through direct negotiations.

25. Any disputes regarding the interpretation of this Agreement shall be referred to the Faroese Permanent Court of Arbitration (Fastið Gerðarrætturin).

## **24. Special Agreements**

24.1 Føroya Skipara- og Navigatørfelag and Reiðarafelagið fyri Handilsskip agree that masters/mates may enter special agreements directly with the shipping company.

24.2. The following preconditions apply to such special agreements:

- a) That the basic principles are the same as in the Main Agreement.
- b) That when all its particulars are taken into consideration, the agreement is, overall, not worse than the Main Agreement.
- c) That, notwithstanding any special agreement, members still have a duty to pay the membership fees applicable at any given time to Føroya Skipara- og Navigatørfelag.
- d) That the termination of such an agreement follows the Main Agreement.
- e) When individual agreements are entered between seafarers and shipping companies, said agreements are up for negotiation in the same years as collective bargaining takes place. They should be negotiated within 6 months of completion of collective bargaining.

In addition to updating the individual agreement itself, talks shall include an assessment of seafarers' competences and potential for future development. In the case of seafarers over the age of 60, any possible adaptations of the terms and conditions of employment shall also be discussed.

f) If seafarers wish to consult with their trade union regarding the agreement or any changes to it, they shall have the opportunity to do so. The trade union is bound by professional secrecy regarding all particulars of the agreement.

## **27. Validity and Notice**

27.1. This Agreement enters into force on March 1, 2021, and may be terminated by either party with 3 months' notice by a March 1, however, by March 1, 2023, at the earliest.

Tórshavn, February 24, 2021,

Føroya Skipara- og Navigatørfelag

Reiðarafelagið fyri Handilsskip

### **Minutes 1**

Reiðarafelagið fyri Farmaskip and Føroya Skipara- og Navigatørfelag urge both ship owners and navigators to facilitate continuing education of navigators. In order to ensure that their training is up to date through participation in relevant internal and external courses in the areas of management, technology and professional practice.

Regarding the choice of relevant supplementary training, according to Art. 22 of this Agreement between the parties, the parties may offer guidance on supplementary training

within the following areas: administration, management, communication, IT, financial/legal issues, languages, working environment and technical courses. In addition to courses offered by the Danish Maritime Authority and AMU.

Tórshavn March 18, 1999,

Føroya Skipara- og Navigatørfelag  
and  
Reiðarafelagið fyri Farmaskip

## **Minutes 2**

The parties agree, that if shipowning business within aqua culture and wind energy is taken up inside the Faroese area, then the parties ought to negotiate an agreement for this area, in order to have an agreement before work commences.

Tórshavn, February 24, 2021

**Special Agreement**

**between**

**Føroya Skipara- og Navigatørfelag FSN  
(The Faroese Union of Shipmasters and Navigators)**

**and**

**Reiðarafelagið fyri Handilsskip  
(Shipowners of the Faroe Islands)**

**Special Agreement for Shipmasters and Navigators with Large Vessels  
in the Offshore Industry**

## **1. Scope of the Agreement**

**1.1.** This Agreement applies to vessels equipped and licensed to watch over any activities **involving people** “multi-purpose standby, supply and anchor handling vessels”.

**1.2.** The Main Agreement between FSN and RFH applies to these vessels to the extent that the conditions outlined below do not differ from those in the Main Agreement. Except Article 7 in the Main Agreement, which does not apply.

## **2. Wages**

**2.1.** Monthly wages are fixed based on the Main Agreement for the wage bracket applicable to each vessel according to its kW.

**2.2.** Fixed monthly wages cover 12 working hours per 24 hours.

**2.3.** Wages are stipulated in an annex to this Agreement, which constitutes an integral part of this Agreement. Compensation for the provision in Article 5.1 in the present Special Agreement for the offshore industry (multi-purpose standby, supply and anchor handling vessels) is included in the wages in this Salary Scheme. This means that, if the provision changes, the Salary Scheme shall change accordingly.

## **3. Overtime**

If engineers work more than 84 hours per week, overtime shall be paid in accordance with the provisions in Article 10 of the Main Agreement.

## **4. Time Off and Time Signed On**

**4.1.** Work is scheduled according to a 1:1 system. Travel is included in time off , however please refer to the limitations in art. 2. This time off includes any time off provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments.

**4.2.** Time signed on shall not exceed 6 weeks on board and 2 days for travel both ways. When sailing outside Northern Europe, however, time signed on shall not exceed 8 weeks on board and a total of 3 days for travel both ways.

**4.3.** Any period exceeding 6 or 8 weeks aboard, respectively, shall be compensated with an additional half day off for each extra day on board. When said 6 or 8 weeks on board are exceeded by 14 days, 1 additional day off shall be granted for each day on board exceeding said 14 days. This, however, does not apply if masters or mates wish to extend their stay on board.

## **5. Work Stoppage**

**5.1.** Masters and mates signing on pursuant to this Special Agreement waive their right to participating in work stoppages for a period of 4 years, as of March 1, 2020.

**5.2.** Any rise in wages in the Main Agreement also applies to this Special Agreement and shall apply as of the same date.

**5.3.** Even when this Agreement may have been terminated and the deadline for renewal has lapsed, the parties shall comply with the old agreement until a new agreement has been approved or work has been stopped in accordance with the below provisions.

**5.4.** The parties acknowledge each other's right to call and carry out work stoppages in accordance with these provisions.

**5.5.** Work may only be stopped if the counterpart has received due notice of such stoppage.

**5.6.** Any party planning to stop work shall give the other party at least 1 month's advance notice by specially recorded mail.

**6.7.** Work stoppage includes strikes, lockouts and any other suspension of work. Neither party may stop work while this Agreement is in force.

## **6. Salvage**

If a shipping company has entered an agreement waiving its entitlement to salvage money, then masters and mates are not entitled to salvage money.

## **7. Validity and Notice**

This Agreement enters into force on March 1, 2021. It follows the main agreement with regards to termination

Tórshavn, February 24, 2021,

Føroya Skipara- og Navigatørfelag

Reiðarafelagið fyri Handilsskip



**Reiðarafelagið fyri Farmaskip (RFH)  
(Shipowners of the Faroe Islands)**

**and**

**Føroya Skipara- og Navigatørfelag FSN  
(The Faroese Union of Shipmasters and Navigators)**

**Special Agreement for Shipmasters and Navigators  
with Small Vessels in the Offshore Industry**

## 1. Scope of the Agreement

1.1. This Agreement applies to vessels equipped and licensed to watch over any activities **not involving** people (guard and chase vessels).

1.2. The provisions in the Main Agreement between RFH and FSN do not apply to these vessels. Notwithstanding the aforementioned, the following articles and paragraphs of the Main Agreement do apply: 1, 2, 4, 5.2, 5.9, 6, 12.3, 18 and from 21 up to and including 26.

