

# *Collective Agreement*

Unofficial translation - The Danish text shall prevail.

## **COLLECTIVE AGREEMENT**

**BETWEEN**

**DNV GL DENMARK A/S,  
DNV GL BUSINESS ASSURANCE  
DENMARK A/S  
(hereafter DNV GL)**

**AND**

**VERITAS' FUNKTIONÆRFORENING,  
DK (VEFF)**

# Collective Agreement

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## Who is covered

This collective agreement regulates a number of aspects of employment, as specified below, between DNV GL Denmark A/S og DNV GL Business Assurance Denmark A/S – hereafter DNV GL and all permanent employees in the company, i.e. employees in Denmark and Greenland.

## Which aspects are covered

This collective agreement regulates the aspects, conditions of employment, and situations as specified below. All the aspects are negotiated between the parties concerned according to the following rules and procedures. Any other aspect may be negotiated but not necessarily using the negotiation and decision procedures in this collective agreement.

Issues for negotiation:

1. Aspects related to hiring/termination of employment.
2. Weekly work hours
  - Overtime payment/time in lieu
3. Holidays, dispensation of service, leave of absence
4. Salaries
  - Basic salary
5. Permanent compensation
  - Phone compensation
  - Personal car use compensation
6. Variable compensations
  - Off-shore compensation
  - Compensation for work onboard ships
  - Compensation for the use of personal car, comprising car loans
  - Travel compensation
7. Pension and insurance schemes
8. Resources allocated to shop steward's (elected VEFF representatives) work paid by DNV

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All aspects constitute an indivisible entity which is negotiated once a year in view of adjustments implemented on April 1st. Each party has the right to request negotiations on individual subjects at other dates but proper negotiations are conducted only if the parties agree.

The result of such negotiations will be added to this collective agreement as signed annexes and will be implemented by DNV GL in Operating Procedures. Adjustments of basic salaries are exempted from this.

## **Negotiation Procedures:**

- A. Every year the parties shall exchange demands/offers in writing not later than Monday week 2 unless another date is agreed between the parties. Demands/offers can differ as to business area and other aspects.
- B. Negotiations between the parties will start Monday week 3 unless another date is agreed between the parties. Negotiations between the representatives of the parties are conducted in closed meetings without external participants.
- C. If the negotiations lead to an agreement it is written into a protocol that the parties engage themselves to honour it by their signature. The protocol will become an annexe to the present collective agreement.
- D. If negotiations have not lead to an agreement as of January 31th the demands/offers of the parties are written into the protocol with due documentation/argumentation and are signed by the parties. Hereafter the parties together turn to the Office of Mediation of the Labour Court with a request that the latter designate a mediator. Each party pays their own counselling expenses related to this.
- E. The negotiations between the parties conducted by the mediator are resumed as soon as possible. The mediator sets up rules for the mediation process.
- F. If the mediation process leads to an agreement it is written into a protocol countersigned by the mediator and the parties engage themselves to honour it by their signature. The protocol will become an annexe to the present collective agreement.
- G. If the mediation process has not lead to an agreement the demands/offers of the parties are written into the protocol with due documentation/argumentation as well as the comments of the mediator. Hereafter the parties together turn to the president of the Court of Shipping and Commerce who designates the arbitrator. The arbitrator can request any necessary professional assistance. The decision of the arbitrator is final and binding for both parties. Expenses for the arbitration are paid respectively by DNV GL and VEFF on a fifty-fifty basis.

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- H. Negotiations between the parties directed by the arbitrator are resumed as soon as possible. The arbitrator himself sets up rules for the arbitration process.
- I. The decision of the arbitrator is final and binding for both parties.

## **Format of the collective agreement**

The elements of the collective agreement can never bring the employees in a less favourable situation than what is stated in:

- The Danish Salaried Employees Act (Funktionærloven)
- The Holidays Act
- The Danish Working environment Act
- Any other relevant legislation

These public regulations are applicable unlimited unless the legislation admits negotiation and that such negotiation has taken place and is part of the present collective agreement.

