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EFF.	2004-12-0
TERM.	2007-12-3
No. OF	
NOMBRE D'EMPLOYÉS	9 SS

COLLECTIVE AGREEMENT

between

South Coast Crewing Limited

and

**International Union of Operating Engineers
Local 904**



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02 FEB. 2005

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13387(01)

Effective:

December 22, 2004 - December 31, 2007

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ARTICLE 1.0 - GENERAL PURPOSE AND SCOPE OF THIS AGREEMENT

- 1.01 **PURPOSE** - The general purpose of this Agreement is to ensure the full benefits of orderly and legal collective bargaining and to support the mutual interests of the International Union of Operating Engineers, Local 904 and South Coast Crewing Limited and all licensed personnel.
- 1.02 **COOPERATE** - It is the responsibility of both the Union and the Company and its employees to cooperate frilly, individually and collectively to ensure the safety of the vessels operations, environment and personnel, while retaining above average standards and good economic operations.

ARTICLE 2.0 - RECOGNITION

- 2.01 **COMPANY RECOGNITION** - The Company recognizes the International Union of Operating Engineers, Local 904 (herein after referred to as "the Union") as the sole collective bargaining agent for all employees employed on vessels crewed by South Coast Crewing Limited in the province of Newfoundland & Labrador and employed in classifications outlined in Appendix A of the Agreement, excluding managers, directors, supervisors, office personnel, dispatchers, non-working supervisors and those above the rank of non-working supervisor.

ARTICLE 3.0 - DEFINITIONS

- 3.01 **EMPLOYEE** - A permanent or probationary one who is a member of the bargaining unit.
- 3.02 **COMPANY** - South Coast Crewing Limited, located at Fortune, Newfoundland & Labrador.
- 3.03 **PERMANENT EMPLOYEE** - A person who has successfully completed the probationary period.
- 3.04 **PROBATIONARY EMPLOYEE** - A person hired to fill a vacancy, but has not completed the probationary period.
- 3.05 **SERVICE** - Shall mean all paid time with the Company but shall not include any unpaid leave of absence. This definition shall apply to all benefits which accumulate or are paid based on service.
- 3.06 **UNION** - The International Union of Operating Engineers, Local 904.
- 3.07 **CASUAL EMPLOYEE** - A person hired on a day-to-day basis as required. The Casual Employee shall be paid in accordance with Appendix A-4 and shall pay Union dues in accordance with Article 4, but otherwise will not be covered by any of the terms of this Collective Agreement. The Company also agrees to provide on board necessary water safety equipment required for casuals.

ARTICLE 4.0 - UNION SECURITY & DUES & CHECK OFF

- 4.01 **UNION SECURITY** - Each employee covered by this Agreement who is not a member of the Union shall as a condition of employment become, and remain a Union member in good standing for the duration of his employment with the Company. Counting from the date he commences employment with the Company, each new employee who is not a member of the Union will be allowed ninety (90) calender days within which to make application to join the Union and tender

the appropriate initiation fees. The Union shall have the exclusive right, acting reasonably, to determine who is a member in good standing.

- 4.02 **ACQUAINT EMPLOYEES** - The Company agrees to advise new employees that a collective agreement is in effect and to introduce the new employee to the shop steward.
- 4.03 **DISCRIMINATION** - The Company and the Union agree that no employee and no potential employee shall in any manner be discriminated against for employment on account of membership or non-membership in any labor organization.
- 4.04 **UNION DUES (CHECKOFF)**- The Company agrees to deduct monthly Union dues, dues in arrears, and/or assessments in the amount as established by the Union and to remit same to the Union for all employees covered by this Agreement. It is further agreed that all initiation fees will be deducted and remitted to the Union from the employees concerned The Union dues and/or assessments and/or initiation fees will be remitted monthly to the Union, to the attention of the Secretary/Treasurer, no later than the 15th day of the following month. In addition to the monthly dues, the Company will also deduct any other amount of money when billed by the Union.
- 4.05 **CHECK-OFF REMITTANCE** - The Union agrees to notify the Company in writing of the amount of the dues or any initiation fees or assessments to be deducted from employees. This amount may only be changed through written notification. Such notices must bear the seal of the Union and the signature of its proper official. Dues and other monies collected shall be remitted to the Financial Secretary for the Union accompanied by a list for said deductions by the 15th day of the following month.
- 4.06 **INDEMNIFICATION**- The Union shall indemnify, the Company, its vessels, Employees, servants, agents and hold it nor any of them harmless against any and all suits and 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 supplying the foregoing provisions of this section, or that shall arise out of or by reason of reliance by it, them or any of them, on any list or notice furnished to the Union pursuant to the provisions of this section.
- 4.07 **PROVIDE LIST OF NAMES**- The Union agrees, when requested by the Company, to provide the Company with the names of qualified candidates to fill vacancies. The hiring decision will be solely at the discretion of the Company.