## 2. Wages

2.1. Masters and mates sign on per expedition and their wages are settled per day:

	At signing	
Shipmasters	March 1, 2020:	DKK 2,471 per day
	June 1, 2021:	DKK 2,509 per day
	March 1, 2022:	DKK 2,541 per day
Mates	March 1, 2020:	DKK 2,194 per day
	June 1, 2021:	DKK 2,228 per day
	March 1, 2022:	DKK 2,256 per day

These wages are paid in addition to any holiday pay provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments. Shipping companies shall pay for on board meal expenses. The abovementioned wages rise by the same percentage point as the Salary Scheme.

2.2. Shipping companies shall, on behalf of the crew, transfer 12,50% to a pension scheme approved by both parties. Early retirement pension shall be 13% after 1 June 2021.

Said scheme is voluntary for those who have turned 55 or are associated with a shipping company for less than 2 months.

2.3. The employment of masters and mates, who have permanent employment contracts with a shipping company, on vessels included in this Special Agreement is governed by the collective provisions in the Main Agreement.

## 3. Terms and Conditions of Employment

3.1. Time signed on shall not exceed 6 weeks on board and a total of 4 days for travelling both ways. However, when sailing outside Northern Europe time signed on shall not exceed 8 weeks on board and a total of 4 days for travelling both ways.

3.2. Any period exceeding said 6 or 8 weeks on board, respectively, shall be compensated with a payment equivalent to 25% of the daily wages for each day. If the 6 or 8 weeks on

board are exceeded by 14 days, a payment equivalent to 50% of the daily wages shall be made for each day. This, however, does not apply if masters or mates wish to extend their stay on board.

#### **4. Signing on and Period of Notice**

4.1. Masters and mates are hired for one expedition at a time, from leaving home until returning home.

4.2. If a shipping company wishes to sign a master or mate on again, the company shall give notice of this within 7 days after the expedition has ended.

4.3. When masters or mates have accepted joining an expedition, but wish to cancel, they shall do so at least 3 days before departure. If the parties fail to comply with the due notices stipulated in this article, then a shipping company having failed to give due notice of cancellation shall pay a compensation equivalent to 50% of the daily wages for:

- 3 months for masters
- 2 months for first mates
- 1 ½ month for second mates

4.4. A master or mate failing to give a shipping company due notice of cancellation shall pay the shipping company compensation equivalent to 15 times the daily wages, provided that said master or mate was given at least 10 days' notice of the date of departure.

#### **5. Salvage**

If a shipping company has entered an agreement waiving its entitlement to salvage money, then masters and mates are not entitled to salvage money.

#### **6. Validity and Notice**

This Agreement enters into force on March 1, 2021. It follows the main agreement with regards to termination.

February 24, 2021

Føroya Skipara- og Navigatørfelag

Reiðarafelagið fyri Handilsskip

**Agreement**

**between**

**Maskinmeistarafelagið  
(The Faroese Engineers' Union)**

**and**

**Reiðarafelagið fyri Handilsskip  
(Shipowners of the Faroe Islands)**

## ***1. Scope of the Agreement***

**This Agreement only applies to members of Maskinmeistarafelagið and Reiðarafelagið fyri Handilsskip.**

## ***2. Employment and Period of Notice***

2.1. An employment agreement shall be given in conformity with the parliamentary law on employers' obligation to enter a written agreement with seafarers, outlining the rules of employment.

2.2. The period of notice from a shipping company is 1 month to the last day of a month during the first 6 months of employment. After 6 months' employment it is 3 months to the last day of a month. The period of notice is extended by 1 month every third year of employment up to a maximum of 6 months.

Engineers/enginemen shall give 1 month's notice to the last day of a month. The period which the compensation in §41 In the parliamentary act regarding working conditions and other circumstances affecting seafarers, can be set off against this period of notice.

2.3. Anyone who has been given notice and leaves employment before the period of notice has ended shall pay the shipping company a sum equivalent to the wages for half of their period of notice.

2.4. If a shipping company terminates an engineer's employment while abroad, the shipping company shall pay for his travel home. If the period of notice ends before he returns home, he shall receive wages until the day he returns. The foregoing does not apply when employment is terminated due to an engineer's failure to comply with the employment contract.

2.5. When employment is terminated on grounds of *force majeure* preventing a vessel from leaving port, stoppage because a vessel is in dock, undergoing repairs or on similar grounds, the period of notice for engineers, who have been in a shipping company's service for more than 1 year, does not commence before the vessel or engineer has returned home.

2.6. When engineers are instructed by a shipping company to transfer to a vessel in a lower wage bracket, before they have returned home on holidays, they shall receive the same wages as before the transfer. If the transfer takes place while abroad, then Article 7 of the Merchant Shipping Act applies, it stipulates that engineers shall not spend more than 6 months away from home. Transfers taking place after an engineer has given notice of resignation may not extend the period of notice.

2.7. When engineers resign while at home and before they are due to sign on again their term of employment, and with it their wage entitlements, end when the time off they have accrued

has been settled, unless the shipping company is able to assign them to one of the company's other vessels within the period of notice stipulated in 2.2.

**2.8.** Should the provisions in 2.5 or 2.6 generate any travel expenses to and from a vessel, the shipping company shall pay for any such expenses.

**2.9.** Repeat termination of employment, meaning any termination of employment repeated monthly or every third month, is null and void.

**2.10.** Once engineers have been with a shipping company for over half a year, they may, by agreement with said company, bring their partner on board for a maximum of 3 months per year.

**2.11.** If a partner remains on board for more than 3 months, the vessel shall receive payment for board. The shipping company is not liable for any travel expenses, insurance or any other responsibility whatsoever.

**2.12.** The above provisions are contingent upon conditions on board allowing for any such arrangement and that the vessel is not in any industry, which requires anyone on board to have special skills.

**2.13.** Any vessel with a freezer hold of over 1000 m<sup>3</sup> is considered a freezer vessel.

**2.14.** Only time off in lieu of pay accrued during the latest period signed on may be offset against the period of notice. Any time off in lieu of pay accrued during the period of notice shall be considered part of the period of notice from the shipping company. Time off in lieu of pay accrued before the period of notice shall not be considered part of the period of notice from a member of the crew.

### **3. Wages**

**3.1.** The fixed monthly wages include compensation for 11 working hours per 24 hours. Regular meal breaks are included in these working hours, except when standing watch.

**3.2.** For any work carried out by engineers exceeding 11 hours per 24 hours, overtime pay shall be calculated as follows: monthly wages/173 + 20%.

**3.3.** Accrued overtime may, by agreement with the shipping company, be converted into time off as follows: 2/3 x 8 hours' overtime = 8 regular hours = 1 day off.

**3.4.** The agreed wages shall increase by 1,55% on March 1, 2021 and by 1,25% on March 1, 2022.

The Salary Scheme is attached to this Agreement and shall be considered an integral part

hereof.

**3.5.** The overtime scheme does not apply to chief engineers.

**3.6.** Relieve: When engineers cover higher-ranking positions, they shall be entitled to any wages and time off corresponding to said position.

