

SYLVE

Collective Bargaining Agreement

Between

RIGEL SHIPPING CANADA INC.

hereinafter referred to as

the COMPANY

and

CANADIAN MERCHANT SERVICE GUILD

hereinafter referred to as

the GUILD

Expiry Date: August 31st, 2008

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BOLD PRINT denote changes from the previous Collective Agreement



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 Officers 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 Officers of the Company covered by the certification order of the Canada Labour Relations Board, File 555-3695, dated January 25, 1994. This Agreement may be amended at any time by mutual agreement of the parties hereto.

A party proposing an amendment shall submit a written draft of the suggested amendment to the other party to the agreement along with a notice in writing of the suggested time and place of a joint meeting to discuss the proposal.

A party proposing an amendment under the foregoing provision shall give the other party at least (7) clear days notice.

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 the Agreement.

1.03 The Company acknowledges the Guild as the sole bargaining agent for Officers 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 **Great Lakes, Quebec and the Maritime Provinces.**

1.05 Any notice required to be given to the Guild pursuant to this Agreement shall be delivered or transmitted by fax to the Office of the Guild, at **201 Brownlow Ave, Suite 44, Dartmouth, Nova Scotia, B3B 1W2** or at any other address which the Guild may designate and which the Guild shall notify the Company in writing; fax number **(902) 466-5633.**

1.06 Any notice required to be given to the Company pursuant to this Agreement shall be delivered or transmitted by fax to the Head Office of the Company at **P.O. Box 5151, Shediac, New Brunswick, E0A 3G0; Telephone (506) 533-9000, Fax number (506) 533-9010.**

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 / demote Officers in accordance with the provisions of this Agreement.



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

Article 3 - DISCRIMINATION

- 3.01 The Company will not discriminate against an Officer because of membership in the Guild or activity authorized herein on behalf of the Guild or for exercising his/her rights under the Canada Labour Code **or** as provided by this Agreement.
- 3.02 The Guild agrees not to intimidate **or** coerce or threaten Officers 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 Guild agree that they will not threaten, intimidate or unlawfully discriminate in the workplace against **any** Officer 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 - MEMBERSHIP AND DUES DEDUCTION

- 4.01 The Company agrees to retain in its employ only members in good standing **of the Guild**. Such members shall, as a condition of employment, maintain their membership in the Guild for the duration of this Agreement.
- 4.02 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.
- 4.03 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 provisions of this section 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 section, or by reason of compliance by the Company with provisions of **Article 4.10**.
- 4.04 The Company recognizes the Guild as the primary source of employment for all Officers covered by this Agreement and will make all requests for Officers from the office or sub-



office of the Guild. Such requests shall **be** confirmed in writing **or** fax and shall specify whether the job is permanent **or** relief and **the** position and qualifications required.

- 4.05 **Any** person not a member **of** the Guild, hired or promoted to the position **of an** Officer, shall within thirty **(30)** days of employment make application for membership in **the** Guild. Such application may be made by telegram, **fax or** otherwise directed **to** the **Administration** Office or sub-office of the Guild.
- 4.06 The actual selection and hiring of Officers shall be at the discretion of the Company. Officers who are not accepted by the Company must be notified in writing of the reason of rejection, with a copy provided to the Guild. The Company shall **only** be required to **show** that it acted reasonably in judging the employee unsuitable for employment.
- 4.07 When an Officer is dispatched on a ship upon the Company's request, and is refused by the Master for just cause, this Officer shall be paid **out** of pocket transportation expenses to and from the vessel and one days pay.
- 4.08 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.
- 4.09 **Should** the Company require an Officer to present himself/herself for an employment interview at the Company's office in Shediac Cape, or any other location not in the vicinity of the Officer's residence, he/she will be reimbursed **for** reasonable travelling expenses according **to** the Company's travel expense policy.
- 4.10 The Company agrees to deduct from the wages of each Officer the monthly dues and/or assessments and/or initiation fees and/or any other amounts as specified by the Guild. **The** deductions will be made **from** the Officer's first pay cheque of each month and remitted to the **Guild's Administration offices** by the end of each calendar month in which the deduction was made.

Article 5 - GUILD REPRESENTATION

- 5.01 The Guild agrees to notify the Company in writing of the names of its officers and to inform the Company in the same manner of any changes and thereafter, the Company shall conduct all its dealings with the Guild through these designated representatives.

Article 6 - BOARDING OF VESSELS

- 6.01 The Company agrees to issue passes to authorized representatives of the Guild for the purpose of consulting with the Officers aboard vessels of the Company covered **by** this Agreement in respect to Guild business. These passes **must** meet the requirements imposed **under new ISPS Code and will require photo identification.**
- 6.02 Authorized representatives of the Guild 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 reasonable notice. Any Guild representative boarding a vessel must immediately report to the Master or his/her designate. While on board, Guild

representatives may confer with Officers, but otherwise may engage in discussion only with the Master in respect of any dispute or grievance. Guild representatives shall not have the right to interfere in any way with the operations of the vessel.

- 6.03 The Company upon receiving a waiver, in form satisfactory to the Company, of any claim for any damage resulting from any accident or injury in 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 Section. In the event the Guild withdraws the privilege of boarding Company vessels from the designated Guild representative, the Guild undertakes to notify the Company to revoke such pass.
- 6.04 The Guild representative shall not violate **any** provision of this Agreement or interfere with the Officers aboard the vessel or retard the work of the vessel, subject to the penalty of revocation of the pass granted by the Company pursuant to this Section.
- 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 Guild in securing such passes.