ARTICLE 5.0 - COMPANY RIGHTS

- 5.01 **COMPANY RIGHTS** - The Union recognizes that is the exclusive function and right of the Company to operate and manage its business and in all respects to maintain order and efficiency on its vessels and to determine charters and other business to be entered into, the scheduling and types of vessels used in its operations. The Union further acknowledges that the Company has the right to make and alter from time to time rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this agreement. Nothing in this Agreement shall be deemed to restrict the management in any way in the performance of all functions of management except those specifically abridged or modified by this Agreement.

ARTICLE 6.0 - SAFETY AND HEALTH

- 6.01 **SAFETY** - The safety of personnel, environment and the safe operation of the vessel is of utmost importance to the Company. Any work necessary for the safety of the vessel, crew, cargo or tow

or for the saving of other ships, lives or cargoes shall be performed at any time on immediate call by all employees.

- 6.02 SAFETY REQUIREMENTS** - All licensed personnel as directed by the Master shall participate as required in all safety related drills and meetings and comply fully with the Company's operations and safety manuals. At all times, licensed personnel shall wear the required safety equipment and protective clothing for their work area on board the vessel. Failure to comply with the safety related directives is just cause for disciplinary action.
- 6.03 REPORTING ON TIME** - All employees are required to report on board ready and able for work in sufficient time prior to their scheduled working period or prior to the vessel's scheduled sailing time to effect a proper handover at the Master's discretion. Failure to report as scheduled for service is grounds for disciplinary action.
- 6.04 SAFETY COMMITTEE** - A safety committee will be established by the Parties. This committee shall meet on a regular basis as outlined in the (Safety Inspection Procedures) SIP calendars to discuss safety matters related to the vessels.
- 6.05 SAFETY REGULATIONS** - Any safety regulation which the Company may now have in force for the safety of the vessel or employees and any further regulations or amendments to existing regulations which the Company may put into effect during the term of this Agreement and which are brought to the attention of the employees shall be strictly adhered to by all employees.

ARTICLE 7.0 - DRUG AND ALCOHOL POLICY

- 7.01 DRUG AND ALCOHOL POLICY** - The Union recognizes and agrees with the Company's Drug and Alcohol Policy.

ARTICLE 8.0 - PROBATION PERIOD

- 8.01 PROBATION PERIOD** - Employees with less than ninety (90) working days employment shall be considered "on probation" and shall not be placed on the seniority list until the probationary period has been completed. Once the probationary period has been completed, the Employee's seniority shall commence from the first day employed.
- 8.02 TERMINATION DURING PROBATION PERIOD** - During the probationary period, the Company may terminate a probationary employee if, in the opinion of the Company, the employee would not be suitable for permanent employment.

ARTICLE 9.0 - MEDICAL FITNESS

- 9.01 MEDICAL CERTIFICATE** - Each new Employee shall provide the Company with a proper medical certificate as prescribed by the Canada Shipping Act declaring the Officer as medically fit to perform his sea duties. Upon receipt of said certificate, the Company will grant the Employee right to employment with the Company. The Employee shall arrange, pay for and provide the Company with a certificate of fitness prior to the first sea duty.
- 9.02 INSUFFICIENTLY MEDICALLY FIT** - The Company may request that an employee complete a Company medical at any time using the Company's designated doctor on the Company's time and at the Company's expense. In a case where an Employee is deemed by the Company's doctor to be insufficiently medically fit to carry out the duties required of him, such Employee, before being

discharged or sent on medical leave, shall have the right to consult a physician of his own choice at his expense. Should the findings of the Company's medical officer and the Employee's physician be at variance, an impartial medical authority shall be consulted, whose findings shall be binding on both parties, and whose costs shall be borne equally.

