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EFF.	98	01	01
TERM.	2002	12	31
No. OF EMPLOYEES	10		
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COLLECTIVE AGREEMENT

BETWEEN

SEABASE LIMITED
(acting for and on behalf of REDERIET A.P. MOLLER)
(Hereinafter called the Company)

AND

CANADIAN MERCHANT SERVICE GUILD
(Hereinafter called "the Guild")

EFFECTIVE: Jan. 1, 1998

RENEWAL DATE: Dec.31, 2002

Captains and Chief Engineers
- Maersk Vascovia
- Maersk Norseman
- Maersk Placencia

ENTERED

12002(01)

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B. WEEN: SEABASE LIMITED
(Acting for and on behalf of REDERIET A.P. MOLLER)
(Hereinafter **called** the Company)

AND: CANADIAN MERCHANT SERVICE GUILD
(hereinafter called "the Guild")

1. GENERAL PURPOSE OF THIS AGREEMENT

1:01 The general purpose of **this** Agreement is to ensure for the Company, the Guild and Captains and Chief Engineers employed by the Company, the full benefits of orderly and legal collective bargaining and to ensure to the utmost extent possible the safety and physical welfare of the **said Officers**, economy of operations, by **this** Agreement to be the duty of the Company, the Guild **and** said Captains **and Chief** Engineers to cooperate **fully**, individually **and** collectively for the advancement of said conditions. **This** Agreement is intended to cover the operations of vessels **in the East** Coast of Canada and limited foreign voyages **as** required.

2. RECOGNITION

2:01 The Company recognizes the Guild as sole collective bargaining agent for **all** ships' Masters (Captains) **and** Chief Engineers, (Chiefs) **who** are employed **on** offshore supply vessels Maersk Nascopie, Maersk Norseman and Maersk Placentia.

3. UNION SECURITY

3:01 A Captain or Chief **Engineer** covered by this Agreement, who is **no. a member of the Guild**, shall **as** laid out in Article 3:02, make application for membership in the Guild. If the Guild refuses to **accept** such Officer **a** written statement of reason must be supplied **by** the Guild **to** the Company. The Company agrees that the Guild is a source of supply of Captains and Chiefs covered by **this** agreement **and** may contact the Guild Office in the event of new hiring.

- 3 (a) **Any** Captain or Chief Engineer employed and not a member of the **Guild**, shall as a condition of employment, **make** application to the Guild for membership. Such application **shall** be made within thirty (30) days of employment with the Company. The **Guild** agrees that membership in the Guild shall not be denied, suspended or terminated for **any** reason other than in accordance with the Constitution, Rules and Regulations of the Guild.
- (b) When a Captain or Chief Engineer joins a vessel the Company shall require completion at once, in duplicate, a dues deduction card authorizing the automatic deduction of the **Guild** dues and initiation fees **only**. The card shall be supplied to the Company by the Guild. The Company shall forward to the Guild one copy of the deduction card **as** completed by the Officer and retain a second copy for their records.
- 3:03 The Company **shall** deduct on the payroll for the last pay period each month, from the wages due and payable each Captain or Chief coming within the scope **of** this Agreement, an amount equal to the **uniform** monthly membership fee and regular assessments of the Guild, in amounts as advised by the Guild.
- 3:04 The Company **will** deduct initiation **fees**, dues and assessments, in amounts **as** advised by the Guild and remit **same as** indicated in 3.05.
- 3:05 All deductions required under this Article will **be** forwarded to the Guild, attention of the Secretary-Treasurer, within thirty (30) days, together with a list **in** duplicate showing the month and names of the Officers to whom the deductions are to be credited.
- 3:06 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 Article or that arise out of or by **reason** of reliance by

it, ~~them~~ or any of them on any list or notice furnished to the Company by the Guild pursuant to the provisions of ~~this~~ Article.

4. MANAGEMENT RIGHTS

4:01 The Guild ~~recognizes~~ that the Company ~~has~~ the sole and exclusive right, except as ~~otherwise~~ specifically determined by the express provisions of this Agreement, to determine all ~~matters~~ pertaining to the conduct of its Management of the Company and its affairs, the right to hire, the right to classify, discipline, suspend, discharge for cause, transfer or lay-off, and instruct Masters and Chiefs in their shipboard capacity to observe and to require other crew members to ~~observe~~ Company rules and regulations consistent with the provisions of this Agreement.

4:02 The Company will not use its function of management for the purpose of any discrimination against any Captain or Chief Engineer.

5. NO STRIKES AND NO LOCK-OUTS

5:01 It is agreed that there shall be no strikes, walkouts, lockouts, secondary boycotts, or other ~~similar~~ interruptions or slowdowns of work during the term of this agreement or any renewal thereof and disputes and grievances shall be addressed in accordance with the Grievance Procedures set out in this agreement.