Article 7 - OFFICERS' DUTIES

- 7.01 An Officer shall not be required to perform any duties usually assigned to unlicensed crew members.
- 7.02 The Company will utilise Deck Officers for the purpose of tying up or locking.
- 7.03 During all mooring and unmooring operations, Officers shall be assisted by one other person at each station.
- 7.04 In the event ~~of~~ a new Officer joining the Company, he will receive on-board training from another Officer who is familiar with the duties of the position being filled. The training will be performed during the existing Officer's normal work period. The existing Officer will not be required to perform extra duty due to training.

Article 8 - DEFINITIONS

- 8.01 In this Agreement "Day" means a twenty-four (**24**) hour day commencing at 0000 hours one day and ending at 2400 hours on the same day.
- 8.02 In this Agreement words importing male persons include female persons and corporations, words in the singular include the plural and words in the plural include the singular.
- 8.03 In this Agreement where a number of days expressed to be "Clear Days" is prescribed, both the first day and the last day shall be excluded.
- 8.04 In this Agreement, Department means Deck Department or Engineering Department.
- 8.05 In this Agreement, "Officer" means certified First Mate, Second Mate, Third Mate,



Second Engineer, Third Engineer and Fourth Engineer.

8.06 In this Agreement, "Vessel" or "Ship" or "Company Vessel" means a ship owned, operated **or** bareboat chartered by the Company.

8.07 In this Agreement "Year of Service" means a period consisting **of** twelve (12) months.

Article 9 - PROBATIONARY OFFICERS

9.01 An Officer shall be considered to be a probationary Officer until he/she **has** been employed by the Company in the bargaining unit for a period of **two (2) consecutive Tours of Duty**. During the period of probation, the Officer's suitability for permanent employment **will be** assessed by the Company.

9.02 **At** any time during the period of probation, an Officer may be released by the Company if the Company judges the Officer unsuitable for permanent employment. In the event a probationary Officer grieves his/her release, the Company shall only be required to show that **it** acted reasonably in judging the Officer unsuitable for permanent employment with the Company.

Article 10 - SENIORITY

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

10.02 If two or more Officers 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, by January 15 **of** each year, listings showing the seniority of Officers. One copy of these listings will be sent to the Guild.

10.04 In the event an Officer is promoted to a position outside this bargaining unit, he/she will continue to accrue seniority provided he/she has maintained his/her membership in the Guild.

10.05 An Officer shall lose his/her seniority standing and shall have his/her name removed from all seniority lists in any one of the following cases:

- a) where the Officer voluntarily quits;
- b) where the Officer is discharged for cause;
- c) where the Officer is laid off and fails to return to work within fifteen (15) days after the Company has delivered written notice to him/her and to the Guild by prepaid registered post advising him/her to return *to* work;
- d) where an Officer has been laid off because of lack of work for a continuous

period of more than twenty-four **(24)** months.

- 10.06 In the selection of Officers for promotion within the bargaining unit, where ability and qualifications are equal, seniority in the acting position will be the determining factor.
- 10.07 Notwithstanding any ~~other~~ provisions contained in this agreement, the Company may at its discretion promote a Company **Officer** in order to fill a temporary vacancy for a period not exceeding sixty (60), but at or before expiry of that sixty **(60)** day period, the Company shall fill the vacancy in accordance with the express provisions of **this** agreement.
- 10.08 When a new Officer is hired by the Company, and is to be trained in a lower rank, he will not displace another existing Officer **from** his regular position or Tour of Duty in **such** a manner that would affect the normal income of the existing Officer. **An** existing Officer's leave will not be carried further into the hole **than** normally contemplated without the Officer's consent. This may require the Officer that is being trained to be carried aboard the vessel as a supernumerary.

Article 11 - LAYOFF AND RECALL

- 11.01 The Company agrees that in matters relating to the selection of Officers **for** layoff and recall, where ability and qualifications are equal, seniority will be determined by length **of** service in the position the Officer is in at the time of layoff, so that if the Company must reduce the size of the workforce in any given position, the Officer who has held that position for the least amount of time will be the one laid-off, and recall will be in reverse order of layoff.
- 11.02 Notice of layoff will be given in accordance with the provisions of the Canada **Labour** Code.
- 11.03 **An** Officer who **is laid off** will retain his/her seniority and the right to recall for work for a period of twenty-four **(24)** months from the date of layoff provided he/she reports to the Company for work when recalled. An Officer who is recalled in conformity with the provisions of this Agreement and does not report **for** work within 15 days 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 Officer to ensure that the Company is always advised of how best to contact the Officer for purposes of recall from layoff.

Article 12 - TOURS OF DUTY AND HOURS OF WORK

- 12.01 The normal tour of duty for Officers on the vessels will be approximately sixty (60) days onboard a ship followed by sixty (60) 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. Officers will have the right to work an alternative system with the approval of his relief and the Company.
- 12.02 Officers shall work an eight (8) hour day, however Officers shall be expected *to* work any hours necessary to operate, overhaul, or otherwise preserve the safety, efficiency, and

operation of the vessel and crew. The regular hours for any Officer shall be eight (8) hours per day. Normal sea watches shall be four (4) hours on and eight (8) hours off. Officers may be required to work **up to four (4)** additional hours per day for any operation described in **this section, before extra overtime** accrues. **It is** expressly understood that these four (4) hours **per** day are at the discretion **of** the Master **and** Chief Engineer, and are not mandatory and will only be **used** within normal shipboard practice.

