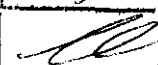


SOURCE	UNION		
EFF.	95	02	01
TERM.	99	01	31
No. OF EMPLOYEES	65		
NOMERE D'EMPLOYÉS			

COLLECTIVE BARGAINING AGREEMENT

BETWEEN


THE SEAFARERS INTERNATIONAL UNION OF CANADA

AND

RIGEL SHIPPING CANADA INC.

EFFECTIVE FEBRUARY 1ST, 1995 TO JANUARY 31ST 1999

FEB 14 1995


1005101

Rigel Shipping Canada Ltd.

COLLECTIVE AGREEMENT AS AT FEBRUARY 1ST, 1995

ARTICLE 1 - PURPOSE AND SCOPE

1.01 The purpose of this Agreement is:

(a) to establish terms and conditions of employment and related matters for employees covered by this Agreement;

(b) To establish a procedure for final settlement of differences concerning the interpretation, administration, application of alleged violation of any of the provisions of this Agreement.

1.02 This Agreement applies to all employees of the Company covered by the certification order of the Canada Labour Relations Board dated January 25, 1994.

1.03 The Company acknowledges the Union as the sole bargaining agent for employees covered by this Agreement.

1.04 The Company operates, owns, manages and/or bareboat charters ships in Canada, in both home trade voyages as well in foreign voyages as defined by the Canada Shipping Act. It is recognized by the parties that the bulk of the trade is in the Maritime Provinces.

ARTICLE 2 - MANAGEMENT RIGHTS

2.01 The Company has and shall retain the exclusive right to manage its business and direct its working forces in the most economical manner possible. The Company has the right to hire, discipline and discharge for just cause, and promote employees in accordance with the provisions of this Agreement.

2.02 The right of any employee to employment with the Company will be conditional upon the employee being medically fit to perform his/her duties and in possession of a medical fitness card. The Company reserves the right to require a medical examination of any present or future employee at any time by a medical practitioner approved by the Canadian Coast Guard, and to require certification from a medical practitioner that the employee or applicant for employment is physically fit to perform the duties of the job in question. Where the Company requires a present employee to undergo a medical examination (apart from any examination required to maintain the employee's medical fitness card), the Company will pay the fee charged for the examination.

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ARTICLE 3- DISCRIMINATION

3.01 The Company will not discriminate against an employee because of membership in the Union or activity authorized herein on behalf of the Union or for exercising his/her rights under the Canada Labour Code or as provided by this Agreement.

3.02 The Union agrees not to intimidate or coerce or threaten employees in any manner that will interfere with or hinder the effective carrying out of this Agreement and the principles contained herein, and will assist and co-operate with the Master and other management representatives of the Company in maintaining discipline aboard ship.

3.03 The Company and the Union agree that they will not threaten, intimidate or unlawfully discriminate in the workplace against any employee for reasons of race, national or ethnic origin, colour, religion, age, sex (including pregnancy and childbirth), marital status, family status, disability (as under the Canadian Human Rights Act), a conviction for which a pardon has been granted or political affiliation with a legitimate political party.

ARTICLE 4 - UNION MEMBERSHIP AND DUES DEDUCTION

4.01 An employee who is not a member of the Union shall, within thirty (30) days of employment, make application for membership in the Union. If the Union refuses to accept such employee, a satisfactory written statement of reason must be supplied by the Union to the Company. The Company agrees to retain in its employ only members of the Union in good standing. "Good standing" is defined to mean that a member has not failed to pay the periodic dues, assessments and initiation fees uniformly required to be paid by all members of the Union.

4.02 All employees (permanent and probationary) employed at the date this Agreement takes affect are recognized as employees, and their names are listed on Appendix "B" to this Agreement.

4.03 The Company agrees to deduct from the wages of each employee the monthly dues and/or assessments and/or initiation fees and/or any other amounts as specified by the Union. The deductions will be made from the employees first paycheque of each month and remitted to Union Headquarters in Montreal, Quebec, by the end of each calendar month in which the deduction was made.

4.04 The Union will notify the Company of the amount of regular monthly dues and of any changes in that amount. At least thirty (30) days notice of any change in the amount to be deducted by the company shall be provided in writing.

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4.05 The Company agrees to include the amount of union dues paid by each employee on the employee's T-4 slip.

4.06 The Union shall indemnify the company and hold it harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of any action that is taken by the Company for the purpose of complying with the provisions of this Article or in compliance with any notice furnished to the Company under this Article.

ARTICLE 5- UNION REPRESENTATION

5.01 The Union agrees to notify the Company in writing of the names of its officers, ship's delegates and bargaining representatives and to inform the Company in the same manner of any changes. A union officer, ship's delegate or bargaining representative shall not act as such until the Company has been notified of his/her appointment but thereafter, the Company shall conduct all its dealings with the Union through these designated representatives.

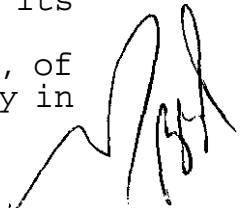
5.02 The company will permit the Union to post notice of Union meetings, elections, election results, appointments and social and recreational events or other legitimate Union business on bulletin boards on the vessels. The bulletin boards shall not be used by the Union or its representatives for posting and distributing brochures of a political or advertising nature, In any case, the Master will have the right to remove from the bulletin board anything inconsistent with the provision of this Article 5.02.

ARTICLE 6 - UNION OFFICERS BOARDING VESSELS

6.01 The Company agrees to issue passes to the Unions' representatives for the purpose of consulting with employees aboard vessels of the Company covered by this Agreement.

6.02 Union representatives may board, and remain on board, the vessels only while they are in port. Arrangements to board a vessel must be made through the Company's office, on twenty-four (24) hours' notice. Any Union representative boarding a vessel must immediately report to the Master or his/her designate. While on board, Union representatives may confer with employees, but otherwise may engage in discussion only with the Master in respect of any dispute or grievance. Union representatives shall not have the right to interfere in any way with the operations of the vessel.

6.03 The Union shall submit to the Company the name and relevant particulars of the bona fide Union members authorized to act as its representatives and the Company, upon receiving from representatives a waiver, in form satisfactory to the Company, of any claim for any damage resulting from any accident or injury in

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or about Company property, shall thereupon issue a pass to each such representative enabling him/her to board the Company's vessels while in port for the purpose set out in this Article.

6.04 The Union representative shall not violate any provision of this Agreement or interfere with the Officers aboard the ship or retard the work of the vessels, subject to the penalty of revocation of the pass granted by the Company pursuant to this Article.

6.05 The Company assumes no responsibility for securing passes to or through property owned or controlled by others, but the Company agrees to co-operate with the Union in securing such passes.

ARTICLE 7 - LABOUR-MANAGEMENT COMMITTEE

7.01 The Company and the Union agree to form a Labour-Management Committee consisting of senior Company and Union representatives to provide a forum for the discussion of any issue except matters which have been made the subject of grievance/arbitration procedure.

