

Collective Agreement

Between

Fettes Shipping Inc.

and

Canadian Merchant Service Guild

Begins:

01/16/2006

Terminates:

01/15/2011

09800 (04)

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INDEX

ARTICLE	PAGE
1. INTERPRETATION AND AMENDMENT.....	1
2. PURPOSE OF AGREEMENT.....	2
3. RECOGNITION.....	2
4. UNION SECURITY.....	2
5. BOARDING OF VESSELS.....	3
6. DEDUCTION OF DUES.....	4
7. HOURS OF WORK & LEAVE.....	4
8. SCHEDULED TIME OFF.....	5
9. HOLIDAYS.....	5
10. VACATION PAY.....	6
11. LEAVE OF ABSENCE.....	7
12. COMPANY BUSINESS.....	7
13. WAGES & BENEFITS.....	8
14. PAYROLL PROCEDURE.....	10
15. SICK LEAVE AND COMPASSIONATE LEAVE.....	10
16. ONTARIO HOSPITAL INSURANCE PLAN.....	11
17. MARINE DISASTER.....	11
18. SAFETY REGULATIONS.....	11
19. SENIORITY.....	11
20. OFFICER'S DUTIES.....	12
21. DISMISSAL.....	12
22. GRIEVANCE PROCEDURE.....	12
23. ARBITRATION.....	13
24. STRIKES AND LOCKOUTS.....	14
25. CLOTHING ALLOWANCE.....	15
26. MEDICAL EXAMINATION.....	15
27. HIRING SERVICES.....	16
28. SHORT PERIOD LAY-UPS.....	16
29. LEGAL DEFENSE INSURANCE.....	16
30. ESTABLISHED CUSTOMS.....	17
31. FAMILY SECURITY.....	17
32. CLAUSE PARAMOUNT.....	17
33. TRANSPORTATION IN CASE OF ACCIDENT.....	18
34. TRANSFER EXPENSES.....	18
35. TRANSPORTATION COSTS.....	18
36. NOTICES.....	19
37. SUCCESSOR RIGHTS AND OBLIGATIONS.....	20
38. DURATION OF AGREEMENT.....	20
SCHEDULE #1.....	21
SCHEDULE #2.....	22
LETTER OF UNDERSTANDING.....	23

1. ARTICLE 1. INTERPRETATION AND AMENDMENT

- 1.1. This agreement may be amended at any time by mutual agreement of the parties hereto.
- 1.2. A party proposing an amendment shall submit a written draft of the suggested amendment to each party to the agreement along with a notice in writing of the suggested time and place of a joint meeting to discuss the proposal.
- 1.3. A party proposing an amendment under the foregoing provision shall give each of the other parties at least seven (7) clear days' notice of the meeting to discuss the proposed amendment.
- 1.4. Before any amendment to this agreement becomes operative, it shall be reduced to writing, it shall state the effective date of the amended provision and it shall be executed in the same manner as this agreement.
- 1.5. In this agreement, unless the contrary intention appears,
 - a) words importing male persons include female persons and corporations;
 - b) words in the singular include the plural, and words in the plural include the singular;
 - c) reference to and numbering of divisions of this agreement shall be made **as** follows:
 - article
 - sub-article
 - paragraph
 - sub-paragraph
- 1.6. In this agreement, unless the context otherwise requires,
 - a) "Company" includes any employer or employer corporation that is signatory to this agreement
 - b) "Guild" means Canadian Merchant Service Guild
 - c) "Officer" means certified Master, Chief Engineer, Barge Engineer, all 2nd & 3rd Engineers and all Mates employed by the Company
 - d) "vessel" or "Company vessel" means a vessel owned or operated by the Company under bareboat charter

2. ARTICLE 2. PURPOSE OF AGREEMENT

- 2.1. The general purpose of this agreement is to ensure that the Company, the Guild, and the Officers employed by the Company, may have the full benefits of orderly and legal collective bargaining and to provide to the fullest extent possible, for the safety and physical welfare of the Officers, for a high standard of service and for protection of property.
- 2.2. It is recognized by this agreement to be the duty of the Company, the Guild and the Officers, to cooperate fully, individually and collectively, for the advancement of the above conditions.
- 2.3. During the life of this agreement, when in the opinion of the Guild, matters of mutual interest arise that require discussion with the Company, the Guild may make arrangements to meet with the Company. Whenever possible, the topics for discussion will be identified prior to the meeting.

3. ARTICLE 3. RECOGNITION

- 3.1. The Company recognizes the Guild as the sole bargaining agent for all Officers employed on vessels owned, operated or under bareboat charter, or otherwise effectively controlled by the Company either directly or indirectly.