- 12.03 Shifts shall be as assigned **by** the Master with due consideration given to seniority and ability.
- 12.04 Should an Officer fail to report for duty as scheduled, the officer he/she was to replace must remain on duty until a substitute **is** secured. The extra hours worked by the Officer remaining on watch will **be** owed to him / her by the Officer who was missing from **his / her** watch and must be repaid.
- 12.05 When a vessel is at a **dock**, an Officer 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.
- 12.06 With the prior approval **of** the Master **or** Chief Engineer, which shall not be unreasonably withheld, an Officer **may**, while the vessel is in **port**, canalling, or at anchor, make private arrangements with other Officers to exchange watches thereby enabling him/her to **go** ashore. There shall be **no additional** cost to the Company as a result of any such exchange of watches.
- 12.07 **If** an Officer 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 Officer 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 Officer under these circumstances.
- 12.08 **If** an Officer 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 Officer.

Article 13 - EXTRA OVERTIME

- 13.01 All hours worked in excess of twelve (12) hours in a day and eighty-four (84) hours in a week are considered extra overtime.
- 13.02 Extra overtime worked will be compensated at the rate of time-and-one-half an employee's regular hourly rate.
- 13.03 Extra overtime will be recognized only when it has been approved by the Master in writing prior to the overtime being worked.
- 13.04 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.

13.05 The Master will ensure that overtime work is distributed equitably among the Officers.

13.06 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 Officers 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 Officer to participate **in** lifeboat or other emergency **drills** without incurring overtime.

Article 14 - MEALS

14.01 The Company will reimburse Officers for reasonable meal expenses incurred in **the** course of following the Company's instructions with respect to joining, leaving, or transferring to and from a ship.

14.02 Officers who are entitled to meals while on Company business will be reimbursed upon submission of bona fide receipts for reasonable costs incurred by them in the purchase **of** meals when the Company is unable **to** provide the Officer **with** a meal(s) on board a **ship**.

14.03 All officers shall be permitted ½ hour free from work for the purpose of eating each meal.

Article 15 - WAGE ADMINISTRATION

15.01 The basic rates of pay **for** the Officers 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 Officer 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 Officer who is injured, sick **or** absent, the Officer 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 Officer who is injured, sick, or absent, the Officer 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 Officer's bank account no later than Friday following the end of each pay period. The pay stub will be sent to the Officer aboard the vessel. Each Officer 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 Officers receive a regular biweekly pay cheque during their approximately sixty (60) days on board the vessel followed by approximately sixty (60) days on leave, is designed to compensate Officers in respect of statutory

holidays, vacation pay and hours worked in excess of forty (40) hours per week.

16.02 For every day worked, an Officer is credited with one day's leave.

16.03 Subject to Article 12 - **TOURS OF DUTY AND HOURS OF WORK**, an Officer will begin his/her period of leave once he/she has earned approximately sixty (60) days' leave.

16.04 An Officer 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, but not to the detriment of another Officer wishing to return to work.

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

16.06 Having regard to the need of the Company to be able to continue to operate its vessels with sufficient qualified Officers at all times, the right to begin a period of leave is conditional upon the approval of the Company. Such approval will not be unreasonably withheld.

16.07 Officers who possess leave days in excess of ten (10) days at their scheduled return to vessel date, may at their request, have these leave days in excess of 10 paid out in a lump sum through regular payroll deposit.

Article 17 - GROUP INSURANCE POLICY

17.01 The Company will continue to make available to the Officers 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 August 31st, 1999, subject to the following conditions:

- (a) *Employees will pay a maximum of \$15.00 per prescription.*
- (b) The Company reserves the right to change insurance carriers from time to time;
- (c) Upon the request of the Guild, the Company will provide the Guild with the financial justification for any change in benefits.

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

- Company 80 %
- Officer 20 %

Article 18 - TRANSPORTATION COSTS

18.01 Upon joining the vessel, Officers 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, Sarnia, **Hamilton**, Gaspé, 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 costs **from** the vessel to the designated airport nearest to the Officer's home base.
- 18.03 To be eligible to have the Company pay the transportation costs, the Officer must complete **his/her** assigned tour **of** duty. If an employee quits or **is** dismissed for cause, transportation costs will **not** be paid by the Company.
- 18.04 Whenever possible, an Officer shall be given, 96 but no less than 72 hours notice prior to joining **his** vessel. If the Officer is not available at his normal place of contact 96 hours prior to his scheduled return to his vessel, he shall contact the office and provide new contact information. On the day of travel, either joining **or** leaving the vessel for a normal Tour **of** Duty, **an** Officer shall be credited with one half day of work, and one half day **of** leave, regardless **of** whether the Officer works that day or does not work that day.
- 18.05 In the event that **an** Officer is transferred by the Company from one vessel to another vessel **of** the Company, the Company shall continue to pay the Officer his regular lay-day rate of pay, and benefits, and reasonable expenses during the time period necessary to enable him to **make** his transfer.
- 18.06 The mode of transportation will **be** determined by the Company in each case.
- 18.07 The Company will reimburse Officers for reasonable hotel expenses incurred in the course **of** following the Company's instructions **with** respect **to** joining a ship.
- 18.08 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 Officer's cost **of** transportation to the hospital or to the Officer's residence.
- 18.09 If the Company requests **an** Officer to use his **own** vehicle in the course of Company business, including the joining of a ship, the Company shall reimburse the Officer for the cost involved.
- 18.10 If the Company requests an Officer to attend to any Company business, without limiting the generality of the foregoing, it will be without loss of pay or benefits and the Company shall reimburse the Officer for **all** reasonable expenses incurred by him/her upon production of acceptable receipts and vouchers.
- 18.11 In the event that an Officer either joining or leaving **a** vessel is detained overnight on the day of travel, the Officer will be reimbursed for accommodation costs supported by receipts and in addition will receive a travel allowance of seventy-five dollars (\$75.00). The travel allowance is to **be** claimed on the normal Travel Expense Claim Form **and** does not need to be supported by vouchers.

