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**MEMORANDUM OF
AGREEMENT**

BETWEEN

OCEANEX (1997) INC.
(Hereinafter referred to as "the Company")

AND

**INTERNATIONAL LONGSHOREMEN
ASSOCIATION (LOCAL 2054)**
(Hereinafter referred to as "the Union")

CORNER Brook - New Foundland.

09934(03)

MEMORANDUM OF AGREEMENT

BETWEEN

OCEANEX (1997) INC.

(Hereinafter referred to as “the Company”)

AND

**INTERNATIONAL LONGSHOREMEN
ASSOCIATION (LOCAL 2054)**

(Hereinafter referred to as “the Union”)

PREAMBLE

The general purpose of this Agreement is to secure for the Company, the Union and the Employees, the full benefits of orderly and legal collective bargaining and to ensure to the utmost extent possible the safety and physical welfare of the Employees, economy of operation, standard of service and protection of property. It is recognized by this Agreement to be the duty of the Company, the Union and the Employees to cooperate fully, individually and collectively, for the advancement of said conditions.

ARTICLE 1 – RECOGNITION

1.01 The Company recognizes the Union as the exclusive bargaining agent for all of its employees involved in longshoring and stevedoring work on the ships and docks in Comer Brook, Nfld., but excluding the manager, office staff, mechanics, and supervisor.

ARTICLE 2 – MANAGEMENT RIGHTS

2.01 The Company has the exclusive right to direct employees, determine qualifications, hire, promote, lay-off, suspend or discharge employees for cause.

ARTICLE 3 – NO STRIKES OR LOCKOUTS

3.01 There will be no strikes, lockouts, slowdowns or other interruptions of operations as long as this Agreement is in effect. Any action, by employees, in contravention of the above will result in immediate discharge.

ARTICLE 4 – MAINTENANCE OF MEMBERSHIP AND EMPLOYMENT

- 4.01a. The Company agrees that members of Local 2054 I.L.A. will be assigned to all work covered by this agreement, except that when the number of Union Members are insufficient, the Company may obtain labour from any available source to accommodate the temporary vacancy or vacancies.
- 4.01b. A casual employee who is covered by this agreement, who is not a member of the Union, after having worked at least Three Hundred (300) hours within a three (3) consecutive month period with the employer make application for membership in the Union.

If the Union refuses to accept such employee into membership, satisfactory written statement of reason must be supplied by the Union to the Company.

- 4.02 On the first weekly pay period of each month, the Company will deduct monthly Union dues in respect to all employees covered by this Agreement in the amounts as established by the Union.

Such amounts shall be remitted to the Union no later than the 15th day of the month following the deduction.

- 4.03 The Company shall not be responsible for fees or dues of an employee unless there are sufficient unpaid wages of that employee in the Company's hands.
- 4.04 The right of any employee to employment with the Company shall be conditional upon the employee being medically fit to perform his duties and the company may, at any time, cause the employee to be medically examined at the Company's expense.

ARTICLE 5 – GRIEVANCE PROCEDURE

- 5.01 An employee who is discharged, suspended, or laid off from his employment has the right and, should he wish to grieve, must file a grievance immediately to the Union within five (5) days of its occurrence subject to the procedure outlined herein.
- 5.02 Prior to initiating a grievance, an employee who believes he has cause for grievance must discuss this matter with his Supervisor.

- 5.03 Should the employee still have a grievance while working on the job, he must present his grievance in writing to the Supervisor with a copy to the Union Delegate within two (2) days of its alleged occurrence.
- 5.04 Upon request of the grieving employee, the Union Delegate shall assist in the grievance procedure. He shall not be subject to discipline for assisting the griever in the grievance procedure, provided such assistance does not interfere with the operations on the dock.
- 5.05 The Supervisor shall acknowledge receipt of the grievance in writing and shall provide the employee with a written response within two (2) days of receipt of the grievance.
- 5.06 If settlement is not achieved upon receipt by the griever of the Supervisor's reply, the griever shall immediately submit the grievance directly to the Union.
- 5.07 Within fourteen (14) days of the Supervisor's reply, the Union shall submit the written grievance to the Company.
- 5.08 Within fourteen (14) days of the date the grievance is received by the Company, the Managing Director shall respond in writing to the grievance.
- 5.09 The Union shall also have the right to submit a grievance in writing to the Company on behalf of all the employees in the bargaining unit or a group or category thereof within fourteen (14) days of the occurrence-giving rise to the grievance. In both these instances above, the Company shall reply to the grievance as per clause 5.08 above.
- 5.10 A labour-management meeting shall be held between the Company and the Union prior to a grievance being referred to arbitration.
- 5.11 If the grievance is not settled at the meeting referred to in clause 5.10 of this article, the grievance must be referred to arbitration within ten (10) days thereafter.