4. ARTICLE 4. UNION SECURITY

- 4.1. All officers who, on the date of this agreement, are members in good standing of the Guild in accordance with its Constitution, Rules and Regulations, shall, as a condition of their continued employment, maintain their membership in the Guild for the duration of this agreement.
- 4.2. All persons hereafter becoming Officers, who are not members of the Guild, shall within thirty (30) days after being hired by the Company, acquire and maintain membership in the Guild for the duration of this agreement.
- 4.3. For the purpose of this agreement, the Guild acknowledges and agrees that membership in the Guild shall be made available and shall be permitted to be maintained by all Officers employed by the Company and covered by this agreement, subject to the same terms and conditions as are applicable to all members of the Guild.
- 4.4. The Guild agrees that membership in the Guild of an Officer shall not be denied, suspended or terminated, for any reason other than in accordance with the Constitution, Rules and Regulations, of the Guild.

- 4.5. When an Officer joins a vessel, the Company shall require the Officer to complete at once, in duplicate, as a condition of employment, a dues deduction card authorizing the automatic deduction of the Guild dues and initiation fees only. Said card to be supplied to the Company by the Guild. The Company shall forward at once to the Guild one copy of the deduction card as completed by the Officer and retain the second copy for their records.
- 4.6. An Officer is deemed to be a member in good standing of the Guild until the Guild determines that the Officer is not in good standing pursuant to the Guild's Constitution, Rules and Regulations, and until the Guild gives notice in writing to the Company that the Officer is not in good standing.
- 4.7. The Guild shall indemnify the Company, its vessels, Officers, servants and agents and hold it or any of them harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of any action taken by it, them or any of them for the purpose of complying with the foregoing provisions of this article or that arise out of or by any reason of reliance by it, them or any of them on any list or notice furnished to the Company by the Guild pursuant to the provisions of this article.

5. ARTICLE 5. BOARDING OF VESSELS

- 5.1. The Company shall issue boarding passes to authorized representatives of the Guild enabling those representatives to board Company vessels to consult with the Officers aboard in respect to Guild business.
- 5.2. The Guild shall submit to the Company the name, address and office of each authorized representative of the Guild for whom the Guild seeks a boarding pass.
- 5.3. In addition to consulting with Guild members aboard a vessel, the Guild representatives(s) may discuss with the Master any dispute or grievance, but the Guild representative(s) shall not interfere in any way with the operation of a Company vessel.
- 5.4. As a condition precedent to his receiving a boarding pass each Guild representative shall execute and deliver to the Company a general form of release absolving the Company from all liability for any injury to property, loss of life or personal injury sustained by him while boarding or while aboard a Company vessel or while in or about any property owned by or under the control of the Company.

6. ARTICLE 6. DEDUCTION OF DUES

- 6.1. The Company shall deduct from the monthly wages of each Officer in its employ covered by this Agreement, the monthly amount of dues as advised annually by the Guild in registered letter form indicating the months in which deductions are to begin and cease.
- 6.2. The Company shall also deduct, on receipt of a billing list from the Guild, initiation fees and dues owing from the wages of the Officer concerned.
- 6.3. **The** Company shall forward to the Guild, within thirty (30) days of actual deductions from **an** Officer's salary, all deductions referred to in this article, together with a statement in duplicate, setting out with respect to each Officer, the Officer's name and Social Insurance number, the amount to be credited to him, and the payroll period in respect to which the deductions were made.
- 6.4. The Guild shall indemnify the Company and hold it harmless against any and all suits, claims, demands and liabilities that arise out of the Company's compliance with the provisions of this article.

7. ARTICLE 7. HOURS OF WORK & LEAVE

- 7.1. In this agreement, "day" means a twenty-four (24) hour day commencing at 00:00 hours one day and ending at 24:00 hours of the same day.
- 7.2. Officers will work a twelve (12) hour day normally in two (2) **six** (6) hour watches, during navigation season.
- 7.3. The normal watches shall be declared as follows:
- | | |
|---------------|---------------|
| 00:00 – 06:00 | 06:00 – 12:00 |
| 12:00 – 18:00 | 18:00 – 24:00 |
- 7.4. In lieu of overtime, an amount shall be paid upon completion of season equal to ten (10) percent of the basic daily rate. Such bonuses shall be paid three times per calendar year on the 30th of June and November and at end of sailing season in December.
- 7.5. Leave Pay
- Through the duration of the Collective Agreement each Officer shall earn one (1) day of leave with pay for every two (2) days worked.
- 7.6. It will be the Officer's option whether to have leave paid out when signing off or to enjoy continuous pay when on leave.