Article 19 - EMPLOYEE RESIGNATION

- 19.01 When an Officer decides to resign from employment with the Company, he/she must give the Master a minimum of **seventy-two (72)** hours notice in writing.



19.02 An Officer 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 Officer at the time he/she **resigns**.

19.03 The Company will not pay the cost of transportation **from** the vessel to an Officer's home where an Officer resigns while working on **board** a vessel. Should **an** Officer **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, and benefits paid will be only at the minimum required by Canadian Labour Law. **If** the ship **is** trading outside **of** Canadian waters **and** the Company is required to repatriate the Officer, the cost **of** repatriation will be deducted from the Officers pay cheque.

Article 20 - LEAVES OF ABSENCE

20.01 An Officer who has completed sixty (60) **days** of continuous employment, 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 Officer 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 Officer'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 Officers 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 Officer forfeits his/her right **to** employment with the Company.

20.05 **An** Officer returning from leave under Article 20.01 or Article 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.

20.06 In the event an Officer is elected or appointed to work in an official capacity for the Guild,

- a) if the Officer requests a leave of absence in **writing**, and
- b) if the Guild approves **of** 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, and, if the Company consents, the leave of absence may be extended.

20.07 In the event an Officer has been elected or appointed to attend a Guild convention or to carry out other business of the Guild, **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. When the Guild reports to the Company that the Officer is ready to return to work after completing the Guild

business, he/she shall be entitled to return to his/her vessel at the earliest convenient date.

- 20.08 The **Company** will assist in providing adequate time off without pay **for Officers** wishing to attend school to either maintain their present qualifications or upgrade their certifications, when **mutually** agreed and in the best **interest** of the **Company**.

Article 21 - HEALTH AND SAFETY

- 21.01 a) A Shipboard Safety Committee, having at least one Officer representative on it, shall be established to promote safe and healthy working conditions for the persons employed on vessels **of the Company**.
- b) The Committee shall hold meetings as necessary but not later than every three (3) months unless both parties agree to postpone or cancel a meeting.
- c) Minutes of the meetings will be kept by **an Officer** and forwarded to the Company's Safety Officer for information and circulation.
- 21.02 All safety regulations which are or come into effect by the Company shall be strictly adhered to by each **Officer**. Failure of **an Officer** to comply with safety regulations may be cause for dismissal.
- 21.03 No animals or pets will be permitted on board a ship.

Article 22 - DRUG AND ALCOHOL POLICY

- 22.01 The Guild and the Officers recognize that the Company has a **drug and alcohol** policy in place that is binding upon the Officers covered by this agreement.

Article 23 - FAMILY VISITATION

- 23.01 With the prior approval of the Master, which will not be unreasonably withheld, an Officer may, only 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 Officer 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 Officer shall receive a written reprimand or warning, be suspended or **be** dismissed, except for just cause.
- 24.02 The Company, when dismissing an Officer shall give that Officer notice in writing of his/her dismissal and the reasons for the dismissal.
- 24.03 The Company agrees not to introduce as evidence in a hearing related to disciplinary action any document from the file of an Officer, the existence of which the Officer was not aware at the time of filing or within a reasonable period thereafter.



- 24.04 Disciplinary information which may have been placed in the personnel file of an Officer shall not be relied on for disciplinary purposes after thirty (30) months have elapsed since the disciplinary action **was** taken, provided that no further disciplinary action has been recorded during this **period**. Upon written request of **an** Officer, the personnel file of that Officer shall be made available once **per** year **for** the examination in the presence of an authorized representative **of** the Company.
- 24.05 Refusal of **any** Officer to work as directed or to obey **lawful** orders of his/her superior Officers may be grounds for dismissal. Any Officer who leaves a vessel without being properly relieved will forfeit his/her job with the Company.
- 24.06 The Guild agrees to cooperate with the Company to instruct each Officer to assist and to cooperate with the Master and **Company** Executives to maintain discipline on **board ship**.

Article 25 - MARINE DISASTER

- 25.01 **An** Officer who, while employed by the Company, suffers loss **of** clothing or other personal effects of any kind because of a marine disaster or shipwreck, shall be compensated **by** the Company **for** such a loss, up to a maximum **of** two thousand dollars (\$2,000.00).
- 25.02 **An** Officer or his/her estate making a claim under this section shall submit reasonable proof to **the Company** of the actual loss he/she has suffered.