The present collective agreement also incorporates DNV GL's 'Operating Procedures – OP-DK-08. The applicable agreements according to this collective agreement shall be stated and updated in these procedures not later than one month after reaching a final agreement. The updated procedures shall be sent for approval to VEFF not later than one week before publication. In case of doubt concerning the interpretation the wording of the signed result of negotiations/present collective agreement shall be applicable.

## **Referring to negotiations issue number 1. "Recruitment/termination of employment" the following applies:**

- As far as possible vacant jobs should be filled by internal recruiting and vacant jobs should normally be announced internally in all of DNV GL.
- All recruitment shall be confirmed in writing using a standard recruitment letter.
- All new recruits shall be informed about the present collective agreement.
- In case of termination of employment caused by reduced workload the possibility of internal transfer in the DNV-group shall have been explored beforehand.
- Prior to any termination of employment DNV GL shall inform VEFF thus giving VEFF the occasion to make a statement. VEFF cannot oppose or delay termination of employments made according to and referring to the regulations of the Danish Salaried Employees Act (Funktionærloven). If VEFF considers a termination of employment contrary to regulations of the Danish Salaried Employees Act (Funktionærloven) VEFF can take the conditions of termination of employment to the Office of Professional Arbitration.

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- For shop stewards, i.e. VEFF elected representatives, special conditions exist as to the reasons for termination of employment and the notification hereof. A shop steward shall always be given at least six months notice in case of termination of employment notwithstanding the number of years of employment and termination of employment can only be argued for with imperative reasons. If the case that termination of employment of a shop steward occurs the situation is to be discussed between the parties of the present collective agreement prior to the notification of termination of employment.
- Reference is made to OP-DK-08-30, 31 and 32.

## **Referring to negotiations issue number 2. "Work time" the following applies:**

Concerning full time weekly working hours (37 hours/week) the following is agreed upon:

- Flexible hours between. 07:00 – 17:00.
- Core hours between 09:00 –15:00.
- Weekly work hours 37 hours.
- Daily 7,5 hours workday Monday – Thursday, 7,0 hours Friday.
- Lunchtime is not included in the daily work hours.
- 1865 hours per year are used when calculating overtime and hourly pay.
- Constitution Day (June 5th), Christmas Eve and New Year's Eve (December 24th and 31st) are paid days off and not used when calculating normal work time.

Concerning flexible work hours for salary grade 10 and 11 the following is agreed upon:

- Flexibility within a 'rolling' 14-days period.
- E.g. week 1 – 40 hours of work are registered on the time card. 3 hours can be transferred to week 2. If the workload allows and upon agreement with line manager the 3 hours may be taken off as time in lieu. If the hours are not taken off they will be lost and possible new time in excess of 37 can be transferred to week 3.
- Hours for a 'rolling' 14-days period must be no less than 74 and one week no less than 29.5.
- Section 5.9 in OP DK-08-04 is deleted and the excess hours on this scheme will be calculated pro rata.
- The new scheme has been agreed to start May 30<sup>th</sup> 2016.

Overtime compensation:

For employees in salary groups 1 to 9 inclusive an overtime compensation for compulsory overtime exceeding normal weekly working hours (37 hours/week – also for part time employees) is agreed upon as follows:

- Overtime from 07:00 to 17:00 will normally not generate any overtime compensation unless the recorded weekly working hours exceed 37 hours.

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- For mandatory overtime the following rules apply:
- Working days from 17:00 to 21:00 - 50 % supplement.
- Working days from 21:00 to 07:00 - 100 % supplement
- Sat./Sun./ Holidays – 100 % supplement.
- Travel time is remunerated counting factual hours. A maximum of 7,5 hours are compensated per day.
- Depending on the workload in the various departments an employee may enter into an agreement with the line manager concerning time in lieu for plus time/overtime.
- If an employee is called back to work after leaving the work premises the employee is entitled to register a minimum of 2 hours overtime. Compensation for these hours follow the above guidelines.
- If the total plus-time/overtime reaches 100 hours or more, a plan must be agreed upon between the employee and the line manager as to the compensation of these before the end of the year. This plan may incorporate compensation payment, time in lieu or a mix of payment and time in lieu.

Reference is made to OP-DK-08-8.

