

SOURCE	CMA		
EFF.	98	21	21
TERM.	2003	01	31
No. OF EMPLOYEES	30		
NOMBRE D'EMPLOYÉS	df		

Collective Bargaining Agreement

Between

ALGOMA TANKERS LTD.

hereinafter referred to as

THE COMPANY

AND

CANADIAN MARINE OFFICERS UNION

hereinafter referred to as

THE CMOU

Effective-_____

APR 21 1998

11345(01)

CONDITIONAL AGREEMENT

**BETWEEN ALGOMA TANKERS LTD. ANI)
CANADIAN MARINE OFFICERS UNION**

This contract **between** Algoma Tankers Ltd. (the "Company") and the CANADIAN MARINE OFFICERS UNION (the "CMOU") is conditional upon an agreement being reached **between the Company** and Imperial Oil Ltd. for the purchase of one or more of **Imperial Oil Ltd.** tankers (the "Tanker Agreement").

This contract will come into **force** on **the** closing date, **if** any, of that agreement. For the **purposes** of **this** contract, January 1, 1998 is used as a **hypothetical** closing **date** for the **Tanker Agreement**. The **actual** closing date, **if** any, will be **substituted** once it is **agreed upon** in the **Tanker Agreement**. The actual closing date of the Tanker Agreement may occur **either** side of January 1, 1998. **However, it is agreed**, for the **purposes** of contractual annual changes, **they** will come into effect **January 1** of each year.

Signed at Montreal, this 9th day of DECEMBER, 19 97

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION

Tom Doof

H. B. Anderson

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Article 1 PURPOSE AND SCOPE

1. INTERPRETATION AND AMENDMENT

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 and application of **alleged** violations of any of **the** provisions of this Agreement.

1.02 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, which **has been agreed to by** all parties, **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 CMOU as the sole bargaining **agent for** all Officers **employed** on vessels owned, operated **or** under bareboat charter, or otherwise effectively controlled by **the** Company **either** directly or indirectly.

1.04 The Company operates, owns, manages and/or bareboat **charters** ships capable of carrying liquid petroleum products 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.

1.05 Any notice required to be given to the CMOU **pursuant** to this Agreement shall be delivered **or** transmitted by **fax** to the Office of the CMOU, **at** 9670 Notre Dame **Street East**, Montreal, Quebec, H1L 3P8, or at any other address which the CMOU may designate and **which** the CMOU shall notify the Company in writing; **fax** number **(514) 354-8368**.

1.06 **Any** notice required **to** be given to the Company pursuant to **this** Agreement shall **be delivered** or transmitted by **fax** to the (address and telephone number to **be** determined).

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 CMOU or **activity** authorized herein on behalf of the CMOU or for exercising his/her rights under the Canada **Labour Code** or as provided by this **Agreement**.
- 3.02 The CMOU 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 CMOU **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 CMOU. Such members shall, **as a** condition of employment, maintain their membership in the CMOU for **the** duration of this Agreement.
- 4.02 **An Officer** is deemed to be a **member** in good standing of the CMOU until the CMOU **determines** that the **Officer** is not in good standing pursuant to the CMOU's Constitution, Rules and Regulations, and until the CMOU gives notice in writing to the **Company** that the **Officer** is not in good standing.
- 4.03 The CMOU 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 CMOU pursuant to the provisions of this section, or by reason of compliance by **the** **Company** with provisions of Article 4.10 (Dues Deduction).
- 4.04 **Any** person not a member of **the** CMOU, hired **or** promoted to **the** position of an **Officer**, shall within thirty (30) **days** of employment make application for **membership** in the CMOU. Such **application** may be made by telegram, fax or **otherwise directed to** **the** **Office** or sub-offices of the CMOU.
- 4.05 The actual selection and **hiring** of **Officers** shall be at the discretion of the **Company**.
- 4.06 When an **Officer** is dispatched on a **ship** upon the **Company's** request, and **is refused** by the Master/Chief **Engineer** for just cause, this **Officer** shall be paid out of pocket transportation expenses to **and from** the vessel and one days pay.
- 4.07 The CMOU agrees that membership in the CMOU 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 CMOU.
- 4.08 When an **Officer** joins a **vessel**, the **Company** shall, as a condition of employment, deduct **the** monthly **dues** and/or initiation fees as required or requested by the CMOU. **The** amount(s) so **deducted** will only be changed **during** this Agreement to conform with changes in the amount of the regular dues or fees of the CMOU in accordance with its Constitution and By-Laws.
- 4.09 Should the **Company** require an **Officer** to present himself/herself for an employment interview at the **Company's** office, or any other location not in the vicinity of the **Officer's** **residence**, he/she will be **reimbursed** for reasonable traveling 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 CMOU. The deductions will be made **from** **the** **Officers** first paycheque **of** each month and remitted to CMOU, 9670 Notre **Dame** Street East, Montreal, PQ, H1L 3P8 **by** **the** **end** of **each** calendar month in which **the** deduction **was** made.