**3.7.** When engineers are transferred between vessels, they shall receive wages during any waiting period.

**3.8.** Engineers are entitled to receive wages earned by the 1 of the following month, at the latest.

If wages are paid after the 10 of the month, 1.5% shall be added to the wages. Subsequently, 1.5% shall be added for each additional month for any unpaid wages.

**3.9.** Engineering crew wages are determined by the attached Salary Scheme.

**3.10.** For service on vessels in classes 1, 2 and 3 sole engineers shall receive the following monthly compensations in lieu of overtime:

	March 1, 2021
Class 1	DKK 1,669
Class 2	DKK 1,813

	March 1, 2022
Class 1	DKK 1,690
Class 2	DKK 1,836

The above compensations shall increase by the same percentage point as the Salary Scheme.

**3.11.** Seniority is calculated from the date of commencement to the date of notice from the shipping company. However, seniority, which one has accrued in the shipping company, will be factored in, if the concerned party has left the shipping company due to no grounds of their own, or education and similar activities.

**3.12.** Engineering crews are entitled to a holiday supplement, in accordance with Art. 11.1 of Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments.

#### ***4. Pension Scheme***

**4.1.** The shipping company pays in early retirement pension, 12,50%. Early retirement pension shall be 13% after 1 June 2021.

Pension contributions shall be calculated based on the basic wages stipulated in the Salary Scheme in addition to any compensation mentioned in Art. 2.3 in the Special Agreement for Offshore Activities (multipurpose standby, supply and anchor-handling vessels).

Pension scheme contributions shall be transferred at the same time as wages are paid.

**4.2.** Foreigners, who pursuant to art. 1. sa. 5. in the early retirement pension Act, are exempt from paying to a Faroese pension scheme, and Faroese persons, who have reached the age of retirement shall instead receive the amount, which was to be transferred as an early retirement pension payment, paid as wages. Before the amount is paid, payments, which are to be paid simultaneously as the wages, are deducted from the amount concurrently, so that the expense of the employer remains unaltered.

## ***5. Holidays***

**5.1.** Engineering crews are entitled to 30 days off with full wages for every 30 days on board. This time off includes any holidays provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments.

**5.2.** When taking their holidays, engineers are entitled to at least 25 consecutive days off for every 30 days on board, before signing on. Any remaining time off may be exchanged for pay in accordance with the Agreement in force.

**5.3.** Sundays and non-working days shall be included when calculating holidays.

**5.4.** Engineers who have spent 3 consecutive months serving the same shipping company and have not visited the Faroes during this period are entitled to have their travel home paid by the shipping company, if they wish to take their holiday in the Faroes.

**5.5.** Shipping companies shall schedule time off in such a way that after 10 weeks signed on engineers are entitled to free transport and holidays pursuant to Art. 5.1, with the same fixed monthly wages as while signed on. Shipping companies are not liable for any expenses accruing from more frequent changes.

Holidays not used may be saved for subsequent time off in lieu of pay, in accordance with the Agreement in force. Accrued holidays may be exchanged for pay, provided that both the engineering crew and the shipping company agree to this.

Shipping companies and engineering crews may agree to offset up to 10 days against upcoming days off, if it was not possible to ship out again on time.

**5.6.** Travel days beyond the 1 day of travel shall be calculated as 0 days. This means that wages are paid for the day, however no time off is accrued.

**5.7.** Time off may also be used during periods of inactivity (unemployment), provided the shipping company has given prior notice to this effect.



**5.8.** The first day off is the day after seafarers return to their home country. The last day off is the day before they leave their home country.

**5.9.** Shipping companies shall foot any travel expenses for relief engineers.

**5.10.** If time off, which is organised in accordance with article 5 of this agreement, is changed, the shipping company must notify the engineer without undue delay.

**5.11.** Chief engineers shall not stand watch while a vessel is in port, provided the engineering crew is made up of two or more members in addition to the chief engineer.

**5.12.** For periods signed on exceeding 10 weeks, engineers shall be entitled to 1/2 day off per day for the first 14 days and 1 day off per day for the following days.

## ***6. Illness and Accidents***

**6.1.** Signing off due to illness or accident is referred to under the law on the employment conditions of seafarers.

**6.2.** When seafarers are on sick leave, seafarers accrue and spend days-off, as if the party concerned was at work.

**6.3.** Bereavement compensation: If an engineer dies while in employment, his spouse or children under 18, for whose maintenance he was responsible, are entitled to bereavement compensation for up to 3 months. If the deceased was employed by the shipping company for 5 years as an officer, they are entitled to bereavement compensation for up to 4 months. Any time off accrued shall be considered in addition to the above.

**6.4.** Concerning rights in connection with maternity/paternity leave, please refer to the Act regarding maternity/paternity leave.

## ***7. General Provisions***

**7.1.** On board vessels with more than 1 engineer, the engineering crew shall have the following titles:

- Chief engineer
- 1<sup>st</sup> engineer
- 2<sup>nd</sup> engineer
- 3<sup>rd</sup> engineer and so on
- Junior engineer
- Marine electrician

**7.2.** An engineer's certificate of competency entitles its holder to sign on as junior engineer.

**7.3.** In the event that there are fewer engineers on board than stipulated by law, or if an

engineer leaves during an expedition, the wages of the missing engineer shall be distributed in accordance with Art. 23 of the Seafarer's Act.

**7.4.** The wages of the missing engineer shall be divided among the remaining engineers for the duration of the watch rotation at sea.

**7.5.** The shipping company shall provide fresh bed linen and towels. Berth bed linen shall be changed every two weeks and towels every week.

**7.6.** When working until or beyond midnight, anyone working is entitled to an extra meal at midnight, open sandwiches and coffee. These shall be ordered before 6 pm, whenever possible.

**7.7.** Shipping companies shall ensure that the mess, chambers and other areas are kept clean, if there is crew available for this.

### ***8. Maintenance***

**8.1.** During service on board while the vessel is at home and meals are not provided, engineers shall receive DKK 110.00 per day.

When meals are not provided during service away from home, engineers shall receive the official daily allowance stipulated for official trips to Denmark, currently DKK 360.00.

**8.2.** If it is required of an engineer to work or supervise on board while not signed on, while the vessel is away from home, the shipping company shall cover all accommodation and maintenance expenses in agreement with said engineer.

If no other agreement has been reached, the provisions regulating working hours, wages and time off when signing on apply.

### ***9. Membership Fees***

**9.1.** Shipping companies shall pay Maskinmeistarafelagið membership fees on behalf of engineering crews. They shall pay the percentage rate applicable at any time; currently it is 1% of the total wages paid.

**9.2.** The parties agree that it is in their shared interest that seafarers and shipping companies organize in a trade union and employers' union, respectively.

As needed, the parties shall disseminate information about the benefits of joining a union. Furthermore, the parties shall strive to guarantee compliance with the Agreement.

### ***10. Insurance***

**10.1.** When shipping companies pay engineering crews' travel expenses, they shall also pay for insuring their luggage.

