

Collective Agreement

Between

**V. SHIPS CANADA /
CANADA STEAMSHIP LINES**

RECEIVED
12/22/06

Hereinafter referred to as

THE COMPANY

And

CANADIAN MERCHANT SERVICE GUILD

Hereinafter referred to as

THE GUILD

Expiry Date – 31 May 2011

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1. INTERPRETATION AND AMENDMENT

1.1 This Agreement may be amended at any time by mutual agreement of the parties hereto.

1.2 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.

1.3 A party proposing an amendment under the foregoing provision shall give the other party at least seven (7) clear days' notice of the meeting to discuss the proposed amendment.

1.4 Before any amendment to this Agreement becomes operative it shall be reduced to writing, it shall state the effective date of the amended provision and it shall be executed in the same manner as this Agreement.

1.5 In this Agreement, unless the contrary intention appears,

- a) Words importing male persons include female persons and corporations
- b) Words in the singular include the plural, and words in the plural include the singular;
- c) Where a number of days expressed to be "clear days" is prescribed both the first day and the last day shall be excluded;
- d) Reference to and numbering of divisions of this agreement shall be made as follows:
 - 1. section
 - 1.1 subsection
 - a) paragraph
 - i) subparagraph

1.6 In this Agreement, unless the context otherwise requires,

- a) "Company" includes any employer or employer corporation that is a signatory to this Agreement;
- b) "department" means deck department;
- c) "former Officer" means an Officer who is not presently employed by the Company but whose name has been retained on the seniority list referred to in the Agreement;
- d) "Guild" means the Canadian Merchant Service Guild;
- e) "navigation year" means the period from the date in any one (1) calendar year upon which the Deck Department of a vessel of a Company commences Spring fit-out on the first Company vessel fitted out up to the date in that or the succeeding calendar year upon which the Deck Department of a vessel of the Company completes the Winter lay-up of the last Company vessel laid up;
- f) "Officer" means certificated First Mate, Second Mate and Third Mate who is employed by the Company;
- g) "vessel" or "Company vessel" means a vessel owned and operated by the Company or operated by the Company under bareboat charter.

2. PURPOSE OF AGREEMENT

2.1 The general purpose of this Agreement is to ensure that the Company, the Guild and the Officers employed by the Company may have the full benefits of orderly and legal collective bargaining and to provide, to the fullest extent possible, for the safety and physical welfare of the Officers, for economy of operation, for a high standard of service and for protection of property.

2.2 It is recognized by this Agreement to be the duty of the Company, the Guild, and the Officers to cooperate fully, individually and collectively, for the advancement of the above conditions.

During the life of this Agreement, when matters of mutual interest arise that require discussion, such as changes in technology, acquisition of new tonnage, altering the role and function of those onboard, the parties may make arrangements to meet. Whenever possible, the topics for discussion will be identified prior to the meeting.

3. RECOGNITION ✱

3.1 The Company recognizes the Guild 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.

3.2 When an assistant to the Master is appointed, he shall be supernumerary, and his duties shall be to assist the Master. He shall not take over any of the regular duties of an Officer unless the Guild upon request cannot supply a competent replacement. Such supernumerary shall be a member of the Guild.

4. UNION SECURITY

4.1 The Company will endeavour to employ only members in good standing of the Guild. Such members shall, as a condition of employment, maintain their membership in the Guild for the duration of this Collective Agreement.

4.2 An Officer is deemed to be a member in good standing of the Guild until the Guild determines that the Officer is not in good standing pursuant to the Guild's Constitution, Rules and Regulations, and until the Guild gives notice in writing to the Company that the Officer is not in good standing.

4.3 The Guild shall indemnify the Company, its vessels, Officers, servants and agents and hold it and 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 foregoing provisions of this section 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 section.

4.4 The Company recognizes the Guild as the source of employment for all Officers covered by this Collective Agreement and will make all requests for personnel from the Office or sub-office

of the Guild, as required in this Agreement. Such requests shall be confirmed in writing or fax and shall specify whether the job is permanent or relief and the rating required.

4.5 Any person not a member of the Guild, hired or promoted to the position of an Officer, shall within thirty (30) days of employment make application for membership in the Guild. Such application may be made by telegram, fax or otherwise directed to the Head Office or sub-office of the Guild.

4.6 The actual selection and hiring of Deck Officer shall be at the discretion of the Company's representative or the Master. Deck Officers who are not accepted must be supplied with the reason in writing at the time of rejection with a copy to the Guild and same subject to the grievance procedure.

4.7 When a Deck Officer is dispatched on a ship upon the Company's request, and is refused by the Master, this Deck Officer shall be paid reasonable transportation to and from the vessel, plus eight (8) hours pay at his basic hourly rate.

If a ship is delayed in transit and the Deck Officer must stay overnight waiting for the vessel, the Company agrees to pay reasonable living expenses supported by receipts until the arrival of the vessel or until the call is cancelled, and his basic hourly rate will be paid from the date on which he was to report for duty.

4.8 The Guild agrees that membership in the Guild of an Officer shall not be denied, suspended or terminated for any reason other than in accordance with the Constitution, Rules and Regulations of the Guild.

4.9 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 CMSG. 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 Guild in accordance with its Constitution and By-Laws.

4.10 Should the Company require an Officer to present himself for an employment interview at the Company's office, he shall be paid travel expenses as defined in Article 16.1.

5. BOARDING OF VESSELS

5.1 The Company shall issue boarding passes to authorized representatives of the Guild enabling those representatives to board Company vessels to consult with the Officers aboard in respect to Guild business.

5.2 The Guild shall submit to the Company the name, address and office of each authorized representative of the Guild for whom the Guild seeks a boarding pass.

5.3 In addition to consulting with Guild members aboard a vessel, the Guild representative(s) may discuss with the Master any dispute or grievance, but the Guild representative(s) shall not interfere in any way with the operation of a Company vessel.

5.4 As a condition precedent to his receiving a boarding pass each Guild representative shall execute and deliver to the Company a general form of release absolving the Company from all liability for any injury to property, loss of life or personal injury sustained by him while boarding or while aboard a Company vessel or while in or about any property owned by or under the control of the Company.

6. DEDUCTION OF DUES

6.1 The Company shall deduct from the monthly wages of each Officer in its employ, covered by this Agreement, the monthly amount of dues as advised annually by the Guild in registered letter form indicating the months in which deductions are to begin and cease.

6.2 The Company shall also deduct, on receipt of a billing list from the Guild, initiation fees and dues owing from the wages of the Officers concerned.

6.3 The Company shall forward to the Guild, within thirty (30) days of actual deductions from an Officer's salary, all the deductions referred to in this section, together with a statement in duplicate, setting out with respect to each Officer, the Officer's name and Social Insurance number, the amount to be credited to him, and the payroll period in respect to which the deductions were made.