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 Letter of Understanding No. 5 of this Agreement.
- 26.03 "Grievor" shall mean the Officer(s) concerned, the **Guild** 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 terms of this grievance and arbitration procedure.
- 26.05 Before, presenting a grievance, an Officer shall first discuss the matter with the Master / Chief Engineer. If the Officer is not satisfied with the Master's / Chief Engineer'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 by the grievor more than ten (10) days before the filing of the grievance.

- 26.07 **Step One:** The grievance shall be given to the Master / Chief Engineer, who 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 Master's / Chief Engineer's reply, or if a reply has not been given, the grievance may be referred to the Personnel Officer. 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 Personnel Officer within ten (10) days after the referral of the grievance to Step Two. The meeting will be attended by the Personnel Officer, the grievor and a witness. The Personnel Officer 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 the reply of the Personnel Officer or his/her designate, or if a reply has not been given, the grievance may be referred to the General Manager 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 General Manager or his/her designate within thirty (30) days after the referral of the grievance to Step Three. The meeting will be attended by the General Manager (or his/her designate) and the Secretary-Treasurer of the Guild (or his/her designate) and, subject to their availability, anyone else any party considers could assist in resolving the matter at issue. The General Manager or his/her designate shall give his/her reply in writing within ten (10) days after the Step Three meeting has been held.
- 26.10 A Guild grievance or a Company grievance shall be submitted at Step Three, to the General Manager of the Company or the Secretary-Treasurer of the Guild (or his/her designate) respectively, within ten (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 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 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.
- 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 and shall 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 only by written agreement between the Company and the Guild.

Article 27 - STRIKES AND LOCKOUTS

27.01 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 stoppage of work for any cause; and
- b) the Company agrees that there shall be no lockout for any cause during the term of this Agreement.

27.02 The Company will not expect Officers 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, Officers 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 Officers are displaced due to automation, mechanization, or permanent reduction in the number of Officers because of the sale of a vessel, layoff, recall and severance will be determined as follows:
- a) Officers 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) Officers 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 Officer not be offered a placement on another Company vessel during the time he/she 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 (8) week written notice to those Officers who are subject **to** layoff. Should **an** Officer not receive the eight (8) week notice, the Company shall pay to the Officer the pro-rated portion for which the Officer was not given notice.

Article 29 - DURATION AND RENEWAL

- 29.01 This Agreement shall take effect on the date of signing and shall remain in full force and effect until the 31st day of August, **2008**, 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 **one hundred and twenty (120) days prior** to the expiry of this Agreement. All changes shall become effective on the date of signing with the exception of remuneration for pay and overtime which shall be retroactive to **September 1, 2003**.
- 29.02 In the event neither party gives notice to reopen **one hundred and twenty (120) days** prior to expiry, allowing the Agreement to continue on a year to year basis, either party may give written notice of desire to amend, modify or cancel any term thereof **one hundred and twenty (120) days prior** to the anniversary date, in any year, in which case this Agreement shall terminate on the anniversary date in that year.

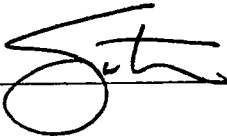
Appendix "A" together with Letters of Understanding Numbers One to **Eleven**, are attached to and form part of this Agreement.

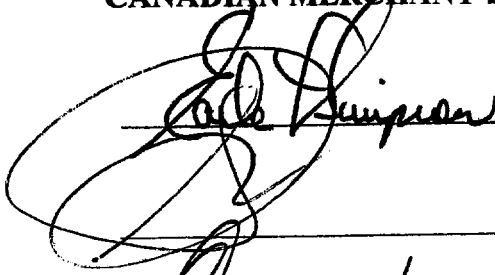


IN WITNESS WHEREOF the parties hereto have signed this Agreement
the 10th day of August, 2004

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD





Appendix "A"

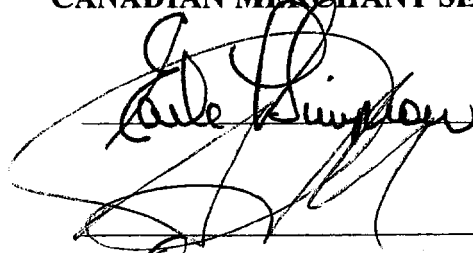
The following wage schedule shall be effective **September 1, 2003**:

<u>Position</u>	<u>Basic Daily Rate</u>	<u>Extra Overtime Hourly Rate</u>
<u>Chief Mate / Second Engineer</u>		
• Effective 1 Sept., 2003	\$190.12	\$35.65
• Effective 1 Sept., 2004	\$194.87	\$36.54
• Effective 1 Sept., 2005	\$199.74	\$37.45
• Effective 1 Sept., 2006	\$204.73*	\$38.39*
• Effective 1 Sept., 2007	\$209.85"	\$39.35"
 <u>Second mate / Third Engineer</u>		
• Effective 1 Sept., 2003	\$169.62	\$31.80
• Effective 1 Sept., 2004	\$173.86	\$32.60
• Effective 1 Sept., 2005	\$178.21	\$33.41
• Effective 1 Sept., 2006	\$182.67"	\$34.25*
• Effective 1 Sept., 2007	\$187.24*	\$35.11*
 <u>Third Mate</u>		
- Effective 1 Sept., 2003	\$149.12	\$27.96
- Effective 1 Sept., 2004	\$152.85	\$28.66
- Effective 1 Sept., 2005	\$156.67	\$29.38
- Effective 1 Sept., 2006	\$160.59*	\$30.11*
- Effective 1 Sept., 2007	\$164.60"	\$30.86"