**10.2.** In the event of shipwreck or other damage, such as fire, the shipping company's

insurance shall compensate for loss of personal property in accordance with Article 42.1 of the Seafarer's Act.

### ***11. Intoxication***

**11.1.** Intoxication at work or during travel to the vessel may lead to dismissal.

### ***12. Continuing Education***

**12.1.** Engineers have a duty to, by instruction from the shipping company, spend up to 5 calendar days of their holidays on courses in each calendar year. All additional days off spent shall entitle engineers to one day off. If a shipping company fails to give notice before December 1, it shall not be possible to use any days off for courses in that calendar year.

**12.2.** Supervision related to building activities, meetings with the shipping company and similar activities, which cannot directly be considered education or training courses, are not covered by this provision.

**12.3.** If engineers fail to request permission from the shipping company by the end of the year to use any days not spent (out of said 5 days) for relevant educational purposes in the following calendar year, they forfeit the entitlement to spend them on educational activities, but shall retain them as days off.

**12.4.** Engineers shall agree the use of any unused days as mentioned in 12.3. Said days shall be used before the end of the following calendar year.

**12.5.** Shipping companies shall pay for any course fees. Shipping companies shall also pay any travel, accommodation or board expenses, either by agreement or by submission of invoices.

**12.6.** Should shipping companies want engineers to spend more than 5 days on courses, the following rules apply:

- Courses lasting more than a week, Saturdays and Sundays shall not be deducted from holidays.
- Courses lasting more than 4 consecutive weeks: If, after 4 weeks, the course runs the first 4 days of the week, day 5 shall not be deducted from holidays.

### **13. System for officers without the necessary sailing experience**

The provisions of the Main Agreement apply to officers without the necessary sailing experience, however, they are subject to the specific provisions stipulated in this article.

**13.1.** The time signed on system is 2:1, meaning that for every 30 days on board officers get 15 days off. The parties may agree to apply a different system.

**13.2.** Shipping companies shall schedule time off so that after 3 months signed on officers are entitled to free transport and holidays pursuant to Art. 13.1, with the same fixed monthly wages as while signed on. Shipping companies are not liable for any expenses accruing from more frequent changes.

**13.3.** Wages are stipulated in the Salary Scheme under the 2:1 system. If the parties agree to use a different system, salaries should be adapted accordingly. Henceforth, the amount will rise by the same percentage points as the Salary Scheme.

**13.4.** The period of notice for anyone employed pursuant to this article is 1 month's notice from the shipping company and half a month's notice from the officer.

**13.5.** Officers are entitled to training in all relevant aspects on board, shipping companies shall facilitate such training.

**13.6.** The terms of employment in this article as a main only apply until officers have accrued sufficient sailing experience for their first license, STCW III/1 for engineers and STCW II/1 for mates.

However, it is possible to extend this employment where the same stipulations are to be valid, until the concerned engineer has accrued sufficient sailing experience for the STCW III/3 licence. The wages will subsequently be adjusted pursuant to the salaries scheme.

Any officers who continue their employment without any such agreement, shall be considered re-employed under the terms and conditions and wages stipulated in the general provisions of the Main Agreement. The same is valid, when a possible agreement regarding an extended employment expires.

#### ***14. Vocational Training for SIT students***

Reiðarafelagið participates in a scheme offering training on merchant vessels to students enrolled on Faroese Initial Vocational Training in Technology courses (*Støðisútbúgving innan Tøkni SIT*). This scheme shall be rolled out when the authorities have set up the necessary framework.

#### ***15.***

The parties recognize the social benefit of including trainees in the crew, provided that this does not affect the regular size of the crew.

#### ***16. Work Clothes***

Shipping companies shall buy work clothes for engineers.

### ***17. Leave***

Engineers may be granted leave when it is not in conflict with the shipping company's interests. For educational leave in the shipping company's interest, agreements may be reached regarding time off on reduced wages. Leave may be granted for 1 year at a time.

### ***18. Chief Engineers***

Chief engineers may be exempted from this Agreement, if both parties agree to this and provided that the chief engineer himself confirms it to Maskinmeistarafelagið.

### ***19. Special Agreements***

**19.1.** Maskinmeistarafelagið and Reiðarafelagið fyrri Handilsskip agree that engineers may enter special agreements directly with the shipping company.

**19.2.** The following preconditions apply to such special agreements:

- a) That the basic principles are the same as in the Main Agreement.
- b) That when all its particulars are taken into consideration, the agreement is, overall, not worse than the Main Agreement.
- c) That, notwithstanding any special agreement, members still have a duty to pay the membership fees applicable at any given time to Maskinmeistarafelagið.
- d) That the termination of such an agreement follows the Main Agreement.
- e) When individual agreements are entered between seafarers and shipping companies, said agreements are up for negotiation in the same years as collective bargaining takes place. They should be negotiated within 6 months of completion of collective bargaining.

In addition to updating the individual agreement itself, talks shall include an assessment of seafarers' competences and potential for future development. In the case of seafarers over the age of 60, any possible adaptations of the terms and conditions of employment shall also be discussed.

f) If seafarers wish to consult with their trade union regarding the agreement or any changes to it, they shall have the opportunity to do so. The trade union is bound by professional secrecy regarding all particulars of the agreement.

## ***20. Conciliation and Interpretation of this Agreement***

**20.1.** If this Agreement has been terminated and the parties fail to agree, or one of the parties declines to negotiate, it shall be referred to the conciliation law (law nr. 39 dating from 13 May 2013).

**20.2.** Any disputes regarding the interpretation of this Agreement shall be referred to the Faroese Permanent Court of Arbitration (Fastið Gerðarrætturin).

## ***21. Validity and Notice***

**21.1.** This Agreement shall not amend any existing salary schemes, if they are better than the provisions in this Agreement.

**21.2.** This Agreement enters into force on March 1, 2021, and may be terminated by either party with 3 months' written notice by a March 1, however, by March 1, 2023, at the earliest.

Tórshavn, February 22, 2021,

Maskinmeistarafelagið

Reiðarafelagið fyri Handilsskip

## **Minutes**

*The parties agree, that if shipowning business within aqua culture and wind energy is taken up inside the Faroese area, then the parties ought to negotiate an agreement for this area, in order to have an agreement before work commences.*

Tórshavn, February 24, 2021

**Special Agreement**

**between**

**Maskinmeistarafelagið  
(The Faroese Engineers' Union)**

**and**

**Reiðarafelagið fyri Handilsskip  
(Shipowners of the Faroe Islands)**

**Special Agreement for Engineers  
with Large Vessels in the Offshore Industry**

## **1. Scope of the Agreement**

**1.1.** This Agreement applies to vessels in the offshore industry, which have both a GT and propulsion equivalent to or exceeding 3000.

**1.2.** Notwithstanding the provisions in Article 1.1., this Agreement applies to vessels below 3000 GT/KW if the crew is paid monthly wages.

**1.3.** The Main Agreement between Maskinmeistarafelagið and Reiðarafelagið fyrri Handilsskip applies to these vessels to the extent that the conditions outlined below do not differ from those in the Main Agreement. Except Article 10-12 in the Main Agreement, which does not apply.