Time in lieu for overtime:

For overtime, apart from plus-time related to flex-time, time in lieu can be agreed upon with the nearest line manager. Such overtime shall be taken off as time in lieu within 4 weeks after accrual. Overtime is to be taken off as time in lieu on a 1:1 basis and overtime supplement payment is made.

Reference is made OP-DK-08-9 (for offshore and work on board ships, OP-DK-08-11

Senior scheme:

Employees are entitled to reduced work hours beginning the month after they reach the age of 60. These dispositions are applicable to full time employees that may have their work hours reduced by up to 20 % with a proportional reduction of their salary. Employees following this scheme retain their complete pension plan contribution based on 100 % salary.

If an employee wishes to enter into this scheme he or she must make a written request to a line manager 3 months prior to commencement of participation in the scheme.

Reference is made to OP-DK-08-4

In addition agreements have been made related to travel time, core and flexible work hours as well as registration of work hours. Reference is made to OP-DK-08-4 for the specific conditions of the agreement. Particular conditions have been agreed upon concerning off-shore and work on board ships and reference is made to OP-DK-08-5 and OP-DK-08-11.

According the The Danish Energy Agency's Executive order 1509 of December 15th 2010 "Certain aspects of the Organisation of Working Time on Offshore

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Installations”, § 14-17 it has been agreed that daily rest hours, ref. § 5, can be reduced to a minimum of 8 hours on the condition that equal compensatory rest periods are available. Where conditions exceptionally are such that it is impossible to make available compensatory rest periods adequate protection must be available.

Overtime compensation related to termination of employment:

- In case of termination of employment time in lieu is to be taken off within the notification period or payment is made at the moment of termination of employment according to the conditions for termination of employment.

**Referring to negotiations issue number 3. ”Vacation, dispensation from service, leave of absence” the following applies:**

Vacation:

In general reference is made to the Danish Holidays Act and its regulations apply to all employees of DNV GL DK.

In addition the following has been agreed concerning vacation:

- 5 extra paid days off per calendar year. Days off are not following the vacation year. The days off cannot be transferred and cannot be paid out if not used.
- Employees recruited before July 1st 2000 and aged 50 or more at the start of the vacation year (May 1st) and for whom the sum of years of employment + their age is more than 75 (before the end of 2010) are entitled to 5 extra days off. Normal salary is paid during the days off.
- Employees recruited before July 1st 2000 and aged 50 or more at the start of the vacation year (May 1st) and for whom the sum of years of employment + their age is more than 75 (after the end of 2010) are entitled to 3 extra days off. Normal salary is paid during the days off.
- Exemption from the vacation legislation § 19 making it possible to transfer vacation days in excess of 20 vacation days to the next vacation year. This must be agreed upon in writing between the employee and the line manager. A total of 10 days can be accumulated.
- Reference is made to OP-DK-08-17

Dispensation from service/leave (Ref. OP-DK-08-11 and OP-DK-08-18):

In addition to the Danish Salaried Employees Act (Funktionærloven)

as described in the above OPs - agreements are made in the following domains:

- Leave/home journey during sojourns offshore or on board ships.
- Leave related to child birth or adoption.
- Up to 10 days paid dispensation from service related to the care for sick children and up to 20 days of paid dispensation from service for single parents. This applies to children up to and including 14 years of age.
- 2 days paid dispensation from service related to a death in the closest family (parents, children, spouse and companion) as well as 1 day at the date of burial (parents, children, spouse, companion, siblings and in-laws).
- 1 day paid dispensation from service related to the marriage of the employee himself/herself.
- 1 day paid dispensation from service related to moving house.

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- Dispensation from service related to preparation for an exam and on the day of the exam, normally without pay.

The rules agreed upon in relation to birth and adoptions are summed up in the table below.

	Mother	Father
Pre birth/pregnancy leave	4 weeks	
Post birth – Maternity leave/Paternity leave 14 weeks/2 weeks	14 weeks	2 weeks
Parental leave 10 weeks/10 weeks	10 weeks	10 weeks

Employees recruited after 1/1 2010 must have been employed for 12 months to obtain full salary during maternity and parental leave.

Payment of full salary during leave as described above is based on the condition that DNV GL obtains full benefit reimbursement.