- *In years 2006 and 2007, the wage increase shall be 2.5% or COLA, whichever is higher, but not to exceed 3%. COLA shall be based on the CPI as published by Statistics Canada covering the previous calendaryear.*

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD



Orlando Lare

**LETTER OF UNDERSTANDING - NO. 1
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

RE: Clothing Policy

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

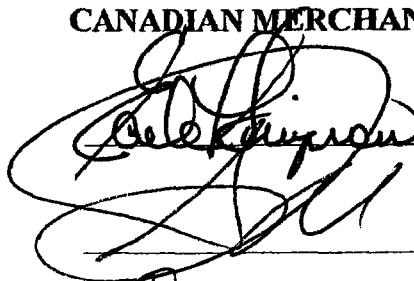
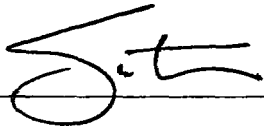
Pursuant **to** the policy, the Company supplies one (1) pair of coveralls to each new Officer **at** the **the** the Officer first goes to work on a vessel, and thereafter two **(2)** additional pairs of coveralls **during** the first twelve **(12)** months of employment. Subsequently, coveralls are replaced as needed to a maximum of three (3) pairs of coveralls per year, **one** of which will be *insulated* if the ship is trading in Canada.

Each Officer, upon completion of one year of service with the Company and **at** the completion of each subsequent year of service is entitled to a safety **footwear** reimbursement of **\$100.00 - effective September 1, 2003. This amount shall be increased by \$5.00 in each subsequent year** of this agreement. Applications for reimbursement must be supported by a receipt.

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 March 1st, 1995, provided **that** the Guild is informed prior to it's implementation.

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD




Orlando Lare

**LETTER OF UNDERSTANDING - NO. 2
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

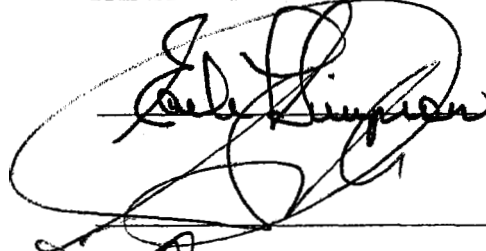
RE: Missed Meal Allowance

In view of the fact that the Chief Mate is expected to work long hours in port while handling cargo, the Company will pay to the Chief Mate a "Missed Meal Allowance" of \$12.50 for each cargo loaded and each cargo discharged. If a second port is utilized to discharge the cargo, not on the same day as the first portion discharged, a further Missed Meal Allowance of \$12.50 will be paid.

RIGEL SHIPPING CANADA INC.



CANADIAN MERCHANT SERVICE GUILD



Orlando Lacey

**LETTER OF UNDERSTANDING - NO. 3
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

RE: Hiring New Officers

All new Officers hired **by** the **Company** **during** the term of *this* Agreement shall be requested through the offices of the Guild. When a job vacancy occurs all new Officers shall be requested through the office of the Guild closest to the location of the vessel **for** which the **request** has **been** made. The Guild 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 Guild agrees to co-operate fully with the management of the company **in** obtaining qualified, reliable Officers to **fill** vacancies **as** they occur. When officers are requested, the Guild, agrees that the Company's requirements will be **filled as** quickly **as** possible.

When presenting themselves for employment, Officers shall remit a 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 (I) 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 Officer shall receive their wages from the date on which the Officer was to report to the vessel.

The Company and the Guild agree that where the Guild fails or is unable to fill a request for replacement personnel acceptable to the Company within seventy-two (**72**) hours of the receipt of the Company's request, the Company shall be free to engage such personnel through any other available source, subject to the following rules:

- a.) Where an Officer terminates his/her employment with the Company, he/she shall provide a minimum of seventy-two (72) hours written notice. Such notice shall be in writing. The Company shall immediately thereafter request the Guild to supply the required personnel. If the Guild is unable to dispatch the replacement personnel within seventy-two (**72**) hours, the Company may hire replacement personnel from any other source available.
- b.) When as indicated above, the Company does not provide the Guild with a minimum of seventy-two (72) hours notice for replacement personnel, the Guild shall **in** any event endeavour to dispatch the requested personnel within the time limits required by the Company. However, if the Guild 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 Guild office so that the replacement

 24

Rehiring New Officers (con't)

personnel hired by the Company will be replaced by a Guild member **as soon as possible**.

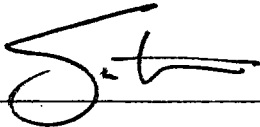
- c.) Where an Officer is discharged for cause, the Company shall notify the nearest Union hall immediately with the request for replacement personnel. However, if the Guild is unable to dispatch within the time limits required by the Company, the Company shall be free to hire replacement personnel.
- d.) Where an Officer is discharged for cause, suspended or laid off from his/her employment, the Company shall immediately furnish to the Officer **in writing** the reasons for such discharge, suspension or layoff.