## **2. Wages**

**2.1.** Monthly wages are fixed based on the Main Agreement for the wage bracket applicable to each vessel according to its kW.

**2.2.** Fixed monthly wages cover 12 working hours per 24 hours.

**2.3.** Wages are stipulated in an annex to this Agreement, which constitutes an integral part of this Agreement. Compensation for the provision in Article 5.1 in the present Agreement for the offshore industry (multi-purpose standby, supply and anchor handling vessels) is included in the wages in this Salary Scheme. This means that, if the provision changes, the Salary Scheme shall change accordingly.

## **3. Overtime**

If engineers work more than 84 hours per week, overtime shall be paid in accordance with the provisions in Article 3 of the Main Agreement.

## **4. Time Off and Time Signed On**

**4.1.** Work is scheduled according to a 1:1 system. Travel is included in time off, however, please refer to the limitations in art. 2. This time off includes any time off provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments.

**4.2.** Time signed on shall not exceed 6 weeks on board and 2 days for travel both ways. The third day of travel is judged to be a 0-day. When sailing outside Northern Europe, however, time signed on shall not exceed 8 weeks on board and a total of 3 days for travel both ways.

**4.3.** Any period exceeding 6 or 8 weeks aboard, respectively, shall be compensated with an additional half day off for each extra day on board. When said 6 or 8 weeks on board are exceeded by 14 days, 1 additional day off shall be granted for each day on board exceeding said 14 days. This, however, does not apply if it was the engineer who wished to extend the stay aboard.

## **5. Work Stoppage**



**5.1.** Engineers signing on pursuant to this Special Agreement waive their right to participating in work stoppages for a period of 4 years, as of March 1, 2020.

**5.2.** Any rise in wages in the Main Agreement also applies to this Special Agreement and shall apply as of the same date.

**5.3.** Even when this Agreement may have been terminated and the deadline for renewal has lapsed, the parties shall comply with the old agreement until a new agreement has been approved or work has been stopped in accordance with the below provisions.

**5.4.** The parties acknowledge each other's right to call and carry out work stoppages in accordance with these provisions.

**5.5.** Work may only be stopped if the counterpart has received due notice of such stoppage.

**5.6.** Any party planning to stop work shall give the other party at least 1 month's advance notice by specially recorded mail.

**6.7.** Work stoppage includes strikes, lockouts and any other suspension of work. Neither party may stop work while this Agreement is in force.

## **6. Salvage**

If a shipping company has entered an agreement waiving its entitlement to salvage money, then engineers and enginemen are not entitled to salvage money.

## **7. Validity and Notice**

This Agreement enters into force on March 1, 2021. It follows the main agreement with regards to termination.

Tórshavn, February 24, 2021

Maskinmeistarafelagið

Reiðarafelagið fyri Handilsskip

**Reiðarafelagið fyri Handilsskip (RFH)  
(Shipowners of the Faroe Islands)**

**and**

**Maskinmeistarafelagið  
(The Faroese Engineers' Union)**

**Special Agreement for Engineers  
with Small Vessels in the Offshore Industry**

## **1. Scope of the Agreement**

1.1. This Agreement applies to vessels in the offshore industry below 3000 GT/KW on which engineers sign on per expedition and are paid in daily wages.

1.2. The provisions in the Main Agreement between RFH and Maskinmeistarafelagið do not apply to these vessels. Notwithstanding the aforementioned, the following articles and paragraphs of the Main Agreement do apply: 2.1, 2.4, 3.8, 9, 10.2, 11 and 20.

## **2. Wages**

2.1. Engineers sign on per expedition and their wages are settled per day:

March 1, 2020:	DKK 2,240 per day
June 1, 2021:	DKK 2,376 per day
March 1, 2022:	DKK 2,406 per day

These wages are paid in addition to any holiday pay provided for in Act 30, dated April 7, 1986, enacted by the Lögting, on paid holidays, with subsequent amendments. Shipping companies shall pay for on board meal expenses. The abovementioned wages rise by the same percentage point as the Salary Scheme.

2.2. As of March 1, 2020, shipping companies shall, on behalf of the crew, transfer 12,50% to a pension scheme approved by both parties. After June 1, 2021 the early retirement pension will be 13%. Said scheme is voluntary for those who have turned 55 or are associated with a shipping company for less than 2 months.

2.3. The employment of engineers, who have permanent employment contracts with a shipping company, on vessels included in this Special Agreement is governed by the collective provisions in the Main Agreement.

## **3. Terms and Conditions of Employment**

3.1. Time signed on shall not exceed 6 weeks on board and a total of 4 days for travelling both ways. However, when sailing outside Northern Europe time signed on shall not exceed 8 weeks on board and a total of 4 days for travelling both ways.

3.2. Any period exceeding said 6 or 8 weeks on board, respectively, shall be compensated with a payment equivalent to 25% of the daily wages for each day. If the 6 or 8 weeks on board are exceeded by 14 days, a payment equivalent to 50% of the daily wages shall be made for each day. This, however, does not apply if enginemen wish to extend their stay on board.

## **4. Signing on and Period of Notice**

4.1. Engineers are hired for one expedition at a time, from leaving home until returning home.

4.2. If a shipping company wishes to sign an engineer on again, the company shall give notice of this within 7 days after the expedition has ended.

4.3. When engineers have accepted joining an expedition, but wish to cancel, they shall do so at least 3 days before departure. If the parties fail to comply with the due notices stipulated in this article, then a shipping company having failed to give due notice of cancellation shall pay a compensation equivalent to 50% of the daily wages for 2 months.

4.4. An engineer failing to give a shipping company due notice of cancellation shall pay the shipping company compensation equivalent to 15 times the daily wages, provided that said engineman was given at least 10 days' notice of the date of departure.

### **5. Salvage**

If a shipping company has entered an agreement waiving its entitlement to salvage money, then masters and mates are not entitled to salvage money.

### **6. Validity and Notice**

This Agreement enters into force on March 1, 2021. It follows the main agreement with regards to termination.

Tórshavn February 24, 2021

Maskinmeistarafelagið

Reiðarafelagið fyri Handilsskip

# **Agreement**

**between**

**Reiðarafelagið fyri Handilsskip (RFH)  
(Shipowners of the Faroe Islands)**

**and**

**Sjómannadeild Føroya Fiskimannafelags  
(The Seafarers' Section of The Faroese Fishermen's  
Union)**

This Agreement is entered into by and between Sjómannadeild Føroya Fiskimannafelags and Reiðarafelagið fyri Handilsskip on behalf of any members of the crew, who are not covered by other agreements.

The scope of this Agreement does not, however, extend to people whose situation with the shipping company is of such a character that it entitles to take actions generally binding for the shipping company.

## **1. Wages**

1.1 As of June 1, 2021 wages will increase by 1.93%. As of March 1, 2022 wages will increase by 1.25%. Monthly wages are paid in accordance with the annexed Salary Scheme.