7.7. Leave Travel Costs – all transportation costs incurred when an officer takes leave shall be paid in accordance with Article 35 – Transportation Costs.

8. ARTICLE 8. SCHEDULED TIME OFF

8.1. With fifteen (15) days of signing on Articles; the Company shall make available on board the vessel a schedule indicating each officer's work schedule for that season.

8.2. The work schedule of each officer shall normally consist of sixty (60) days on, followed by thirty (30) days off with pay at his or her regular daily rate of pay.

8.3. When an Officer has accumulated twenty-one (21) days or more of time off, upon request he shall be granted minimum twenty-one (21) days of time off. However, all such time off shall be completed before the first day of December unless otherwise mutually agreed.

8.4. If Officer does not apply for schedule time off the Company can compel the Officer to take minimum twenty-one (21) days off.

8.5. Only one Deck Officer and one Engine Room Officer will be permitted to take time off at one time and time off shall follow A Schedule of Time Off, unless otherwise mutually agreed. Between the 15th of June to 15th of September Officers will not be permitted scheduled time off for more than thirty (30) days unless otherwise mutually agreed.

8.6. The Company shall inform both the Officer and the Captain of the vessel about any planned crew changes or schedule adjustments at least seven (7) days in advance.

9. ARTICLE 9. HOLIDAYS

9.1. In this agreement, the term "holidays" includes:

- | | | |
|-------------------------|---|------------------------|
| • New Year's Day | a | First Monday in August |
| • Good Friday | • | Labour Day |
| • Easter Monday | a | Thanksgiving Day |
| • Victoria Day | a | Remembrance Day |
| • First Monday in June. | • | Christmas day |
| • Dominion, Canada Day | • | Boxing Day |

- 9.2. Where an Officer employed by the Company does not work on a holiday, he shall be paid his basic daily rate for that day. **An** Officer on leave pay will be paid time and a half in addition to leave pay rate for statutory holiday.
- 9.3. Where an Officer employed by the Company is required to work on holiday or on any part thereof, he shall be paid time and a half in addition to the pay he would normally receive for that day.
- 9.4. When any of the above holidays fall on a Saturday, it shall be observed on the proceeding Friday, and if the holiday falls on a Sunday, it will be observed on the following Monday
- 9.5. An Officer shall qualify for this Holiday allowance if he is not at work due to accident, sickness, who had been laid off providing such Officer, after lay off, returns to work within fourteen (14) days after the date the holiday is observed

10. ARTICLE 10. VACATION PAY

- 10.1. Upon signing of the collective agreement, an Officer having completed less than three (3) full seasons of service will be credited with four percent (4%) of his basic daily rate wages when on board.
- 10.2. An Officer having completed three (3) and less than six (6) full seasons of service will be credited with five (5%) of his total wages when on board.
- 10.3. An Officer having completed six (6) and less than nine (9) full seasons of service will be credited with six percent (6%) of his total wages when on board.
- 10.4. An Officer having completed nine (9) and less than twelve (12) full seasons of service will be credited with seven percent (7%) of his total wages when on board.
- 10.5. An Officer having completed twelve (12) or more seasons of service will be credited with eight percent (8%) of his total wages when on board.
- 10.6. Vacation pay shall be paid out at each pay period at the applicable percentage as agreed in this article.

11. ARTICLE 11. LEAVE OF ABSENCE

- 11.1. If an Officer has obtained the prior approval of the Company, and if a satisfactory replacement is found or some other satisfactory arrangement is made, **an** Officer may receive a leave **of** absence from his employment without pay, without loss of seniority or any other rights acquired by him under the provisions of this agreement.
- 11.2. In the event an Officer is elected or appointed to work in an official capacity for the Guild, and
- a) If the Officer requests from the Company a leave of absence in writing, and
 - b) If the Guild approves the Officer's request,
- the Company shall grant the Officer a leave of absence without pay of not more than three (3) years to work in that capacity. If the Company consents, the leave of absence may be extended.
- 11.3. In the event an Officer has been elected or appointed to attend a Guild convention or to carry out other business of the Guild, and if the Officer gives fifteen (15) clear days notice to the Company, and if a satisfactory replacement **is** found, the Company shall for this purpose grant leave of absence without pay to the Officer.
- 11.4. Any employee desiring leave of absence for any reason other than those set out above must obtain the prior approval in writing from the Company. The approval **of** such leave shall be at the complete discretion of the Company and, if approved, shall be under the same conditions as sub-article #11.1, a copy of such leave to be forwarded to the Guild.