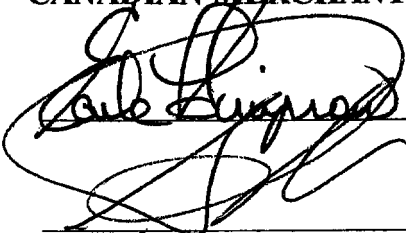
The minimum requirements for a candidate to apply for employment in positions covered by this Agreement are:

- in possession of valid MED certificate
- appropriate Officer certification
- tanker endorsement certificate, appropriate level
- chemical tanker endorsement certificate, appropriate level
- acceptable references and experience
- GMDSS certificate for certain positions
- Valid Passport

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD





Orlando Lare

**LETTER OF UNDERSTANDING - NO.4
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

RE: Leave System

Purpose:

Rigel Shipping Canada Inc. operates a "One for One" leave system **for** the Officers. The **purpose** of the leave system is to compensate **an** Officer for certain wages **and** benefits that accumulate 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.) Rate differential for applicable **hours** beyond forty (40) hours or up to twelve (**12**) hours per day.
- 2.) Four (4) **hours of** overtime per day worked.
- 3.) Federal Statutory Holidays (**9**).
- 4.) Vacation pay at 6.00%.

Tour of Duty:

The Guild and the Company agree **that a "Tour of Duty" to be a minimum of 56 days and maximum of 63 days on board ship, followed by approximately 60 days off the ship, acknowledged as a sixty (60) day on and off system. Tour of Duty may be extended beyond 63 days with the consent of the Company, the Officer and the Guild.**

Particulars:

- 1.) Overtime incurred in regular work week.

Officers shall work hours in accordance with Article 12 **of** this agreement. It is understood that hours worked in excess of twelve (12) per day and eighty-four (84) per week shall be paid at the extra overtime rate.

- 2.) The leave system is designed to cover four (4) overtime hours per day at the rate of time and one half, however, the leave system will not be reduced if the overtime is not worked at the discretion of the Master and / or Chief Engineer.



RE: Leave System (continued)

3.) Statutory Holidays:

Federal Law recognizes the following nine statutory holidays, If **an** Officer 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

4.) Vacation Pay


It is recognized that the leave system includes vacation pay at a rate of 6.0%.

5.) Those Officers who have been continuously employed with the company ten (10) or more years shall receive a monetary bonus of \$500.00 on their ten (10) year anniversary date.

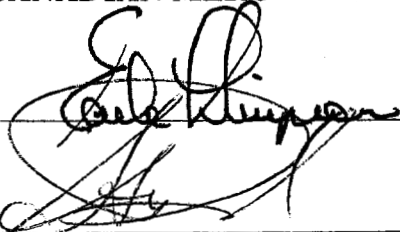
6.) Those Officers who have been continuously employed with the company fifteen (15) or more years shall receive a monetary bonus of \$750.00 on their fifteen (15) year anniversary date.

7.) Those Officers who have been continuously employed with the company twenty (20) or more years shall receive a monetary bonus of \$1000.00 on their twenty (20) year anniversary date.

RIGEL SHIPPING CANADA INC.



CANADIAN MERCHANT SERVICE GUILD



Orlando Lare

**LETTER OF UNDERSTANDING - NO. 5
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

RE: Legal Defence Insurance


The Company agrees to remit the sum of

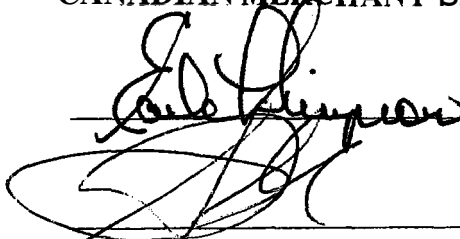
Effective September 1, 2003 - \$1332.50 per month
Effective September 1, 2004 - \$1365.81 per month
Effective September 1, 2005 - \$1399.96 per month
Effective September 1, 2006 - \$1434.95 per month
Effective September 1, 2007 - \$1470.83 per month

to the Guild to provide legal defence insurance to Guild members in good-standing covered by this Collective Agreement in the event of a marine mishap. This remittance shall be made monthly, not later than the fifteenth of the following month to the **administrative offices of the Canadian Merchant Service Guild (Eastern Branch)**.

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD





Orlando Lare

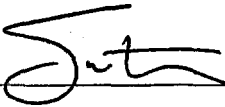
**LETTER OF UNDERSTANDING - NO. 6
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

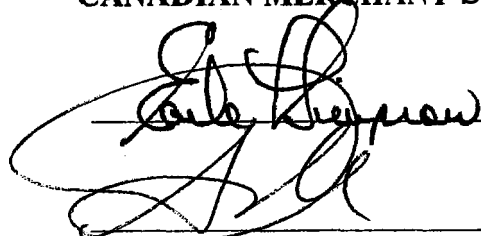
RE: Application of the Collective Agreement to Rigel Shipping Canada Inc. Umbrella
Companies

The parties hereby agree that the Collective Agreement between Rigel Shipping Canada Inc. and the Canadian Merchant Service Guild will apply to all vessels operated, owned or managed by any umbrella Company of Rigel Shipping Canada Inc.