1.2 The title Seaman (Ship Assistant) Grade 3 designates crew on passenger vessels over 21,000 GT, who join the vessel without the required prior experience on merchant vessels to qualify as able-bodied seamen, and who do not have any skilled craftsman qualification, or who hold positions that do not require such qualification. This wage category also includes crew, who are on fixed-time contracts of up to 1 year.

Length of services for Seamen Grade 3 is only calculated as of March 1, 2009,

at the earliest.

In order for a crew to include Seamen Grade 3, at least three Seamen at Grade 1 and Grade 2 shall be employed. Of these, at least one shall be a Seaman Grade 1.

1.3 Apprentices on passenger vessels over 21,000 GT receive the following wages:

Year 1	50% of journeyman wages
Year 2	55% of journeyman wages
Year 3	60% of journeyman wages
Year 4	75% of journeyman wages

1.4 The above notwithstanding, for crew under 19 years of age on vessels other than passenger vessels, the wages shall be at least:

Cook's assistants	50%
15-16 year olds	65%
17-18 year olds	75%

However, full wages will, under all circumstances, be paid after two year's sailing counting towards the able-bodied seaman qualification, i.e. 3 years of employment.

1.5 Inexperienced sailors on vessels other than passenger vessels, aged 19 or older, start on no less than 80% of full wages during their first year of employment. During their second year they receive 90% and as of the start of the third year they receive 100%. Sailors who have experience from other parts of the maritime industry start on no less than 90% of full wages during the first year, and then 100%. This rule shall, however, not be applicable to sailors already employed.

1.6 Compensation for length of services is paid in accordance with the Salary Scheme. Length of service is to be understood as time spent in the employ of the same shipping company. After two years of absence from the shipping company, any compensation for length of service lapses.

1.7 Hourly wages for unloading are fixed at DKK 135.

1.8 Boatswains receive DKK 1,800.00 extra.

1.9 Greasers receive DKK 1,215.00 extra.

1.10 When paying passengers are on board and the cook has no other arrangement, the cook and the shipping company shall negotiate an agreement regarding due compensation.

1.11 A special compensation of DKK 800 per month is paid for sailing with tankers. For tankers, all wages-increases for the duration of the agreement will be added to the wages as of March 1, 2004.

1.12 For on call-duty DKK 22 are paid for each hour. If deckhands are called in, they shall receive unsocial hours pay for no less than 2 hours. On call-duty implies that the deckhand can be at his workplace within 20 minutes.

1.13 For extended sailing, that is when the crew is more than 3 months away from the Faroes, the crew receives DKK 676 extra each month for the time in excess of 3 months.

1.14 The crew is entitled to receive wages earned on the 1 of the following month. If wages are paid after the 10 of the month, 1.5% shall be added to the wages. Subsequently, 1.5% shall be added for each additional month for any unpaid wages

1.15 The payment of wages shall not cease, even if crew is prevented from boarding again after they have used all their days off. However, up to 10 days may be offset against future days off, if the crew is prevented from boarding again on time.

## **2. Pension Scheme**

Shipping companies transfer, on behalf of crews, 12,50% to a pension scheme approved by both parties.

Pension contributions shall be calculated based on the basic wages stipulated in the Salary Scheme in addition to the following compensation:

- All compensation mentioned in Art. 1.2.
- The cook's compensation stipulated in the Salary Scheme.
- The compensations stipulated in Art. 2.3 of the Special Agreement

for Offshore Activities <sup>[L]</sup><sub>[SEP]</sub>(Multipurpose standby, supply and anchor-handling supply vessels)

2.2 Pension scheme contributions shall be transferred at the same time as wages are paid.

Foreigners, who pursuant to art. 1. sa. 5. in the Early Retirement Pension Act, are exempt from paying to a Faroese pension scheme, and Faroese persons, who have reached the age of retirement shall instead receive the amount, which was to be transferred as an early retirement pension payment, paid as wages. Before the amount is paid, payments, which are to be paid simultaneously as the wages, are deducted from the amount concurrently, so that the expense of the employer remains unaltered.

2.3 Anyone only employed for up to 5 months, may receive the pension contribution as either wages or pension contributions. If the pension contributions are paid as wages, the conversion factor is 0.8.

### **3. Holidays**<sup>[L]</sup><sub>[SEP]</sub>

3.1. Crews are entitled to 30 days off with full wages for every 30 days on board. This time off includes any holidays provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments.

3.2 When taking their holidays, the crew is entitled to at least 25 consecutive days off for every 30 days on board, before signing on. Any remaining time off may be exchanged for pay in accordance with the Agreement in force.

3.3 Sailors are entitled to 1 additional week of unpaid holiday.

3.4 The first day off is the day after seafarers return to their home country. The last day off is the day before they leave their home country.

3.5 Wages are paid on a monthly basis during holidays.

3.6 Shipping companies shall schedule time off in such a way that after 10 weeks signed on seafarers are entitled to free transport and holidays pursuant to Art. 3.1, with the same fixed monthly wages as while signed on. Shipping companies are not liable for any expenses accruing from more frequent



changes. If part of the holidays is used within the first 3 months of signing on, the crew and shipping company may also enter a special agreement regarding Art. 3.2.

3.7 The shipping company shall receive notice about holidays no later than 14 days prior to signing off.

3.8 Any unspent holidays may, as per agreement, be saved and paid as wages in accordance with the stipulations in the Agreement.

3.9 The crew is entitled to receive holiday supplement in accordance with Art. 11.1 of Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments

#### **4. Continuing Education**

4.1 The crew has a duty to, by instruction from the shipping company, spend up to 7 calendar days of their holidays on courses in each calendar year. If a shipping company fails to give notice before December 1, it shall not be possible to use any days off for courses in that calendar year.

4.2. The parties agree upon a new system of reimbursement, in connection with courses and educational programmes, which are not required and, where the total value exceeds 30.000 kr.

In connection with such courses/education programmes, a volunteered written educational agreement (contract) may be made with the employee, regarding the conditions for reimbursement for course- or education programme payments, which the shipping company has paid, in order to work against the employee resigning within a period of 12 months at the most from the shipping company.

The agreement must at least include information about the total course activity, if this has been divided into several modules, course title or – package, total course fee, conditions for reimbursement, if the employee resigns of their own accord from the shipping company, together with other information, which is important in the matter.

There is agreement, that pursuant to the system for reimbursement, the employee shall pay 100% of the amount within the first 2 months, which the

shipping company has paid in accordance with the agreement. After this, the total amount shall decrease by 10% each passing month. The agreement/system for repayment automatically expires 12 months after the individual modules in the total education package/course have been taken.

4.3 If crewmembers fail to request permission from the shipping company to use any days not spent (out of said 5 days) for relevant educational purposes in the following calendar year, they forfeit the entitlement to spend them on educational activities, but shall retain them as days off.

4.4 Travel days in addition to the first day of travel count as 0 days. This means that wages are paid for that day; however, no days off are accrued.