12. ARTICLE 12. COMPANY BUSINESS

- 12.1. Where for any reason an Officer is required to be absent from his employment in order to attend to Company business, and, without limiting the generality of the foregoing, where an Officer is required by the Company to attend at:
- a) any inquiry concerning the Company or its vessels at any enquiry pursuant to the Canada Shipping Act or any other statute,
 - b) any court hearing, or

- c) any hearing before a Labour Relations board, a Conciliation Board or any administrative tribunal,

the Company shall pay to the Officer his regular pay, and family welfare and Pension contributions for the period when he is so absent.

12.2. In addition to paying an Officer's regular pay while he is absent from his regular employment on Company business, the Company shall pay or reimburse him for all expenses incurred by him for the purpose of carrying out the Company's business upon production by the Officer of acceptable receipts or vouchers as evidence of those expenses.

12.3. No officer will be absent from Company business without written permission.

13. ARTICLE 13. WAGES & BENEFITS

13.1. Paydays are designated as the 15th and 30th or 31st of each month.
The basic daily rates for the duration of this agreement are as follows:

Effective January 16th, 2006 (rates inclusive of 2.0% wage adjustment for 2006)

- Year 2006 – 2.0% increase
- Master \$ 257.62
- Chief Eng. \$ 237.72
- 1st Mate/2nd Eng \$ 226.00
- 2nd Mate/3rd Eng \$ 204.92

Effective January 16th, 2007 (rates inclusive of 2.5% wage adjustment for 2007)

- Year 2007 – 2.5% increase
- Master \$ 264.06
- Chief Eng. \$ 243.66
- 1st Mate/2nd Eng \$ 231.65
- 2nd Mate/3rd Eng \$ 210.05

Effective January 16th, 2008 (rates inclusive of 2.5% wage adjustment for 2008)

- Year 2008 – 2.5% increase

- Master \$ 270.66
- Chief Eng. \$ 249.75
- 1st Mate/2nd Eng \$ 237.44
- 2nd Mate/3rd Eng \$ 215.30

Effective January 16th, 2009 (rates inclusive of 2.5% wage adjustment for 2009)

- Year 2009 – 2.5% increase

- Master \$ 277.42
- Chief Eng. \$ 255.99
- 1st Mate/2nd Eng \$ 243.38
- 2nd Mate/3rd Eng \$ 220.68

Effective January 16th, 2010 (rates inclusive of 2.5% wage adjustment for 2010)

- Year 2010 – 2.5% increase

- Master \$ 284.36
- Chief Eng. \$ 262.39
- 1st Mate/2nd Eng \$ 249.46
- 2nd Mate/3rd Eng \$ 226.20

13.2. For any Officer working during normal operational season, except any Officer on probation time (90 days), the Company shall pay (contribute) into an RRSP account on behalf of each officer, in addition to his regular pay. Contribution, which will be calculated as a percentage of the Officer's basic daily rate on the base of twelve (12) hours of each day worked. Company contributions into RRSP during this Agreement shall be as follows:

- Year 2006 – 3.0%
- Year 2007 – 4.0%
- Year 2008 – 4.5%
- Year 2009 – 5.0%
- Year 2010 – 5.5%

13.3. Effective on date of ratification, Engineers performing cargo equipment inspection after each cargo discharge shall be entitled to equally share a bonus of:

- Year 2006 - \$150.00
- Year 2007 - \$160.00
- Year 2008 - \$170.00
- Year 2009 - \$180.00
- Year 2010 - \$190.00

14. ARTICLE 14. PAYROLL PROCEDURE

- 14.1. Officers shall be paid twice per month, being the 15th and 31st by 12:00 hours of that day.
- 14.2. Interim advances will be made only in instances of evident emergency. Should a holiday occur on a Friday, pay day payment will be made on Thursday of that week.
- 14.3. A Time and Earnings Statement will be provided to each employee for each pay period. This statement will carry complete detail of rates of pay, time worked, monthly earnings and deductions and the period covered.

15. ARTICLE 15. SICK LEAVE AND COMPASSIONATE LEAVE

- 15.1. An Officer may be entitled to receive from the Company a reasonable leave of absence from his employment without pay in the event of either illness or injury to himself or a member of his immediate family, that is his wife, brother, sister, children, parents and parents-in-law, and no such leave shall be unreasonably withheld.
- 15.2. Officers who have served with the Company for one (1) year or more, will be granted compassionate leave when a death occurs to a member of their immediate family, that is an Officer's father, mother, wife, child, grandchild, sister, brother or parents-in-law. The Officer granted leave to attend the funeral will be paid at his daily rate for the time lost up to a maximum of seven (7) days. Claims for compassionate leave pay must be submitted by the Officer in writing to the Company along with proof of bereavement in the Officer's immediate family.