6.4 Failure by the Companies to remit their contributions and deductions to the Guild for dues deductions and hiring hall, to the Pension Plan and the Family Security Plan and such, by the thirtieth of the following month that deductions are made or contributions due, such failure shall incur a penalty of fifty dollars (\$50.00) per day for each day delay until such time deductions or contributions are made. The postmark on the envelope shall be the determining factor. Such penalty shall be paid to the CMSG Hiring Hall.

7. HOURS OF WORK

7.1 In this Agreement "day" means a twenty-four (24) hour day commencing at 0000 hours one day and ending at 2400 hours of the same day.

7.2 In this Agreement, "day work" means work done by an Officer between 08.00 hours and 17.00 hours in any one day during the navigation season on a vessel on which watches have been broken up in order to permit one or more Officers to work exclusively during the day.

7.3 The normal daily working hours during the navigation season shall be on the three (3) watch system of four (4) hours on watch and eight (8) hours off watch, making a total of eight (8) hours worked during any one day, and any other hours worked during that day shall be considered as overtime hours.

7.4 The normal daily working hours during fit-out and lay-up shall be a total of eight (8) hours between 08.00 hours and 17.00 hours of any one day, and any other hours worked during that day shall be considered as overtime hours.

7.5 When an Officer is requested by the Master to remain on board in port, while off watch, he shall be paid for the stand-by time as though he had worked.

7.6 The normal work week shall be five (5) days of eight (8) hours each, Monday through Friday inclusive.

7.7 When a vessel is in port alongside or at anchor waiting to work cargo, watches will not be broken. When a ship is in dry dock, or undergoing repairs, watches may be broken providing there is no **loss** of monthly basic pay.

7.8 Should an Officer on any Company vessel be laid off for less than six (6) consecutive days during the navigation year and the vessel is put back into service, he shall not suffer any loss in basic pay because of such lay-off. The period of employment for which the Officer is so recalled shall not be less than ten (10) days.

7.9 When an Officer has to stand 6/6 for any reason, the watches shall be set as follows:

| | |
|-------------|-------------|
| 0000 - 0630 | 0630 - 1200 |
| 1200 - 1730 | 1730 - 2400 |

8. OVERTIME

8.1 If an Officer works in excess of his normal daily working hours either during fit-out, the navigation season, or lay-up, he shall be paid for each hour of overtime at the appropriate overtime rate.

8.2 An Officer who works on Saturday or Sunday shall be paid for each hour worked at time and one-half rate (1 1/2) for the first eight (8) hours and at the double time (2) hourly rate for each hour worked in excess of eight (8) hours.

8.3 If an Officer works on a Saturday or a Sunday, during the period of fit-out or lay-up, he shall be paid for each hour worked during those days at the appropriate hourly rate as defined in this Article, Clause 8.2.

8.4 The appropriate overtime rate shall be paid for overtime worked and time off shall not be granted in lieu of overtime pay.

8.5 When an Officer is performing overtime work which ceases before the expiration of one (1) hour, he shall be credited with one (1) full hour of overtime work.

8.6 After an Officer has completed one (1) hour of overtime work, he shall be credited with one (1) full half-hour of overtime work for each half-hour or fractional half-hour of additional overtime work he performs.

8.7 In the event an Officer is relieved while performing overtime work, and is recalled to duty, except when reporting for his regular watch, within two (2) hours after being relieved, he shall be paid at the appropriate overtime rate for the time elapsed between his relief and his recall.

8.8 When an Officer is requested to relieve for meals in port, he shall receive one (1) hour's overtime.

8.9 In cases of emergency for the safety of the vessel, its crew and cargo or the safety of other vessels and crew, the Master may request any or all Officers to perform such emergency duties as he sees fit and under these circumstances, no overtime shall be paid for such emergency duties. The pay of overtime may be subject to the Grievance Procedure.

9. HOLIDAYS

9.1 In this Agreement the term "Holidays" includes:

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

9.2 If a holiday falls on a Saturday and/or Sunday, the following Monday and/or Tuesday will be observed as the holiday.

9.3 Where an Officer employed by the Company does not work on a holiday, he shall be paid his usual wage for that day, at his basic hourly rate.

If any such holiday falls during an Officers' vacation, he shall receive one (1) additional day's pay on the first payday following his return to work, at his basic hourly rate.

9.4 Where an Officer employed by the Company does work on a holiday, he shall be paid for each hour worked during the holiday at the double time and one-half rate per hour as defined in Section 14.

10. VACATION PAY

10.1 An Officer having completed less than one (1) full season of service with the Company shall receive vacation pay twice monthly equal to four percent (4%) of his gross wages earned during the current pay period.

10.2 An Officer having completed one (1) but less than five (5) full consecutive seasons of service with the Company shall receive vacation pay twice monthly equal to five percent (5%) of his gross wages earned during the current pay period.

10.3 An Officer having completed five (5) but less than ten (10) full consecutive seasons of service with the Company shall receive vacation pay twice monthly equal to seven percent (7%) of his gross wages earned during the current pay period.

10.4 An Officer having completed ten (10) or more full consecutive seasons of service with the Company shall receive vacation pay twice monthly equal to nine percent (9%) of his gross wages earned during the current pay period.

10.5 The right of an Officer to receive vacation pay pursuant to subsections 10.2, 10.3 and 10.4 above shall not be affected in any way where such Officer is absent from his employment for reasons satisfactory to the Master.

10.6 A season of service is defined as consecutive season(s) from the date of hire to anniversary date and, in accordance with the preceding clauses of this section, the percentages shall change effective one (1) day after the anniversary date.

11. LEAVE OF ABSENCE

11.1 If an Officer has obtained the prior approval of the Master of his vessel or of the Company, and if a satisfactory replacement is found or some other satisfactory arrangement is made, an Officer may receive a leave of absence from his employment, without pay, without loss of seniority or any other rights acquired by him under the provisions of this Agreement.

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

- a) if the Officer requests a leave of absence in writing, and
- b) if the Guild approves of the Officer's request, the Company shall grant the Officer a leave of absence without pay of not more than three (3) years to work in that capacity, and, if the Company consents, the leave of absence may be extended.

11.3

- a) In the event an Officer has been elected or appointed to attend a Guild Convention or to carry out other business of the Guild, if the Officer gives fifteen (15) clear days notice to the Company and if a satisfactory replacement is found, the Company shall, for this purpose, grant leave of absence without pay to the Officer.
- b) When the Guild reports to the Company that the Officer is ready to return to work after completing the Guild business, he shall be entitled to return to his vessel at the earliest convenient date.

11.4 An Officer may request parental/maternity leave in compliance with existing Federal Legislation.

12. COMPANY BUSINESS

12.1 Where for any reason an Officer is required to be absent from his employment in order to attend to Company business and, without limiting the generality of the foregoing, where an Officer is required by the Company to attend at:

- a) any inquiry concerning the Company or its vessels at any inquiry pursuant to the Canada Shipping Act or any other statute,
- b) any court hearing, or
- c) any hearing before a Labour Relations Board, a Conciliation Board or any administrative tribunal, the Company shall pay the Officer his basic hourly rate, pension plan contributions and family welfare plan contributions, for the period when he is so absent.