4.5 The crew shall negotiate an agreement with the shipping company about the remaining days mentioned in Art. 4.3, and said days shall be used before the end of the following calendar year.

4.6 Shipping companies shall pay for any course fees. Shipping companies shall also pay any travel, accommodation or board expenses, either by agreement or by submission of invoices.

## **5. Leave of absence**

The crew may be granted leave of absence, provided that it does not conflict with the interests of the shipping company. If a leave of absence is granted in connection with an education that serves the interests of the shipping company, an agreement may be reached regarding paid time off or time off at reduced pay. Leave of absence may be granted for 1 year at a time.

## **6. Employment and Period of Notice**

6.1 The crew is employed in accordance with the applicable statutory provisions and the employment agreement required by the authorities.

6.2 The term of notice before 3 years of employment is 1 month for the shipping company and half a month for the crew. After 3 years of employment the term of notice is 2 months for the shipping company and 1 month for the crew. If special circumstances apply, these provisions may be set aside to the benefit of the crew. <sup>[ ]</sup><sub>SEP</sub>

6.3 Anyone who has been given notice and leaves employment before the period of notice has ended shall pay the shipping company a sum equivalent to the wages for half of their period of notice.

6.4 If any of the crew is dismissed by the shipping company while abroad, the shipping company shall pay for the journey home. [L]  
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6.5 The crew is under obligation to sign on to the ship designated by the shipping company and to be transferred from one ship to another. Should this gives rise to any traveling expenses, the shipping company shall pay for them.

6.6 The term of notice or parts of it may be used to spend any holidays accrued. Time off in lieu of pay accrued before notice is given shall not count towards the term of notice from the crew.

6.7 If crew members have not given the shipping company notice of resignation 10 days before they are due to sign on, then the shipping company is entitled to a compensation equivalent to the sum of half a month's wages.

6.8 Crew members who have been employed by a shipping company for more than six months, may, when circumstances allow it, bring their partner on board for a period of one month per year. If a partner remains on board for more than 1 month, the vessel shall receive payment for board. Crewmembers shall agree with the shipping company when their partner may join them. The shipping company is not liable for any travel expenses, insurance or any other responsibility whatsoever.

## **7. Working Conditions and Other Particulars**

7.1 Working periods are structured by the captain or mate.

7.2 Working time is 11 hours a day. Overtime is calculated as working time in excess of 154 hours over a 14-day period. Overtime pay is calculated as follows:  $\text{Monthly wages} / 173 + 20\%$ . Notwithstanding the preceding provision, working time for service employees on board passenger vessels is 10 hours a day. Their overtime is calculated in excess of 140 hours over a 14-day period, however, 12 per day at the most.

7.3 On Sundays and bank holidays the crew may not be assigned any work, which can wait. This provision does, however, not apply to passenger vessels.

7.4 If the number of crewmembers falls below the minimum statutory limit, or the limit stipulated in the authorisation from the Faroese Government, or if crewmembers leave during an expedition, the wages of any missing crewmembers shall be distributed in accordance with Art. 23 of the Seafarer's Act.

7.5 When transferring from one vessel to another, wages are paid during the waiting period.

7.6 It is the duty of the shipping company to insure the private belongings of the crew both on board the vessel and in transit to and from the vessel.

7.7 The shipping company shall provide work clothes for the crew. The shipping company shall supply bed linen and towels.

7.8 Intoxication at work or during travel to the vessel may lead to suspension.

## **8. Repair Stoppage**

8.1 When crew cannot stay at home while the vessel is undergoing repairs, suitable accommodation ashore is paid for.

8.2 When crew can stay at home, but meals are not provided on board, they shall receive a daily maintenance payment of DKK 110.

## **9. Sick Pay**

9.1 Crewmembers in employment are guaranteed wages for up to 3 months, if they are rendered unable to work due to illness or accident. Crewmembers who have been in the employ of the shipping company for more than 5 years are guaranteed wages for up to 4 months, and after 7 years they are guaranteed wages for up to 5 months, and after 10 years they are guaranteed wages for up to 6 months.

9.2. When seafarers are on sick leave, seafarers accrue and spend days-off, as if the party concerned was at work.

9.3 If crewmembers die while in employment, their next of kin are entitled to their wages pursuant to the provisions in this article. Wages for the month in

which the crewmember died are not calculated as part of the bereavement compensation.

9.4 Concerning rights in connection with maternity/paternity leave, please refer to the Act regarding maternity/paternity leave.

## **10. Trainees**

Both parties and the authorities agree to develop a scheme, which allows for the training of trainees on board passenger and merchant vessels.

## **11. Crew Representative**

11.1 All crews on any vessel may appoint a representative, who will act as an intermediary between the captain/shipping company and the crew and, in general, speak for the crew. Should the need arise, Sjómannadeild Føroya Fiskimannafelags may appoint a member on board as steward.

11.2 The following provisions apply to stewards on board passenger vessels over 21,000 GT:

- a. Crew representatives represent and negotiate on behalf of the crew with management and shall contribute to the smooth functioning of work. Management and crew representatives should jointly promote good labour relations.
- b. Crew representatives shall present any complaints and recommendations from the crew to management. Crew representatives shall also be entitled to take proceedings regarding any shortcomings in work place safety.
- c. Crew representatives shall tend to their duties in a manner minimising interference with work. Should crew representatives require leaving work to tend to their duties, they shall only do so as per agreement with management or its appointed supervisors. If it is not possible to reach an agreement with them, then an agreement shall be reached with the captain.
- d. In order to protect crew representatives, they shall have a total of

3 month's period of notice. This, however, shall not apply in the case of summary dismissal.

- e. Any disputes arising regarding this paragraph shall be settled in accordance with Art. 14 of this Agreement.

## **12. Works Council**

For vessels with a total of more than 10 crewmembers, either party may request the appointment of a works council composed of representatives of the shipping company and each of the groups on board. The council shall deal with any disputes arising, which either of the parties wishes to address. Should it fail to reach an agreement, then, the unions shall address the issues.

## **13. Membership Fee**

13.1 Shipping companies shall retain membership fees for Sjómannadeild Føroya Fiskimannafelags. Membership fees are transferred to the office of Føroya Fiskimannafelag each January 1 and July 1, shipping companies also submit a statement listing all persons on behalf of whom they are transferring the membership fees.

13.2 If Sjómannadeild Føroya Fiskimannafelags enters an agreement regarding insuring its members, the parties shall discuss the question of whether shipping companies can partake in retaining the insurance fees.

13.3 The parties agree that it is in their shared interest that seafarers and shipping companies organise in a trade union and employers' union, respectively.

As needed, the parties shall disseminate information about the benefits of joining a union. Furthermore, the parties shall strive to guarantee compliance with the Agreement.

## **14. Disputes**

Any disputes regarding the interpretation of this Agreement shall be referred

to the Faroese Permanent Court of Arbitration (Fastið Gerðarrætturin).