ARTICLE 10.0 - PROTECTIVE CLOTHING AND SAFETY EQUIPMENT

- 10.01 **FLOATER SUIT** - The Company shall provide one (1) floater suit for each full time employee and replace same when necessitated by damage due to working conditions.
- 10.02 **SAFETY SHOES** - The Company will, if required, reimburse employees every two (2) years, or as conditions warrant, for one (1) pair of safety shoes to a maximum of one hundred fifty dollars (\$150.00) upon production of receipt from the supplier.
- 10.03 **WORK CLOTHING** - Each employee who, on the anniversary date of this agreement has completed the probationary period, shall be paid Two Hundred and Fifty (\$250) Dollars, including taxes, for the purchase of items of clothing and other safety equipment.
- 10.04 **SAFETY CLOTHING** - Where the wearing of safety clothing or the use of safety equipment is mandatory, employees must wear or use these items in accordance with Company policy and manuals.

ARTICLE 11.0 - TRAINING

- 11.01 **TRAINING ASSISTANCE** - The Union and employees warrant that they should use their best effort to assist the Company with training through cooperation, course content and any other assistance that will improve the skills of the employees.
- 11.02 **TRAINING - INCOME** - An employee who is required and directed by the Company to attend training or upgrading courses shall suffer no loss of income for attendance at such courses. Employees participating in these training activities on their time off shall be paid at their regular rate. Upon successful completion of the training course, the employee will be reimbursed for course registration/tuition costs.

ARTICLE 12.0 - WORKING CONDITIONS AND HOURS OF WORK

- 12.01 **WORK SCHEDULE** - Launchmasters shall be scheduled three (3) weeks on and three (3) weeks off and General Purpose Seamen two (2) weeks on and two (2) weeks off. General Purpose Seamen two (2) week duty assignment shall be split between the two Launchmaster shifts, as assigned by the Company.
- 12.02 **WATCH SYSTEM** - Employees will work the watch system to be specified by the Launchmaster and shall perform the duties of the position as the Launchmaster so requires.
- 12.03 **PILOT BOAT - 24 HOURS** - During normal operations, the pilot boat will be required to provide assistancetwenty-four (24) hours per day seven (7) days per week and the employees must be ready for duty and ready to respond. A work day shall be defined as any day in the week.
- 12.04 **SCHEDULED WATCH** - While on call one crew member will remain in Arnolds Cove and return within fifteen (15) minutes to the pilot boat when required for an assignment. Where possible the other crew will be given one and one-half (1.5) hours notice for outbound assignments and four

(4) hours notice for inbound assignments. They must report within one and one-half (1.5) hours to the vessel.

- 12.05 **CELL PHONE** - Employees on call must carry a cellular telephone at all times and it must only be used for Company business.
- 12.06 **GALLEY** - All appliances in the galley will be in good working order. The galley will also be stocked with all necessary eating utensils (i.e. plates, bowls, cups, utensils, etc.).
- 12.07 **RECALL** - When an employee is requested to return to duty outside his scheduled watch and returns to duty, he shall be paid a minimum recall of one hundred and fifty dollars (\$150.00) for Launchmasters and one hundred dollars (\$100.00) for General Purpose Seamen. After four (4) hours from report time, the Launchmaster shall be paid at the rate of thirty seven dollars and fifty cents (\$37.50) for each hour in excess of four (4) hours and the General Purpose Seamen shall be paid at the rate of twenty five dollars (\$25.00) per hour. Report time is thirty (30) minutes prior to departure time. Report time ends once the pilot boat is secured at the dock.
- 12.08 **STEAMING TIME** - If the vessel confirmed is delayed and the employee has reported to the pilot boat, steaming time shall be deemed to include that period of time from which the vessel was originally confirmed and during which time the employee was present on the pilot boat.

