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TERM.	2003	12	31
No. OF EMPLOYEES	20		
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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: JANUARY 1, 1998

RENEWAL DATE: DECEMBER 31, 2003

Deck and Engineering officers
- Maersk Nascopie
- Maersk Norseman
- Maersk Placentia

ENTERED
EC 12004 (01)

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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”)

1. GENERAL PURPOSE OF THIS AGREEMENT

1:01 The general purpose of this Agreement is to ensure for the Company, the Guild and Deck and Engineering ~~Officers~~ 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 Officers 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 area and for limited foreign voyages as required.

2. RECOGNITION

2:01 The Company recognizes the Guild as sole collective bargaining agent for **all ships’** Officers, excluding Masters and Chief Engineers, who are employed on offshore supply vessels Maersk Nascopie, Maersk Norseman and Maersk Placentia, hereinafter referred to as “Officers”

3. UNION SECURITY

3:01 An Officer covered by this Agreement, who **is** not 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 recognizes the Guild as a source of supply of Officers and may contact the office of the Guild in the event of new hiring.

3:02 (a) Any Officer 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 of an Officer shall not be denied, suspended or terminated for any reason other than in accordance with the Constitution, Rules and Regulations of the Guild.

(b) When an Officer joins a vessel the Company shall require the Officer to complete 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 Officer coming within the scope of this Agreement, an amount equal to the uniform monthly membership fee and regular assessments of the Guild, as periodically 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.

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 limited 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 Guild agrees that designated management representatives have the right to hire, the right to classify, discipline, suspend, discharge for cause, transfer or lay-off Officers, and require Officers 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 Officer.

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 PROCEDURE

- 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 Officer with a complaint will discuss the complaint with the Master or Chief Engineer. **If a** settlement satisfactory to the Officer is not reached forthwith, then the grievance procedure provided for in this Article shall be followed.
- 6:03 Step 1: The Officer or the Guild's delegate may present the grievance in writing to the Master, or Chief Engineer, and Company within five (5) calendar days of having discussed the grievance as outlined in Clause 6:02. The grievance **must bear** the signature of the Officer, 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 Master, Chief Engineer, or Company **shall** respond in writing within five (5) calendar days after the grievance **is** presented to **him**. If a satisfactory settlement **is** not reached, Step 2 may be followed.
- 6:04 Step 2: The **Officer** or Guild's delegate shall submit written appeal from the Step 1 decision to the designated Company representative within seven (7) calendar days of receipt of the Step 1 decision. A meeting to discuss the grievance shall be held between the grievor, the Guild representative, the Company representative and any others considered appropriate within **a** further seven (7) calendar days. The Company shall have seven days to reply to the grievance following that meeting.
- 6:05 The Guild and the Company shall also have the right to submit a grievance on behalf

of one, some, or all of the Officers in the bargaining unit. Such a grievance shall be submitted to the designated Company or Guild representative as appropriate and shall result in a meeting between the appropriate parties within a seven day period to discuss the details of the grievance. The Guild or the Company, as appropriate, shall reply to the grievance within seven days of such meeting.

6:06 In the event a grievance has not been processed in the procedure and time limits outlined in this Article, 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. However, 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.

6:07 Nothing in the Grievance Procedure provided shall be deemed to take away the right of any Officer to present and discuss a problem of a personal nature directly with the Company.

6:08 Either Party continuing to feel aggrieved following the actions required in section 6.04 and 6.05 may refer the grievance to arbitration. Referral to arbitration **must** occur within 14 calendar days of receipt of the written decision reached in sections 6.04 and 6.05.

7. **ARBITRATION**

7.01 **A** grievance involving the interpretation or alleged violation of this agreement which is not resolved by the grievance procedure and **is** referred to Arbitration by either Party **as** per the grievance procedure shall be resolved by a single Arbitrator **as agreed** between the Parties. Notice of referral to Arbitration shall contain a copy of the original grievance, restitution sought, the responses at stages of the grievance

procedure, the issue(s) to be decided at Arbitration, and the **Party's** nominee as Arbitrator. The other Party shall respond to referral to Arbitration in writing within five (5) days, and shall either indicate concurrence with the Arbitrator or put forward its own nominee.