16. ARTICLE 16. ONTARIO HOSPITAL INSURANCE PLAN

- 16.1. The Company agrees to pay one hundred per cent (100%) of O.H.I.P. on behalf of their Officers, if applicable. Excluding Ontario Health Premium.

17. ARTICLE 17. MARINE DISASTER

- 17.1. An Officer who, while employed by the Company, suffers loss of clothing or other personal effects of any kind because of marine disaster or shipwreck, shall be compensated by the Company for such loss up to a maximum of six thousand dollars (\$6,000.00).
- 17.2. An Officer or his estate-making claim under this article shall submit reasonable proof to the Company of the actual loss he suffered.
- 17.3. Any dispute between an Officer and a Company with respect to a claim made under sub-article 1 shall be subject to the grievance and arbitration procedures set forth in this agreement.

18. ARTICLE 18. SAFETY REGULATIONS

- 18.1. All safety regulations for the safety of the vessel, the crew or passengers;
- a) which the Company now has in force;
 - b) which the Company may bring into force during the term of this agreement;
 - c) which are promulgated by the Department of Transport;

shall, after they have been brought to the attention of the Officers, be strictly adhered to by each Officer.

19. ARTICLE 19. SENIORITY

- 19.1. In case of promotion, demotion, transfer, lay-off and recall after lay-off, the most senior Officer with the sufficient qualifications shall be entitled to preference.
- 19.2. For the purpose of this Article, seniority shall be understood to commence at the date of employment with the Company.
- 19.3. In the case of a vacancy, it is agreed that the Company will give members of the Canadian Merchant Service Guild first consideration in filling such a vacancy, providing that the person has the proper qualifications set by the Company.

19.4. Employment of any new employee shall be considered as probationary until he has worked ninety (90) days within a six (6) month period. Thereafter, sub-article 1 shall apply and the employee shall be credited with ninety (90) days of accrued seniority. In the event an Officer is dismissed for cause or voluntarily quits during the probationary period the Officer may be subject to reimbursing the Company any pre-paid air travel costs when joining the vessel in the first instance.

20. ARTICLE 20. OFFICER'S DUTIES

20.1. An Officer shall not be required to perform any duties usually assigned to unlicensed crewmembers.

21. ARTICLE 21. DISMISSAL

No Officer shall be dismissed from employment with the Company except for just cause.

A Company dismissing an Officer shall give the Officer notice in writing of his dismissal at time of his discharge.

In the event an Officer submits to the Company a written request for a statement of the reasons for his dismissal, the Company shall deliver to him within seven (7) clear days from the receipt of his written request a full statement, in writing, setting out the reasons for his dismissal.

A dismissal of an Officer shall be subject to the grievance and arbitration procedures set forth in this agreement, and in the event the issue does proceed to arbitration, the Arbitration Board may make an order:

- a) to uphold the dismissal;
- b) to reinstate the Officer with compensation from the Company; or
- c) to deal with the issue in any other manner that the Arbitration Board may deem just and equitable.

22. ARTICLE 22. GRIEVANCE PROCEDURE

22.1. In the event a grievance arises on a vessel of the Company as to the interpretation or application of or compliance with the provisions of this agreement, including

without limiting the generality of the foregoing, a grievance in respect of wages, hours of work, or conditions of employment of any Officer, there shall be no interruption or impeding of work, and the parties shall endeavor to settle the grievance in the following manner:

a) STEP ONE

An Officer who believes he has a grievance must discuss that grievance with the Manager, and if no satisfactory solution is achieved, he must submit that grievance in writing to the Manager of the vessel within five **(5)** days of its alleged occurrence. The Manager must reply to the written grievance within five **(5)** days of receipt.

b) STEP TWO

If no settlement is reached in Step One, the Guild representative acting on the Officer's behalf must, within fourteen **(14)** days from the date the Manager replied under Step One, meet with a Company representative in order to discuss the grievance, and if possible, to achieve a settlement. The Company representative shall render his decision in writing.

c) STEP THREE

If no settlement is reached in Step Two, either party must indicate its intention to proceed to arbitration by notifying the other party by registered mail with seven **(7)** days of receipt of the decision in Step Two.

23. ARTICLE 23. ARBITRATION

- 23.1. In the event any difference arising between the Company and the Guild as to the interpretation, alleged violation or application of or compliance with this or as to any grievance or dispute arising out of the operation of article of this agreement the difference may be submitted to arbitration pursuant to the terms **of** this section.
- 23.2. Arbitration of any difference arising under sub-article shall be submitted to a single arbitrator jointly selected by the Union and the Company. This selection shall be made within ten (10) days after the request for arbitration has been made by either party to this agreement. In the event that the parties fail within the said ten (10) day period to agree upon the selection of an arbitrator, an Arbitration Board shall be formed consisting of three **(3)** members; the Company and the Union each selecting one (1) man and these two shall select a third party who shall act as a chairman. Either party shall appoint its nominee not later than five (5) days after receipt of written notice of the other party's nomination. In the event of a failure of the two **(2)** men selected by the respective parties to select a

third party as provided above, they shall ask the Minister of Labour for Canada to select and designate the third party.