12.2 In addition to paying an Officer's basic hourly pay while he is absent from his employment on Company business, the Company shall pay or reimburse him for all expenses incurred by him for the purpose of carrying out the Company's business upon production by the Officer of acceptable receipts or vouchers as evidence of those expenses.

13. SCHEDULED TIME OFF WITHOUT PAY

13.1 Scheduled time off shall be granted for each working hour in the working week for which time off is granted. Subject to the conditions and exceptions stated in this section, each Deck Officer shall be entitled to scheduled time off from the vessel on which he works, the scheduled time off to be calculated as equivalent to one (1) day off for each two (2) days worked of eight (8) hours per day.

13.2 Within fifteen (15) days of signing Articles, a schedule of time off, agreed to by the employees, shall be made up on board each vessel. Copies of the schedule shall be sent to the Company office as soon as possible and the Company shall provide the Headquarters of the Union with a copy. Scheduled time off will not be granted for periods of less than fourteen (14) days or more than thirty (30) days without mutual consent.

13.3 When a Deck Officer has compiled twenty-one (21) days or more of time off, provided he has made his request in writing fifteen (15) days in advance, he shall be granted a minimum of twenty-one (21) days time off. However, all such time off shall be completed before the first **day** of December. On vessels operating twelve (12) months of the year, time off shall not be taken between December 1st and the following January 15th, unless suitable arrangements can be made. On vessels involved in the Arctic trade, no scheduled time off shall be granted from the time of loading until the ship touches its first port of loading west of Belle Isle on its return trip.

13.4 If an officer does not apply for scheduled time off without pay and the Officer has worked continuously for one hundred and thirty-five (135) calendar days; the Company can compel the Officer to take time off without pay, providing this does not conflict with previously agreed to arrangements made by other officers.

13.5 Subject to prior approval of the Company, which shall not be unreasonably withheld, also provided at least one deck officer remaining onboard is qualified to do pilotage, and availability of suitable relief a maximum of two (2) Officers may be permitted to take overlapping leave for a period of no more than fifteen (15) days. The leave schedule will be mutually agreed upon amongst the Deck Officers involved.

This will come into effect on 1st June 2007 until 31st May 2009.

Commencing the 1st June 2009 no overlapping will be necessary provided the conditions below are met.

Subject to prior approval of the Company, which shall not be unreasonably withheld, also provided at least one deck officer remaining onboard is qualified to do pilotage, and availability of suitable relief a maximum of two (2) Officers may be permitted to take leave at one time. The leave schedule will be mutually agreed upon amongst the Deck Officers involved.

13.6 A Navigation Officer, prior to proceeding on time off, will notify the Master, in writing, of his intended date of return to the vessel. If he is recalled to work prior to the expiration of such time off, and he returns voluntarily, he shall be paid at the regular hourly rate of pay. However, if he is compelled to return by the Company he shall be paid at the overtime rate of pay for all work performed between the time of recall and the time his time off would normally have expired as per notification.

13.7 An Officer who has at least one (1) year of seniority with the Company shall be paid an allowance to defray reasonable travel expenses between the port of disembarkation and his home in Canada, two (2) times per season, two (2) ways, when taking his scheduled time off without pay. These costs are to include first class surface passage plus meals and berth or economy airfare or car allowance. Effective June 1, 2006 the car allowance will be forty (\$0.40)

cents per kilometre where no public transportation is available. All claims for scheduled time off transportation allowance shall be supported by original receipts for the actual funds expended.

14. WAGES

14.1 The rates of pay in effect as of June 1, 2006 (includes 2.5% increase for 2006) are:

| | Basic | 1.5 | 2.0 | 2.5 |
|------------------------|---------|---------|---------|---------|
| 1 st Mate\$ | 29.53 | \$44.30 | \$59.06 | \$73.83 |
| 2 nd Mate | \$26.82 | \$40.23 | \$53.64 | \$67.05 |
| 3 rd Mate | \$26.10 | \$39.15 | \$52.20 | \$65.25 |

Effective 1 June 2006 the wage rates will be increased as follows:

- 1 June 2006 - 2.5% or COLA, which ever is higher, with cap 3%
- 1 June 2007 - 2.5% or COLA, which ever is higher, with cap 3%
- 1 June 2008 - 2.5% or COLA, which ever is higher, with cap 3.25%
- 1 June 2009 - 2.75% or COLA, which ever is higher, with cap 3.5%
- 1 June 2010 - 2.75% or COLA, which ever is higher, with cap 3.5%

COLA will be the 12 month average from January 1st to December 31st, as published by Statistics Canada, to be paid starting 1 June each year.

14.2 Wages and vacation pay shall be paid in full by way of a direct deposit into the employee's bank account on the 15th day of the month for the wages earned between the 21st day of the preceding month and the 5th day of the current month. Wages and vacation pay earned between the 6th day and the 20th day of the current month shall be paid in full by way of a direct deposit on the last day of the current month.

The employee must provide the Company with an authorization and all pertinent banking information. It will be the responsibility of the employee to notify the Company expeditiously of any changes of address or banking arrangements on a Company authorization form. The pay stub will be sent to the employee aboard the vessel in a separate sealed envelope.

When an employee is paid off a vessel, he shall receive the equivalent of \$60.00 per day for days worked and for which he had not received payment in accordance with subsection 14.1 above, up to a maximum of \$200.00.

15. TRANSFER EXPENSES

15.1 The Company shall pay for or indemnify the Officer for all expenses incurred by him in transferring from one vessel of the Company to another vessel of the Company, upon production by the Officer of acceptable receipts or vouchers as evidence of those expenses. These costs are to include first class rail passage, economy air fare, taxi or two way car allowance, where public transportation is not available, of forty (\$0.40) cents per kilometre, effective June 1st, 2006, and the necessary meals and lodging as per 16.1. The company will pay reasonable excess baggage expenses for fit out, lay up and company transfers.

15.2 In the event that an Officer is transferred by the Company from one vessel to another vessel of the Company, the Company shall continue to pay the Officer his regular pay, pension plan contributions and family welfare plan contributions, and reasonable expenses during the time period necessary to enable him to make his transfer.

Any combination of work hours and travel hours in excess of eight (8) hours in a day will be paid at the basic hourly rate unless the terms of Article 15.1 take effect. However, an Officer shall have the right to refuse any transfer.

16. TRANSPORTATION, MEALS AND ROOM ALLOWANCE

16.1 When a Deck Officer has served the Company continuously aboard ship from the time of spring fit-out (or if signed on the vessel after spring fit-out as a replacement, from the time of such signing on) to completion of lay-up in the Fall, except only periods of justifiable absence from duty, the Company agrees to pay reasonable transportation costs to and from his home. These cost are to include first class surface passage or economy airfare or two way car allowance, where public transportation is not available and meals and berth. Effective June 1, 2006 the car allowance shall be forty cents (\$0.40) per kilometre.