Article 5 CMOU REPRESENTATION

- 5.01 The CMOU **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 CMOU through **these** designated representatives.

Article 6 BOARDING OF VESSELS

- 6.01 The Company agrees *to* issue **passes** to authorized representatives of **the** CMOU for the purpose of consulting with the **Officers** aboard vessels of the Company **covered** by this Agreement in **respect** to CMOU business.
- 6.02 **Authorized** representatives of the CMOU 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** CMOU representative boarding a **vessel** must immediately report to **the** Master or his/her designate. While onboard, CMOU representatives **may** confer with Officers, but otherwise may engage in discussion only **with** the **Master** in **respect** of any dispute or **grievance**. CMOU 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 CMOU withdraws **the** privilege of boarding Company vessels from the designated CMOU representative, the CMOU **undertakes** to notify **the** Company to **revoke** such **pass**.
- 6.04 The CMOU 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 CMOU 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.

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 Engine Room.

8.05 **In this Agreement** "Officer" means certified Second **Engineer**, Third **Engineer** or 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.

8.08 In this Agreement "CPI" means Consumer Price Index.

8.09 **In this Agreement** "Company" means Algoma Tankers Ltd.

8.10 **In this Agreement** "CMOU" means the CANADIAN MARINE OFFICERS UNION

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 ninety (90) days working on a **vessel**. 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**.

9.03 **Any** days previously **worked** for **the** Company by an Officer 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 with the Company as an Officer.
- 10.02 If two or more Officers **have** the same seniority date, the Officer **first** hired shall **be** deemed to have **the** most seniority.
- 10.03 The **Company** will **prepare and** post on appropriate bulletinboards, **by** January 15 of each year, listings **showing** the seniority of Officers. **One** copy of **these** listings will be sent to **the** CMOU.
- 10.04 In *the* event **an Officer** is promoted to a position **outside this** bargaining unit, he/she **will continua** to accrue seniority provided he/she has maintained his/her membership in the CMOU.
- 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 CMOU 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 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)** days, but at or before the expiry of that sixty (60) day period, the Company shall fill the vacancy in accordance with the express provisions of **this agreement**.

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 within the Company 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 CMOU and the Company agree that a "Tour of Duty" be a **minimum** of **twenty-five** (25) days and **maximum** of thirty-five (35) days on board ship, followed by approximately thirty (30) **days** off the ship, **acknowledged** as a thirty (30) **day** on and off system. For every day worked, an Officer is credited with one day's leave. 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 officers to leave or join the vessel. Tour of **Duty** may be extended **beyond** thirty-five (35) days with the consent of **the** Company, the **Officer** and **the** CMOU.
- 12.02 Officers shall **work** a twelve (12) hour day each day **of** the week. 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. 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**.
- 12.03 Day working Officers will **work** twelve (12) hours per day on a "flex hour **schedule**". "Flex hour" means that **normal** working hours can be adjusted to meet the requirement of the job. However, if more than **twelve** (12) hours of **work** is required in a Day, the **excess** hours **qualify as** overtime and overtime provisions apply.
- 12.04 A **minimum** of seven (7) days' notice in writing must **be** given to the Master by an Officer intending to take leave. **However**, 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**.