ARTICLE 13.0 - ACCOMMODATION & TRAVEL

- 13.01 **SLEEPING QUARTERS** - The Company shall provide suitable sleeping quarters on the vessel and the primary sleeping accommodations shall be located on shore.
- 13.02 **CHANGE - OVER TIME** - Change-over time for employees at completion/start of their three (3) week duty tour shall be twelve noon or as mutually agreed.
- 13.03 **TRAVEL REIMBURSEMENT OF EXPENSES** - An employee required by the Company in the course of their work to travel from the pilot boat berth shall be entitled to reimbursement of expenses incurred in accordance with the Company travel policy.
- 13.04 **LOSS OF CLOTHING OR PERSONAL EFFECTS** - An employee covered by this agreement, while employed by the Company, who suffers loss of clothing or other personal effects due to a marine disaster or shipwreck, shall be compensated by the Company for such loss, up to a maximum of five hundred dollars (\$500.00).
- 13.05 **PROOF OF CLAIM** - An employee or his estate making claim under Article 13.04 shall submit reasonable proof to the Company of the actual value of the loss suffered. Such proof shall be assigned affidavit listing the individual items, and the value claimed.

ARTICLE 14.0 - WAGES AND BENEFITS

- 14.01 **WAGES AND BENEFITS** - The wages and benefits for employees shall be consistent with those outlined in Appendix A.

ARTICLE 15.0 - HEALTH & WELFARE, PENSION

15.01 **HEALTH BENEFITS**- The Company shall provide for Group Life, AD&D, LTD and health insurance benefits and the premiums for group insurance shall be paid sixty percent (60%) by the Company and forty percent (40%) by the employee.

15.02 **EMPLOYEE/COMPANY BENEFIT CONTRIBUTIONS-**

- A. Effective January 1, 2006, each employee shall join the IUOE pension plan and shall contribute fifty cents (\$0.50) per hour worked. The Company shall match the employee's contribution.
- B. Effective July 1, 2006, the employee contribution shall be one dollar (\$1.00) per hour, with a matching contribution by the Company.
- C. Effective January 1, 2007, the employee contribution shall be one dollar fifty cents (\$1.50) per hour, with a matching contribution by the Company.
- D. The plan sponsor is the Union and all pension benefit promises and commitments are the sole responsibility of the Union. The Union shall indemnify and save the Company harmless against any and all suits, claims, demands and liabilities that arise out of the operation of this Article or the Union's pension plan.

ARTICLE 16.0 - BEREAVEMENT LEAVE

16.01 **BEREAVEMENT LEAVE** - An employee shall receive three (3) consecutive days off, one of which is a day as a funeral, without loss of wages or benefits, in the case of death in the immediate family. Immediate family shall mean the employee's father, mother, children, spouse (including common-law-spouse), brother, sister, mother-in-law, father-in-law, grandparent and legal guardians. This leave is to be granted for the purposes of attending the funeral and for making other arrangements and under no circumstances will the leave be granted retroactively or when an employee is already on his day off.

ARTICLE 17.0 - LEAVE OF ABSENCE WITHOUT PAY

17.01 **LEAVE APPLICATION** - An employee may apply for, and where possible, receive a leave of absence without pay. Permission for such leave must be obtained from the Company in writing.

17.02 **LEAVE GRANTED** - An employee granted a leave of absence under this Article shall be subject to the following conditions.

- A. The employee's name shall be continued on the seniority list, and seniority shall accumulate during his absence.
- B. The employee must return to work not later than the expiry date of his leave, or the expiry date of any authorized extension of it. Failure to report to work on the date required may be cause for termination of the employee's rights under this Agreement.
- C. During such leave of absence, employees must pay their regular monthly Union Dues or his name will be deleted from the seniority list. The Company agrees to deduct from the pay of each employee the Union Dues in arrears, if any, applicable under this clause when the employee returns from the leave of absence.

- D. Employees are required to notify the Company of the anticipated date of their return to work following a leave of absence.
- 17.03 **LEAVE DENIAL** - The Company will not unreasonably deny compassionate leave requests by employees.
- 17.04 **EDUCATIONAL LEAVE** - Leave of absence for education purposes may be granted for a period of up to six (6) months.
- 17.05 **OPERATIONAL REQUIREMENTS**- Where operational requirements permit, the Company will grant unpaid leave of absence to an employee who is elected as representative to attend union meetings and union conventions, and up to two (2) members of the union's negotiation committee.
- 17.06 **UNION APPOINTMENT** - The Company will grant unpaid leave of absence to an employee elected or appointed to Union office for a period of up to and including two (2) years.