7.02 The Labour-Management Committee will meet at least three (3) times each calendar year, but can also meet at the request of either party.

7.03 The parties will agree in advance on the agenda for each meeting. Minutes will be kept, circulated after each meeting, and signed off by the parties.

ARTICLE 8 - DEFINITIONS

[to be completed as needed]

DAY - calendar day unless otherwise stated in a specific provision

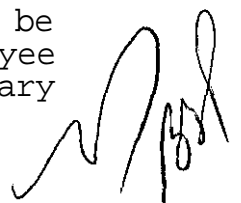
EMPLOYEE - an employee in the bargaining unit covered by this Agreement

VESSEL/COMPANY'S VESSEL - a vessel whose unlicensed crew is covered by this Agreement.

ARTICLE 9 - PROBATIONARY EMPLOYEES

9.01 An employee shall be considered to be a probationary employee until he/she has been employed by the Company in the bargaining unit for a period of ninety (90) days working on a vessel. During the period of probation, the employee's suitability for permanent employment will be assessed by the Company.

9.02 At any time during the period of probation, an employee may be released by the Company if the Company judges the employee unsuitable for permanent employment, In the event a probationary



employee grieves his/her release, the Company shall only be required to show that it acted reasonably in judging the employee unsuitable for permanent employment with the Company.

9.03 Any days previously worked for the Company by an employee on a relief basis will be counted towards the ninety (90) day probationary period.

ARTICLE 10 - SENIORITY

10.01 For the purpose of this Agreement, seniority is the total length of continuous service.

10.02 If two or more employees have the same seniority date, the eldest shall be deemed to have the most seniority.

10.03 The Company will prepare and post on appropriate bulletin boards, on January 1 of each year, a list showing the seniority of employees. One copy of this list will be sent to the Union.

10.04 In the event an employee is promoted to a position outside this bargaining unit, he/she will continue to accrue seniority for a period of six (6) months from the date of promotion, at the conclusion of which time he/she must either return to his/her former position in this bargaining unit or renounce his/her seniority in this bargaining unit.

10.05 In the selection of employees for promotion within the bargaining unit, where ability and qualifications are relatively equal, seniority will be the determining factor.

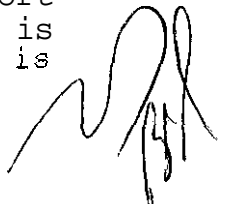
ARTICLE 11 - LAYOFF AND RECALL

11.01 The Company agrees that in matters relating to the selection of employees for layoff and recall, where ability and qualifications are relatively equal, seniority will be the determining factor.

11.02 Notice of layoff will be given in accordance with the provisions of the Canada Labour Code.

11.03 An employee who is laid off will retain his/her seniority and the right to recall for work for a period of twelve (12) months from the date of layoff provided he/she reports to the Company for work when recalled. An employee who is recalled in conformity with the provisions of this Agreement and does not report for work will have his/her employment terminated for just cause.

11.04 Notice of recall will be by telephone and will be provided at least seventy-two (72) hours in advance of the scheduled report time unless exceptional circumstances do not permit this. It is the responsibility of the employee to ensure that the Company is



always advised of how best to contact the employee for purposes of recall from layoff.

11.05 Recall will be by seniority to any of the Company's vessels, subject to the ability and qualifications of the employee to perform the work available to the satisfaction of the Company.

ARTICLE 12 - TOURS OF DUTY AND HOURS OF WORK

12.01 The normal tour of duty for employees on the vessels will be approximately sixty (60) days on board a ship followed by thirty (30) days of leave off ship. The Company will do everything possible to maintain this schedule but reserves the right to extend or shorten this schedule to allow the vessel to reach the port determined by the Company to be appropriate for employees to leave or join the vessel.

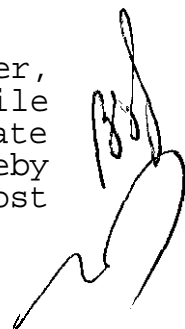
12.02 The regular working hours when an employee is on a vessel are eight (8) in each calendar day. Watchkeeping employees will normally work an eight (8) hour day consisting of two (2), four (4) hour watches, seven (7) days a week. With the exception of the Catering Department, dayworkers will normally work eight (8) hours a day between the hours of 08:00 and 17:00, seven (7) days a week. Employees in the Catering Department will normally work eight (8) hours a day within a spread of fourteen (14) hours, **as** determined by the Master from time to time.

12.03 Shifts shall be as assigned by the Master with due consideration given to seniority and ability.

12.04 Should an employee fail to report for duty as scheduled, the employee he/she was to replace must remain on duty until a substitute is secured. If it is necessary to pay overtime because of these circumstances, the additional cost will be deducted from the wages of the employee who was missing his/her watch.

12.05 When a vessel is in port, an employee may leave the vessel but must return to the vessel not less than thirty (30) minutes prior to his/her assigned shift or to the time of sailing, whichever comes first. The time of sailing will be posted on the notice board. Where an employee is directed by the Master (or his/her designate) to be on board the vessel in port after the completion of his/her watch or regular day's work, *or* over and above his/her assigned shift, he/she will be paid for all such hours he/she is directed to be on board at the appropriate hourly rate.

12.06 With the prior approval of the Master or Chief engineer, which shall not be unreasonably withheld, an employee may, while the vessel is in port, calling or at anchor, make private arrangements with other employees to exchange watches thereby enabling him/her to go ashore. There shall be no additional cost



to the Company (including the payment of overtime) as a result of any such exchange of watches.

12.07 If an employee misses a vessel due to the fact that it sails before the posted sailing time, he/she will notify the Master by telephone within two (2) hours of the original posted sailing time, and if the employee joins the vessel at the first point where it can be boarded, he/she will be reinstated and reimbursed his/her transportation costs to the vessel, provided he/she notifies the Master as soon **as** possible of his/her intention to rejoin the vessel. There will be no break in service of the employee under these circumstances.

12.08 If an employee misses a vessel due to circumstances for which he/she cannot be held responsible, he/she will be reinstated provided he/she promptly notifies the Master or the Company's office of his/her intention to rejoin the vessel and rejoins the vessel at the first point where it can be boarded. All transportation costs will be borne by the employee.

12.09 Maintenance work is hereby defined as painting, chipping, soogeeing, scraping or repairing ship's gear. Deck maintenance work, except when concerned with the safe navigation of the vessel, shall be performed between 08:00 hours and 17:00 hours.