6. GRIEVANCE AND ARBITRATION

6:01 A grievance is any dispute or difference concerning the interpretation, application or any alleged violation of the Agreement and shall be resolved as expeditiously ~~as~~ possible in accordance with the procedure set out in this Article.

6:02 Any Master or Chief Engineer with a complaint will discuss the complaint with the

appropriate Company representative. If a settlement satisfactory to the Captain or Chief is not reached forthwith, then the grievance procedure provided for in this Article shall be followed.

6:03 Step 1: The Master or Chief Engineer or the Guild's delegate may present the grievance in writing to the designated Company representative within five (5) calendar days of having discussed the grievance as outlined in Clause 6:02. The grievance must bear the signature of the Captain or Chief Engineer, date and as a condition of its validity including its arbitrability, must also state the section(s) of the Agreement in question and any relief sought. The designated Company representative shall respond in writing within five (5) calendar days after the grievance is presented. If a satisfactory settlement is not reached, Step 2 may be followed.

6:04 Step 2: The Master or Chief Engineer or Guild's delegate shall submit written appeal from the Step 1 decision of his grievance to the person designated by the Company to hear grievances at second level within seven (7) calendar days after receipt of the Master or Chief Engineer's written appeal. Within seven (7) calendar days of submission of the written appeal the Company and appropriate Guild Representatives and any other person considered appropriate shall meet to consider the grievance. The decision of the Company shall be given to the appropriate Guild representative in writing within seven (7) calendar days of the day on which the meeting was held.

6:05 Grievances arising out of the interpretation, application, or any alleged violation of this Agreement may be initiated by either party by notice in writing clearly stating the grievance, the section(s) of the Agreement in question and any relief sought, delivered to the Company representative or the appropriate Guild Representative, as the case may be. Such grievances shall commence at the Step 2 stage and the time limits referred to in clause 6:04 shall be

strictly adhered to. **Within** seven (7) calendar days of delivery of written notice a meeting shall be held to **discuss** the grievance and **within** seven (7) calendar days of that meeting, the **party initiating** the grievance **shall** be advised of the other party's decision.

6:06 Step 3: Any party continuing to feel aggrieved **by** the decision reached at Step 2 may give notice of appeal **within** twenty-one (21) calendar days of receipt of the notice of the decision reached at Step 2.

The notice that the party remains aggrieved shall include the naming of that party's nominee **as** arbitrator. The notice *shall also* include **a** statement of the grievance and **a** statement of the **issues** to be decided by arbitration. The party receiving such notice shall within five (5) days appoint its nominee as arbitrator.

6:07 If the parties cannot agree on an arbitrator **within** five (5) days, the Minister of Labour for Canada shall be asked to appoint.

6:08 The award of the Arbitrator shall be given **within fifteen (15)** days of the close of its hearing and **shall** be **binding** on both **parties**.

6:09 The Arbitrator shall not have **any** power to alter or change any of the provisions of **this** Agreement or to substitute new provisions for existing provisions, nor to give **any** decision inconsistent with the terms and provisions of **this** Agreement.

6:10 The fees **and** costs of the Arbitrator shall be borne by the Party found to be in default by the Arbitrator. If resolution determines that neither **Party** is wholly **in** the right, the Arbitrator shall also establish the proper split of fees and costs **as** appropriate to each **Party**.

6:. In the event a grievance **has** not been processed in the procedure **outlined** in this Article and ~~within~~ the time limit ~~set~~ forth, the grievance shall be deemed to be abandoned and all rights of **recourse** of this Article in **respect of that** grievance **shall** be at **an end**. Provided, however, that the time limit between steps may be extended by mutual consent evidenced in writing. Such mutual agreement shall not be unreasonably withheld. Time limits in this Article are mandatory and not directory.

6:12 Nothing in the Grievance Procedure provided shall be deemed to take away the right of any Captain or Chief Engineer to present and **discuss** a problem of a personal nature directly with the Company.

7. SENIORITY

7:01 A Captain or Chief Engineer shall **be** considered on probation and shall not be placed on the **seniority list** until he has been in the employ of the Company for one hundred and eighty (180) days. Upon completion of the probationary period seniority shall commence from date of employment. During the probationary period the Company may terminate employment, if in the opinion of the Company the Master or Chief Engineer **would** not be suitable for permanent employment.