- 12.05 Where Officers are required work six (6) and **six (6)** shifts, shifts shall be as assigned by **the Master with due** consideration given to seniority and ability.
- 12.06 **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.
- 12.07 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.
- 12.08 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 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.
- 12.09 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.
- 12.10 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 RATES OF PAY AND PAID LEAVE SYSTEM

13.01 An Officer will be entitled to one day's leave for each **full day** worked on board ship.

13.02 Each Officer will receive a **regular bi-monthly pay cheque while** on board ship and **while** on shore leave. The amount will be based on one half (1/2) of the Earnings per **Day Worked plus vacation pay**. The Earnings per Day Worked rate **represents** compensation for the following:

- (a) While on **tour** of duty, **eight (8)** working hours per day paid at the Officer's Regular Wage Rate;
- (b) While on tour of duty, **four (4)** working hours per day paid at the Officer's Overtime Wage Rate;
- (c) **Pay for** the following Statutory Holidays:

New Year's Day	January 2nd	Good Friday
Easter Monday	Victoria Day	First Monday in June
Canada Day	First Monday in August	Labour Day
Thanksgiving Day	Remembrance Day	
Christmas Day	Boxing Day	

13.03 Regular Hourly Wage Rates and Overtime Hourly Wage Rates and Statutory Holiday Hourly Wage Rates shall be as follows:

Position	Regular Hourly Wage Rate	Overtime Hourly Wage Rate	Daily Statutory Premium	Earnings Per Day Worked	Calendar Daily Rate Paid
Second Engineer	\$23.16	\$34.73	\$21.44	\$345.63	\$172.82
Third Engineer	\$20.97	\$31.46	\$19.42	\$313.03	\$156.52
Fourth Engineer	\$19.76	\$29.64	\$18.30	\$294.92	\$147.46

13.04 The Earnings per Day Worked shall be calculated as follows:

$$\begin{aligned} \text{Earnings per Day Worked} &= (\text{Regular Wage Rate} \times 8 \text{ hours}) \\ &+ (\text{Overtime Wage Rate} \times 4 \text{ hours}) \\ &+ (\text{Daily Statutory Premium}^*) \end{aligned}$$

$$\begin{aligned} \text{*Daily Statutory Premium} &= (6\frac{1}{2} \text{ Statutory Days Worked and paid at 12 hrs at } 1\frac{1}{2}) (=17) \\ &- (6\% \text{ Statutory Days on Leave and paid at 8 hours basic}) (=52) \\ &\times \text{ Hourly Wage Rate} \\ &\div \text{ Total Annual Days Worked } (365 \div 2 = 182.5) \end{aligned}$$

- 13.05 Effective January 1, 1999, January 1, 2000, January 1, 2001, and January 1, 2002 the **wage rates shall be increased by three percent (3%)**. Additionally if the CPI covering the previous **twelve (12)** month period ending December 31 **exceeds three percent (3%)**, the wage rates **shall be increased by fifty percent (50%)** of the difference between the actual CPI and three **percent (3%)**.

Article 14 EXTRA - OVERTIME

- 14.01 All hours worked in excess of twelve (12) hours in a day will be considered Extra Overtime and will be paid at the overtime hourly wage rate as per Article 13. Any portion of the **first hour worked in excess** of twelve (12) hours **will be paid** as a full hour and on the half-hour (1/2) thereafter.
- 14.02 Extra Overtime **will be recognized only** when it **has** been approved **by** the Master in writing prior to the overtime being **worked**.
- 14.03 No Officer shall **be** required to perform more than sixteen (16) hours of continuous work, excluding meal hours, in a twenty-four (24) hour period.
- 14.04 The Master will ensure that Overtime **work** is distributed equitably among **the** Officers.
- 14.05 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 15 MEALS

- 15.01 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**. Allowable costs for such meals are stated in Article 20.07.
- 15.02 All Officers shall **be** permitted 1/2 hour free from **work** for the purpose of **eating** each meal.