ARTICLE 18.0 - SENIORITY AND FILLING OF POSITIONS

- 18.01 **SENIORITY LIST** - The Company shall, not later than February 15 of each year, prepare and forward to the Union and to each Employee employed by the Company, written notice of the Employee appointment and a seniority list divided into classifications setting forth with respect to each employee concerned:
- his name
 - his seniority number
 - certificate held
- A master list showing date first employed by the Company in his present classification and the date when he was first employed by the Company shall be prepared and made available to the employees and the Union upon request.
- 18.02 **SENIORITY PROTEST**- Protests in regard to seniority shall be submitted in writing within ninety (90) days of the posting, upon proof of error being submitted by the employees concerned or his official representatives. Once seniority has been established for ninety (90) days without protest, it shall thereafter remain unchanged unless agreed by mutual consent of all the parties concerned.
- 18.03 **LAYOFF/RECALL** - When reducing staff, employees with the most seniority will be retained, providing they have the required qualifications and ability. When increasing staff, laid-off employees will be recalled to fill vacancies for which they are qualified in order of seniority.
- 18.04 **TRANSFERS, DEMOTIONS, PROMOTIONS**- Transfers, demotions and promotions to positions covered by this Agreement, shall be based on certification requirements, ability, qualifications and performance and where these are relatively equal, seniority shall govern. Company management shall be the sole judge of ability, qualifications and performance.
- 18.05 **LOSE SENIORITY** - An employee shall lose their seniority for the following reasons:
- A. For leaving the Company.
 - B. If discharged for just cause.

- C. For refusing, without just cause, to return to work after the expiration of shore leave.
- D. Where the employee has been laid off because of a lack of work for a continuous period of more than twenty-four (24) months.
- E. Where the employee has been absent due to illness for a continuous period of more than twenty-four (24) months.

18.06 MAINTAIN SENIORITY WHILE ON LAYOFF -While on layoff an employee shall maintain seniority for a period of twenty-four (24) months.

18.07 SENIORITY RETENTION - The seniority of any employee in any classification shall count from the date of employment in the classification and seniority shall be maintained and accumulated while the employee is absent from employment due to:

- A. Sickness;
- B. Pursuant to authorized leave of absence;
- C. On approved Company business;
- D. On approved Union business.

ARTICLE 19.0 - DISCIPLINE

19.01 DISCIPLINE- An employee covered by this Collective Agreement may be subject to disciplinary action. For the purposes of this Agreement, disciplinary action shall mean discipline up to and including termination of employment. Some of the reasons that may result in discipline include but are not limited to the following:

- A. Failure to promptly comply with all lawful orders of the Master while on board the ship.
- B. Failure to be present at scheduled reporting time without just cause.
- C. The bringing or using of alcohol or illegal drugs onboard the ship or reporting to a vessel while under the influence of alcohol or illegal drugs.
- D. Theft or damage of Company property.
- E. Fighting or using physical force against the Master or any other employee.
- F. Deliberate interference with the sailing of a vessel.

19.02 DISCIPLINE - IN WRITING - Matters of a disciplinary nature shall be recorded in writing and placed in the personnel file of the employee with a copy to the Union. Such matters, if not recorded, shall not be considered as part of any employee's record unless recorded in the records of the ship or Master. Written matters of a disciplinary nature shall be removed from the employee's file after a period of two (2) years, subject to no additional discipline during that said period.

19.03 GRIEVANCE FILING- Any employee covered by this Agreement who is dismissed or suspended shall have the right to file a grievance with the Company through the Union within four (4) days

after such firing or suspension has taken place in accordance with Article 20.0 Grievance Procedure.

ARTICLE 20.0 - GRIEVANCE PROCEDURE

20.01 GRIEVANCE DEFINED

- A. Any matter relating to or involving:
- i. the interpretation, meaning, application or administration of this Agreement or any provisions of the Collective Agreement,
 - ii. a violation or an allegation of a violation of this Agreement, or
 - iii. a question whether a matter is arbitrable,
- may be the subject of a grievance.
- B. Procedure:
- i. **STEP ONE** - Any such matter constituting a **grievance** must be filed in writing with the Company owner or designee within seven (7) days of the occurrence of the event given rise to the grievance.