Upon ratification of the agreement, the maximum allowable rate for meals shall be fifteen dollars (\$15.00) per meal exclusive of taxes and ninety dollars (\$90.00) per room, exclusive of taxes upon production by the Officer of acceptable original receipts (credit card receipts included).

Effective upon ratification of this Agreement, the Company will pay reasonable excess baggage for fit out, lay up and company transfers.

16.2 Within the first fifteen (15) days after an Officer joins a ship, he shall be paid transportation costs upon rendering reasonable receipts for such costs as described in this section. In the case of discharge for cause or leaving the ship for personal reasons, all return travelling costs shall be borne by the Employee.

16.3 During the period of fit-out and lay-up room and meals when not provided aboard his vessel are to be paid by the Company, as set out in Clause 16.1, upon production by the Officer of acceptable original receipts (credit card receipts included).

16.4 An Officer who is unable to comply with the strict terms of this section by reason only that he is justifiably absent from his employment other than on Guild business in accordance with the provisions of this Agreement shall nevertheless be entitled to receive from the Company his transportation, meal and room expenses pursuant to the terms of this section.

16.5 The Company shall not be liable to reimburse the expenses referred to in this section of an Officer,

- a) who is dismissed for cause, or
- b) who leaves a vessel for any reason not satisfactory to the Company, excepting of course justifiable absence from employment in accordance with the provisions of this Agreement.

16.6 If an Officer is laid off during the navigation season, he shall be paid transportation costs to his home. When recalled, he shall be paid transportation costs to the vessel. Such costs shall comply with 16.1 of this Agreement.

16.7 Wherever possible an Officer shall be given ninety-six (96) hours notice but no less than seventy-two (72) hours notice prior to joining his vessel. If it is necessary for an Officer to travel the previous day and if he starts work at 0800 hours on the day required, he shall be paid eight (8) hours' pay at his basic hourly rate to cover travelling time.

17. PREMIUM PAY

17.1 In any calendar year, for every day worked on an operating vessel in excess of two hundred and sixty (260) days with the same Company, a bonus of ten percent (10%) of the basic daily rate shall be paid for all such additional days worked at the end of the calendar year.

17.2 Each permanent Officer will be supplied with 2 pairs of coveralls, one of which may be insulated. The Company will replace the coveralls as is necessary. Suitable rain gear will be supplied on board for the use of the Officers. Also each permanent Officer shall be issued a floater jacket identified with this rank every four years.

17.3 An Officer having completed ninety (90) days with the same Company in a permanent position shall receive one hundred and twenty-five dollars (\$125.00) to defray the cost of safety boots. Payment shall be made on November 30th of each year. Only CSA approved footwear shall be acceptable under this regulation.

18. SCHOOL PLAN

18.1 An Officer who has completed at least one (1) full navigation season of continuous employment, or has celebrated his first anniversary with the Company and who succeeds in obtaining an upgrading of certification according to the following schedule:

Watchkeeping to CN II or ON II
CN II to CN I
ON II to ON I
ON I to Master Mariner

shall be entitled to receive from the Company effective June 1, 1996, in respect of time spent, a subsistence of three thousand and five hundred dollars (\$3,500.00) provided that, after obtaining such certificate, the Officer remains with the Company for ninety (90) consecutive days.

Should an Officer refuse a transfer to a vessel operating on a voyage to which his certificate is applicable, or refuses a promotion to the position for which the certificate is applicable within one (1) year of subsistence payment, the subsistence payment shall be refunded.

18.2 For the purposes of subsection 18.1 "full navigation season" includes a season during which an Officer is justifiably absent or laid off.

18.3 If an Officer is required by the Company to attend a course during any part of the year then the Company shall pay reasonable costs, supported by receipts, related to the training course. The employee will be entitled to receive his basic hourly pay and benefits while attending the course as provided by this Agreement.

18.4 All Officers shall be given thirty (30) days' advance notice, if possible, of any such course(s) to be attended.

19. APPRENTICE OR CADET

19.1 An apprentice or a cadet shall not stand watch unless he is under the direct supervision of a certificated Officer.

A certificated cadet may only stand a watch in a short-handed situation until such time as the CMSG can supply a member to fill such position. The Guild shall be notified by fax of the short-handed situation.

20. MEDICAL EXAMINATION

20.1 An Officer's right to employment with the Company shall be conditional upon the Officer being physically fit to perform his duties and in possession of a valid Medical Fitness Card for the current season.

20.2 In order to determine whether an Officer is physically fit to perform his duties a Company may, upon giving reasonable notice to the Officer and upon agreeing to assume all costs of the examination, require an Officer to be medically examined by a doctor mutually agreeable to the Officer and the Company.

20.3 When an Officer is employed for the first time by the Company, the Company may require the Officer to be medically examined by a doctor selected by the Company.

21. SICK LEAVE AND COMPASSIONATE LEAVE

21.1 An Officer shall be entitled to receive from the Company a reasonable leave of absence from his employment without pay in the event of either serious illness or injury to a member of his immediate family, that is: spouse, brother, sister, children, parents, parent-in-law, grandparents and grandchildren, and supported by proper documentation, the Company will pay reasonable one way transportation from the ship to his/her home not more than once a year.

21.2 After completion of sixty (60) days of continuous employment with the same Company, an Officer will be granted compassionate leave when death occurs to a member of his immediate family, that is his/her father, mother, spouse, child, grandchild, brother, sister and parents-in-law. The Officer granted leave to attend the funeral will be paid at his normal hourly rate for time lost up to a maximum of seven (7) days.

In the case of a spouse or children, the above mentioned leave period shall be fourteen (14) days.

Claims for compassionate leave must be submitted by the Officer in writing to the Master along with proof of bereavement in the Officer's immediate family.

22. ACCOMMODATION

22.1 On new construction(s), the Company agrees to make every reasonable effort to have single berth cabins for Officers, as well as adequate washroom, toilet and shower facilities. Furthermore, on new construction(s), the Company agrees to review and discuss blueprints, as they pertain to this clause, with the Guild, in order that the Guild's opinions and recommendations can be ascertained.

It is understood that this clause shall only apply to vessels not contracted for at the date of the present Agreement.

22.2 From the time of joining the vessel to the end of their employment, all Officers shall be supplied with clean linen and hand towels weekly. Sufficient soap for personal and laundry use shall be provided.

22.3 Where practical and where existing A.C. generator capacity, cable sizes and breakers will allow, air conditioners shall be installed. The Company shall be responsible for the maintenance of same.

22.4 On new constructions, the Company agrees to provide single room accommodation furnished with a 3/4 size bed for the convenience of Officers and their spouses.