- 7:02 If the parties cannot agree on an arbitrator within five (5) days, the Minister of Labour for Canada shall be asked to appoint. If the Arbitrator vacates his/her position by reason of illness, incapacity, or for any other reason, such vacancy shall be filled as in the first instance.
- 7:03 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.
- 7:03 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.
- 7:04 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.

8. SENIORITY

- 8:01 **An** Officer shall be considered on probation and shall not be placed on the seniority list until employed by the Company in the bargaining unit for a period of ~~six~~ **(6)** months. The Officer may be released by the Company at any time during the probation period if the Company deems the Officer unsuitable for permanent

employment.

8:02 **Upon** completion of the probationary period the Officer's seniority shall commence from date of employment.

8:03 Seniority lists, based on Company Service and service on vessels named in this contract, shall be posted in January of each year. The Guild shall be notified of new Officers added to the seniority list. Seniority lists shall be revised annually. 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 an **Officer**, such error shall be corrected and when so corrected the agreed upon seniority date shall be final. No changes shall be made in the existing seniority status of an **Officer unless** the Guild concurs. Copies of the seniority lists shall be supplied to the Guild.

8:04 **An** Officer who is promoted to a position beyond the scope of the bargaining unit **from this** Agreement shall maintain seniority up to a maximum of **six** (6) months while so employed. **If** such an Officer is released from exempt employment in six(6) 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**.

8:05 In **selecting** Officers for upgrading or promotion to or within classifications covered by this Agreement, the following factors shall be considered:

Certification, ability, competency and seniority.

Officers with highest seniority in a classification shall receive priority in promotion, all **other factors** being equal. The Company shall judge the above factors, other than seniority, **and** shall **make** the promotion or upgrading.

For such officers promoted to a higher classification there will be a **six (6)** month tour of duty assessment period. During this assessment period the Company will evaluate the employee's suitability to meet the standards and responsibilities of the job. If during the established assessment period the employee is not successful, he/she shall return to his/her former position.

8:06 Notwithstanding the provisions of Appendix "C", an Officer shall lose seniority and 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 his 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 twelve **(12)** months, 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.

8:07 If as a result of circumstance, it becomes necessary to layoff Officers, 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, Officers will be hired in reverse order of the layoff provided they are available when recalled, have the necessary qualifications and ability to do the work available. Officers shall have the right of a second recall without loss of seniority if performing short term work at the time of the initial recall.

8:08 Officers will establish positional seniority upon promotion (i.e., 1st. Officer to Chief Officer) and will retain and accumulate bargaining unit seniority. In the event of layoffs for those Officers who have been promoted, bargaining unit seniority shall apply **and** permit those Officers to move back to their former position. Reverting to former position shall only take place when the vessel has reached a normal operating port.

8:09 If laid off, an **Officer** will have recall rights for a period **equal** to his seniority or twelve (12) months, whichever is less.

8:10 Each Officer 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 an** Officer notification at home for any reason, it may rely on the accuracy of the information on file. Failure of the Officer 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.

8:11 **An** Officer is required to notify the Company within forty-eight **(48)** hours of receiving written notice by registered mail to return to work, after being laid off and still on the seniority list for recall, 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 Officer is to report for work.

9. GUILD OFFICERS BOARDING VESSELS

9:01 It is understood that Guild Officers may board vessels of the Company covered by this Agreement at any time to meet with ship's officers. The Guild agrees that its representatives will not interfere with the regular operating of the Company's business, nor with the sailing, loading or unloading of the vessel, and shall not interfere with the Officers at work.

9:02 Upon boarding the Guild representative shall report to the Captain or Officer in charge, in order to ensure compliance with section 9.01. It is agreed that the Company assumes no liability for injury to any union representative while on the vessel.

9:03 The Guild shall submit to the Company the name and relevant particulars of the Guild representative(s), and also a waiver in form satisfactory to the Company for any claim for damages resulting from accident or injury **in**, or about Company's vessels, equipment and premises.