### **15. Validity and Notice**

This Agreement enters into force on March 1, 2021, and may be terminated by either party with 3 months' written notice by a March 1, however, by March 1, 2023, at the earliest.

Tórshavn, February 22, 2021,

Reiðarafelagið fyri Farmaskip

Sjómannadeild Føroya Fiskimannafelags

**Special Agreement**

**between**

**Reiðarafelagið fyri Handilsskip (RFH)  
(Shipowners of the Faroe Islands)**

**and**

**Sjómannadeild FF's  
(The Seafarers' Section of The Faroese Fishermen's Union)**

**Special Agreement for Deckhands and Cooks on Large Vessels in the  
Offshore Industry**



## **1. Scope of the Agreement**

**1.1.** This Agreement applies to vessels equipped and licensed to watch over any activities **involving** people “multi-purpose standby, supply and anchor handling vessels”.

**1.2.** The Main Agreement between RFH and Sjómannadeild FFs applies to these vessels to the extent that the conditions outlined below do not differ from those in the Main Agreement. Except Articles 1.14 and 6.8 in the Main Agreement, which do not apply.

## **2. Wages**

**2.1.** Monthly wages are fixed based on the Salary Scheme in the Main Agreement.

**2.2.** Fixed monthly wages cover 12 working hours per 24 hours.

**2.3.** Wages are stipulated in an annex to this Agreement, which constitutes an integral part of this Agreement. Compensation for the provision in Article 5.1 in the present Agreement for the offshore industry (multi-purpose standby, supply and anchor handling vessels) is included in the wages in this Salary Scheme. This means that, if the provision changes, the Salary Scheme shall change accordingly.

## **3. Overtime**

If 84 hours of work per week is exceeded, then overtime shall be paid in accordance with the provisions in the Main Agreement.

## **4. Time Off and Time Signed On**

**4.1.** Work is scheduled according to a 1:1 system. Travel is included in time off however, please refer to the limitations in art. 2. This time off includes any time off provided for in Act 30, dated April 7, 1986, enacted by the Lögting, on paid holidays, with subsequent amendments.

**4.2.** Time signed on shall not exceed 6 weeks on board and 2 days for travel both ways. The third travel day is judged as a 0-day. When sailing outside Northern Europe, however, time signed on shall not exceed 8 weeks on board and a total of 3 days for travel both ways.

**4.3.** Any period exceeding 6 or 8 weeks aboard, respectively, shall be compensated with an additional half day off for each extra day on board. When said 6 or 8 weeks on board are exceeded by 14 days, 1 additional day off shall be granted for each day on board exceeding said 14 days. This, however, does not apply if it was the deckhand or cook who wished to extend the stay aboard.

## **5. Work Stoppage**

**5.1.** Deckhands and cooks signing on pursuant to this Special Agreement waive their right to participating in work stoppages for a period of 4 years, as of March 1, 2020.

**5.2.** Any rise in wages in the Main Agreement also applies to this Special Agreement and shall apply as of the same date.

**5.3.** Even when this Agreement may have been terminated and the deadline for renewal has lapsed, the parties shall comply with the old agreement until a new agreement has been approved or work has been stopped in accordance with the below provisions.

**5.4.** The parties acknowledge each other's right to call and carry out work stoppages in accordance with these provisions.

**5.5.** Work may only be stopped if the counterpart has received due notice of such stoppage.

**5.6.** Any party planning to stop work shall give the other party at least 1 month's advance notice by specially recorded mail.

**6.7.** Work stoppage includes strikes, lockouts and any other suspension of work. Neither party may stop work while this Agreement is in force.

## **6. Salvage**

If a shipping company has entered an agreement waiving its entitlement to salvage money, then deckhands and cooks are not entitled to salvage money.

## **7. Validity and Notice**

This Agreement enters into force on March 1, 2021. It follows the main agreement with regards to termination.

Tórshavn, February 22, 2021,

Føroya Fiskimannafelag Sjómannadeild FFs

Reiðarafelagið fyri Handilsskip

**Reiðarafelagið fyri Handilsskip (RFH)  
(Shipowners of the Faroe Islands)**

**and**

**Sjómannaðeild FF's  
(The Seafarers' Section of The Faroese Fishermen's Union)**

**Special Agreement for Deckhands and Cooks  
with Small Vessels in the Offshore Industry**

## **1. Scope of the Agreement**

1.1. This Agreement applies to vessels equipped and licensed to watch over any activities **not involving** people (guard and chase vessels).

1.2. The provisions in the Main Agreement between Sjómannadeild FF's and RFH do not apply to these vessels. Notwithstanding the aforementioned, the following articles and paragraphs of the Main Agreement do apply:

1.13, 6.1, 6.4, 7.7, 7.9, 12 and 13

## **2. Wages**

2.1. Crews sign on per expedition and their wages are settled per day:

Deckhands/cooks	March 1, 2020:	DKK 1,749 per day
	June 1, 2021:	DKK 1,783 per day
	March 1, 2022:	DKK 1,805 per day

These wages are paid in addition to any holiday pay provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments. Shipping companies shall pay for on board meal expenses.

2.2. The employment of crew members, who have permanent employment contracts with a shipping company, on vessels included in this Special Agreement is governed by the collective provisions in the Main Agreement. The abovementioned wages shall rise by the same percentage point as the Salary Scheme.

## **3. Terms and Conditions of Employment**

3.1. Time signed on shall not exceed 6 weeks on board and a total of 4 days for travelling both ways. However, when sailing outside Northern Europe time signed on shall not exceed 8 weeks on board and a total of 4 days for travelling both ways.

3.2. Any period exceeding said 6 or 8 weeks on board, respectively, shall be compensated with a payment equivalent to 25% of the daily wages for each day. If the 6 or 8 weeks on board are exceeded by 14 days, a payment equivalent to 50% of the daily wages shall be made for each day. This, however, does not apply if deckhands/cooks wish to extend their stay on board.

## **4. Signing on and Period of Notice**

4.1. Deckhands and cooks are hired for one expedition at a time, from leaving home until returning home.

4.2. If a shipping company wishes to sign a deckhand or cook on again, the company shall give notice of this within 7 days after the expedition has ended.

4.3. When deckhands or cooks have accepted joining an expedition, but wish to cancel, they shall do so at least 3 days before departure. If the parties fail to comply with the due notices stipulated in this article, then a shipping company having failed to give due notice of cancellation shall pay a compensation equivalent to 50% of the daily wages for 1 month.

4.4. Any deckhand or cook failing to give a shipping company due notice of cancellation shall pay the shipping company compensation equivalent to 15 times the daily wages, provided that said deckhand or cook was given at least 10 days' notice of the date of departure.

## **5. Salvage**

If a shipping company has entered an agreement waiving its entitlement to salvage money, then deckhands/cooks are not entitled to salvage money.

## **6. Validity and Notice**

This Agreement enters into force on March 1, 2021. It follows the main agreement with regards to termination.

Tórshavn February 22, 2021

Sjómannadeild Føroya Fiskimannafelags

Reiðarafelagið fyri Handilsskip