22.5 Where there *is* an Officers' lounge or an Officers' dining room, the Company agrees to make a colour T.V. set, and a video (VHS) available and to bear the cost of normal maintenance. This clause will not take effect if there is a central VHS system aboard the vessel.

23. MARINE DISASTER

23.1 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 loss, up to a maximum of three thousand five hundred dollars (\$3,500.00).

23.2 An Officer or his estate making a claim under this section shall submit reasonable proof to the Company of the actual loss he suffered.

23.3 Any dispute between an Officer and a Company with respect to a claim made under subsection 23.1 shall be subject to the grievance and arbitration procedures set forth in this Agreement.

24. SAFETY REGULATIONS

24.1 All safety regulations for the safety of the vessel, the crew or passengers;

- a) which the Company now has in force,
- b) which the Company may bring into force during the term of this Agreement,
- c) which are promulgated by Transport Canada, shall after they have been brought to the attention of the Officers, be strictly adhered to by each Officer.

24.2 Failure of an Officer to comply with safety regulations as required by subsection 24.1 may be cause for dismissal, subject to the grievance and arbitration procedures set forth in this Agreement.

24.3 No animals or pets to be allowed on board.

25. SENIORITY

25.1 In case of promotion, demotion, transfer, lay-off and recall after lay-off, the most senior employee with sufficient qualifications shall be entitled to preference where ability and physical fitness are equal.

25.2 All Officers shall be separated into three (3) classifications of First Mate, Second Mate and Third Mate, and as between two Officers:

- a) within different classifications the Officer in the higher wage classification is deemed to be the senior Officer, or
- b) within the same classification the Officer with the greater length of continuous service in that classification is deemed to be the senior Officer, or
- c) with the same length of service within one classification the Officer with the greater length of service with the Company as an Officer is deemed to be the senior Officer.
- d) An Officer who has served as First Mate for ninety (90) days in a single navigation season shall be placed on a Relief First Mates list. The initial list will be made up from those Officers who have relieved as First Mate but are not currently on First Mate's seniority list. Officer's names will be added to the list in the order in which they began to relieve as First Mate. Once on the list, Officers will remain on the First Mate's Relief list provided they accumulate one hundred eighty days (180) service as First Mate in the previous two (2) years. Future promotions to the permanent First Mates list will be done through the provisions of Article 25.1

25.3 The seniority of an Officer in any classification shall count from the date of permanent employment in that classification, and seniority shall be maintained and accumulated while the Officer is absent from employment:

- a) due to lay-off;
- b) due to sickness;
- c) pursuant to an authorized leave of absence;
- d) due to Company business;
- e) due to Guild business, or
- f) in order to serve in Canada's armed forces.

25.4 An Officer shall lose his seniority standing and shall have his name removed from all seniority lists in any one of the following cases;

- a) where the Officer voluntarily quits or retires;
- 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 and to the Guild by prepaid registered post advising him to return to work;
- d) where the Officer has been laid off because of lack of work for a continuous period of more than two (2) years.

25.5 The Company shall by February 15th but no later than March 15th of each year prepare and forward to the Guild and to each Officer employed by the Company, written notice of his appointment and a seniority list divided into three (3) classifications of First Mate, Second Mate and Third Mate, setting forth with respect to each Officer concerned:

- a) his name;
- b) his seniority number
- c) the nature of his certificate
- d) the date when he was first permanently employed by the Company in his present classification, and
- e) the date when he was first employed by the Company, (except that where a ship is added to the Company fleet, the Company may send notice of appointment to that ship later than March 15th).

25.6 In case an Officer has an objection to the seniority list, he shall advise the Company and the Guild at the earliest practicable time, and in any event the Guild shall on or before April 15th, of each year advise the Company in writing either;

- a) that the seniority list correctly sets forth the seniority and other matters pertaining to each Officer, or
- b) that the seniority list does not correctly set forth such seniority and the particulars of any objections thereto.

25.7 If the Officer or the Officer acting through the Guild gives notice to the Company pursuant to subsection 25.6 (b) that he objects to the seniority list the issue shall be proceeded with in the following manner:

- a) within seven (7) days after receipt of the said notice representatives of the Company and the Guild shall meet for the purpose of resolving the objections to the seniority list; and
- b) if the parties cannot resolve the dispute pursuant to the foregoing subsection, it shall be determined in accordance with the arbitration procedures set forth in this Agreement.

25.8 Where the seniority list is agreed to or settled as correct the seniority list shall, in any year, be binding upon the parties and each Officer until the following seniority list is issued.

25.9 Promotion of an Officer to fill a vacancy on a Company vessel shall be subject to the following conditions:

- a) If the senior Officer employed by the Company in the classification fulfils the conditions of subsection 25.1 he shall be promoted to fill that vacancy.
- b) If the senior Officer in the classification refuses promotion, his refusal shall not affect his seniority unless and until he again refuses promotion to fill another vacancy, in which event his seniority status shall revert to the bottom of that section of the seniority list relating to his classification.
- c) If the senior Officer in the classification refuses promotion to fill the vacancy the immediately succeeding senior Officer in that classification shall be offered promotion to the vacancy in turn, subject to the foregoing paragraphs (a) and (b).
- d) If there is no senior Officer in the classification available for promotion the senior Officer in the classification immediately below that classification shall be offered promotion to fill the vacancy, subject to the foregoing paragraphs (a), (b) and (c) so far as they are applicable.

25.10 Where the Company cannot fill a vacancy during the navigation season by promotion, preference for employment or re-employment of an Officer who has the required certificate and physical fitness in order to fill a vacancy shall be determined according to the following priorities:

- a) Masters of the Company;
- b) Officers of the Company who are presently classified in the classification in which the vacancy occurred;
- c) Officers of the Company who were employed in the classification immediately below that of the classification in which the vacancy has occurred, who are willing and have the ability and the certificate to be promoted;
- d) Officers who have never been employed by the Company and who are registered on a list to be maintained by the Guild as being available for employment, provided such Officers, in the opinion of the Company, have the ability and the certification necessary to fill the vacancy;
- e) Other persons who are employees of the Company who are not Officers but who are, in the opinion of the Company, willing and able and have the necessary qualifications and certificates to fill the vacancy.

25.11 In the event the Company finds it necessary to lay-off an Officer during the navigation season, the lay-off shall be governed by the following conditions:

- a) In the event a Master is laid off and providing that the Master has maintained his membership in the Guild for at least twenty-four (24) consecutive months and there is no Master's position available to him, he shall have the right to be transferred to and to occupy the position of First Mate of the Company and be reinstated with his original seniority date prior to his promotion as Master. If the Officer was hired by the Company as Master, and has worked for ninety (90) days prior to layoff, his seniority date as First Mate shall be the date he was hired by the Company.
- b) In the event the senior First Mate is displaced by the operation of the foregoing subsection, the senior First Mate and each of the remaining Officers of the various classifications shall, in turn, be moved to occupy the next classification immediately below the classification formerly occupied by him in accordance with his seniority status.