Concerning dispensation from service and leave of absence reference is made to OP-DK-08-18 and OP-DK-08-19.

## **Referring to negotiations issue number 4. "Salaries (basic salary) the following applies:**

The parties' negotiations concerning salary adjustments comprise:

- The adjustment - expressed in percent - of DNV's base salary-frame, possibly an adjustment - expressed in percent - for each business area in DNV GL.
- A possible specific distribution of the base salary-frame, for instance between various categories of employees or between general and individual adjustment. The part of the regulation that is attributed to promotions can be agreed upon hereunder.

The salary adjustment of each employee is determined by DNV GL in each business area according to the frames given as the result of the negotiation as follows:

The distribution of the negotiated salary adjustment shall be based on the evaluation made by the employee's line manager according to DMSG-8-31, Managing Individual Performance, as well as in general the adjustment - expressed in percent - taking place according to the statistics of IDA broken down for each candidate-year. In case of individual adjustments differing considerably from the above-mentioned VEFF shall be informed and may request a meeting to discuss this.

Prior to December 15<sup>th</sup>, i.e. before exchanging demands/offers, see section A of the procedure, DNV GL shall send to VEFF statistic data - in anonymous form - for the salaries of the main categories of employees, eventually broken down into business areas.

Not later than one month following the end of negotiations/application of the results the new salary figures shall be transmitted to VEFF, as proof of compliance with the



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result of negotiations. If the adjustment does not comply with the above-mentioned the case can be taken to the Labour Court.

Bonuses and incentives programmes are not part of the basic salary scheme mentioned above. DNV GL can freely introduce such programmes for individual employees or groups of employees.

Payment of salary is to be made the 15th of each month into a bank account chosen by the employee. If the 15th is a week-end or a holiday the salary will be paid on the last business day before the 15th. Thus 2 weeks' salaries are paid 14 days in advance. Salary slips will be made available in E-boks no later than on the day when the salary is paid. Reference is made to OP-DK-08-7.

For employees posted with an international assignment contract a "shadow-adjustment" is made of the basic Danish salary based on an evaluation as well as an eventual designation by the line manager of the expatriation site. The adjustment is made based on the negotiated result of the collective salary negotiations and the "shadow-salary" will form the basis for payment of pension contribution as well as the basis for the calculation of the adjustment of the salary abroad. Such adjustments are not part of the negotiated salary sum. Employees with international assignment contract are not employed by DNV GL DK and therefore they are not covered by the present collective agreement.

## **Referring to negotiations issue number 5. "Fixed compensations" the following applies:**

Compensation for the use of personal car:

- For each km using the employee's personal car DNV GL will pay 1 kr. (subject to taxation)

Reference is made to OP-DK-08-12

## **Referring to negotiations issue number 6. "Variable compensations" the following applies:**

Shipboard /off-shore compensation:

Hardship compensation amounting to kr. 1100,00 per business day and kr. 3300,00 for a Saturday/Sunday or holiday. Furthermore 4 hours' time in lieu are accrued per business day and 8,5 hours' time in lieu per Saturday/Sunday or holiday as well as June 5th. Reference is made to OP-DK-08-11.

An off-shore trip – with planned departure on a Saturday/Sunday or holiday - which is cancelled or postponed for more than one day on the planned day of departure and prior to arrival at the heliport is compensated by the payment of 800 Kr.

Call-in compensation:

- Employees of salary groups 10-15 being called in to work on "invoice-able" jobs Saturday/Sunday or holiday are entitled to a call-in compensation of kr.

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800 for 0-4 hours work per day and kr. 2000 for more than 4 hours work per day. The compensation is only applicable to non-scheduled work on the client's site.

- Travels Saturday/Sunday or holiday are compensated with kr. 600 – this compensation is paid only in connection with “invoice-able” jobs and only in connection with travel outside your own geographical work area.

Personal car use refund/car loan:

DNV GL pays personal car use compensation according to the applicable 'State Rates'. Reference is made to OP-DK-08-12

DNV GL provides a car loan to employees that need a car for their work or have been working for DNV GL for 10 years or more. Reference is made to OP-C10-DK-6.