- 23.3. In the event the selected arbitrator is unable to serve by reason of death, incapacity or resignation, or for other reason, his replacement shall be appointed in the same manner as is provided herein for the appointment of the first arbitrator.
- 23.4. A statement of the dispute or question to be arbitrated shall be submitted by the grieving party to the arbitrator within five (5) days of his appointment. The arbitrator shall convene the parties within (10) days following his appointment unless a delay is agreed to by the parties, and the arbitrator shall render his decision as soon thereafter as possible.
- 23.5. The decision of the arbitrator shall be limited to the dispute or question contained in the statement or statements submitted to him. The decision of the arbitrator shall not change, add to, vary or disregard any conditions of this agreement. The decisions of the arbitrator which are made under the authority of this Arbitration Article shall be final and binding upon the Company, the Guild and all persons concerned.
- 23.6. Each party to this agreement shall pay all expenses; fees and costs, of the members of the Arbitration Board selected by it or by the Minister of Labour and shall share equally in the expenses, fees and costs, of the third member of the Board.

24. ARTICLE 24. STRIKES AND LOCKOUTS

- 24.1. The Guild and the Company declare it to be their common intention that all controversies shall be resolved amicably in accordance with the provisions of this agreement, and to this end
- a) the Guild agrees that there shall be no strikes, slowdowns or stoppages of work for any cause, and
 - b) the Company agrees that there shall be no lockouts for any cause during the term of this agreement.
- 24.2. It is agreed for the purpose of this agreement that the refusal of a member to pass through a lawful picket line shall not be construed as a violation of this agreement and shall not be a reason for dismissal.

- 24.3. There shall be no discrimination, interference, restraint or coercion by the Company against any employee because of membership in the Guild or because of any lawful action taken by any member under the terms of this agreement.
- 24.4. The Guild agrees not to intimidate or coerce or threaten employees in any manner that will interfere or hinder the effective carrying out of this agreement.

25. ARTICLE 25. CLOTHING ALLOWANCE

25.1. Following three (3) months of employment, the Company agrees to provide the following for their Officers:

- a) Deck Officers
- Two (2) pair of coveralls per year.
 - One (1) hard hat as required.
 - Up to Two Hundred and ten Dollars (~~\$~~210.00) for 2006 season to go towards safety footwear and insulated weather gear. (Amount to be increased by \$10.00 per year). Only CSA approved footwear shall be acceptable under the regulation. Payment is conditional on the presentation of a valid receipt.
 - Sufficient supply of rubber boots, rain gear and proper work gloves, which are to be left on board.
- b) Engineering Officers
- Three (3) pair of coveralls per year
 - One (1) hard hat as required
 - Up to Two Hundred and ten Dollars (~~2~~10.00) for 2006 season to *go* towards safety footwear and insulated weather gear. (Amount to be increased by \$10.00 per year). Only CSA approved footwear shall be acceptable under the regulation. Payment is conditional on the presentation of a valid receipt.
 - Sufficient supply of rubber boots, rain gear and proper work gloves, which are to be left on board.

26. ARTICLE 26. MEDICAL EXAMINATION

26.1. An Officer's right to employment with the Company shall be conditional upon the Officer being physically fit to perform his duties and in possession of a Valid Medical Fitness Card for the current season.

- 26.2. In order to determine whether an Officer is physically fit to perform his duties a Company may, upon giving reasonable notice to the Officer and upon agreeing to assume all costs of the examination, require an Officer to be medically examined by a doctor mutually agreeable to the Officer and the Company.
- 26.3. When an Officer is employed for the first time by the Company, the Company may require the Officer to be medically examined by a doctor selected by the Company.

27. ARTICLE 27. HIRING SERVICES

- 27.1. Effective the Start of the 2006 season, the Company agrees to pay to the Canadian Merchant Service Guild Hiring Services Fee per payroll day per position aboard the vessel and to be remitted to the C.M.S.G., 36 Wright Street, Unit #1, St. Catharines, Ontario L2P 3J4, not later than the fifteenth (15) of the following month.
- 27.2. This amount will be:
- Two Dollars Thirty cents (\$2.30) for 2006
 - Two Dollars Thirty cents (\$2.30) for 2007
 - Two Dollars Thirty-five cents (\$2.30) for 2008
 - Two Dollars Thirty-five cents (\$2.35) for 2009
 - Two Dollars Forty cents (\$2.35) for 2010

28. ARTICLE 28. SHORT PERIOD LAY-UPS

- 28.1. When vessels are laid up for refit or other purposes for periods of six (6) days or less, officers will suffer no loss of pay, benefits or lay day accumulations. Officers will not be laid off during such six (6) day periods.