- c) In the event that a Deck Officer suffers a demotion or voluntarily requests a lower rank/classification he shall be slotted in accordance with his original date of seniority.

25.12 With respect to

- a) the filling of a vacancy during the navigation season, and
- b) the transfer of an Officer in case of lay-off during the navigation season,

it is understood and agreed between the parties that the Company shall comply with the express provisions of those subsections, but in the event of possible disruption caused by such action, the Company shall adhere as closely as possible to the principles and intentions expressed in those sections.

25.13 An Officer

- a) who is promoted pursuant to the provisions of this section to a position or classification not covered by this Agreement, and
- b) who maintains his membership status in the Guild in accordance with the terms of this Agreement, shall retain his seniority status in his particular classification as of the date of his promotion or demotion, and upon the resumption of his employment in that classification from which he has been promoted or demoted or in another classification covered by this Agreement, he shall assume such employment with the seniority status that he had on the date when he was promoted or demoted; but in case such Officer fails to commence his employment within fifteen (15) days after receipt of notice thereof, he shall forfeit his seniority status.

25.14 Notwithstanding any other provisions contained in this agreement, the Company may at its discretion promote a Company Officer during the navigation season in order to fill a temporary vacancy for a period not exceeding thirty (30) days; but at or before expiry of that thirty (30) day period, the Company shall fill the vacancy in accordance with the express provisions of this Agreement.

25.15 All grievances concerning the foregoing subsections 25.1 to 25.14 may be presented directly to the Company providing a written copy of the grievance is given to the Master of the vessel on which the grievor is employed.

25.16 In the event two (2) or more Companies amalgamate, merge or otherwise combine operations, seniority of Officers employed in these Companies shall be handled in the following manner:

- a) if the Officers employed from the purchased, amalgamated, merged or combined Company are also Guild members, a new seniority list shall be prepared, showing the combined names and dates applicable to the original employing Company, and
- b) if the Officers employed by one Company are not members of the Guild, a new seniority list shall be prepared showing these new members as junior to anyone with equal qualifications, and having seniority within the Guild.

26. OFFICERS' DUTIES

26.1 An Officer shall not be required to perform any duties usually assigned to unlicensed crewmembers.

26.2 On vessels of five hundred (500) feet or more, any additional personnel to the normal watch required for the purpose of mooring, unmooring or canalling operations, then the additional person will be at the discretion of the Officer in charge, a deck Officer or upon agreement between the deck officers concerned a qualified unlicensed crewmember. Notwithstanding the above the Master may insist that the additional person be a deck Officer.

26.3 During all mooring, unmooring and canalling operations, Officers at their discretion, may be assisted by one other person at each station.

26.4 It is agreed that Deck Officers will not be required to do any clerical or computer related duties during any portion of their normal watch when there is no other Deck Officer on the Bridge except when the vessel is at anchor or not under way and circumstances affecting the safety of the ship will allow.

27. DISMISSAL

27.1 No Officer shall be dismissed from his employment with the Company except for just cause.

27.2 A Company dismissing an Officer shall give that Officer notice in writing of his dismissal as per the disciplinary code.

27.3 A dismissal of an Officer shall be subject to the grievance and arbitration procedures set forth in this Agreement, and in the event the issue does proceed to arbitration, the Arbitration Board may make an order:

- a) upholding the dismissal;
- b) reinstating the Officer with compensation from the Company, or
- c) to deal with the issue in any other manner that the Arbitration Board may deem just and equitable.

28. GRIEVANCE PROCEDURE

28.1 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 Officer 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 Guild representative acting on the Officer's behalf must within twenty (20) 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.

28.2 Notwithstanding any other provisions of this 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 subsection 28.1, the Guild acting on behalf of an Officer, may submit the grievance at once to arbitration in the manner set out in subsection 29.1.

28.3 If there is a grievance which is the same for a number of Mates of a Company, such 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 Guild, the matter may then be submitted to arbitration as per Step Three. The results of such arbitration shall be binding on the Company, the Guild and all persons concerned with the particular grievance involved.

29 ARBITRATION

29.1 In the event any difference arises between the Company and the Guild 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 section 28 of this Agreement the difference may be submitted to arbitration pursuant to the terms of this section.

29.2 Arbitration of any difference arising under subsection 29.1 shall be submitted to a single arbitrator jointly selected by the Guild 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 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 of Canada who shall select and designate the arbitrator.

29.3 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.

29.4 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.

29.5 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 decisions of the arbitrator which are made under the authority of this Arbitration Article shall be final and binding upon the Company, the Guild and all persons concerned.

29.6 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.

30. STRIKES AND LOCKOUTS

30.1 The Guild and the Company declare it to be their common intention that all controversies shall be resolved amicably in accordance with the provisions of this Agreement, and to this end

a) the Guild agrees that there shall be no strikes, slowdowns or stoppage of work for any cause,

and

b) the Company agrees that there shall be no lockout for any cause

during the term of this Agreement.

30.2 It is agreed for the purposes of this Agreement that the refusal of a member to pass through a lawful picket line shall not be construed as a violation of this Agreement and shall not be a reason for dismissal.

30.3 The Guild agrees to co-operate with the Company to urge each Officer to assist and to co-operate with the Master and Company Executives in order to maintain discipline aboard ship.

30.4 There shall be no discrimination, interference, restraint or coercion by the Company against any employee because of membership in the Guild, or because of any lawful action taken by any member under the terms of this Agreement.

The Guild agrees not to intimidate or coerce or threaten employees in any manner that will interfere or hinder the effective carrying out of this Agreement.

31. ESTABLISHED CUSTOMS

31.1 Any right or privileges enjoyed by an Officer as a matter of custom prior to the date of this Agreement relating to spouses visiting or making trips on ships or to mutual arrangements between Masters and Mates concerning shore leave shall be continued, and no change to these

customary rights and privileges shall be put into effect unless mutually agreed to by the Company and the Guild.

31.2 Where an Officer has completed one (1) full season with the Company and accommodations are suitable, he may make arrangements to have his spouse (or common law spouse) accompany him for a period of up to, **but** no more than, twenty-three (23) days each season. These arrangements will be approved for only two (2) Officer's spouses(or common law spouses) at a time.

The Officer's spouse (or common law spouse) shall not interfere in any way with the operation of the vessel. The Officer's spouse (or common law spouse) shall sign a waiver releasing the Company of all liability for any mishap that may happen to him/her while he/she is aboard the vessel.

31.3 With the approval of the Master, which shall not be unreasonably withheld, an Officer may:

- a) While the vessel is in port bring his spouse and family aboard for a visit, with the exception of children under twelve (12) years of age. Prior to their coming on board, the Officer must sign a Company waiver releasing the Company of all liability;
- b) While the vessel is in port, canalling or at anchor, Officers may make private arrangements with one another to exchange watches and thereby permit him to go ashore;
- c) The above is subject to the grievance procedure provided in this Agreement.