ARTICLE 13 - OVERTIME

13.01 All hours worked in excess of eight (**8**) hours in a day and forty (40) hours in a week are considered overtime.

13.02 Overtime worked will be compensated at the rate of time-and-one-half an employee's regular hourly rate.

13.03 It is recognized that the wages paid to an employee while he/she is on his/her thirty (**30**) days' leave pursuant to Article 12.01 include payment for a certain amount of overtime over the course of a tour of duty. However, should an employee be required to work more than fifty six (56) hours during a week (defined as Sunday to Saturday inclusive), these extra hours will be paid for at the overtime rate set out in Article 13.02. Should an employee not work a complete week, the hourly calculation will be prorated. Any calculations for overtime will be made at the end of each month and paid out on the next paycheque following receipt by the Company's payroll department of detailed overtime sheets.

13.04 Overtime will be recognized only when it has been approved by the Master in writing prior to the overtime being worked.

13.05 No employee shall be required to perform more than sixteen (16) hours of continuous work, excluding meal hours, in a twenty-four (24) hour period.

13.06 The Master will ensure that overtime work is distributed equitably among the employees.

13.07 Any work necessary for the safety of the vessel, passengers, crew or cargo, or for the saving of or rendering assistance to other vessels, lives, property or cargoes, will be performed at any time on immediate call by all employees and notwithstanding any provisions of this Agreement which might be construed to the contrary, in no event will overtime be paid for the work performed in connection with these emergency duties of which the Master will be the sole judge. Further, the Master may, whenever he/she deems it advisable, require any employee to participate in lifeboat or other emergency drills without incurring overtime.

13.08 When an employee is called out to work overtime for less than one hour, he/she shall be paid not less than one (1) hour overtime pay. After the first hour, entitlement to overtime pay shall be in half hour increments, rounded upward to the nearest half hour from the actual length of time worked on the call out.

ARTICLE 14 - MEALS

14.01 Meal hours, when practicable, shall be as follows, unless otherwise directed by the Master, but in no case shall the indicated hours be altered more than one half (1/2) hour in either direction, except in an emergency:

BREAKFAST	from 07:30 hours to 08:30 hours
LUNCH	from 11:30 hours to 12:30 hours
DINNER	from 17:00 hours to 18:00 hours

Meal schedules will be reviewed from time to time and if changes are required (apart from changes to be made by the Master pursuant to this Article 14.01) they will be made on consent of both parties.

14.02 A fifteen (15) minutes coffee break shall be allowed to each employee on each watch, and for employees on day work, each morning and afternoon. Coffee breaks for dayworkers will be taken as close to 10:00 hours and 15:00 hours as possible. For watchkeepers, coffee breaks will be taken as near as possible to the middle of the watch.

14.03 Nutritious food will be provided for the employees at all meals, and will be available for night lunches for employees changing watch and those working overtime.

14.04 Employees will be given one (1) hour per meal to eat. Should for some reason an event occur (other than as indicated in Article **13.07**) that does not provide for an employee to have one (1) hour to eat a meal, the employee will be credited with two (2)

hours of work. For these crediting provisions to apply, the reduction in or disruption of a meal hour must be at request or with the approval of the Master.

14.05 Employees who are entitled to meals while on Company business will be reimbursed (upon the submission of bona fide receipts) for reasonable costs incurred by them in the purchase of meals when the Company is unable to provide them with meals on board a vessel.

ARTICLE 15 - WAGE ADMINISTRATION

15.01 The basic rates of pay for the employees covered by this Agreement shall be as set forth in the wage schedules in Appendix "A" attached hereto and forming part of this Agreement. Wages include any amounts required to be paid by statute on account of vacation pay and statutory holidays.

15.02 When an employee is temporarily assigned by the Master to a higher paid position, for a period of at least one (1) shift, for the purpose of replacing an employee who is injured, sick or absent, the employee will receive the rate of the position to which he/she has been temporarily assigned by the Master if assigned to a lower paid position for the purpose of replacing an employee who is injured, sick or absent, the employee will continue to receive the rate of his/her regular position rather than the lower rate of the position to which he/she has been temporarily assigned.

15.03 Wages will be paid by way of direct deposit into the employee's bank account no later than Friday following the end of each pay period. The pay stub will be sent to the employee aboard the vessel. Each employee must provide the company with an authorization for direct deposit and all relevant banking information and any changes thereto.

ARTICLE 16 - PAID LEAVE SYSTEM

16.01 The Company's leave system, whereby employees receive a regular biweekly pay cheque during their approximately sixty (60) days aboard the vessel followed by approximately thirty (30) days on leave, is designed to compensate employees in respect of statutory holidays, vacation pay and overtime worked in excess of forty (40) hours per week as indicated in Article 13.03.

16.02 For every day worked, an employee is credited with one-half day's leave.

16.03 Subject to Article 13 - TOURS OF DUTY AND HOURS OF WORK, an employee will begin his/her period of leave once he/she has earned thirty (30) days' leave.

16.04 An employee may make a written request to extend his/her

tour of duty in order to accumulate a longer period of leave. Approval will be at the discretion of the Company and will be subject to operational considerations.

16.05 No employee may accumulate more than sixty (60) days' leave and upon reaching this limit, must take a minimum thirty (30) days' leave.

16.06 Leave shall be granted for a minimum period of thirty (30) days and a maximum period of sixty (60) days.

16.07 A minimum of seven (7) days' notice in writing must be given to the Master by an employee intending to take leave.

16.08 Having regard to the need of the Company to be able to continue to operate its vessels with sufficient qualified employees at all times, the right to begin a period of leave is conditional upon the approval of the Company.

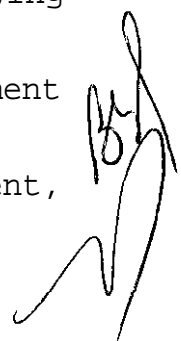
ARTICLE 17 - GROUP INSURANCE POLICY

17.01 The Company will continue to make available to the employees group insurance coverage including life insurance (inclusive of dependent life insurance), long-term disability insurance, health care (inclusive of vision care and prescription drugs) and dental care providing benefits that are no less favourable to the employees than in force on October 15, 1994, subject to the following conditions:

- (a) Should the experience of the group health/dental/prescription drug programs exceed ten percent (10%) of the acceptable experience level, the Company on notification to the Union may implement a surcharge on prescription drugs of up to \$10.00 per prescription and can reduce payment of dental fees to sixty-five percent (65%):
- (b) The Company reserves the right to change insurance carriers from time to time;
- (c) Upon the request of the Union, the Company will provide the Union with the financial justification for any change in benefits.

17.02 The total premium cost for coverage for each employee will be shared between the Company and the employee on the following basis:

- (a) in the first twelve (12) months of the collective agreement (beginning date of signing), 60% Company/40% employee;
- (b) in the second twelve (12) months of the collective agreement, 70% Company/30% employee;



(c) in the third twelve (12) months of the collective agreement and thereafter 80% Company/20% employee.

ARTICLE 18 - TRANSPORTATION COSTS

18.01 Upon joining the vessel, employees are responsible for their own transportation to the nearest designated airport (Toronto, Montreal, Quebec City, Moncton, Saint John, Fredericton, Chatham, Bathurst, Charlottetown, Halifax, Sydney, St. John's, Gander and Deer Lake). The cost of transportation from the designated airport to the vessel will be paid by the Company.