7:02 **Seniority** lists shall be posted in January of each year. In addition, the Guild will be notified of new ~~Masters~~ or Chief Engineers added to the seniority list. Protest in regard to seniority standing **shall** be submitted in writing within sixty (60) calendar days from the date such lists are **posted**. When proof of error **is** presented by a Master or Chief Engineer, such error shall be **corrected** and when ~~so~~ corrected the agreed upon **seniority** date shall **be** final. No changes shall be made in existing seniority status unless concurred in by the Guild. Copies of the seniority lists shall be supplied to the Guild.

7. A **Master** or **Chief Engineer** who **is** promoted to a **position beyond** the scope of the **bargaining unit** from **this Agreement** shall maintain **seniority** up to a maximum of twelve **(12)** months while so employed. If a **Master** or **Chief Engineer** **is** released **from** exempt employment in twelve **(12) months**, he may, **within thirty** (30) days, exercise **his seniority** to return to the job classification from which he was promoted. Failure to do **so** shall result in loss of **his seniority**.

7:04 Notwithstanding **the provisions of** Appendix "C", Disciplinary Code, a **Master** or **Chief Engineer** shall lose seniority **and his** employment shall be terminated if he:

- (a) Resigns.
- (b) **Is** discharged for cause.
- (c) Refuses, without cause satisfactory to the **Company**, to return to **work** after expiration of shore leave.
- (d) **Is** absent without leave without notice satisfactory to the **Company**.
- (e) For requesting a **separation** certificate showing a laid **off** status or shortage of **work** when **work is** available.
- (f) Overstays a leave of absence.
- (g) Fails to return from layoff under the recall procedure as set forth in this Article.
- (h) **Is** on lay-off for a continuous period equal to **his seniority** or two **(2)** years, whichever is less.

- (i) ~~Is~~ unable to perform ~~his~~ normal duties due ~~to~~ illness or accident for a period of two **(2)** consecutive years.
- (j) Retires.

7:05 If ~~as~~ a result of circumstance, it becomes **necessary** to layoff Masters or Chief Engineers, they will be retained in order of seniority provided they have the qualifications to do the work available. When there is ~~an~~ increase in the work force after layoff, Masters or Chief Engineers will be hired in reverse order of the layoff provided they have the necessary qualifications and ability to do the work available. Captains and Chief engineers shall have the right of ~~a~~ second **recall** without loss of seniority if performing short term work at the time of the initial **recall**.

7:06 Captains and Chiefs will retain and accumulate bargaining unit seniority. In the event of layoffs for ~~those~~ Captains and **Chiefs** who have been promoted, given ~~the~~ particular provisions of that Collective Agreement, ~~those~~ Officers **shall** have the right to move back to their former position. ~~Reverting to their~~ former position shall only take place when the vessel has reached a normal operating port.

7:07 If laid ~~off~~, a Captain or Chief engineer will have recall rights for a period equal to ~~his~~ seniority or **two (2)** years whichever is less.

7:08 ~~Each~~ Captain or Chief is responsible to keep the Company informed at all times in writing of ~~his~~ current address and telephone number, where he may be reached. In all cases requiring the Company to give notification at home for any reason, it may rely on the accuracy of the information on file. Failure of the Captain or Chief to receive notification where required under any of the terms of the Agreement, due to ~~his~~ noncompliance with ~~this~~ section shall relieve the Company of any responsibility for the result.

7:(A Captain or Chief is required to **notify** the Company ~~within~~ forty-eight **(48)** hours of ~~receiving~~~~written~~ notice **by registered mail** to return to work, **as** to whether he will or will not ~~so~~ return ~~within~~ five **(5)** calendar days of the receipt of notification. **Nothing in this** Article shall be construed to preclude the Company from giving longer notice of return to **work** or a longer period in which the Captain or Chief is to report for **work**.

8. BOARDING PASSES

8:01 The Company may require boarding passes to be used by Guild Representatives for the purpose of contacting its members aboard vessels of the Company covered by this Agreement. Such representatives of the Guild shall be allowed aboard at any time which, in the opinion of the responsible officials of the Company, will not interfere with the regular operating of the Company's **business**, nor with the sailing, loading or unloading of the vessel.

8:02 Should any Guild Representative ~~fail~~ to observe the above provision, this shall be the grounds for revocation of boarding passes issued to **him**. The Guild shall **turn in** any passes **so** revoked. If the Guild is not satisfied as to the justification of such revocation, it shall have **the right to handle** such dispute **through the grievance** procedure.

8:03 The Guild shall submit to the Company the name **and** relevant particulars of the bona fide Guild members authorized by the Guild to act **as** its representatives. The Company upon receiving from any such representative a waiver in **form** satisfactory to the Company of **any** claim for **damages** resulting from accident or **injury in**, or about Company's vessels, equipment and premises shall issue a pass to the representative enabling him to board the Company vessels covered by this Agreement for the purposes herein provided. In the event that the Guild withdraws its representative's authorization, the Guild ~~will~~ **notify** the Company to revoke such pass.