ARTICLE 6 – ARBITRATION

- 6.01 Any grievance involving the interpretation or alleged violation of any provisions of this Agreement which has not been settled to the satisfaction of the Company and the Union by conference or negotiation, may be submitted to arbitration.
- 6.02 The Union and the Company from a predetermined panel will jointly select the arbitrator. The selection shall be made within ten (10) days after either party of this agreement has made the request for arbitration. In the event that the parties

fail within the said ten (10) day period to agree upon the selection of an arbitrator, the matter may be referred, by either party, to the Minister of Labour for Canada, who shall select and designate the arbitrator. (The panel referred to shall be those arbitrators who are currently recognized as such at ratification of this collective agreement.)

- 6.03 A statement of the dispute or question to be arbitrated shall be submitted by both parties to the arbitrator with fifteen (15) days of his appointment. The Arbitrator shall convene a meeting with the parties within twenty (20) days following his appointment unless otherwise agreed by the parties, and shall render his decision as soon thereafter as possible.
- 6.04 The decision of the Arbitrator shall be limited to the dispute or question contained in the statement or statements submitted to it by the parties. 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, and the Union and all persons concerned.
- 6.05 The expenses, fees and Costs of the Arbitrator shall be borne equally by the parties to this Agreement.

ARTICLE 7 – UNION BUSINESS

- 7.01 One evening in the third week of each month shall be free of any work in order that Union meetings can be held. The day to be agreed upon locally and shall not interfere with the operations of the dock.

ARTICLE 8 – SENIORITY AND PROMOTIONS

changed May 1st - 2007

- 8.01 Seniority list to commence from January 1, ~~1985~~. *1983*
- 8.02 A seniority list will be compiled by the Company and will be revised annually. Such list will show names, positions and date of last entry into service in positions covered by this Agreement.
- 8.03 A copy of this seniority list shall be forwarded to the Union, and shall also be posted on each job site for all to see, annually, no more than fifteen (15) days after it is compiled. Any question on the revised list shall be brought to the attention of the Company within fifteen (15) days of posting, failing which, the list will be considered accurate and final.

- 8.04 In promotions, demotions, lay-offs and rehire, skill efficiency and ability must be the controlling factors. Those being relatively equal, seniority will prevail.
- 8.05 An employee will retain his seniority and the right to be recalled for a period of twelve (12) months after his last date worked, provided he reports to the Company when recalled. An employee who is given reasonable notice and fails to report for work upon recall is subject to discharge from service.
- 8.06 The seniority list for stevedores at the time of signing the present Agreement will govern. (Referred to in Schedule A)
- 8.07 An employee shall have his name removed from the seniority list for the following reasons:
- (a) He/she voluntarily leaves the Company.
 - (b) He/she is discharged for cause.
 - (c) He/she absents himself from work without valid reason or notice for more than seven (7) call outs.
 - (d) He/she reaches the mandatory retirement age of 65 years.**
- 8.08 Within thirty (30) days of an employees sixty-fifth (65) birthday the employee will be required to retire.**

ARTICLE 9 – VACATION

- 9.01 All employees will be entitled to vacation pay as follows:

Up to and including 5 years service

- 4% of gross earnings

6 to 10 years service inclusive

- 6% of gross earnings

More than 10 years of service

- 8% of gross earnings

More than 20 years of service

- 9% of gross earnings beginning in 2003 -

More than 20 years of service

- 10% of gross earnings beginning in 2004

- 9.02 Vacation pay shall be paid out on each pay cheque.

ARTICLE 10 – STATUTORY HOLIDAYS

10.01 Statutory Holidays will be paid on the basis of eight (8) hours straight pay times the classification of the employee.