18.02 Upon leaving the vessel, the Company will pay the transportation cost from the vessel to the designated airport nearest to the employee's home base.

18.03 To be eligible to have the Company pay the transportation costs, the employee must complete his/her assigned tour of duty. If an employee quits or is dismissed, transportation costs will not be paid by the Company.

18.04 The mode of transportation will be determined by the Company in each case.

18.05 The Company will reimburse employees for reasonable hotel and meal expenses incurred in the course of following the Company's instructions with respect to joining a vessel.

18.06 In the event an employee is injured or becomes ill and a medical doctor determines that he/she must leave the vessel as a result, the Company will pay the employee's cost of transportation to the hospital or to the employee's residence.

ARTICLE 19 - EMPLOYEE RESIGNATION

19.01 When an employee decides to resign from employment with the Company, he/she must give the Master a minimum of forty-eight (48) hours' notice in writing.

19.02 An employee who fails to give proper notice of resignation in accordance with Article 19.01 and who is working on board a vessel at the time of his/her resignation will be penalized to the extent of two (2) days' pay, which may be deducted by the Company from any pay due to the employee at the time he/she resigns.

19.03 The Company will not pay the cost of transportation from the vessel to an employee's home where an employee resigns while working on board a vessel. Should an employee work less than thirty (30) days of his scheduled tour of duty, the Company shall be entitled to recover all related expenses incurred while joining the vessel.

ARTICLE 20 - LEAVES OF ABSENCE

20.01 An employee who has completed the probationary period will be granted bereavement leave when death occurs to a member of his/her immediate family, that is, his/her father, mother, spouse, child, brother, sister, parents-in-law and grandparents. The employee granted leave to attend the funeral will be paid at his/her basic rate for time lost up to a maximum of five (5) days. The Company will pay transportation costs from the vessel to the employee's home under these circumstances.

20.02 Employees will be entitled to reasonable leave of absence without pay in the event of either illness or injury to himself/herself or a member of his/her immediate family.

20.03 Employees will be entitled to child care leave in accordance with the provisions of the Canada Labour Code.

20.04 Claims for leave under this Article must be supported by proper medical or bereavement evidence upon returning to the vessel, otherwise the employee forfeits his/her right to employment with the Company.

20.05 An employee returning from leave under Article 20.01 or 20.02 will notify the company's office seventy-two (72) hours in advance of the time he/she is ready to return to the vessel.

ARTICLE 21 - HEALTH AND SAFETY

21.01 a) An occupational Health and Safety Committee, having at least one S.I.U. of Canada representative on it, shall be established to promote safe and healthy working conditions for persons employed on vessels of the Company.

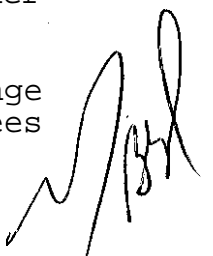
b) The Committee shall hold meetings as necessary but no later than every three (3) months unless both parties agree to postpone or cancel a meeting.

c) Each of the parties shall submit to the other an agenda of matters to be discussed at least thirty-six (36) hours prior to the meeting day.

ARTICLE 22- DRUG AND ALCOHOL TESTING

22.01 The Union and the employees recognize that the company must have a "zero tolerance" drug and alcohol policy in place in order to transact business with the major oil companies.

22.02 The details of the policy and its implementation may change from time to time on advance notice to the Union and the employees

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but the primary elements of the policy (which is equally applicable to all members of the vessel crew) are:

- (a) there will be no drugs or alcohol permitted on board any of the Company's vessels at any time;
- (b) employees returning to the vessel from any shore leave must be in an absolutely sober condition;
- (c) random testing for drug and alcohol use will be performed without prior notice;
- (d) failure to comply with the policy will result in immediate dismissal.

ARTICLE 23 - FAMILY VISITATION

23.01 With the prior approval of the Master, which will not be unreasonably withheld, an employee may, while the vessel is in port, bring his/her spouse and family aboard for a visit, with the exception of children under twelve (12) years of age. Immediately upon coming on board, the employee and his/her family members must sign a waiver releasing the company from all liability and while on board must observe the Company's safety policy.

ARTICLE 24 - DISCIPLINE

24.01 No employee shall receive a written reprimand or warning, be suspended or be dismissed, except for just cause.

24.02 Whenever a meeting between the Company and an employee is held for the purpose of imposing discipline, or to investigate a matter which could result in the discipline of that employee, the ship's delegate or, if the employee in question is the ship's delegate, another employee, will be present where possible.

24.03 The Company agrees to provide the employee and, if requested by the employee, his/her ship's delegate, with written notification of a suspension or dismissal and the reasons therefor, at the time of imposition or as soon thereafter as possible.

24.04 The Company will not introduce as evidence in a discipline matter any document from the file of an employee, the existence of which the employee was not aware, at the time the document was placed in his/her file or within a reasonable period thereafter.

24.05 The Company agrees that it will not rely on those elements of an employee's discipline record which are in excess of thirty (30) months old. However, all disciplinary measures on an employee's record may be relied upon until a period of thirty (30) months has elapsed without any additional disciplinary measures being taken against that employee.

24.06 Refusal of any employee to work as directed or to obey lawful orders of his/her superior officers may be grounds for dismissal. Any employee who leaves a vessel without being properly relieved will forfeit his/her job with the Company.

ARTICLE 25 - MARINE DISASTER

25.01 An employee who suffers loss of clothing or other personal effects because of a marine disaster or shipwreck will be compensated by the Company for such loss to a maximum of two thousand (\$2000.00) dollars.

25.02 An employee or his/her estate making a claim under this Article will submit reasonable proof to the Company of the Actual value of the loss suffered. Such proof will be a signed affidavit listing the individual items and amounts claimed.

ARTICLE 26 - GRIEVANCE AND ARBITRATION PROCEDURE

26.01 "Grievance" shall mean a statement in writing that is submitted in accordance with the applicable procedure contained in this Article and which sets out any difference relating to the interpretation, application, administration or alleged violation of any provision of this Agreement.

26.02 "Day", for the purpose of this Article, shall mean any day that is not Saturday, Sunday or one of those holidays described in the Letter of Understanding No. 4 of this Agreement.

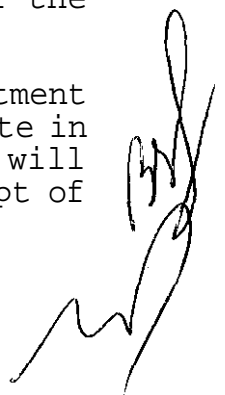
26.03 "Grievor" shall mean the employee(s) concerned, the Union or the Company as the case may be.

26.04 It is agreed that a final and binding settlement of all grievances shall be arrived at in accordance with the steps set out in this Article.