8. The Company assumes no responsibility for securing passes through property owned or controlled by **others**.

9. **JOINT CONSULTATIVE COMMITTEE**

9:01 The parties to ~~this Agreement~~ acknowledge the benefit of joint consultation and are prepared to enter into ~~discussions~~ aimed at communicating Company policy **and** resolving issues prior to them becoming irritants.

9:02 It is further agreed that consultation on subjects other than the above may take place when either party so requests. Reasonable notice of such meetings shall be given when time permits.

10. **MEDICAL FITNESS**

10:01 The right of a **Master** or Chief Engineer to employment with the Company shall be conditional upon being declared **as medically** fit, in accordance with international convention, to perform **his** duties on offshore supply vessels. The Company, at any time **may** cause the Master or Chief Engineer to be medically examined at the Company's expense. **All** Masters or Chief Engineers shall be required to have a Company paid medical at least once every two years. It is the responsibility of the Masters and Chief Engineers to arrange and pay for such medicals with a Transport Canada approved physician and for such medicals to be in compliance with international convention and the requirements of Transport Canada and submit receipts to the Company for reimbursement.

11. **NORMAL WORK ROUTINE**

11:01 The Guild recognizes the difference between supply vessel operations and conventional merchant ships, ~~fisheries~~ vessels, etc., and it is understood that regular working duties for all

classifications, where applicable, **shall** be working any hours deemed necessary by the Master to discharge cargoes from vessels onto **drilling platforms and** drillships, to assist in the towing of icebergs, **drilling rigs** or vessels **as** required, to handle anchors, clean bulk and liquid **tanks** after discharge of **cargoes**, etc., **as** required by the owner, **and** or charterer. It should also be recognized that due to the smaller crews and integrated structure of supply vessels, some duties not traditionally a part of duties in the classifications covered by this agreement on other types of shipping may have to be performed, i.e., domestic cleaning of **own** accommodations.

12. ONE-HOUR STANDBY

12:01 It is to be understood by all that vessels are chartered for service in the offshore industry and are on a one-hour standby Every member of the crew are **also** on a one-hour standby:

13. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Masters and Chief Engineers are defined to include, but not be limited to, the following:

13.01 The Master has command or charge **of** the vessel on which he is serving. The Master is the **owner's** representative on board the vessel, has authority over **all** aspects of the operation of the vessel and is the **final authority** on board the vessel. The **Master shall** ensure that the vessel operates in full compliance with:

- i) all **Class** and Regulatory requirements and guidelines;
- ii) all Company policies, procedures, rules and guidelines;
- iii) the requirements of each charterer of the vessel.

13.02 The Chief Engineer has authority over all aspects of the engine room, loading and unloading systems, **all** mechanical equipment of the vessel and charterer's equipment where installed. The Chief Engineer shall, in conjunction with the Master, insofar **as** the Chief Engineers duties permit, ensure that the vessel operates in **full** compliance with:

- i) all **Class** and Regulatory requirements and guidelines;
- ii) all Company policies, procedures, rules and guidelines;
- iii) the requirements of each charterer **of** the vessel.

14. EMERGENCY DUTIES

14:01 Any ~~work~~ necessary for the safety of the vessel, passengers, crew or **cargo** or for **saving** of or rendering **assistance** to other vessels, lives, property or cargoes, **shall** be performed at any time on immediate call by every crewmember and, notwithstanding any provisions of **this** Agreement which might be construed to the contrary, in no event **shall** overtime be paid for the work performed in connection with such emergency duties of which the Master will be the sole judge.

14:02 The Master, may, whenever he deems it advisable, require any Officer to participate in life boat or other emergency drills. Such drill **will** take place in accordance with government regulations, and the requirements of the owner and or charterer.

15. SAFETY PROCEDURE

15:01 The Company will make every effort to furnish and maintain safe working gear and equipment for the protection of its Officers and shall continue to make reasonable provisions and rules for their safety.

15:02 The Guild agrees to cooperate with the Company in promoting safe practices and conditions aboard ship.

I PROTECTIVE CLOTHING

16:01 The Company agrees to provide the following protective clothing and working gear to its Masters and Chief ~~Engineers~~ on the following ~~basis~~:

- Ordinary coveralls ~~as~~ required
- Insulated coveralls ~~as~~ required
- Steel-toed workboots as required
- Hip rubber boots ~~s~~ required
- Floater suit renewed ~~as~~ required
- Set of rain ~~gear~~ renewed ~~as~~ required
- Hard hat as required
- ~~Work~~ gloves as required.
- Hearing Protectors (Chief Engineers) ~~as~~ required

16:02 The Company shall ensure that each ship ~~carry~~ sufficient numbers of survival suits for the use of the Master and Chief Engineer on the said ship in the event of an emergency.