Stevedore/Yardman
Equipment Operator
Foreman & Stand-by
Casual Help

10.02 The following Statutory Holidays will be observed. The Holiday pay will be entitled to all regular employees listed on the seniority list (Schedule A) with a maximum of seventeen (17) employees.

New Years Day	Labour Day
Good Friday	Thanksgiving Day
Canada Day	Remembrance Day
Orangeman's Day	Christmas Day
Victoria Day	Boxing Day
Discovery Day	Carnival Day beginning 2005

10.03 All holidays proclaimed by the Federal Government will be observed on the date proclaimed by the Federal Government. Provincial Holidays – Boxing Day and Discovery Day will be observed on the days proclaimed by the Provincial Government. In the event that a Provincial Declared Holiday falls on the same day as any Federal Proclaimed Holiday, the Provincial Holiday will be observed the first regular working day after. Accordingly, in the event that a Holiday falls on a Sunday the day substituted by the Federal Government in the first part shall be observed and the day substituted by the Provincial Government in the second part shall be observed. Double time shall be paid for all work performed on the above holidays.

This Letter of Understanding executed this 22st day of June, 2007

BETWEEN:

Oceanex Inc.
(the "Company")

- and -

International Longshoremen Association, Local 2054
(the "Union")

Purpose

1. The purpose of this Letter of Understanding is to extend the Memorandum of Agreement (the "Agreement") between the Company and the Union dated May 18, 2000 with the amendments described in this Letter of Understanding, such that the Agreement is subject only to the modifications described herein.

2. It is therefore understood that the Agreement shall remain in full force and effect until April 30, 2010 and will renew automatically from year to year thereafter unless either party shall serve written notice sixty (60) days prior to the expiration of any year of a desire to amend or terminate.

Seniority

3. The Seniority List shall commence from January 1, 1983. (Replaces Article 8.01)

Wages

4. The existing Schedule of Wages (Article 11) shall be amended as follows:

	<u>May 1, 2007</u>	<u>May 1, 2008</u>	<u>May 1, 2009 ..</u>
Stevedore/Yardman	\$20.99	\$21.49	\$21.99
Equipment Operator	\$21.50	\$22.00	\$22.50
Foremen & Stand-by	\$22.43	\$22.93	\$23.43 ^{mt}
Casual Help	\$12.70	\$12.70	\$12.70

	<u>May 1, 2007</u>	<u>May 1, 2008</u>	<u>May 1, 2009</u>
Automobiles	\$0.68	\$0.70	\$0.72
Trailers	\$3.34	\$3.41	\$3.48

ARTICLE 11 – SCHEDULE OF WAGES

	+ 9 %	+ 10 %	+ 10 %	+ 10 %
	May 1 st 2003	May 1st 2004	May 1st 2005	May 1st 2006
Stevedore/Yardman	19.03	19.51	19.99	20.49
Equipment Operator	19.50	19.99	20.49	21.00
Foreman & Stand-by	20.36	20.87	21.39	21.93
Casual Help	12.70	12.70	12.70	12.70

11.01 Equipment Operator includes Crane, Top lift, Shunt Tractor Operators and Winchmen but does not include Forklift Operators. The Equipment Operator's rate of pay will be paid to persons who are hired as such at each call out period.

	May 1st 2003	May 1st 2004	May 1st 2005	May 1st 2006
Automobiles	0.61	.63	.64	.66
Trailers	3.04	3.12	3.19	3.27

11.02 Payment will be made to each stevedore on basis of total volume handled both inward and outward. For greater certainly containers loaded on trailers will be considered two (2) units except when the same is a non-revenue move for the Company (i.e. return of empty containers). The rate is inclusive of all overtime.

ARTICLE 12 – HOURS OF WORK AND OVERTIME

12.01 The regular, straight-time rate of pay shall be paid for all hours worked between 8:00 a.m. and 5:00 p.m. on Monday to Friday unless otherwise provided for in this Agreement.

12.02 Work performed between the hours of 6:00 p.m. and 10:00 p.m. on Monday to Friday shall be paid for at time and one half.