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD






Orlando Lare

**LETTER OF UNDERSTANDING - NO. 7
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

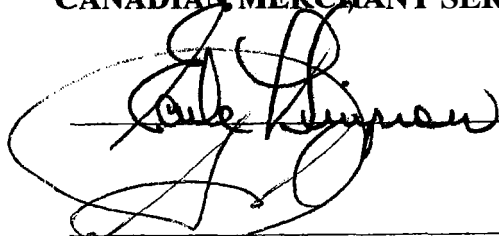
RE: Education Allowance

1. If an Officer is required by the Company to attend a training course, the Company shall pay for the course and all costs related to the course including two-way transportation. During the period the said employee is on course, he shall not suffer any loss in basic hourly pay or benefits as provided by this Agreement. **An** Officer shall not earn extra pay while on training.
2. If an Officer is required by Transport Canada or any other government regulatory agency to attend a course to maintain his existing certificate, he shall be compensated as per section 1.
3. An Officer who receives Company-provided training as indicated in sections 1 or 2 must maintain his employment with the company for two 2-month Tours of Duty (120 days on board). If the Officer leaves the employ of the Company prior to the completion of these required two Tours, the costs of the course shall be repaid to the Company on a pro-rata basis.

RIGEL SHIPPING CANADA INC.



CANADIAN MERCHANT SERVICE GUILD



Orlando Lare

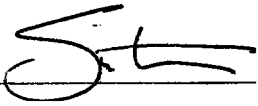
**LETTER OF UNDERSTANDING - NO. 8
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

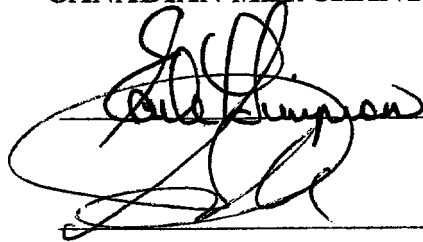
RE: Manning Levels

The Company agrees to maintain the numbers of Officers and their classification (ie. Chief Mate, 2nd Engineer, 2nd Mate, 3rd Engineer, and 3rd Mate) for the duration of this Collective Agreement.

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD





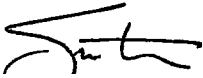
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**LETTER OF UNDERSTANDING - NO. 9
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

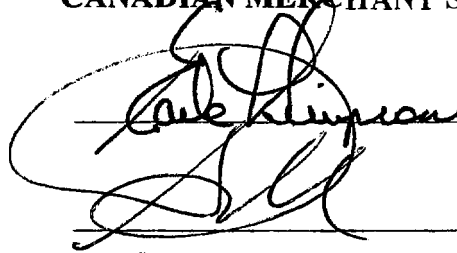
RE: Abnormal Operations

In accordance with Tank Entry Procedures, and with the Master's prior approval, when it becomes necessary for Officers to work wearing breathing apparatus in confined or dangerous spaces such as slop, cargo or fuel tanks, they will be paid a premium of one hours pay in addition to their normal rate of pay for each such assignment.

RIGEL SHIPPING CANADA INC.



CANADIAN MERCHANT SERVICE GUILD



Orlando Lare


**LETTER OF UNDERSTANDING - NO. 10
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD**

RE: Registered Retirement Savings Plan

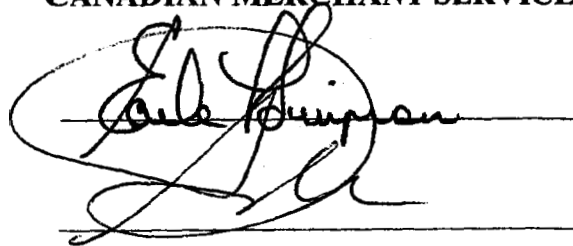
The Company agrees to contribute to a **group RRSP** for all Officers , based on the following:
Effective September 1, 2004, an amount equal to six decimal five percent (6.5%) of the Officer's regular earnings.

Personal contributions by Officers shall be permitted to the **RRSP** at any time, through payroll deductions, at any rate determined by the Officer. The Officer may elect to change his contribution rate up to a maximum of two **(2)** times per **year**.

RIGEL SHIPPING CANADA INC.



CANADIAN MERCHANT SERVICE GUILD



Orlando Lave

LETTER OF UNDERSTANDING - NO. 11
BETWEEN RIGEL SHIPPING CANADA INC.
AND CANADIAN MERCHANT SERVICE GUILD

Union/Management Consultation Meetings

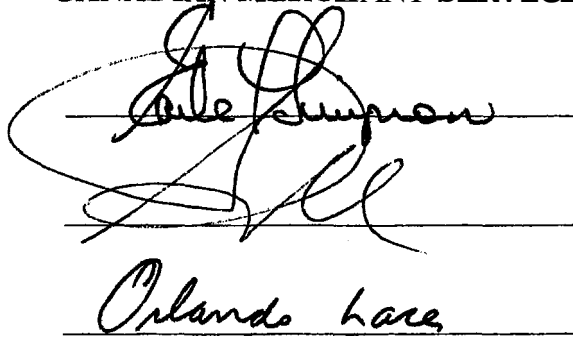
The parties hereby agree to the establishment of a Union Management Committee. Such a committee shall have equal representation from the Guild and Management and be chaired alternately between a representative of Management and a representative from the Guild. The Committee shall meet as often as deemed necessary by the Committee. Minutes of each meeting shall be kept and, once approved by the Committee, distributed to all vessels within the fleet.

The purpose of the Committee is to promote an effective exchange of information between management and the Officers covered by this collective agreement. It is further agreed that the topic of safety and security shall be discussed at these meetings.

RIGEL SHIPPING CANADA INC.

CANADIAN MERCHANT SERVICE GUILD




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