Article 16 WAGE ADMINISTRATION

- 16.01 The **basic** rates of **pay** for **the Officers** covered **by** this Agreement shall **be** as set forth in **the wage** schedules in **Article 13**.
- 16.02 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.
- 16.03 Wages will be paid **by way** of direct deposit into the Officer's **bank** account no later than **two** days 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 17 VACATION PAY

- 17.01 An Officer having completed less than **one** (1) full year of service with the Company shall receive vacation **pay** monthly equal to four percent (**4%**) of his/her **gross** wages on **the** basis of **thirty** (30) **days** on and **thirty** (30) **days** off.
- 17.02 **An** Officer having completed one (1) **but** less than **five** (5) full consecutive years of service with the Company shall receive vacation **pay** monthly equal to five (**5%**) of his/her **gross wages** on the **basis** of thirty (30) **days** on and **thirty** (30) **days** off.
- 17.03 **An** Officer having completed five (**5**) **but** less than ten (10) full consecutive **years** of service with the Company shall **receive** vacation **pay** monthly **equal** to **seven** percent (7%) of his/her **gross** wages on the basis of thirty (30) **days** on and **thirty** (30) **days** off.
- 17.04 **An** Officer having completed ten (10) or more full **consecutive** years of service with the Company shall **receive** vacation **pay** monthly **equal** to **nine** percent (**9%**) of his/her **gross wages on the** basis of **thirty** (30) **days** on and **thirty** (30) **days** off.
- 17.05 A year of service commences from hire to anniversary date and in accordance with the preceding clauses of this Article, **the** percentages **shall** change effective one (1) **day** after anniversary date.
- 17.06 Vacation **pay** is accumulated during the thirty (30) day work period and **paid** on the basis of thirty (30) **days** on and **thirty** (30) **days** off. (ie: continues uninterrupted during on and off periods)

Article 18 BENEFITS, FACILITIES AND AMENITIES

18.01 The Company agrees, effective January 1, 1998 to make a contribution of eight dollars and twelve cents (\$8.12) per **position** per day on the basis of thirty (30) days on and thirty (30) days off. (ie: continues **uninterrupted during on** and off periods)

Effective January 1, 1999, and each subsequent year for **the** term of this agreement, the contribution will be **increased** by the same **percentage** increase as per Article 13.

18.02 The Company agrees to send the **aggregate** of the contributions for **each** month to the Family Security Plan **administrator** designated **by** the CMOU, on **or** before the 15th of the following month. The contributions shall be accompanied **by a list in** duplicate showing each Officer's name, the number of days for which contributions are **being** made and the number of positions on each vessel, whether such positions are filled or vacant.

18.03 The Company **agrees** to continue Benefits, Facilities and Amenities **contributions** during **any period** the Officer is off work as **a** result of compensable disability or illness up to a period of 24 months for the same coinpensable disability or illness.

Article 19 PENSION PLAN

19.01 **All** Permanent Employees **will** belong to the Company Pension Plan which will **be a** "Money Purchase" **type plan.**

19.02 Effective **January 1, 1998** the company shall **pay** into the Plan, on behalf of each Permanent Employee, in addition to his/her regular **pay**, seven (7%) per cent of the Employee's **basic** Regular Hourly Wage Rate for twelve (12) hours **per payroll** day. Effective January 1, 1999, this rate will increase to **seven and one-half (7 1/2%)** per cent.

19.03 **Each Employee** shall have an option **to** contribute an amount equal to that remitted by the **Company.**

19.04 Temporary or relief **Employees will** have **the same** amount contributed on their behalf to the Canadian Marine Officers Union Pension Plan. Temporary or relief **employees** will **also be required** to match the Company contribution.

Article 20 TRANSPORTATION COSTS

- 20.01 Upon joining or leaving **the** vessel for **leave** or **work** periods, **the** Company agrees to pay the Officer reasonable transportation costs to and from his/her home and the **ship**. **These costs** are to include first **class surface passage** or economy **air fare** or **two way car allowance** where public **transport** is not available and meals and **berth**. The car allowance will **equal** thirty-three cents (\$0.33) **per** kilometre.
- 20.02 To be eligible to have **the** Company **pay the** transportation **costs, the** Officer must **complete** his/her **assigned** tour of duty. If an Officer quits **or** is dismissed for cause, transportation costs will not be paid by the Company.
- 20.03 An Officer **shall** be given **forty-eight (48)** hours notice prior to joining his/her vessel. The Officer will be **paid** for the day of travel providing he/she **works** a **minimum of** one **four** hour shift on the traveling day.
- 20.04 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/her regular **lay+day** rate of **pay**, and benefits, and reasonable **expenses** during the time period necessary to enable **him** to make his/her transfer.
- 20.05 In **the event** an Officer **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.
- 20.06 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.
- 20.07 The maximum allowable **rate** for meals **shall** be thirteen dollars (\$13.00) per meal exclusive of taxes and seventy-five dollars (\$75.00) per room, exclusive **of taxes** supported **by** receipts