12.03 All work performed between the hours of 11:00 p.m. and 8:00 a.m. shall be paid for at the double time rate.

12.04 Work performed between the hours of 8:00 a.m. and 11:00 p.m. on Saturday shall be paid for at time and one half rate.

12.05 All work performed on Sundays shall be paid for at the double time rate.

12.06 When an employee is working a shift between 11:00 p.m. and 8:00 a.m. and the job extends beyond 8:00 a.m., he shall continue to be paid double time until such job is completed.

ARTICLE 13 – MEAL HOURS AND COFFEE TIME

13.01 Meal hours shall be from 7:00 a.m. to 8:00 a.m., 12:00 noon to 1:00 p.m., 5:00 p.m. to 6:00 p.m. and 10:00 p.m. to 11:00 p.m.

13.02 Should an employee be required to work during a meal hour, he shall be paid double the basic hourly rate of pay.

13.03 When employees or employee are required to work during the night shift between 11:00 p.m. and 8:00 a.m., he shall be granted twenty minutes meal break from 3:00 until 3:20 with no loss of wages. Should he not take this break, he shall be paid an additional half ($\frac{1}{2}$) hour pay at the double time rate.

ARTICLE 14 – WORKING ARRANGEMENTS AND GUARANTEES

14.01 Regular starting times shall be 8:00 a.m., 1:00 p.m., 6:00 p.m. and 11:00 p.m.

14.02 (a) the following call out times will apply on weekdays.

11:00 p.m. start	–	by 5:00 p.m. same day
8:00 a.m. start	–	by 5:00 p.m. previous day
1:00 p.m. start	–	by 10:00 p.m. previous day
6:00 p.m. start	–	by 10:00 a.m. same day

(b) Call out time for Saturday and Sunday shall be 5:00 p.m. the previous day, except from May 15th to September 15th inclusive, the call out time shall be 5:00 p.m. Friday.

14.03 When Ice Conditions prevent the normal operation and scheduling of ships, call out time shall not be less than four (4) hours prior to the start of the next work period.

14.04 The Container gang or gangs shall report for work by an announcement given by a telephone recorded message, which employees can access by dialing 634-3301.

- 14.05 Four (4) hour wages will be paid for any specified call time. Men standing by under pay may be required to perform other work.
- 14.06 When men work five (5) minutes past the hour shall be paid to the half ($\frac{1}{2}$) hour; if five (5) minutes past the half ($\frac{1}{2}$) hour they shall be paid to the hour.
- 14.07 If work ceases due to bad weather or some other cause, and the men are checked out, work may only recommence at a regular starting time as listed above.
- 14.08 Should two (2) hours or less after 10:00 p.m. be required to complete discharge or loading of a vessel, the gang or gangs will continue to work to complete the discharging or loading and no meal hour will be required.
- 14.09 If a man has not reported for work at the regular starting time, another man shall be immediately hired in his place and the man so hired will continue to work until the end of the day or until the work is completed on that day. When a man fails to report when his gang has been called and a replacement has to be put into the gang, it is agreed that the absented employee must report his availability to the Management prior to the next day's assignment and, failing this, such replacement as has been employed will be entitled to work the first shift (4 hours)
- 14.10 When work ceases due to bad weather or rain, and some of the men do not return when work again commences, and other men have to be hired to fill their places, the men so hired will remain on the job until the end of the day or until the work is completed on that day.
- 14.11 There will be no loss of pay when shifting from one vessel to another.

ARTICLE 15 – GANG SIZE

- 15.01 In determining the number and size of gangs required for the loading or unloading of a ship, the Company shall take into consideration the safety and efficiency of the operation, vessel and equipment design and methods of cargo handling. Should the company change its established practices, it shall first advise the Union of these changes, as well as the reasons for them.
- 15.02 The Company will arrange relief for ten (10) minutes for winchmen and hatchmen and such relief to be part of the gang.

ARTICLE 16 – SHIFT WORK (Yard Operations)

16.01 The Company shall have the right to establish a regular evening or night shift should it be deemed necessary. Employees working on these shifts shall be paid on hourly shift premium of one dollar (\$1.00) for the night shift and fifty (50) cents for the evening shift.