26.05 Before presenting a grievance, an employee shall first discuss the matter with his department head. If the employee is not satisfied with the department head's response, a grievance may be advanced in accordance with the steps set out in this Article.

26.06 No grievance will be considered where the circumstances giving rise to the grievance were known or ought to have been known by the grievor more than three (3) days before the filing of the grievance.

26.07 Step One: the grievance shall be given to the department head. The employee may have the assistance of a ship's delegate in preparing and presenting the grievance. The department head will give his reply in writing within three (3) days of his receipt of the grievance.



26.08 Step Two: If the grievor is not satisfied with the department head's reply, or if a reply has not been given, the grievance may be referred to the Master. This referral shall be made no later than two (2) days after the expiration of the three (3) day period for reply at Step One. A meeting with respect to the grievance will be convened by the Master within two (2) days after the referral to Step Two. The meeting will be attended by the Master (or his designate), the grievor and a ship's delegate. The Master or his/her designate shall give his/her reply in writing within five (5) days after the Step Two meeting has been held.

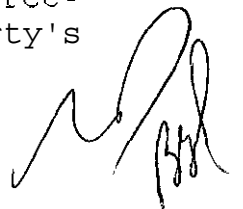
26.09 Step Three: If the grievor is not satisfied with reply of the Master or his/her designate, or if a reply has not been given, the grievances may be referred to the Managing Director or his/her designate. This referral shall be made no later than five (5) days after the expiration of the five (5) day period for reply at Step Two. A meeting with respect to the grievance will be convened by the Managing Director or his/her designate within five (5) days after the referral of the grievance to Step Three. The meeting will be attended by the Managing Director (or his/her designate) and the Secretary-Treasurer of the Union and, subject to their availability, anyone else any party considers could assist in resolving the matter in issue. The Managing Director or his/her designate shall give his/her reply in writing within five (5) after the Step Three meeting has been held.

26.10 A Union grievance or a Company grievance shall be submitted at Step Three, to the Managing Director of the Company or the Secretary-Treasurer of the Union respectively, within then (10) days of when the circumstances giving rise to the grievance were known or ought reasonably to have been known by the party grieving. The Step Three meeting and reply to the grievance shall be in accordance with the provisions of Article 26.09.

26.11 Failing settlement at Step Three of the grievance procedure, a grievance may be referred to arbitration within twenty (20) days of receipt of the reply at Step Three.

26.12 The parties agree that in most cases, arbitrations will be heard by single arbitrators, appointed by agreement of the parties. However, both parties reserve their right to require the appointment of a three-person arbitration board.

26.13 The party referring a grievance to arbitration shall, in accordance with the time limits set out in Article 26.11, give written notice of the referral to the other party and shall indicate in the notice whether a single arbitrator or three-person arbitration board is desired. If the referring party selects a single arbitrator, the notice shall contain the name of the suggested arbitrator. If the referring party suggests a three-person board, the notice shall contain the name of that party's nominee to the board.

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26.14 The party receiving notice of the referral of a grievance to arbitration must respond in writing to the notice within five (5) days of receiving it. If arbitration by single arbitrator has been suggested, and the receiving party agrees, the receiving party shall so indicate in its response, and shall indicate agreement with the arbitrator proposed by the referring party or suggest another arbitrator for consideration by the referring party. In the event of agreement on arbitration by single arbitrator but disagreement on the arbitrator suggested by the referring party, the parties shall have a further five (5) days to agree on the appointment of an arbitrator, and shall make every effort to agree on an arbitrator who can hold the hearing within thirty (30) calendar days of appointment. If agreement on an arbitrator is not reached within this further five (5) day period, either party may apply to the Minister of Labour for the appointment of an arbitrator.

26.15 If the referring party has suggested arbitration by a three-person board, the receiving party shall indicate in its response within the time limit set out for response in Article **26.14** the name of its nominee to the board. If the receiving party wishes arbitration by three-person board, it shall so indicate in its response the name of its nominee to the board. The referring party shall then have five (5) days from its receipt of the response to name its nominee to the board, and the nominees shall have a further five (5) days within which to agree on the appointment of a board chair. The nominees shall make every effort to agree on a chair who can hold the hearing within thirty (30) calendar days of appointment. If agreement on a chair is not reached within this further five (5) day period, either nominee may apply to the Minister of Labour for the appointment of a chair.

26.16 Each party shall normally be responsible for its own expenses (including the cost of its nominee in the case of a three-person board) and the parties shall share equally the compensation and expenses of the single arbitrator (or board chair). However, the arbitrator (or board chair) may consider submissions from the parties and where the arbitrator or arbitration board judges it appropriate in the circumstances, make as part of the award, an order that the successful party in the arbitration ought to have some or all of its costs paid by the unsuccessful party.

26.17 If advantage of the provisions of this Article has not been taken within the time limits specified herein, the grievance shall be deemed to have been abandoned and cannot be reopened. Time limits in this Article may be extended by written agreement between the Company and the Union.

ARTICLE 27 - STRIKES AND LOCKOUTS

27.01 The Union agrees there will be no strikes and the Company agrees there will be no lockouts, except as permitted by the

provisions of the Canada Labour Code.

27.02 The Company will not expect the employees to cross a lawful picket line in an industry related to the business of the Company nor to perform the work of the people on strike. However, employees will be expected to remain on board the vessel and perform their regular duties.

ARTICLE 28 - GENERAL PROVISIONS

28.01 Nothing in this Agreement will be construed so as to affect the obligations of the parties under the provisions of the Canada Shipping Act, or other legislation, or to impair in any manner whatsoever the authority of the Master.

28.02 Where employees are displaced due to automation, mechanization, permanent reduction in the number of employees because of the sale of a vessel, layoff, recall and severance will be determined as follows:

- (a) Employees with less than three (3) years' seniority with the Company shall have their employment terminated and will be entitled to severance pay equal to two (2) days basic pay per year of service with the Company calculated at the date of termination of employment.
- (b) Employees with at least three (3) years' seniority with the Company will be laid off and remain on the recall list pursuant to the provisions of Article 11, with entitlement to be placed on other vessels as vacancies occur provided they are qualified to perform the available work.
- (c) Should an employee be offered a placement on another Company vessel during the time that he is on the recall list, and refuse the assignment, the employee will be considered to have terminated his/her employment with the Company and not be entitled to severance pay.
- (d) Should an employee not be offered a placement on another Company vessel during the time that he is on the recall list, his/her employment will terminate and he/she shall be entitled to severance pay equal to two (2) days' basic pay per year of service with the Company calculated at the date of layoff.

28.03 The Company will give an eight (E) week written notice to those employees who are subject to layoff. Should an employee not receive the eight (8) week notice, the Company shall pay to the employee the prorated portion for which the employee was not given notice.