16:03 Masters or Chief Engineers who ~~are~~ dismissed for just cause or who terminate their employment of ~~their own accord~~ ~~shall~~ be liable for a deduction from their ~~final~~ pay equivalent to the cost of working gear and protective clothing issued to them, calculated on a pro rata basis based on the re-issue time allotment set out in Article 16.01.

16:04 Anyone ~~who~~ steals, wilfully abuses or otherwise does not return ship's equipment shall be ~~subject~~ to the Disciplinary Procedures as set out in ~~this~~ Agreement ~~and~~ shall be liable for the full replacement cost of such and shall have that cost deducted from his final pay.

16:05 Survival suits shall remain the property of the Company.

16:06 Masters and Chief Engineers shall receive a pro forma invoice at the time of employment

representing the cost of working gear and protective clothing.

17. OTHER CONVENIENCES

17.01 The Company agrees to supply the following items to all Masters and Chief Engineers

- a suitable number of clean blankets and bed linens;
- suitable amount of bath linens and general supplies;
- an adequate supply of crockery;
- access on each vessel to a washing machine and dryer;
- suitable exercise and recreational equipment, including, but not limited to a TV, VCR, universal type weight machines or **similar**,

17.02 The Company agrees to maintain all items listed in 17.01 and replace or keep in good repair **as** required.

18. HOURS OF WORK

18:01 The normal working hours shall be dependent upon the watchkeeping system employed on a vessel **and** in respective departments in accordance with provisions of the Labour Code. In addition to ~~these~~ normal working hours, **officers are** expected to work whatever hours are needed to fulfill the requirements of the Owner **and** or the charterer, subject however, to *strict* adherence to hours of work **and** rest regulations contained in the Canada Shipping Act or other attendant regulations as amended from time to time.

18:02 Meal periods shall not constitute a part of **any** work period. At least one-half hour free of **work** shall be allowed for the purpose of eating a meal.

18.03 Coffee breaks shall be fitted as appropriate into the work day.

LAY DAYS AND ACCUMULATED LAY DAYS

19:01 For **each** day on board the vessel, **all Masters** or Chief Engineers **shall** receive one (1) day off with pay plus a leave day premium of .15 days.

20. TRAVEL/CREW CHANGE DAYS

20:01 **Masters** or Chief Engineers **shall** be considered **as** on duty and not on leave during any period of travel. It is understood that any travel will be by the most direct means.

20:02 All Masters or Chief Engineers shall receive full pay from the time they leave home to join their vessel, and will remain on pay until they return home after leaving their vessel..

20:03 All Masters or Chief Engineers are expected to arrive on their vessel **as** early in the day **as** possible in order for a proper handover to be effected.

20:04 For Masters or Chief Engineers instructed **by** the Company to join a vessel and the vessel **does** not arrive, that Master or Chief Engineer shall be considered **as** on full pay with accumulated leave until the vessel arrives in port. This entitlement **(20:05)** shall not apply new **hires, first joining as** per the employment offer instructions.

20:05 For **Masters** or Chief Engineers receiving instructions for joining vessels, travel to the vessel by other Company vessels or by helicopter shall be considered **as** on full pay with leave.

20:06 It is understood that the twenty eight days on- twenty eight days off **tour** of duty **will** be **maintained**, irrespective of time involved in joining a vessel. For Masters or Chief Engineers being relieved who will have spent more time on board **as** a result **of** traveling time by their reliefs, shall maintain their regular schedule. Extra leave days incurred by both groups shall be accumulated **as bank days**.

2. TRAVELING EXPENSES

21:01 The Company will pay all reasonable traveling expenses to and **from** the Master or Chief Engineer's residence to the place of joining the vessel. Private **cars** are to be used only in cases where less expensive and **regular** scheduled transport **is** not available and with prior approval **from** the Company.

21:02 Masters or Chief Engineers shall be reimbursed for these traveling expenses on the basis of recorded mileage involved, at the rate of \$.25 per kilometer, **two** way travel. Payment **shall** be made upon submission of a completed expense form accompanied by the appropriate supporting documentation.

21:03 Exceptional transportation costs shall be subject to review by the Company and allowed, **if** reasonable, and supported by either voucher, receipts, or written explanation by the Master or Chief Engineer involved.