Company car scheme for employees in salary group 10 or above:

Employees in salary group 10 or above are offered either, a leased company car, a cash compensation with a refund per km according to OP-DK-08-12 or a cash compensation covering all use of a personal car. Reference is made to the company car scheme according to OP-DK-08-37.

Travel compensation:

Travel is compensated according to the applicable 'State Rates'. Furthermore it is agreed that:

- Travelling abroad for more than 7 days entitles to an compensation of kr. 200,00 per day starting day 8.
- The compensations are subject to taxation.

Reference is made to OP-DK-08-10.

Credit Cards:

It is agreed that all employees are entitled to a credit card for use when travelling on behalf of DNV GL. The employee is personally responsible for the balance of the card and DNV GL will pay the yearly fee. Private credit cards can equally be issued but in this case the yearly fee is paid exclusively by the employee Ref. OP-DK-08-13.

Professional and continuing education:

On application DNV GL offers grants/compensation for professional and continuing education according to the guidelines in OP-DK8-27.

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**Referring to negotiations issue number 7. "Pension and insurance schemes" the following applies:**

Applicable schemes are described in DNV's Operating Procedures. The schemes are long-term by nature and thus are not subject to current negotiations related to the present collective agreement.

If at a given moment it becomes necessary, for example for external reasons, to modify the pension and insurance schemes they become the subject to negotiations.

Contrary to other agreements that are concerned by this collective agreement an eventual termination of the collective agreement will not affect any applicable pension or insurance scheme.

Pension contribution amounts to 12,1 % of basic salary and is paid by DNV GL. There is no own contribution from employees hired before March 1<sup>st</sup> 2015. For employees hired after March 1<sup>st</sup> 2015 own contribution of 3% in addition to the 12,1% applies. Pension contribution is paid from day one for all employees hired on normal local conditions.

For part-time employees the pension contribution from DNV GL amounts to 12,1 % of basic salary and in addition 12,1 % of the time exceeding the time specified in the contract up to 37 hours per week. The same applies to own contribution of 3%

It is possible for the employee himself/herself to pay more into the pension plan after approval from the pension company/pension manager.

The insurance schemes comprise the mandatory work-accident coverage, a health insurance, a full-time accident insurance as well as insurance for critical illness. Some employees are not covered by the critical illness insurance based on their own choice made in connection with the general reorganisation of the pension/insurance schemes (2007).

For pension schemes reference is made to OP-DK-08-15 (including insurance for critical illness) and for insurance schemes OP-DK-08-16.

## **Cooperation and information**

DNV GL and VEFF agree to promote cooperation between the parties. The parties are thus reciprocally responsible for information on aspects concerning work conditions and cooperation.

Meetings between the parties are scheduled when needed, and each one of the parties can freely take the initiative to such meetings. Normally a half-yearly meeting is scheduled in September as a supplement to the negotiations in February/March.

Country Chair, (in Denmark Chief Executive Officer for Det Norske Veritas, Danmark A/S), and the chairman of VEFF will consult each other on current affairs.

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As far as possible, local issues are solved between the local line manager and the local VEFF representative.

Legislation concerning hearings of employees (VEFF takes care of this function)  
European Works Council (VEFF designates representative for Denmark among the VEFF representatives elected by the employees)

## **Implementation of the collective agreement**

The present collective agreement, which is a frame-agreement, will be implemented when signed by the parties. The agreement must be signed by December 1<sup>st</sup> in order to become effective for the negotiations to take place in February/March the following year.

## **Termination**

The present collective agreement is in effect without time limit until it is terminated by one of the parties. Notice of termination must be in writing and with at least 3 months' notice before April 1<sup>st</sup>.

If notice of termination of the collective agreement is given it becomes void at the end of the notification period.

Hellerup, June 27th 2018

for **Det Norske Veritas, Danmark A/S**

for **Veritas' Funktionærforening, DK**

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**CEO Jørgen Traun**

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**Mette Bandholtz**

for **DNV GL Business Assurance Denmark A/S**

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**CEO Jesper Jakobsen Schultz**

**This collective agreement replaces the preceding collective agreement of 7-9-2015**