31.4 The Company agrees to place at the gangway a notice when the ship is cleared by Customs and Immigration.

31.5 The Company will supply the Guild Office with a monthly list of crew complement on each operating Company vessel.

32. CLAUSE PARAMOUNT

32.1 Nothing contained in this Agreement shall be construed in a manner;

- a) that conflicts in any way with the obligations of the Guild, the Company, or an Officer as determined by the provisions of the Canada Shipping Act or any other statute **or** regulation, or,
- b) that tends in any way to impair the lawful authority of the Master.

32.2 It is agreed between the parties, that should a difference of opinion arise on the interpretation of the Collective Agreement that the English text shall prevail.

33. FAMILY SECURITY PLAN

33.1 The Company agrees, effective June 1, 2006, to make a contribution of fifteen dollars and fifty-six cents (\$15.56) per position per day aboard the vessel.

Effective 1 June 2006 and each subsequent year for the term of this Agreement the contribution will be increased in accordance with the rate increase in section 14 subsection 14.1. The Company shall have the right to appoint a trustee to the Family Security Plan.

33.2 The Company agrees to send the aggregate of the contributions for each month to the Family Security Plan Administrator designated by the Guild, 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.

33.3 Effective June 1, 2006, an appointed Officer or a relief Officer who has worked a minimum of one hundred ninety-five (195) days in a calendar year shall be eligible to have his Welfare Contributions at the end of the calendar year topped up by the company according to the following scale:

- 1st year of the agreement – up to 215 days
- 2nd year of the agreement – up to 220 days
- 3rd year of the agreement – up to 225 days
- 4th year of the agreement – up to 225 days
- 5th year of the agreement – up to 230 days

An officer who, at year end has sufficient funds in his bank to be covered until his expected return to the ship, shall not be included in the topping up scheme.

34. PENSION PLAN

34.1 All Officers employed subsequent to January 1, 1992 shall, as a condition of employment, become and maintain membership in the CMSG Retirement Security Plan.

Effective June 1, 2006 the Company shall pay, on behalf of each Officer, who is a member of the CMSG Retirement Security Plan, in addition to his regular pay, seven and one half percent (7½%) of the Officer's basic hourly rate on the basis of eight (8) hours for each day worked.

Effective June 1, 2007, where an Officer elects to contribute to the Guild's "Retirement Security Plan", the Company shall pay, on behalf of each Officer, in addition to his regular pay, seven and three quarters percent (7¾%) of the Officer's basic hourly rate on the basis of eight (8) hours for each day worked.

34.2 Each Officer who is a member of the CMSG Retirement Security Plan, shall contribute an amount equal to that remitted by the Company. As such, each Officer shall have deducted from his pay by the Company, effective June 1, 2006 the amount of seven and one half percent (7½%) of the Officer's basic hourly rate on the basis of eight (8) hours for each day worked, over and above any contribution to the Federal or a Provincial Plan.

Effective June 1, 2007, the Company will deduct the contributions of each Officer who elects to contribute to the Pension Plan from his pay and remitted to the Trustees of the aforesaid Pension Plan Fund. That contribution shall be in the amount of seven and three quarters percent (7¾%)

of the Officer's basic hourly rate on the basis of eight (8) hours for each day worked, over and above any contribution to the Federal or a Provincial Plan.

34.3 The combined contributions shall be remitted to the Trustees of the aforementioned CMSG Retirement Security Plan.

34.4 The Company shall not be required to contribute to the CMSG Retirement Security Plan on behalf of those Officers employed prior to January 1, 1992 and who have elected not to become members of said plan.

34.5 The Guild agrees that the Companies that are members of the Canadian Lake Carriers' Negotiating Committee shall be entitled to appoint one trustee to the Board of Trustees administering the Pension Plan Trust Fund, and such trustees shall represent all of the Companies that are members of the said committee.

35. PROFICIENCY PAY

35.1 When an Officer is in charge of a vessel between Tibbets Point and St. Lambert Lock, excepting when the vessel is at anchor or not underway, he shall receive effective June 1, 2006 eighteen dollars and fifty cents (\$18.50) per hour in addition to the applicable rate at the time the work is performed.

The rate will be increased by fifty cents (\$0.50) on the 1st June 2007 and 1st June 2008, and by seventy five cents (\$0.75) on the 1st June 2009 and 1st June 2010.

This proficiency pay will be paid for each hour, calculated to the nearest half (1/2) hour, during which he is in charge on the bridge of the vessel in this area.

A junior officer will have access to the wheelhouse for the purpose of receiving training for pilotage under the supervision of the Officer of the Watch.

35.2 It shall be the absolute right of any mate to refuse to apply for pilotage certificate for any district or part of district, within the jurisdiction of the Laurentian and Atlantic Pilotage Authorities, where compulsory pilotage is required by law and for so long as the same continues to be so required for vessels of Canadian Registry. Any such refusal shall not subject a mate, directly or indirectly to any penalty whatsoever. Any violation of the aforesaid shall be subject to redress in accordance with the grievance procedure within the Collective Agreement between the Company and the Guild.

36. S.U.B. PLAN

36.1 If the fund is reduced below the maximum funding level, the Company will contribute five cents (\$0.05) per hour to the fund until such time as the Fund again reaches the maximum funding level. The Company also agrees that credit units will be portable.

The Supplemental Unemployment Benefit will be ninety dollars (\$90.00) per week.

37. TRANSPORTATION IN CASE OF ACCIDENT OR ILLNESS

37.1 The Company shall reimburse to an Officer following any work accident or illness, all transportation expenses from his place of work to the nearest hospital or clinic. On the doctor's recommendation, the Company shall reimburse transportation expenses from his place of work, from the hospital or clinic to his place of residence in Canada.

38. NOTICES

38.1 Any notice required to be given to the Guild pursuant to this Agreement shall be delivered to the Office of the Guild, at 36 Wright Street Unit #1, St. Catharines Ontario, L2P 3J4, or at any other address which the Guild may designate and which the Guild shall notify the Company in writing.

38.2 Any notice required to be given to the Company pursuant to this Agreement shall be delivered to the Head Office of the Company.

39. LAUNCH SERVICE

39.1 Subject as herein provided, where employees have been continuously on board a vessel for a period of twelve (12) consecutive hours commencing from the time that a vessel anchors or otherwise becomes stationary away from the dock, upon and after the expiration of such period, the Master upon the request of not less than three (3) employees, shall use his best endeavour to provide launch service for such employees to travel to and from the shore, provided that the provision of such launch service shall not be more than twice every twenty-four (24) hours and shall be subject to the Master's discretion with respect to weather and working conditions on board the vessel.

When the majority of the unlicensed crewmembers are paid off, the three (3) employees' requirements of this section shall not apply.