22. LEAVE OF ABSENCE

22:01 The Company may, upon request and at its sole discretion grant a leave of absence without pay for legitimate personal **reasons**, provided operational requirements and the availability of a suitable replacement will permit. If the reason for the leave is violated or if the Master or Chief Engineer over-stays his leave, he shall be deemed to have quit without notice.

22.02 The Company agrees to grant paid leave of absences as course days, for Company required educational purposes, or for those Masters or Chief Engineers requesting leave **of** absence for educational purposes, if required by Government or other regulatory agency to attend courses for revalidation of certification. The Captain or Chief Engineer must provide at least thirty days notice for educational leave, and the Company must have a suitable replacement before such leave can be granted.

23. BEREAVEMENT LEAVE

23:01 The Company will grant seven (7) calendar days pay with leave to a Master or Chief Engineer in the event of death in the immediate family. For the purpose of this clause immediate family shall be defined as spouse, son, daughter, mother, father, brother, sister, parents-in-law, grandparents, grandchildren. This leave is to be granted for the purpose of attending the funeral and for making other arrangements and under no circumstances will this bereavement leave be granted retroactively or when a Master or Chief Engineer is already on his days off.

23.02 The Company will grant four (4) days with pay in the event of death in the Master or Chief Engineer's family of brother-in-law, sister-in-law, or for any person domiciled in the home of the Master or Chief Engineer or for whom the Master or Chief Engineer is guardian.

24. SHORT TERM LAYUP OF VESSEL

24:01 When vessels are laid up for a period of seven (7) days or less, Masters or Chief Engineers will suffer no loss of pay, benefits or lay day accumulations. No lay offs shall occur during such seven (7) day period.

25. MARINE DISASTER

25:01 Masters or Chief Engineers who suffer loss of personal effects through wreck or marine

disaster shall be compensated for such loss up to a value of \$2,000.00 subject to satisfactory proof of loss.

2 LEGAL DEFENSE INSURANCE

26:01 **Legal** defense insurance for ~~Masters~~ and Chief Engineers covered by *this* Agreement shall be provided for all Officers by the Guild. The Company shall pay one **dollar** and forty cents (**\$1.40**) per each Master and Chief Engineer position on board per day to the Guild. **This** amount shall increase in **the same** percentage as the percentage increase in the CPI annually for the province of ~~Nfld.~~ and Lab., for the previous year.

The Company will remit the aggregate of the contributions for each month to the Guild, attention of the Secretary-Treasurer, within thirty (30) days of that ~~month~~.

27. WAGERATES

27:01 Wage rates and classifications shall be as set forth in Appendix "A" to this Collective Agreement.

27.02 Captains and ~~Chief Engineers~~ shall be paid once per month, by monthly cheque or direct deposit, at the **Company's** option. **A** complete monthly statement shall be issued to **show a** breakdown of **earnings** for that month.

28. SEVERANCE

28.01 Severance pay shall be paid to a Captain or Chief Engineer with one (1) or more years of continuous **service** as provided in the Canada Labour Code.

29. DRUG AND ALCOHOL POLICY

29.01 Officers agree to comply with the drug and alcohol policies of the A.P. Moller Group of ~~Companies~~ and or the policies and procedures of its customers.

3 CONFIDENTIALITY

30.01 The ~~Parties~~ agree that Officers shall not publish or provide any third party any information about, or photographs of, the activities of the Company or Charterer.

31. CONTRACT REOPENER

31.01 The ~~Parties~~ agree that this contract may be amended by mutual consent.

32. DURATION

32:01 ~~This~~ Agreement shall continue in full force and effect for a period to coincide with the period of the charter with Hibernia Management and Development Co., Ltd., including any extensions or renewals thereto.

The Parties agree that all terms and conditions of this Agreement, except Article 5, No Strikes and No Lockouts, may be reopened for negotiation at the expiration of every ~~five~~ (5) year period subject to paragraph one above.

The parties agree that in the event negotiations do not result in a settlement by mutual agreement, the existing terms and conditions shall remain in full force and effect but either ~~Party~~ may submit to binding arbitration the resolution of the new demands made by either ~~Party~~ by giving written notice.

The Arbitration Panel shall be comprised of three (3) members, one nominated by either ~~Party~~, said nominees in turn to agree upon a chairman. Should the nominees fail to agree on a chairperson, then within a three day period a request shall be made to the Minister of Labour to appoint a chairperson within fifteen days of receipt of such a request. ~~Unless~~ the Parties otherwise agree, the Arbitration panel shall issue

a report with specific rulings on what, if any, demands by the Guild or the Employer should be included in an amended Collective Agreement. The Panel's report shall be submitted within sixty (60) days from the date of appointment of the chair of the panel. A report of the majority of the members shall constitute the report of the panel.