ARTICLE 17 – SLING LOAD AND MECHANICAL EQUIPMENT

17.01 The weight of the sling load shall not exceed the safe working capacity of the ship's gear and/or other mechanical equipment employed in its handling.

17.02 Company owned mechanical equipment will be operated by the Union Men designated by the Supervisor.

ARTICLE 18 – HIRING

18.01 All men will be hired by and report to the Supervisor.

ARTICLE 19 – PAY DAY

19.01 The payment of wages shall commence not later than 10:00 a.m. each Thursday except when Monday is declared an office holiday, then the payment of wages shall commence not later than 10:00 a.m. Friday of said week.

ARTICLE 20 – DISTRIBUTION OF WORK

20.01 Work will be shared equally when and where possible among the regular employees, provided that in assigning men to work in the sheds when ships are not working, the Company will give preference to the men qualified to do the job properly.

20.02 When two or more ships are being handled and casual employees are hired, the regular employees, if knocked off, will take over from the casual employees at the next regular start time.

ARTICLE 21 – DELEGATES

21.01 The Union shall have the right to appoint a representative on the wharf. This shall not, however, be construed to mean that Union matters may be discussed during working hours.

ARTICLE 22 – SAFETY

22.01 Employees will be encouraged to co-operate in the maintenance of health and safe working conditions, in the proper use of protective clothing and equipment and in the observance of all safety rules and regulations.

22.02 Safety shoes will be made available at cost to the employee by the Company.

ARTICLE 23 – LINESMEN

23.01 Union members called in to moor or unmoor a vessel shall be paid a minimum three (3) hours pay at the basic rate. When Union members already at work are asked to handle lines on the vessel they are working, they shall remain under pay until they are dismissed. Union members will not be required to handle lines for any vessel other than the one they are working without receiving the minimum three (3) hours pay.

ARTICLE 24 – GENERAL

24.01 Union members shall not perform any longshore work for any other employer involved in longshoring operations, if such employer does not abide by all the terms and conditions of this Agreement.

24.02 The Company agrees to provide each Regular Union member with one (1) pair of regular and one (1) pair of insulated overalls per annum. The regular coveralls will be issued in May and the insulated in November. The Company further agrees to provide four (4) pairs of work gloves per annum with one (1) pair issued quarterly. Union members are responsible for the maintenance and cleaning of this clothing.

ARTICLE 25 – BEREAVEMENT LEAVE

25.01 Any employee who is called to report for work but is prevented from reporting to work because of bereavement in the immediate family will be granted leave with pay as follows:

- (a) In the event of a spouse, child, father, mother, grandfather, grandmother, brother or sister, three (3) days on the basis of the eight (8) hour day at the basic hourly rate of pay provided that he attends the funeral.
- (b) In the event of a father-in-law or mother-in-law, two (2) days on the basis of the eight (8) hour day at the basic hourly rate of pay provided that he attends the funeral.

25.02 In no case will an employee be paid bereavement leave for time that he would not normally have worked.

ARTICLE 26 – JURY DUTY

26.01 An employee who is summoned for Jury Duty or to Court as a witness on the Company's behalf and is required to lose time at work as a result, shall be compensated for actual lost time with a maximum of one (1) basic day's pay at the straight time rate for his position for each day so involved, less the amount paid to him for each day of duty.

ARTICLE 27 – MEDICAL INSURANCE

27.01 The employers of the Port of Comer Brook agree to contribute eighty percent (80%) of the medical in existence July 1, 2003. To be eligible for the above plan an employee must have earned seven thousand dollars (\$7,000) from waterfront work in the previous year and be an active member on the waterfront.

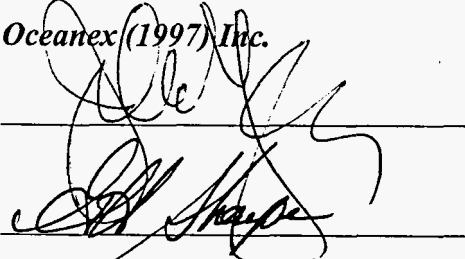
If a qualifying employee changes his dependent coverage he may not subsequently revert back for at least twelve (12) month period. Any employee who has had coverage under the medical plan at any time since July 1st, 2003 who has or will become disabled from the work force shall be eligible to be covered under the plan by remitting his 20% of the premium at the rate given to active members of the plan.