29. ARTICLE 29. LEGAL DEFENSE INSURANCE

- 29.1. Legal Defense Insurance for Officers covered by this agreement shall be provided in the following manner:

- a) The Guild shall provide legal defense insurance which shall be paid for by the Company at the rate **of:**
- \$1.50 per day per position effective March 2006
 - \$1.50 per day per position effective March 2007
 - \$1.50 per day per position effective March 2008
 - \$1.55 per day per position effective March 2009
 - \$1.55 per day per position effective March 2010
- b) The Company agrees to send the aggregate of the contributions for each month to the Canadian Merchant Service Guild, 36 Wright Street, Unit #1, St. Catharines, Ontario L2P 3J4, on or before the 15th of the following month.
- c) The contributions shall be accompanied by a list in duplicate showing each Officer's name, the number of days for which contributions are being made and the number of positions **on** each vessel, whether such positions are filled or vacant.
- d) In the article "Officer" means Officers who are members in good standing of the Canadian Merchant Service Guild.

30. ARTICLE 30. ESTABLISHED CUSTOMS

- 30.1. Any right or privileges enjoyed by an Officer, **as** a matter of custom prior to the date of this agreement shall not be altered and no change **of** these customary rights and privileges shall be put into effect unless mutually agreed to by the Company and the **Guild**.

31. ARTICLE 31. FAMILY SECURITY

- 31.1. The company agrees to provide Family Security Plan Benefits Short Term Disability Plan as outlined in the appended Schedule 1 & 2 and detailed in the Employee Benefit Plan and further agrees that all premiums costs will be borne by the company.

32. ARTICLE 32. CLAUSE PARAMOUNT

- 32.1. Nothing in this agreement shall be construed in a manner;

- a) that conflicts in any way with the obligations of the Guild, the Company, or **an** Officer as determined by the provisions of the Canada Shipping Act or any other statute or regulation, or,
- b) that tends in any way to impair the lawful authority of the Master.

33. ARTICLE 33. TRANSPORTATION IN CASE OF ACCIDENT

- 33.1. The Company shall reimburse to an Officer following a work accident, all transportation expenses from his place of work to the nearest hospital or clinic. On the doctor's recommendation, the Company shall reimburse transportation expenses from his place of work, from the hospital or clinic to his place of residence in Canada.

34. ARTICLE 34. TRANSFER EXPENSES

- 34.1. The Company shall pay an Officer all expenses incurred by him in transferring from any vessel of Fettes Shipping Inc. to any vessel of Great Lakes **and** International Towing and Salvage Company Inc. upon production by the Officer of acceptable receipts or vouchers **as** evidence of those expenses. These costs include first class rail passage, economy airfare, taxi or two way car allowance. Effective January 1, 2006 the car allowance will be forty cents (\$0.40) per kilometer.
- 34.2. In the event that an Officer is transferred by one Company from one vessel to another vessel of the other Company, the Company shall continue to pay the officer his regular pay, pension contribution and family welfare plan contributions in addition to reasonable expenses during the time necessary to enable him to make his transfer.
- 34.3. An Officer shall have the right to refuse any transfer.

35. ARTICLE 35. TRANSPORTATION COSTS

- 35.1. Officers, when traveling to or from their vessels, shall be paid reasonable transportation costs upon rendering receipts in addition to their regular daily wage and leave pay.
- 35.2. In the event that an officer is unable to travel between his home and the location of the vessel within the date the crew change takes place, he shall be paid for any

additional days at the basic daily rate; if delays in travel are due to the Company's control then leave shall accrue.

- 35.3. Reimbursement for transportation expenses shall be made no later than seven (7) days after the receipts have been submitted to the Company.
- 35.4. Where an officer is required to use their own automobile and where no air travel is applicable, the rate of forty cents (**\$0.40**) per kilometer shall be paid.
- 35.5.** When air travel is being provided, ground transportation to and from the vessel will be provided or reimbursed at cost. Officers will arrange their own transportation required from their home and from departure/arrival at the airport. The Company shall pay each Officer kilometer allowance of forty (40) cents per kilometer (**\$0.40** per km) as a transportation allowance under this clause up to maximum of three hundred (300) kilometers.
- 35.6. In the event an Officer resigns it is understood it will be the officer's responsibility to arrange and pay for his transportation home.