The grievance shall be discussed with the Company owner or his designee representative within seven (7) days of receipt of the grievance.
 - ii. **STEP TWO** - Failing settlement with the Company owner or his designee representative within three (3) days of receipt of the grievance at Step One, the grievance shall be referred to arbitration within a further five (5) days.
 - iii. Both parties shall, failing the above, agree to a single arbitrator within **seventy-two (72) hours** or one of the parties or both may apply to the Federal Minister of Labour to appoint one as per the Canada Labour Relations Act.
 - iv. The parties may, by mutual consent, refer the matter to a three (3) person Arbitration Board.
 - v. A grievance under this Agreement may also be filed by the Company.
 - vi. If advantage of the time limits specified in the **grievance/arbitration** procedure have not been taken, the alleged grievances shall be deemed to have been abandoned and cannot be reopened. Day shall exclude weekends and Statutory Holidays.

20.02 ARBITRATION

- A. Where no written decision has been given within the time limit specified, the grievance may be submitted to the next step of the grievance procedure, including arbitration.
- B. No grievance shall be lost through error in form or technical irregularity.

- C. The time limits set out above in the grievance and arbitration procedures may be expanded or contracted by mutual agreement of the parties in writing.

20.03 **FINAL AND BINDING DECISION** - The decision of the arbitrator on the matter at issue shall be final and binding on both parties, and the Arbitrator shall deal only with the specific question(s) as submitted. But in no event shall the arbitrator have the power to add to, subtract from, alter or amend this agreement in any respect or make any decision inconsistent with this Agreement.

20.04 **ARBITRATION COSTS** - Each party shall pay its own costs and the fees and expenses of its witnesses. The fees and expenses of the arbitrator shall be shared equally between the parties.

20.05 **EXPEDITED ARBITRATION**

- A. **EXPEDITED ARBITRATION PROCEDURE** - The Expedited Arbitration Procedure can only be used by mutual agreement of the parties to the Collective Agreement.
- B. **GENERAL PRINCIPLES** - The purpose of developing this expedited arbitration system is to both save cost and time while ensuring fair and reasonable decisions. To that end, presentations made in expedited arbitration should be short and concise and should include a comprehensive opening statement.
- C. **ARBITRATORS** - An arbitrator will be selected by mutual consent. Arbitrators are to be familiar in arbitration, and where possible with the industry. Compensation for arbitrators will be set by mutual agreement of the parties.
- D. **HEARING** - Where practical, hearings are to be held in Company or Union facilities to reduce costs. The parties agree that lawyers will not be used to represent either side. The Local Union shall appoint one of its officers or members to represent the grievor, and the Company shall appoint one of the management staff or another person to represent the Company.
- E. **AWARD** - All decisions of the expedited arbitrator are limited in application to that particular dispute. The award of the expedited arbitrator sets no precedent and is not to be referred to by either party in any subsequent proceeding. The award will be final and binding. The award is to be in written form; it should be a one to two page award setting out briefly the reasons for the decision. The arbitrator shall render his/her written decision within five (5) days of the hearing.

ARTICLE 21.0 - STRIKES AND LOCKOUTS

21.01 **STRIKES AND LOCKOUTS** - There shall be no strikes, lockout, or stoppage of work while the provisions of this Agreement are in effect.

21.02 **CROSSING PICKET LINE** - Refusal by an employee to cross a picket line where there is a threat of physical violence to the employee shall not constitute a violation of the agreement or disciplinary action. The employee shall immediately report such situation to the company.

ARTICLE 22.0 - LEGAL DEFENCE INSURANCE

22.01 **LEGAL DEFENSE INSURANCE** - When a charge is laid against an employee by someone other than the Company, such charge arising while the employee was carrying out his regular and customary duties as prescribed by the Company, and such charge is dismissed or held improper by a court of competent jurisdiction or on an appeal taken therefrom, the Company shall pay the

employee at his regular rate for the time lost due to attendances on his legal counsel and any court appearances. The Company shall also reimburse the employee for any legal fees or other legitimate expenses that the employee has incurred. Prior to the employee taking steps to defend himself, he shall consult the General Manager of the Company to determine which legal firm should be used.

ARTICLE 23.0 - CLAUSE PARAMOUNT

23.01 **CLAUSE PARAMOUNT** - The parties to the Agreement will not establish rules or enforce regulations which will in any way be contrary to or in violation of this Agreement.