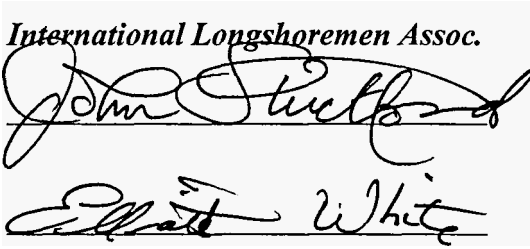
For both the employer and the employee in order to protect their exposure to the cost of the plan should the plan premium increase by more than five percent (5%) in any given year both parties will be joined to remedy that situation by way of wage or benefit adjustments or plan augmentation.

ARTICLE 27 – DURATION OF AGREEMENT

This agreement shall be effective on the first day of May, 2003 and will continue in force until April 30th, 2007, and thereafter from year to year unless notice of termination or revision is given by either party. Such notice shall be served in writing within the period of sixty (60) days prior to termination.

The parties hereby signify their agreement by affixing of their signatures on this 20 day of Nov, 2003 at Comer Brook, Newfoundland.

Oceanex (1997) Inc.


International Longshoremen Assoc.


1 L.A.
E. White

Medical

HEALTH CARE BENEFITS

HOSPITAL BENEFITS - IN CANADA ONLY

- Semi-private room accommodation
- Paid directly to the hospital
- Program pays 100% of the eligible expense.

EXTENDED HEALTH BENEFITS

- Reimbursement to the employee
- Program pays 80% of the eligible expense
- Professional Ambulance
- Diagnostic and X-Ray services
- Oxygen
- Physiotherapist - maximum \$500 per calendar year
- Private Duty Nursing - maximum of \$5,000 in any one period of 12 consecutive months
- Accidental Dental - \$5,000 per person
- Speech Therapist - \$350 per calendar year
- Masseur - \$350 per calendar year
- Psychotherapy - \$350 per calendar year
- Other Practitioners - \$350 per calendar year
- Equipment Rental/Prosthetic Appliances

VISION CARE

- vision care benefits in any 24 month period (12 months for dependents 18 years of age and under)
- reimbursement to the employee
- program pays 80% of the eligible expense
- maximum reimbursement is \$125

DRUG BENEFITS

- reimbursement to the employee
- program pays 80% of the eligible expense
- drugs must require a medical prescription to be purchased

Group RRSP

5. If an employee chooses to participate in the Group RRSP Plan (managed by the service provider of the Employer's choice), the Employer will match the employee's contribution, to a maximum of:

- \$500 for year ending April 30,2008;
- \$600 for year ending April 30,2009; and
- \$700 for year ending April 30, 2010.

It is agreed and understood that during their employment with the Company, employees who contribute to the Group RRSP Plan shall not withdraw any monies contributed by the Employer for reasons other than: participation in the Federal Government's Lifelong Learning Plan, Home Buyer's Plan or during a terminal illness. Moreover, it is also understood and agreed that if an employee withdraws a portion of their own contribution during their employment with the Company, for any other reason than those listed above, the Company shall not match the employee's contribution for a period of twelve (12) months thereafter.

Vacation Pay

6. Vacation pay shall be paid out on each pay, with the exception of those employees that request otherwise, to maximum of four (4) times per year. (Replaces Article 9.02)

Working Arrangements and Guarantees

7. When an Operator or Dispatcher is called in to work beyond regular working hours to accept units over the highway, they will be paid four (4) hours wages, except when they are asked to stay on the job if it requires time beyond 5:00 PM, in which case they will be paid a meal hour and for time actually worked.

8. Stevedores will be compensated on the basis of total inbound and outbound volume. For greater certainty, containers loaded on trailers shall be considered two (2), with the exception of a restow on vessel, which will only be considered as one (1) inbound move and one (1) outbound move. This rate is inclusive of all overtime.

Safety Gear

9. The Company will provide each Regular Union member with one (1) raingear suit annually.

10. The Company will contribute \$100.00 annually to each Regular Union member as an allowance for proper safety footwear.

A collection of handwritten signatures and initials in black ink, including 'MST', 'MVE', 'ACB', 'EWA', and 'OK'.