*

ARTICLE 29 - DURATION AND RENEWAL

29.01 This Agreement shall take effect the 1st day of February, 1995, and shall remain in full force and effect until ~~the 31st day of January, 1999~~, and from year to year thereafter unless written notice to bargain is given by either party to the other during the ninety (90) day period immediately preceding the expiry of this Agreement.

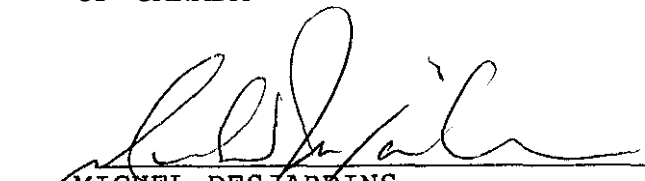
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized representatives this 7th day of February, 1995, at *Montreal*

RIGEL SHIPPING CANADA INC.

SEAFARERS' INTERNATIONAL UNION OF CANADA



BRIAN RITCHIE
Managing Director



MICHEL DESJARDINS
Secretary-Treasurer

APPENDIX "A"

WAGES

- The following wages schedule shall be effective February 1st, 1995.

RATING	BASIC DAILY RATE	HOURLY RATE	OVERTIME RATE
LEADING SEAMAN	\$92.00	\$11.50	\$17.25
SEAMAN	\$78.00	\$9.75	\$14.63
CHIEF COOK	\$92.00	\$11.50	\$17.25
GENERAL DUTY	\$55.00	\$6.88	\$10.32

- Effective February 1st, 1995, the regular hourly rate of pay (or its daily rate) is increased by twenty-three percent (23%) and is reflected in the wage scale indicated above.
- Effective February 1st, 1996, the regular hourly rate of pay shall be increased by one (\$1.00) dollar.
- Effective February 1st, 1997, the regular hourly rate of pay shall be increased by one (\$1.00) dollar. In addition, the regular hourly rate of pay shall be increased by the Canadian cost-of-living index increase covering the previous twelve (12) month period ending December 31st, 1996.
- Effective February 1st, 1998, the regular hourly rate of pay shall be increased by one (\$1.00) dollar. In addition, the regular hourly rate of pay shall be increased by the Canadian cost-of-living index increase covering the previous twelve (12) month period ending December 31st, 1997.
- Should a vessel be operating within the scope of definitions of "FOREIGN VOYAGES", the daily rate of pay shall be reduced by ten (10%) percent.

(appendix "A")


Signed at *Montreal*, this 7th day of February, 1995.

RIGEL SHIPPING CANADA INC.

SEAFARERS' INTERNATIONAL UNION
OF CANADA



BRIAN RITCHIE
Managing Director



MICHEL DESJARDINS
Secretary-Treasurer

APPENDIX "B"SENIORITY LIST

The following seniority list reflects those permanent employees as well as those under the probation period and shall reflect the last date of continuous employment with the Company.

<u>EMPLOYEE NAME</u>	<u>SERVICE DATE</u>	<u>STATUS FEBRUARY 1, 1995</u>
1. Allan Dunbar	September 08, 1993	
2. Lawrence Gillen	October 26, 1993	
3. Bruce Coffin	October 27, 1993	
4. Gerald Guimond	November 05, 1993	
5. James Hudak	November 06, 1993	
6. John Gibson	November 08, 1993	
7. Scott Cowie	November 20, 1993	
8. Terry Fancy	December 30, 1993	
9. Shawn Gaudet	January 14, 1994	
10. Max Lohnes	January 16, 1994	Sick leave
11. Dwayne Whitt	March 06, 1994	3/0 - Seaman
12. Warren Spracklin	March 07, 1994	
13. Calvin Lockyer	March 09, 1994	Sick leave
14. Craig Strickland	March 11, 1994	3/0 - Seaman
15. Leonard Schnare	March 12, 1994	
16. Paul Guimond	March 23, 1994	
17. Bruce Noseworthy	April 04, 1994	
18. Stewart McDougall	April 26, 1994	Attending school
19. William McLean	May 03, 1994	
20. Graham Rose	May 07, 1994	3/0 - Seaman
21. Eric Ferguson	May 25, 1994	
22. Chelsey MacInnes	June 14, 1994	
23. Harold Fredriksen	July 05, 1994	
24. Gerard Walsh	August 03, 1994	
25. Lester Swain	August 15, 1994	
26. Mario Bonenfant	September 03, 1994	Sick leave-probation
27. Donald Ivey	September 08, 1994	
28. Craig Whiteway	October 26, 1994	Probation
29. Ian Hillier	October 28, 1994	Sick leave-probation
30. John Decker	November 08, 1994	Probation
31. Ross Patton	December 15, 1994	Probation
32. Hugues Lapierre	December 20, 1994	Probation
33. Heber Frampton	December 20, 1994	Probation
34. Dwight Frye	December 20, 1994	Probation

35. Allain Veillete	January 17, 1995	Probation
36. Geoffrey Cook	January 24, 1995	Probation


Signed at *Montreal*, this 7th day of February, 1995

RIGEL SHIPPING CANADA INC.

SEAFARERS' INTERNATIONAL UNION
OF CANADA



BRIAN RITCHIE
Managing Director



MICHEL DESJARDINS
Secretary-Treasurer

LETTER OF UNDERSTANDING - No. 1

RE: OVERTIME

The parties recognize that the payment of the first hour of overtime worked, exceeding the eight (8) hour regular daily shift, was not paid from September 1st, 1994 to January 31st, 1995.

The Company therefore agrees to compute the first unpaid hour of overtime on behalf of all employees having worked overtime during the period stated above and to remunerate the employees accordingly.

Payments of all remaining overtime hours worked between September 1st, 1994 and January 1st, 1995 shall be paid at time and one half (1½) the employees' regular hourly rate of pay applicable for the period of September 1st, 1994 to January 31st, 1995.

The Company shall make payment to all employees, all hours worked at the overtime rate not paid for the period of September 1st, 1994 to January 31st, 1995, no later than March 31st, 1995.


Signed at *Montreal* this 7th day of February, 1995

RIGEL SHIPPING CANADA INC.

SEAFARERS' INTERNATIONAL UNION
OF CANADA



BRIAN RITCHIE
Managing Director



MICHEL DESJARDINS
Secretary-Treasurer

LETTER OF UNDERSTANDING - NO. 2

RE: Clothing Policy

This will confirm that the Company will continue to apply its clothing policy to the employees covered by this collective agreement.

Pursuant to the policy, the Company supplies one (1) pair of coveralls to each new employee at the time the employee first goes to work on a vessel, and thereafter two (2) additional pairs of coveralls during the first twelve (12) months of employment. Subsequently, coveralls are replaced as needed to a maximum of three (3) pairs of coveralls per year.

Each employee, upon completion of one year's service with the Company and at the completion of each subsequent year of service, is paid a safety footwear allowance of sixty (\$60.00) dollars.