The Parties agree the report of the panel shall be final and binding, and that its report shall be the basis of an amended collective agreement to reflect such report. The parties also agree that the panel must base their report regarding terms and conditions of employment, including remuneration, on the evidence of the then current terms and conditions of employment, including remuneration, in existence in the Canadian Maritime industry with due regard to the conditions in existence on the ~~East~~ Coast of Canada.

32.02 The initial term of the Agreement shall be from January 1, 1998, to December 31, 2002, and thereafter as described in 32.01. Notice to bargain shall be submitted by either Party within the ninety day period preceding the expiry date.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the 8th of July, 1998.

DATED at St. John's, in the Province of Newfoundland.

SIGNED, SEALED AND DELIVERED

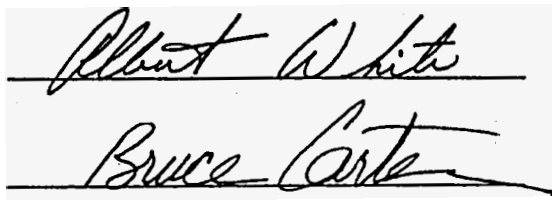
SEABASE LIMITED,

(ACTING FOR AND ON BEHALF OF)

REDERIEET A.P. MOLLER

CANADIAN MERCHANT SERVICE GUILD





his annual remuneration package is **all inclusive**, including overtime, statutory holiday pay, and the leave day premium **as** described in **Article 19**.

The seniority **bonus** shall be paid once per year, in separate cheque, by December 15 of the calendar year in which it is **earned**.

The Parties agree that the Company has the right to supplement the remuneration detailed in **this** Agreement with the payment of charterer originated bonuses or other discretionary payments within a reasonable period after receipt from charterer.

All officers shall receive a detailed pay statement at the end of each month indicating the **following**:

Gross pay;

Guild dues deductions;

Statutory deductions; (listed separately)

Advances paid;

Taxable benefits:

(Layday Accounts to be provided aboard ship):

APPENDIX B
GROUP INSURANCE, BENEFIT PROGRAM, AND RETIREMENT SAVINGS PLAN

GROUP INSURANCE AND BENEFITS

The Company shall continue **to** provide and assume the cost of the Group Insurance and Benefit program. The program **shall** include major medical, dental, life insurance, hospitalization and other benefits **as** available to **Officers** at the commencement of this Agreement, and the **weekly** indemnity program as approved during negotiations. The Officers shall pay the premium cost for long term disability and weekly indemnity, with total contributions by the Officers to the **full** plan to equate to one third of the cost of all such coverage.

All benefits referred to in this Appendix are subject to the conditions and limitations set forth in the **Insurance** Benefit Booklet. It is agreed that no alteration, amendment or variation of the Benefit **Program** shall occur without mutual consent. Should usage dictate material changes to premiums, the **Parties** agree to discuss required action such **as** alternate insurance provider or realignment of one third Officer, two- thirds Company split of costs.

The Company may require **a** medical certificate from a Company approved physician before benefits are paid.

RSP: In accordance with Appendix "A", the Company will pay \$13,500 per each year of the contract on each **Captain** or **Chief Engineer's** behalf into a self directed Retirement Savings **Plan** of the Officer's choosing. The contributions will commence effective the first day of **this** agreement and shall be made monthly. Officers terminating service with the **Company** shall have pro-rated contributions.

APPENDIX C
DISCIPLINARY CODE

The following acts of misconduct, if proved to reasonable satisfaction to have been committed, are those for which dismissal from the ship, either immediately or at the end of the voyage will, according to the circumstances of each case, be considered appropriate, apart from **any** other legal action that may be called for, or grievance or legal action brought in response:

- i) assault;
- ii) willful damage to **ship** or **any** property on board;
- iii) theft or possession of stolen property;
- iv) possession of offensive weapons;
- v) persistent or willful failure to perform duty;
- vi) unlawful possession or distribution of drugs;
- vii) conduct endangering the ship or persons on board;
- viii) combination **with** others at sea to impede the progress of voyage or navigation of ship;
- ix) disobedience of orders relating to the safety of the ship or **any** persons on board;
- x) sleeping on duty or failing to remain on duty if such conduct **would** prejudice the safety of the **ship** or **any** persons on board;