Article 21 OFFICER RESIGNATION

- 21.01 When an Officer **decides** to **resign from** employment with the Company, he/she must give the Master a minimum of forty-eight (48) hours notice in **writing**.
- 21.02 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 fifteen (15)** days of his/her scheduled tour of duty, the Company shall **be** entitled to recover all related **expenses** incurred **while** joining the vessel. 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** Officer's pay cheque.

Article 22 LEAVES OF ABSENCE

- 22.01 An Officer 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 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.
- 22.02 Officers **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.
- 22.03 Officers will be entitled to child care leave in **accordance** with the provisions of **the** Canada Labour Code.
- 22.04 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.
- 22.05 **An Officer returning** from leave under **Article 22.01** or **Article 22.02** will **notify** the Company's office **seventy-two (72)** hours in **advance** of the time he/she is ready to return to the **vessel**.
- 22.06 In the event an **Officer** is elected or appointed to work in **an** official capacity for **the** CMOU,
- a) **if the** Officer requests a leave of absence in writing, and
 - b) if the CMOU 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.
- 22.07 In **the** event an Officer **has been elected** or appointed to attend a CMOU convention or to carry out other business of the CMOU, if the Officer gives **fifteen (15)** clear days notice to **the** Company and **if** satisfactory replacement is found, the **Company** shall, for **this purpose**, grant leave of absence without **pay** to the Officer. When the CMOU **reports** to **the** Company **that** the Officer **is ready** to **return to work** after completing the CMOU business, he/she shall be entitled to return to his/her **vessel** at the earliest convenient date.
- 22.08 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 23 HEALTH AND SAFETY

- 23.01 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**. 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. Minutes of the meetings will be kept **by** an Officer and forwarded to the Company's Safety Officer for information **and** circulation.
- 23.02 **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.
- 23.03 No animals or **pets** will be **permitted on board a ship**.

Article 24 DRUG AND ALCOHOL POLICY

- 24.01 ~~The~~ CMOU and the Officers 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.
- 24.02 The **details** of **the** policy **may change** from time to **time** on advance notice to **the** CMOU and Officers but **the** primary elements of the policy (which are equally applicable to **all** members of the vessel crews) **are**:
- (a) there **will be** no drugs or alcohol permitted on board any of the **Company's vessels** at any time;
 - (b) Officers returning **to the vessel** from any shore **leave** must be in a sober condition;
 - (c) failure to comply with the policy may result in discipline, up **to** and including dismissal.

Article 25 FAMILY VISITATION

- 25.01 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 26 DISCIPLINE

- 26.01 No Officer shall receive a **written** reprimand or warning, be suspended or be dismissed, except for just cause.
- 26.02 The Company, when dismissing an Officer, shall give that Officer notice in writing of his/her dismissal **as** per the disciplinary code
- 26.03 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.
- 26.04 Disciplinary **information** which **may have** been **placed** in the **personnel** file of an Officer **shall not be** relied on for disciplinary purposes after twenty-four (24) 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.
- 26.05 Refusal of **any Officer to work** as directed or **to** obey lawful orders of his/her superior **Officers** may be grounds for summary dismissal. **Any** Officer who **leaves a vessel** without **being properly** relieved **will** forfeit his/her job with **the** Company.
- 26.06 The CMOU **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 27 MARINE DISASTER

- 27.01 **An Officer who**, while employed by **the** Company, suffers loss of clothing **or** other personal effects of any kind **because** of marine disasters **or** **shipwreck**, shall be compensated **by the** Company for such a **loss**, up to a maximum of **three** thousand, five hundred dollars (\$3,500.00).
- 27.02 **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 28 GRIEVANCE PROCEDURE