36. ARTICLE 36. NOTICES

- 36.1. Any notice required to be given to the Guild pursuant to this agreement shall be delivered to the Office of the Guild, at 36 Wright Street, Unit #1, St. Catharines, Ontario L2P 3J4, or at any other address which the Guild **may** designate and which the Guild shall notify the Company in writing.
- 36.2. Any notice required to be given to the Company pursuant to this agreement shall be delivered to the Head Office of the Company.
- 36.3. Termination – Where an Officer terminates his employment with the Company, he shall provide the office with a minimum of seventy-two (72) hours written notice. Such notice shall be in writing and in duplicate so that the officer can retain a signed copy from the office. In any event, the officer must wait until he is properly relieved, in a Canadian Port, before leaving the vessel. The seventy-two (72) hour notice shall be waived at the officer's request, where there has been a death or other emergency in the immediate family of the officer.
- 36.4. If an Officer is deemed unsafe aboard the vessel due to the influence of alcohol or drugs, he will be subject to automatic dismissal.

37. ARTICLE 37. SUCCESSOR RIGHTS AND OBLIGATIONS

37.1. The Company agrees not to lease or charter any vessel which it has sold and which ~~was~~ previously manned by employees subject to the present collective agreement unless:

- a) prior to the sale, the purchase agreed in writing to recognize the Guild as the exclusive bargaining agent for the Officers aboard the said vessel and to apply the terms of the present collective agreement, or
- b) the vessel is leased or chartered without Officers, or the parties agree to otherwise.

38. ARTICLE 38. DURATION OF AGREEMENT

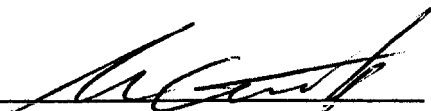
- a) This agreement shall remain in force from January 16, 2006 to January 15, 2011, and shall, without further act of the parties be renewed from year to year thereafter, unless written notice of desire to amend, modify or cancel any term hereof is given by either party to the other, not later than ninety (90) days prior to January 15th in the year the contract expiry date of the agreement.

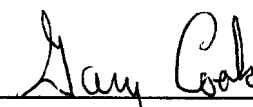
Contract agreed on the 16 day of May 2006 in

St. Catharines in the Province of Ontario.

On behalf of
FETTES SHIPPING INC.

On behalf of
THE CANADIAN MERCHANT
SERVICE GUILD


Mirek Gassowski - President


Gary Cook - Labour Relations Officer

SCHEDULE #1

Medical Schedule as per Coughlin & Associates Ltd

Family Security Plan

January 16, 2006 until January 15, 2011

- | | | |
|----|-------------------|---|
| 1. | Life Insurance | \$20,000 |
| 2. | Extra Health Care | \$0 deductible
90% co-insure
Unlimited for semi-private room |
| 3. | Eye glasses | \$150.00 frames
\$125 Contact lenses
100% lenses, unlimited, providing there has been a
change in prescription
\$0 deductible |
| 4. | Dental | \$1,500 per year
90%
90%
Coverage is based on the suggested fees in the
Previous year by Dental Association Fee Schedule
for General Practitioners in province of residence. |

SCHEDULE #2

Disability Program as per Coughlin & Associates Ltd

January 16, 2006 until January 15, 2011

- | | | |
|----|---|--|
| 1. | Weekly Indemnity
Short Disability
Program | \$500.00 per week for maximum 52 weeks
including EI. Starts in Year 2006. |
|----|---|--|

LETTER OF UNDERSTANDING

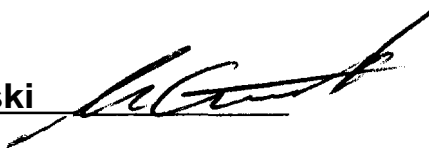
This will confirm the understanding of the parties reached during 2006 contract renewal negotiations.

1. The Employer and the Union reviewed Article 7 of the predecessor collective agreement in the context of the provisions of the *Canada Labour Code* and Regulations and in particular the *East Cost and Great Lakes Shipping Employees Hours of Work Regulations, 1985*. The Employer and the Union agree that the provisions of Article 7 of the Collective Agreement provide the employees in the bargaining unit with more favourable rights and benefits in respect of overtime pay (and leave) than the *Canada Labour Code*, its regulations (including the *East Coast and Great Lakes Shipping Employees Hours of Work Regulations, 1985*) (collectively, the “Code”).
2. This letter shall be attached to and form part of the collective agreement.

AGREED TO at the City of **Burlington**, Ontario, this **06** day of March, 2006.

Mirek Gassowski

For the Employer



Gary Cook

For the Union

