

SPECIAL TERMS AGREEMENT
between
Framsýn and Thingidn unions
and
The Confederation of Icelandic Employers (SA) on behalf of PCC BakkiSilicon hf.

Article 1

This Agreement applies to members of Framsýn and Thingidn unions who work in production in the PCC plant in Bakki.

Upon hiring, a written employment contract shall be made with the employee, based on this special terms agreement on wages and conditions of employment and the Collective Agreement.

Article 2

Monthly wages

Production employees

Monthly Salary for daytime work is based on pay grade 17, after 3 years in the pay scale of the Collective Agreement between SA and Framsýn. From May 1st, 2018, the guideline shall be the 5-year step.

Tradesmen

Monthly Salary for daytime work is based the rate of tradesmen with a journeyman's diploma, according to the agreement on wages and conditions of employment between SA and Thingidn, with a supplement of 10%.

Article 3

Shift work

When employees work on shifts, each shift should last 8-12 hours. The shift premium shall be in accordance with the Collective Agreement. A shift schedule shall be available for at least the next four weeks.

Explanation: Should employees work every calendar day of the year on shifts, cf. Article 20.4.4 in the agreement on wages and conditions of employment between SA and Framsýn, the average shift premium of 45% shall be applied. This average shift premium includes the surcharge for work on weekends and major public holidays. Negotiating shifts of 8-12 hours is permissible, for instance a combination of 8 and 12 hour shifts.

Overtime is paid for work in excess of 40 hours average per week. (173.33 hours average per month).

Explanation: The present shift system includes 19 shifts in a 4-week-period, a total of 168 hours. Overtime for every four weeks is therefore 8 hours or 8.67 hours per month.

Article 4

Refreshment breaks

Refreshment breaks are a total of 35 minutes per day, on 8-hour workdays / shifts and are counted as working time. If the employee works on longer shifts, or works overtime, refreshment breaks shall be equivalent to 5 minutes for each hour worked. Refreshment breaks shall be taken when it suits the operation. If an employee does not get his/her negotiated refreshment break because of a superior's request, overtime shall be paid accordingly.

Explanation: Paid refreshment breaks in shiftwork is 35-minutes in an 8-hour shift, and 55 minutes in a 12-hour shift. Daytime workers shall get paid refreshment breaks of the same length as shift workers. This applies both to weekdays and weekends.

Article 5

Meals

Employees have the option of a hot meal at noontime at cost price (as determined by the Commissioner of the Inland Revenue, which is now 507 ISK). During evening and night shifts, light meals are made available for employees at no cost.

Article 6

Protection of health and safety

All work clothes and PPT is provided for employees without a charge. Employees are obligated at all times to use the protective clothing and equipment provided.

The employees will regularly undergo periodic health reviews to confirm that s/he is fit for work without doing harm to himself/herself and others. The health review includes, among other things, a test for alcohol and drugs. The health review is conducted free of charge for the employee.

The workplace is smoke-free and drug-free. PCC will take appropriate measures to ensure that employees are not under the influence of alcohol and drugs in the workplace.

The health review is conducted by the company doctor or other authorized medical expert and the review and the processing of data will be in accordance with the Act No.77/2000 on the Protection of Privacy as regards the Processing of Personal Data.

Each shop steward shall have a locked cabinet for necessary data and access to a telephone.

Article 7

Work-related accidents

If the employee is unable to work because of an incident related to his/her executed work or s/he becomes ill for reasons that can be traced to his/her work (occupational disease), s/he shall retain regular salary for up to 12 months.

(This means the right to gross pay on account of an accident at work or an occupational disease. The stipulation guarantees the employee who becomes incapable of working because of an accident or an occupational disease a salary for up to 12 months from the accident or getting ill. This replaces in full the stipulation of the Collective Agreement on the right to wages on account of an accident at work or an occupational disease. Salary in this instance means daytime salary with the supplementary payments according to the agreement, as well as the fixed, negotiated overtime).

Article 8

Staff Meetings

In case the employer requires all employees or a specified group, for instance the employees of a shift or shifts, attend an announced staff meetings, the employees shall be paid while attending the meeting as long as the formal agenda is on. If attendance is not mandatory, the employees are not paid for attending the meeting.

The employee shall be paid a minimum of two hours in overtime for attending a meeting called by the employer, unless the meeting is held in direct relation to the beginning or the end of the employee's workday / shift. In that case, attendance is paid as if work was continuous.

Article 9

This Agreement shall enter into force on 1 February 2018. It is part of the Collective Agreements between the parties and has the same period of validity as they do. As for stipulations that are not covered in this agreement on wages and conditions of employment, the provisions of the Collective Agreement between SA and Framsókn/Thingidn apply.

This agreement is made on trial and the pertaining parties will start negotiating on its review no later than by September 2018.

Húsavík, March 19th, 2018.

On behalf of Framsýn union with reservation
cf. Act 80/1938

On behalf of SA, The Confederation of
Icelandic Employers provisionally for PCC
BakkiSilicon hf.

On behalf of Thingidn
with reservation cf. Act 80/1938

PROTOCOLS

Revision Protocol

In the beginning of September, parties to this agreement will present bargaining committees for the review of this agreement and the main emphases in discussions.

When discussions start, a working group will be set up to frame ideas on which issues shall have an impact on wage formation in the new wage system.

Vocational Training Protocol

PCC emphasises that the workplace is a learning place and that employees can constantly improve their expertise and knowledge. The company will, in collaboration with the staff representatives ensure that employees are informed about vocational training opportunities.

On the implementation of Holiday Time

Holiday entitlement shall be according to the Holiday Leave Act, and Collective Agreement stipulations .

Vested holiday rights according to collective agreements are converted to vacation hours as shown below, based on full-time job.

24 days of holiday equal 192 holiday hours (8 x 24)

25 days of holiday equal 200 holiday hours (8 x 25)

30 days of holiday equal 240 holiday hours (8 x 30)

Vacation pay regarding overtime is deposited into the employee's vacation account. This applies both to vacation pay regarding fixed overtime according to the work plan and vacation pay for occasional overtime. An employee's vacation pay is therefore daytime salary, with the shift premium in the case of shift workers, but not fixed overtime.

Declaration on Lump-sum Payment / Bonus System

PCC intends to establish a bonus system when the plant's operation has been stabilised. The bonus system will be organised in close collaboration with the employees and the unions. Until the system has been established, PCC will pay a lump-sum to the production operators and tradesmen who are employed in December or have worked for a minimum of 20 weeks in the calendar year. Employees and unions have been informed about the lump-sum payment. The lump-sum payment includes annual holiday payment and it is paid out proportionate to employment ratio and period of service in the calendar year.

Priority Protocol

The Collective Agreement between SA-Business Iceland and Framsýn and Thingidn unions stipulates that members of these unions have a priority for positions in their area. Members to this agreement iterate that these stipulations apply to hiring for positions at PCC.

PCC's Statement regarding Office Personnel

The terms for office personnel are in accordance with the collective agreement between SA-Business Iceland and LÍV (The Commercial Federation of Iceland), which Framsýn is party to.