The Company reserves the right to change its clothing policy at any time. The Company does however agree that the overall benefit will never be less than what is in effect on February 1st, 1995, provided that the Union is informed prior to it's implementation.

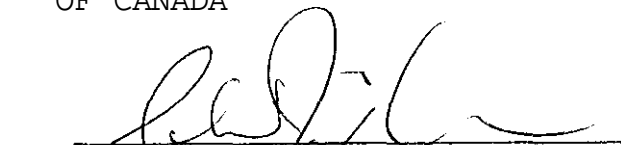
Signed at *Montreal*, this 7th day of February, 1995.

RIGEL SHIPPING CANADA INC.



BRIAN RITCHIE
Managing Director

SEAFARERS' INTERNATIONAL UNION
OF CANADA



MICHEL DESJARDINS
Secretary-Treasurer

LETTER OF UNDERSTANDING - No. 3

RE: Manning Scale

The Company agrees that effective the date of signing of the first collective agreement, the manning scale for each of the three vessels now covered by this collective agreement (JADE STAR, EMERALD STAR and DIAMOND STAR) will be as follows for the life of the collective agreement and will not be reduced without the agreement of the Union:

Leading Seaman	1
Seamen	3
Cook	1
General Duty	<u>1</u>
TOTAL	6

In the event the Company acquires new vessels requiring different manning levels than the existing vessels, the Company will discuss such manning levels with the Union prior to commencing the operation in Canadian waters of any such vessel.

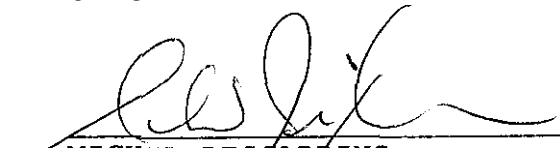
Signed at *Montreal*, this 7th day of February, 1995.

RIGEL SHIPPING CANADA INC.

SEAFARERS' INTERNATIONAL UNION
OF CANADA



BRIAN RITCHIE
Managing Director



MICHEL DESJARDINS
Secretary-Treasurer

LETTER OF UNDERSTANDING - No. 4

RE: Hiring New Employees

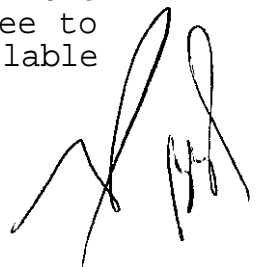
All new bargaining unit employees hired by the company during the term of this Agreement shall be requested through the offices of the Union except when a job vacancy occurs while the vessel is in the Atlantic Provinces, in which case the Company may hire the employee of its choice. When a job vacancy occurs and the vessel is in the Province of Quebec or Ontario, all new bargaining unit employees shall be requested through the office of the Union closest to the location of the vessel for which the request has been made. In addition, the Union shall supply the name of the candidate along with any relevant documentation required by the Company for the purpose of evaluating and assessing if the candidate would be acceptable to the Company for employment.

The Union agrees to cooperate fully with the vessels' officers and management of the Company in obtaining qualified, reliable employees to fill vacancies as they occur. When employees are requested, the Union agrees that the Company's requirements will be filled as quickly as possible.

When presenting themselves for employment, members shall remit a Union dispatch slip and discharge book and any other relevant documents that may be required by the Company to the Company's representative. If the candidate is not accepted by the Company as a result of or because of an error committed by the Company in placing a call for a replacement, the candidate shall be reimbursed any and all reasonable transportation costs to and from the vessel, living expenses supported by receipts and shall receive one (1) day's basic pay.

If a ship is delayed in transit and the candidate must stay overnight waiting for the vessel, the Company shall pay reasonable living expenses supported by receipts until the arrival of the vessel or until the call is cancelled and in the latter case, the employee shall receive their wages from the date on which the employee was to report to the vessel.

The Company and the Union agree that where the Union fails or is unable to fill a request for unlicensed replacement personnel acceptable to the Company within forty-eight (48) hours of the receipt of the Company's request, the Company shall be free to engage such unlicensed personnel through any other available source, subject to the following rules;

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- (a) Where an employee terminates his employment with the Company, he shall provide an officer with a minimum of forty-eight (48) hours written notice. Such notice shall be in writing and in duplicate so that the employee can retain a signed copy from the officer. The officer shall immediately thereafter request the Union to supply the required personnel. If the Union is unable to dispatch the replacement personnel within forty-eight (48) hours, the Company may hire replacement personnel from any other source available.
- (b) When, as indicated above, the Company does not provide the Union with a minimum of forty-eight (48) hours notice for replacement personnel, the Union shall in any event endeavour to dispatch the requested personnel within the time limits required by the Company. However, if the Union is unable to dispatch within the time limits required by the Company, the Company shall be free to hire replacement personnel on a temporary basis only. Should this occur, the Captain upon hiring temporary personnel shall immediately notify the nearest Union office so that the replacement personnel hired by the Company will be replaced by a Union member as soon as possible.
- (c) Where an employee terminates his employment without giving forty-eight (48) hours written notice to an officer, the Company shall notify the nearest Union hall immediately with the request for replacement personnel. However, if the Union is unable to dispatch within the time limits required by the Company.
- (d) Where an employee is discharged for cause, the Company shall notify the nearest Union hall immediately with the request for replacement personnel. However, if the Union is unable to dispatch within the time limits required by the Company, the Company shall be free to hire replacement personnel.
- (e) Where an employee is discharged for cause, suspended or laid off from his employment, the Company shall immediately furnish to the employee in writing the reasons for such discharge, suspension or layoff.

The minimum requirements for a candidate to apply for employment in positions covered by this Agreement are:

Galley Department

- in possession of a valid MED certificate
- ship's cook certificate (chief cook only)
- tanker endorsement certificate

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- acceptable references and experience

Deck Department

- in possession of valid M&D certificate
- bridge watchman certificate
- tanker endorsement certificate
- acceptable references and experience
- Rating Chemical Tanker (only if the vessel is operating with chemical products and provided it is required by the Canadian Coast Guard)


Signed at *Montreal*, this 7th day of February, 1995.

RIGEL, SHIPPING CANADA INC.



BRIAN RITCHIE
Managing Director

SEAFARERS' INTERNATIONAL UNION
OF CANADA



MICHEL DESJARDINS
Secretary-Treasurer

LETTER OF UNDERSTANDING - No. 5

Rigel Shipping Canada Inc. Leave System

Purpose:

Rigel Shipping Canada Inc. operates a "Two on/One off" Leave System. The purpose of the Leave System is to compensate an employee for certain wages and benefits that accumulated to him/her under the requirements of Federal Labour Law while working on board ship.