9.04 The Company assumes no responsibility for securing passes **through** property owned

or, controlled by others. The Company agrees to cooperate with the Guild in endeavoring to secure such passes.

10. JOINT CONSULTATIVE COMMITTEE

10:01 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.

10:02 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.

11. MEDICAL FITNESS

11:01 The right of **an** Officer to employment with the Company shall be conditional upon the Officer being declared as medically **fit** to perform **his** duties on offshore supply vessels, **in** accordance with international convention. The Company, at any time may cause the Officer to be medically examined at the Company's expense. *All* Officers shall be required to have a Company paid medical at least once every two years. It is the responsibility of the Officers to arrange and pay for such medicals in accordance with Company Policy and submit receipts to the Company for reimbursement.

12. NORMAL WORK ROUTINE

12:01 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. Officers should also recognize that due to the smaller crews and integrated structure of supply vessels, they will sometimes have to perform duties not traditionally a part of duties in this classification on other types of shipping. All Officers may have to attend to the domestic cleaning of their own accommodations.

13. ONE-HOUR STANDBY

13:01 It is to be understood by all Officers that vessels are chartered for service in the offshore industry and are on a one-hour standby. As a consequence to this, all Officers are also on a one-hour standby.

13:02 Officers may leave the vessel when not on duty after receiving permission from the Master. However, they must have a contact number posted on board. Any Officer who misses a vessel shall be subject to discipline, as per the provisions of this Collective Agreement.

14. GENERAL AND 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 all Officers 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.

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.

16. PROTECTIVE CLOTHING

16:01 The Company agrees to provide the following protective clothing and working gear to its Officers on the following basis:

Mates and Engineers shall receive:

Coveralls as required for the performance of duties

One pair of insulated coveralls per year

Steel-toed workboots **as** required

Hip rubber boots if required for the performance of duties, as determined by the Master or Chief Engineer **as** appropriate

One floater suit renewed **as** required

One set of rain gear renewed as required

One hard hat **as** required

Work gloves as required.

Hearing protection for Engineers as required

16:02 ~~The Company~~ shall ensure that each **ship** wry sufficient numbers of survival suits for the use **of** each **and** every Officer on the said **ship** in the event **of an** emergency.

16:03 Officers 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 **Any Officer** 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.

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

16:06 ~~Officers 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 Officers:

- 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. Officers will work either a twelve (12) hour day, or watches, normally in two (2) watches of six (6) hours duration.

18:02 Meal periods shall not constitute a part of any work period except where an Officer is required to eat during his regular watch. In all other cases, Officers shall be allowed at least one-half hour free of work for the purpose of eating a meal.

18.03 Coffee breaks shall be taken as near to the middle of a watch or fitted as appropriate into a twelve hour day.

19. LAY DAYS AND ACCUMULATED LAY DAYS

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

20. TRAVEL/CREW CHANGE DAYS

20:01 Officers shall be considered as on duty **and** not on leave during any period of travel.

20:02 All Officers 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 Officers 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 **Officers instructed** by the Company to join a vessel and the vessel does not arrive, the **Officer** shall be considered **as on full pay** with accumulated leave until the vessel arrives in port.
- 20:05 For Officers 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 Officers joining their vessel via other Company vessels shall be expected to assist the crew on that vessel if deemed necessary by the Master.
- 20:07 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. Officers being relieved who have spent extra time on board **as** a result of traveling time by their relief , shall maintain their regular schedule. Whatever the remainder of their twenty eight day leave period only will apply. Extra leave days incurred by both groups shall be accumulated as bank days.

21. TRAVELING EXPENSES

- 21:01 The Company ~~will~~ pay all reasonable travelling expenses, supported by proper receipts, to and from the **Officers** 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 Officers shall be reimbursed for these travelling expenses on the basis of recorded mileage involved, at the rate of \$.25 per kilometer, two way travel. Payment shall be made to the Officer by the Company 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 Officers involved.

22. LEAVE OF ABSENCE

22:01 The Company may, upon request and at its sole discretion grant an Officer a leave of absence with or 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 Officer over-stays his leave, he shall be deemed to have quit without notice.