28.01 In the event a grievance arises on a vessel of the Company as to the interpretation or application of or in compliance with the provisions of this Agreement, including without limiting the generality of the foregoing, a grievance in respect to wages, hours of work or conditions of employment of any Officer, there shall be no interruption or impeding of work, and the parties shall endeavour to settle the grievance in the following manner:

a) **STEP ONE**

An Employee who believes he has a grievance must discuss that grievance with the Master, and if no satisfactory solution is achieved, he must submit that grievance in writing to the Master of the vessel within ten (10) days of its alleged occurrence. The Master must reply to the written grievance within ten (10) days of its receipt. If the Master is not living aboard or is not available, such grievance must be submitted directly to the Company within the same time limit of its alleged occurrence. The Company must reply to the written grievance within ten (10) days of its receipt.

b) **STEP TWO**

If no settlement is reached in Step One, the CMOU representative acting on the Officer's behalf must within thirty (30) days from the date the Master replied under Step One, meet with a Company representative in order to discuss the grievance, and if possible, to achieve a settlement. The Company representative shall render his decision in writing.

c) **STEP THREE**

If no settlement is reached in Step Two, either party must indicate its intention to proceed to arbitration by notifying the other party by registered mail within ten (10) days of receipt of the decision in Step Two.

28.02 Notwithstanding any other provisions of the agreement, if the Company or any of its representatives fail or refuse to comply with any step or condition of the grievance procedure set out in Article 28.01, the CMOU, acting on behalf of an Officer, may submit the grievance at once to arbitration in the manner set out in Article 29.

28.03 If there is a grievance which is the same for a number of Officers of a Company, such a grievance shall be presented directly to a representative of the Company involved. If no settlement can be reached between this representative and a representative of the CMOU, the matter may then be submitted to arbitration as per Step Three. The results of such arbitration shall be binding on the Company, the CMOU and all persons concerned with the particular grievance involved.

Article 29 ARBITRATION PROCEDURE

- 29.01 In the event any difference arises between the Company and The CMOU as to the interpretation, alleged violation or application of or compliance with this agreement **or** as to any grievance or dispute **arising** out of the operation of **Article 28** of this **Agreement** the difference may be submitted to arbitration pursuant to the **terms** of this section.
- 29.02 Arbitration of any difference arising under **Article 29.01** shall **be** submitted to a single arbitrator jointly selected by the CMOU and the **Company**. This selection shall be made within ten (10) days after the request for arbitration has **been** made by either party to this agreement. In **the** event **that** the parties fail within **the** said ten (10) day period to **agree** upon the selection of an arbitrator, the matter may be referred by either party to the Minister of **Labour for Canada** who **shall** select and designate the arbitrator.
- 29.03 In the event **the** selected arbitrator is unable to **serve by** reason of death, incapacity or resignation, or for any other reason, **his** replacement shall be appointed in **the** same **manner** as is provided herein for the appointment of the first arbitrator.
- 29.04 A statement of **the dispute** or question to be arbitrated shall be submitted by the grieving party to **the** arbitrator **within five (5)** days of his appointment. The arbitrator shall convene the **parties** within ten (10) days following his appointment unless a delay is **agreed** to by **the** parties, and the arbitrator shall render his decision as soon thereafter as possible.
- 29.05 The decision of the arbitrator shall be limited to the dispute or question contained **in the** statement or statements submitted to him. The decision of the arbitrator shall not change, add to, **vary or** disregard any conditions of this Agreement. The decision of the arbitrator which **are** made under the authority of the Arbitration Article shall be final **and** binding upon the Company, the CMOU and all persons concerned.
- 29.06 The **expenses, fees and costs** of the arbitrator shall be paid by the party to this Agreement found to be in default upon the arbitrator's resolution of the grievance or, **if the** arbitrator resolves the grievance in such a way that neither **side** shall be found **wholly in the right**, then the arbitrator **shall** also establish the proper **split** of the expenses, fees and costs between the two parties in the **proportion** appropriate to the share of responsibility that **each** side had in the production of the grievance.

Article 30 STRIKES AND LOCKOUTS

30.01 The CMOU 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 CMOU agrees that there shall be no strikes, slowdowns or stoppages of work for any cause; and
- b) the Company agrees that there shall be no lockout for any cause during the term of this Agreement.