Coverage:

The Leave System is designed to sufficiently cover the following items:

- 1) Overtime incurred in a regular work week (weekends)
- 2) Statutory Holidays (12)
- 3) Vacation Pay at 6%

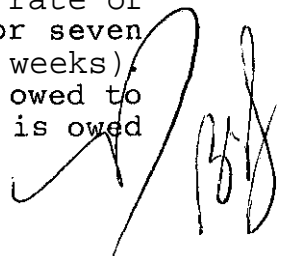
Tour of Duty:

The Company requires a "Tour of Duty" to be a minimum of 56 days and maximum of 63 days or often described as "approximately" 60 days on board ship, followed by 30 days off the ship. Tour of duty may be extended beyond 63 days upon written application to Head Office outlining valid reasons for request. Failure to remain on board a minimum of 56 days will result in payment of benefits/wages for actual hours worked, vacation pay at 4% and actual Statutory holidays if applicable at law and not the Two on/One off System.

Particulars:

1) Overtime incurred in regular work week (weekends)

As the company operates under Federal Law, overtime becomes due after 40 hours or five days at the rate of time and one half. The Company pays 56 hours or seven days at straight time on regular payroll (every 2 weeks). This means that the "half rate" for weekends is owed to the employee. Or stated otherwise, the employee is owed eight hours pay for every weekend worked.

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2) Statutory Holidays:

Federal Law recognizes the following twelve statutory. If an employee works on a statutory holiday he/she is entitled to two and one half times the Daily rate.

- 01 New Year's Day
- 02 Good Friday
- 03 Victoria Day
- 04 Labour Day
- 05 Thanksgiving Day
- 06 Canada Day
- 07 Remembrance Day
- 08 Christmas Day
- 09 Boxing Day
- 10 New Brunswick Day
- 11 Easter Monday
- 12 January 2nd

3) Vacation Pay

It is recognized that vacation pay is included in the leave system.

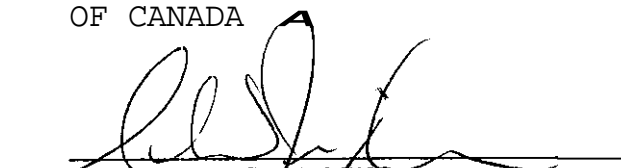
Signed at *Montreal* this 7th day of February, 1995.

RIGEL SHIPPING CANADA INC



BRIAN RITCHIE
Managing Director

SEAFARERS' INTERNATIONAL UNION
OF CANADA



MICHEL DESJARDINS
Secretary-Treasurer

LETTER OF UNDERSTANDING - No. 6

BETWEEN

THE SEAFARERS INTERNATIONAL UNION OF CANADA

AND

RIGEL SHIPPING CANADA INC.

RE: Seafarers' Hiring Hall

The Company will pay to the Union the annual fee for service of three thousand (\$3000.00) dollars per vessel for providing qualified candidates for selection for employment. This fee will increase by three thousand (\$3000.00) dollars for any additional vessel added to the Rigel fleet and covered by this Agreement. These payments shall be remitted monthly at a rate of seven hundred and fifty (\$750.00) dollars.

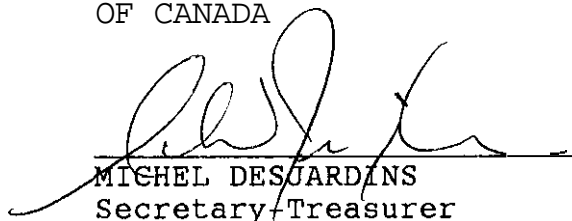
Signed at *Montreal* this 7th day of February, 1995.

RIGEL SHIPPING CANADA INC.

SEAFARERS' INTERNATIONAL UNION
OF CANADA



BRIAN RITCHIE
Managing Director



MICHEL DESJARDINS
Secretary/Treasurer

LETTER OF UNDERSTANDING - No. 7

RATES OF PAY FOR FOREIGN VOYAGES AND CANADIAN VOYAGES

The wages described in the present Collective Agreement are those which are payable for the duration of the Collective Agreement. Wages are established in a distinct manner for "Canadian voyages" and for "foreign voyages".

The wages payable under "FOREIGN VOYAGES" shall be reduced by ten percent (10%) in accordance with APPENDIX "A" .

- 1- For the purpose of this Article, "foreign voyage" means:
- a) A voyage from a point located inside Canada to a point located outside Canada;
 - b) A voyage from a point located outside Canada to a point located outside Canada;
 - c) A voyage from a point located outside Canada to a point located inside Canada.

DEFINITIONS: The duration of a foreign voyage begins with the notice of readiness for the loading of cargo in Canada for a foreign destination or if the ship is in a foreign port for Canada and terminates at the end of the unloading of that cargo abroad or in Canada.

Should a vessel sail in ballast outbound or inbound during a foreign voyage, the voyage shall begin when the vessel sails in ballast from the last port in Canada and ends when the vessel reaches, upon her return, the first port in Canada and re-enters the Canadian Cabotage Trade.

If during a foreign voyage a vessel shall stop to load or unload domestic cargo, this voyage shall then be presumed to begin after the unloading of this domestic cargo outward and at the beginning of the loading of this domestic cargo on the return of the vessel.

For the purpose of applying the present: "domestic cargo" means any cargo loaded at a point located in Canada for a destination to another point in Canada. "Domestic Cargo" excludes equipment, supplies and machinery for the use of the ship.

For the purpose of applying the present: "Canadian voyage" means a voyage from a point located in Canada to another point

located in Canada.

For the purpose of applying the present: U.S. ports located within the Great Lakes are deemed to be points located in Canada.


Signed at *Montreal*, this 7th day of February, 1995.

RIGEL SHIPPING CANADA INC.

SEAFARERS' INTERNATIONAL UNION
OF CANADA



BRIAN RITCHIE
Managing Director



MICHEL DESJARDINS
Secretary-Treasurer

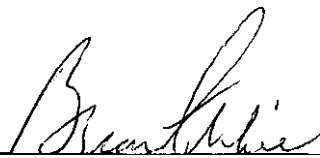
LETTER OF UNDERSTANDING - NO. 8

APPLICATION OF THE COLLECTIVE AGREEMENT TO
RIGEL SHIPPING CANADA INC. UMBRELLA COMPANIES

The parties hereby agree that the Collective Agreement between Rigel Shipping Canada Inc. and the Seafarers' International Union of Canada will apply to all vessels operated, owned or managed by any umbrella company of Rigel Shipping Canada Inc.

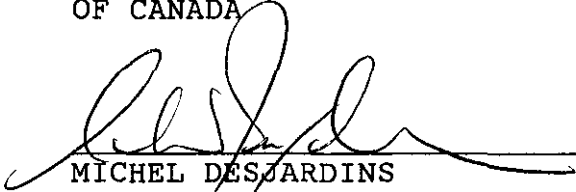
Signed at *Montreal* , this 7th day of February, 1995.

RIGEL SHIPPING CANADA INC.



BRIAN RITCHIE
Managing Director

SEAFARERS' INTERNATIONAL UNION
OF CANADA



MICHEL DESJARDINS
Secretary-Treasurer