40. HIRING SERVICE

40.1 Effective June 1st, 2006, the Company agrees to pay the CMSG the sum of two dollars (\$2.00) per position per day aboard the vessel to be remitted to the CMSG, 36 Wright Street Unit #1 St Catharines Ont L2P 3J4, not later than the 15th of the following month.

41 OFFICER FILES

41.1

a) The Company agrees not to introduce as evidence in a hearing relating 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.

b) Upon written request of an Officer, any notice of disciplinary action which may have been placed on the personnel file of the Officer shall be voided after two (2) years have elapsed since the disciplinary action was taken provided that no further disciplinary action has been recorded during this period.

c) 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.

42. LEGAL DEFENCE INSURANCE

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

The Guild shall provide legal defence insurance, which shall be paid for by the Company at the rate of two dollars (\$2.00) per day per position, effective June 1, 2006 and for the duration of this Agreement.

The Company agrees to send the aggregate of the contributions for each month to the Canadian Merchant Service Guild, 36 Wright Street Unit #1, St. Catharines, Ontario L2P 3J4, 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 Merchant Service Guild.

43. SUCCESSOR RIGHTS AND OBLIGATIONS

43.1 The Company agrees not to lease or charter any vessel which it has sold and which was previously manned by employees subject to the present Collective Agreement unless:

- a) prior to the sale, the purchaser agreed in writing to recognize the Guild as the exclusive bargaining agent for the Officers aboard the said vessel and to apply the terms of the present Collective Agreement, or
- b) the vessel is leased or chartered without Officers, or
- c) the parties agree to otherwise.

44. RETROACTIVITY

44.1 Retroactivity will be paid on basic wages, overtime, pension contributions, family security plan contributions, proficiency pay, and vacation pay.

45. SEVERANCE PAY

An Officer who is laid off in accordance with Article 25.4 (d) shall be entitled to severance benefits calculated on their basic daily rate of pay. For each full navigational year of service, an Officer shall receive five (5) days pay at their basic daily rate.

46. DURATION OF AGREEMENT *

~~46.1 This Agreement shall remain in force from June 1st, 2006 to May 31st, 2011, 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 ninety (90) days prior to May 31st, 2011.~~

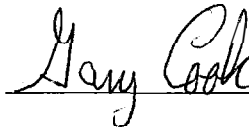
46.2 In the event neither party gives notice to reopen ninety (90) days prior to May 31st, 2011, allowing the Agreement to continue on a year to year basis, either party may give written notice of desire to amend, modify or cancel any term thereof ninety (90) days prior to the anniversary date of May 31st, in any given year, in which case this Agreement shall terminate on the anniversary date in that year.

IN WITNESS WHEREOF the parties hereto have signed this Agreement this 4th day of December 2006.

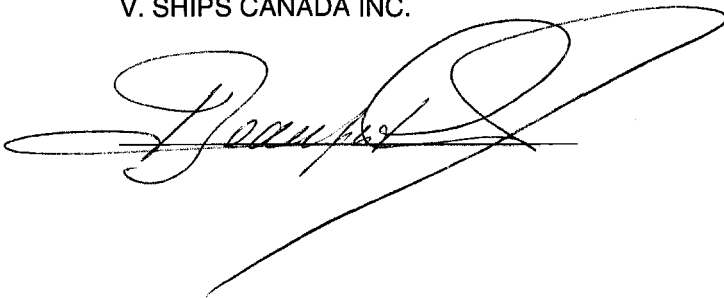
CANADA STEAMSHIP LINES INC.



CANADIAN MERCHANT SERVICE GUILD



V. SHIPS CANADA INC.



LETTER OF UNDERSTANDING NO. 1

A. i) A relief Officer for the purpose of this letter is an Officer whose name does not appear under provisions of subsection 25.5 of the Collective Agreement.

ii) Relief means a period of time an Officer works for the Company to assist in maintaining a crew complement.

B. The Company by February 1 but no later than March 1 of each year will prepare and forward to the Guild and to each relief Officer a relief Officer seniority list.

C. The relief Officer seniority list submitted will contain the Officer's name, seniority ranking, the nature of the certificate held, the first date of hire as a relief Officer and the seniority date.

The provisions of subsection 25.6,25.7,25.8 shall apply to the relief seniority list.

For the purpose of this LOU the name of an employee who has not worked for the Company for two years will be removed from the relief Officers seniority list.

Taking into consideration that CSL has on its third mates permanent seniority list an excess of five (5) mates, the relief seniority list will start with five (5) mates and augment proportionally (as available permanent positions are covered) until such time as the third mates' permanent seniority list comes to par with the number of positions available.

The seniority ranking for each Officer on this initial relief Officers seniority list shall be based on the anniversary date the Officer has accrued two hundred and sixty eight (268) days working.

An Officer will be eligible to be put on the list after he has accumulated two hundred and sixty eight (268) worked days with the Company.

The initial relief seniority list shall become the permanent relief seniority list thereafter and will follow the provisions of A,B,C,D of this letter of understanding.

Should a permanent position become available within the Company the senior relief Officer with the required qualifications shall be offered that position and this will be confirmed in writing to the Officer and the Guild.

When an Officer from the relief seniority list is assigned to a permanent position his seniority will be carried forward for vacation purposes only

LETTER OF UNDERSTANDING NO. 2

NOTICE TO ALL MASTERS AND MATES CONCERNING OFFICERS DUTIES

In compliance with Deck Watch Regulations, excepting an emergency situation or while canalling, entering or leaving port, no Officer will be asked to leave the bridge during his watch while the vessel is underway or at anchor.

N.B. This letter is to be sent to all Masters and Mates from each Company

LETTER OF UNDERSTANDING NO. 3

It is understood that the economic operation of the Company's fleet is an objective which both parties fully endorse and will strive to achieve as being in their mutual interest.

However, for purposes of grievance arbitration only, and during the term of the present Collective Agreement, the Company undertakes to avoid unnecessary recourse to the expression "for economy of operation" appearing in Subsection 2.1 in prosecuting its case, where the invocation of such expression is intended only to reinforce its case which may otherwise be justified in virtue of other dispositions of the Collective Agreement.

It is also understood that by this undertaking the Company has in no way set aside its fundamental right, indeed its obligation, to operate its fleet as economically as possible.

DRUG AND ALCOHOL POLICY

The Guild and the Navigation Officers recognize that the Company must have a ZERO TOLERANCE drug and alcohol policy in place in order to ensure the safety and security of the vessel and their crews.

The details of the policy and its implementation may change from time to time on advance notice to the Guild and the Navigation Officers, but the primary elements of the policy (which are equally applicable to all members of the crew) are:

- a) There will be no drugs or alcohol permitted on board any Company vessel at any time;
- b) Navigation Officers returning to the vessel from shore leave must be in a sober condition and free from the influence of drugs and alcohol;

Failure to comply with the policy will result in the application of the discipline code which could result in dismissal.