22:02 The Company agrees to grant unpaid leave of absences, to **an** Officer requesting leave of absence for educational purposes, or for those Officers who are required by Government or other regulatory agency to attend courses for revalidation of certification ,etc. The Officer must provide thirty days written notice for said leave, and a suitable replacement Officer must be available before the leave can be **granted**.

23. BEREAVEMENT LEAVE

23:01 The Company **will** grant seven (7) calendar days pay with leave to an Officer in the event of death in the Officer's immediate family. For the purpose of this clause immediate family shall be defined **as** spouse, son, daughter, mother father, brother, sister and 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 an Officer is already on his days **off**

23.02 The Company will grant four (4) days with pay in the event of death in the Officer's family of brother-in-law, sister-in-law, or for any person domiciled in the home of the Officer or for whom the Officer is guardian. The Company will grant additional unpaid leave to an Officer as mutually agreed between the Officer and the Company. 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 an Officer is already on his days off.

23.03 The Company will grant additional unpaid leave to an Officer as mutually agreed between the Officer and the Company. Such days will be reflected in the Officer's leave day account as days off

24. LAYUP OF VESSEL

24:01 When vessels are laid up for refit purposes, Officers will not be laid off or suffer any loss of pay or benefits.

25. MARINE DISASTER

25:01 Officers 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.

26. LEGAL DEFENSE INSURANCE

26:01 Legal defence insurance for Officers 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 Officer 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 Officers shall ~~be~~ paid once per month, by monthly cheque or direct deposit. The Officer's pay shall be accompanied by a **full** statement of the Officer's earnings for the month.

28. SEVERANCE

28.01 Severance pay shall be paid to Officers with one (1) or more years service as set out in the Canada Labour Code.

29. DRUG AND ALCOHOL POLICY

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

30. 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 RE-OPENER

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 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, 2003, and thereafter as described in 31.01. 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 _____ of _____, 1998.

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

SIGNED, SEALED AND DELIVERED

SEABASE LIMITED

CANADIAN MERCHANT SERVICE GUILD

(ACTING FOR AND ON BEHALF OF)

REDERIET A.P. MOLLER

Paul Hood, Pres.; Cho
Allen Lanning V. P. Line

APPENDIX "A"

"A1"

CHIEF OFFICERS/FIRST ENGINEERS

EFFECTIVE JAN.1 1998, - DEC. 31,1998

BASIC PAY; **\$74,250**

SENIORITY BONUS; **\$ 3000**

RSP(8.25%OF BASIC); **\$ 6125**

ANNUAL SALARY; **\$83,375**

NOTE: (1) FOR EACH YEAR OF THE COLLECTIVE AGREEMENT COMMENCING JAN. 1, 1999, OFFICER'S PAY SHALL INCREASE BY THE PER CENTAGE INCREASE ^{IN THE CPI} ~~COST OF LIVING~~ FOR NFLD. AND LABRADOR, OR 2%, WHICHEVER IS THE HIGHER FIGURE.

 (2) FOR EACH YEAR OF THE COLLECTIVE AGREEMENT, COMMENCING JAN. 1, 1999, RSP DOLLAR AMOUNTS SHALL INCREASE BY 2% OR OR THE PERCENTAGE INCREASE IN CPI FOR NFLD. AND LAB., WHICHEVER IS THE HIGHER FIGURE.

 (3) FOR EACH YEAR OF THE COLLECTIVE AGREEMENT, COMMENCING JAN 1, 1999 SENIORITY BONUS SHALL INCREASE BY \$1000 PER YEAR, PLUS THE PERCENTAGE INCREASE IN CPI FOR NFLD. AND LAB. APPLIED TO THE AMOUNT OF THE PREVIOUS YEAR'S SENIORITY BONUS.

This 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.

The Parties agree that the Company has the option to implement a paid leave certificate upgrading program from time to time as required.