30.02 The Company will not expect the Officers to cross a lawful picket line in a 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 31 LEGAL DEFENCE INSURANCE

31.01 Legal Defence Insurance for Officers covered by this agreement shall be provided in the following manner:

The CMOU shall provide legal defence insurance which shall be paid for by the Company at the rate of one dollar and twenty-five cents (\$1.00) per day per position effective January 1, 1998.

Effective January 1, 1999 to December 31, 1999 - (\$1.10) per day per position.

Effective January 1, 2000 to December 31, 2000 - (\$1.20) per day per position.

Effective January 1, 2001 to December 31, 2001 - (\$1.30) per day per position

Effective January 1, 2002 to December 31, 2002 - (\$1.40) per day per position.

The Company agrees to send the aggregate of the contributions for each month to the CANADIAN MARINE OFFICERS UNION, 9670 Notre Dame Street East, Montreal, PQ, H1L 3P8, on or before the 15th of the following month.

The contributions shall be accompanied by a list in duplicate showing each Officer's name, the number of days for which contributions are being made and the number of positions on each vessel, whether such positions are filled or vacant.

In this Article "Officer" means Officers who are members in good standing of the CANADIAN MARINE OFFICERS UNION.

Article 32 HIRING SERVICES

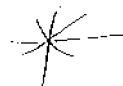
32.01 Effective January 1, 1998, the Company agrees to pay the CMOU the sum of **two** dollars and **five (\$2.05 cents)** per position per day aboard **the** vessel to be **remitted** to the CMOU, 9670 Notre Dame Street East, Montreal, P.Q., H1L 3P8, not later than the 15th of the following month.

Article 33 GENERAL PROVISIONS

33.01 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.

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

- a) Officers with less **than** three (3) year's seniority with **the** Company shall have their employment terminated and will be entitled to severance pay equal to five (5) day's basic pay per **year** of **service** with the Company calculated **at** the date of termination of employment.
- b) Officers **with at** least three (3) year's 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 five (5) day's basic pay **per year** of service with **the** Company calculated **at** the date of **layoff**.



Article 34 DURATION AND RENEWAL

- 34.01 This **Agreement** shall take **effect the** 1st day of January, 1998, and shall remain in full force and effect until the 3 1st day of January, 2003, 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**.
- 34.02 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**.

Appendices "A" and "B" are attached to and form part of this Agreement.

IN WITNESS WHEREOF the parties hereto have signed this Agreement

the 9 day of DECEMBER, 1997

ALGOMA TANKERS LTD

CANADIAN MARINE OFFICERS UNION

Tom Doof

Regina
H. [Signature]

APPENDIX "A"

BETWEEN ALGOMA TANKERS LTD. AND CANADIAN MARINE OFFICERS UNION

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 time *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 **years** service with the Company and at the completion of each subsequent year of **service**, shall be paid a safety footwear allowance of eighty-five (\$85.00) dollars. Effective January 1, 2001 this allowance will be ninety-five (\$95.00) dollars.

Signed at MONTREAL, this 9 day of DECEMBER, 1997.

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION

Tim Doof

Virginia Henderson

APPENDIX "B"

BETWEEN ALGOMA TANKERS LTD, AND CANADIAN MARINE OFFICERS UNION

Define New Employees and Inherited Rights

It is agreed that if and when the Company and Imperial Oil Ltd. reach an agreement for the purchase of one more of Imperial Oil Ltd. tankers, the CMOU will be provided with a list of Imperial Oil Ltd Officers formerly employed with Imperial Oil Ltd. ("New Officers") who have been offered and who have accepted a position with the Company.

It is further agreed that the CMOU will accept those Officers as full members of the CMOU with seniority earned as an Imperial Oil Ltd Officer carried over to the Company.

It is also agreed that these New Officers will not be charged an initiation fees, other than those required by federal law, and that any waiting periods (including those for pension and benefits) normally required for new members of the CMOU will be waived.

Signed at MONTREAL, this 9 day of DECEMBER 19 97

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION

Tim Doof

Regina Henderson