- x) incapacity ~~through the~~ influence of **drink** or **drugs** to carry out **duty** to the prejudice of the **ship** or any person **on board**;
 - xii) to smoke, use a naked light or unapproved electric torch in any part of the ship carrying **dangerous cargo** or stores where smoking or the use of naked lights or **unapproved** torches is prohibited;
 - xiii) intimidation, coercion and interference with the work of other employees;
 - xiv) behavior which seriously detracts from the safe and efficient working of the ship;
 - xv) behavior which seriously detracts ~~from~~ the social well being of **any** other person on board;
 - xvi) causing or permitting unauthorized persons to be on board the ship while at sea;
 - xvii) the solicitation **or** acceptance of any gratuities or favours, whether in case or in kind, in the course of or related to service with the owners;
 - xviii) repeated acts **of** misconduct of a lesser degree **listed in** paragraph (3) after warnings have been given in accordance with the procedures in paragraph (2).
- (2) Lesser acts of misconduct may dealt ~~with~~ through:
- (A) Informal warnings administered **by** the Company as appropriate: or;
 - (B) **Formal** warning recorded in an official capacity **as** appropriate;

When a formal warning is given, the consequences of further acts of misconduct must **also** be explained;

- (3) Acts of misconduct, if proved to reasonable satisfaction to have been committed, for which the procedure in section (2) is considered appropriate are:
- (A) offenses of the kind described in **section (1)** which are not considered to **justify dismissal** in the particular circumstances of the case;
 - (B) minor acts of negligence, neglect of duty, disobedience, and assault;
 - (C) unsatisfactory work performance;
 - (D) poor time keeping;
 - (E) stopping **work** before the authorized time;
 - (F) failure to report to work without satisfactory cause;
 - (G) absence from place of duty or ship without leave;
 - (H) offensive or disorderly behavior.
- (4) in the event of dismissal, the Officer may take up the matter with the Company's designated manager or through the grievance procedure.

LETTER OF UNDERSTANDING
EXCESS LEAVE DAYS

The Parties agree that excess leave days **remaining** at **December 31** of **any year** covered by this **Agreement** shall be paid once annually before the end of **January** of the following year. No Captain or Chief Engineer shall have excess leave days **used** to alter crew changes or rotations. Any negative leave **days** accumulated at December 31 of any year that have accrued **as** a result of Company operational action or inaction related to **Company** business shall be reduced to **zero** at the commencement of the **following** year.

For the Company



Paul H. J. Pres.

For the Guild



Bruce Carter

LETTER OF UNDERSTANDING
SIGNING BONUS

The Company agrees to pay a signing bonus in the amount of \$3000 per year per Captain or Chief ~~Engineer~~ into the RSP of each Captain or Chief Engineer from date of employment with the Company up to December 31, 1996. This signing bonus shall be paid on the basis of 50% within thirty days of the date of signing of the Collective Agreement, and the second 50% paid by January 31, 1999.

For the Company

A handwritten signature in black ink, appearing to read "Paul J. [unclear]", written over a light gray rectangular background.

For the Guild

A handwritten signature in black ink, appearing to read "Bruce Carter", written over a light gray rectangular background.

LETTER OF UNDERSTANDING TRANSFERS

The **Company** and the Guild agree **that** should a situation **arise** that necessitates the potential transfer of one of the **Masters** or Chief **Engineers** included **in** this bargaining unit to another Canadian Flag vessel in the Maersk Fleet operating East **Coast** Canada, then **the** Company will discuss the transfer opportunity with the preferred candidate(s). The candidate(s) identified **shall** consent to the transfer or the Company shall **effect** the transfer for a maximum of two consecutive **on-** shifts per twelve **(12)** months. Should the vessel be other than Canadian Flag or **a** Canadian Flag vessel operating outside ~~East~~ Coast Canada, then mutual consent is required.

Notwithstanding the above, should the charterer exercise the option of requesting a change in the Master or Chief Engineer, then the Master or Chief Engineer involved, in cases where dismissal **as** per Appendix "C" does not apply, shall have the option to accept a permanent transfer to another vessel **as** mutually agreed. Transfers will only be considered by the Company:

1. To ~~effect~~ crew training;
2. To facilitate the **growth** of the Company's **activities** offshore Canada and other specific geographic areas;
3. To respond to a request of charterer;
4. To comply with the requirements of Regulatory Agencies using existing crew;
5. To effectively crew a vessel (s) with personnel considered by the company to be appropriate for specific **work** roles;
6. To comply with a request by any of the Masters or Chief Engineers;

7. To allow for the growth of Canadian crews on Maersk vessels;
8. Where pay and benefits equate to that provided under this Collective Agreement; and,
9. Where seniority provisions of this Collective Agreement continue to apply.

For the Company:

A handwritten signature in black ink on a light gray rectangular background. The signature is highly stylized and cursive, appearing to read "Paul D. J. Ross".

For the Guild:

A handwritten signature in black ink on a light gray rectangular background. The signature is cursive and appears to read "Bruce Carter".