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 "A"

"A2"

FIRST OFFICERS

EFFECTIVE JAN.1, 1998 -DEC. 31, 1998

BASIC PAY: \$67,000

SENIORITY BONUS: \$ 3,000

RSP(8.25%OF BASIC): \$ 5,527

ANNUAL SALARY: \$75,527

NOTE: (1) FOR EACH YEAR OF THE COLLECTIVE AGREEMENT, COMMENCING JAN. 1, 1999, OFFICER'S PAY SHALL INCREASE BY THE PER CENTAGE INCREASE ^{IN THE CPI} ~~COST OF LIVING~~ FOR NFLD. AND LABRADOR, OR 2%, WHICHEVER IS **THE** HIGHER FIGURE.

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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.

The Parties agree that the Company has the option to implement a paid leave certificate upgrading program from time to time as required.

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 Officersto 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: The Company will pay 8.25% of the Officer's basic earnings 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 may likewise elect to contribute to the plan.

Officers terminating service with the Company shall have pro-rated contributions. Contributions to increase as detailed in Appendix **A**

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 'mediately 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**;
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;

- a; 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 by:
 - (A) Informal warnings administered at an appropriate level lower than that of Captain;
 - (B) Formal warning recorded in the ship's official logbook;

When a formal warning is given, an Officer must be advised of the consequences of further acts of misconduct:

- (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 officer 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 [Signature], Pres. JCEO
Bruce Tenney V.P. Finance

For the Guild

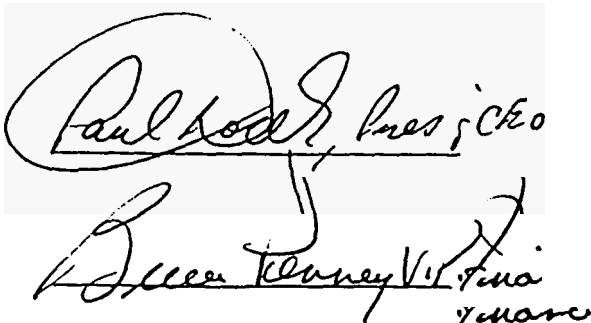
LETTER OF UNDERSTANDING
TRANSFERS

The Company, the Officers, and the Guild recognize the need for flexibility in vessel and crew operations, and agree that the following rules regarding Officer transfers shall apply:

1. The Company shall have the right to transfer Officers for experience or training or to assist or train on other vessels covered by this Collective Agreement or other vessels of the Company.
2. It is agreed that Officers so transferred shall be returned to their previous positions unless promoted or mutually agreed, after a two month period.
3. It is agreed that promotions shall be as indicated in Article 7 of the Collective Agreement, and that positions not able to be filled from within the bargaining unit shall first be filled by Canadian Officers on other vessels of the Company.

FOR THE COMPANY

FOR THE GUILD



Paul Todd, Pres, CEO
Debra Conway, V.P. Finance
r. more

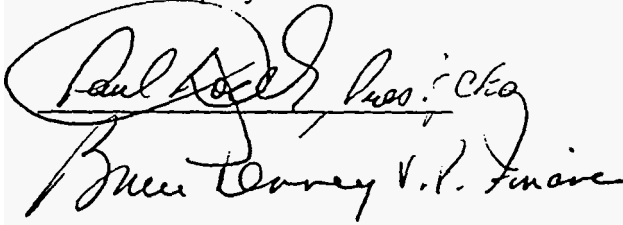
LETTER OF UNDERSTANDING
SIGNING BONUS

The Company agrees to pay a signing bonus, paid to each individual Officer's RSP, based on the following:

- 1: First payment to be made within thirty days of ratification of this agreement and calculated for each Officer as number of years service to December 31, 1996 times \$2050 times 50%.

- 2: Second payment to be made in January 1999 as per the calculation above

For the Company



Paul A. J. ...
Bruce Conway V.P. Finance

For the Guild

EMPLOYER(S): Rederiet A. P. Moller A/S

LOCATION: St. John's, Newfoundland

UNION(S): Canadian Merchant service Guild

BARGAINING UNIT: 20 Deck Officers

EXPIRY DATE: January 1, 1998 to December 31, 2003

INDUSTRY TYPE: Service Vessels

RELATIONSHIP CODE: 2664

REMARKS: Certified October 31, 1997 (555-4190)
FIRST AGREEMENT.
Up date per Conciliation Officer's Report