ARTICLE 24.0 - STATUTORY REQUIREMENTS

24.01 **STATUTORY REQUIREMENTS**- Nothing in this Agreement shall be so construed as to effect the obligations of the signatories under the provisions of the Canada Shipping Act as amended or other Government legislation or to impair whatsoever the lawful authority of the Master.

ARTICLE 25.0 - SHORT PERIOD LAY UP

25.01 **SHORT PERIOD LAY UP** - When the vessels are laid up or on refit for periods of seven (7) days or less, Employees will suffer no loss of pay, benefits, or layday accumulations. Employees will not be laid off during such seven day periods.

ARTICLE 26.0 - PAYMENT OF WAGES

26.01 **PAYMENT OF WAGES** - Employees shall be paid their regular bi-weekly pay by direct deposit every second Thursday, commencing no later than January 1, 2005.

ARTICLE 27.0 - SHOP STEWARD

- 27.01 **STEWARD APPOINTMENT** - The Union may elect or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Company in writing as to the name or names of such Shop Steward or Shop Stewards. The Company agrees that no Shop Steward shall suffer discrimination by reason of holding such office.
- 27.02 **STEWARD LAYOFF/TERMINATE** -When the Company for any reason finds it necessary to lay off or terminate a Shop Steward, the Business Representative of the Union shall be notified prior to such termination.
- 27.03 **UNION ACCESS** - Upon notice, the Union Representative shall be given access to the Company premises during work hours to conduct Union business. The Union Representatives visit will not disrupt normal Company operations. Arrangements for the access will be made with the Company owner or designee and regulations of the Company will be abided by.
- 27.04 **STEWARD ALLOWED TIME** - The Shop Steward shall be allowed reasonable time during working hours, without loss of pay, to carry out their duties provided they notify their supervisor and it does not interfere with their work. Any employee being reprimanded by the Company shall have the right to request that the Shop Steward be in attendance.



ARTICLE 28.0 - SICK LEAVE

- 28.01 **SICK LEAVE GRANTED** - Effective January 1, 2006, two percent (2%) of each employee's regular bi-weekly pay shall be paid by the Company into the employee's sick leave bank. Effective January 1, 2007, three percent (3%) of the employee's regular bi-weekly pay shall be paid by the Company into the employee's sick leave bank.
- 28.02 **SICK LEAVE INCOME** - The employee may use the sick leave bank to fund time off due to illness. If requested, the Company will advance the paid sick leave to the employee up to the maximum.
- 28.03 **SICK LEAVE VERIFIED** - The Company reserves the right to have illness verified by the employee or a health provider.
- 28.04 **SICK LEAVE ACCUMULATED** - An employee who has unused sick leave in their bank will be paid out the balance of that sick leave bank on the last pay in December. An employee given an advance pursuant to the above shall repay the Company no later than December 31 of that year.

ARTICLE 29.0 - SUB CONTRACTING

- 29.01 **SUB CONTRACTING** - The Company shall not sub contract out any work that members of the bargaining unit has historically done or that the Union is certified and recognized for within the scope of this Agreement, if such sub contracting results in the lay off of a permanent employee.

ARTICLE 30.0 - SAVINGS CLAUSE

- 30.01 **INVALID ARTICLES** - If any article or section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Agreement or section to persons or circumstances other than those to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall be effected thereby.
- 30.02 **INVALID ARTICLES/REPLACEMENT ARTICLES** - In the event that any article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties effected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

ARTICLE 31.0 - DURATION OF AGREEMENT

- 31.01 **DURATION OF AGREEMENT** - The parties agree that this Collective Agreement shall extend from its signing date to December 31, 2007. It is understood that either party can give notice of its desire to amend, or modify same by giving it in writing to the other within ninety (90) days of the expiration date of the Agreement. Once notice has been given, proposals should be formulated and negotiations commenced without undue delay.

31.02 DURATION OF AGREEMENT - CONTINUATION- The parties further agree that the provisions of this Agreement shall remain in effect while the negotiating process is taking place, should that process extend beyond the termination date of the contract.

APPENDIX A

A-1 Salary:

General Purpose Seamen

		<u>Less than 2 years</u>	<u>2-5 years</u>	<u>Greater than 5 years</u>
Jan. 1, 2005	<i>regular</i>	\$ 33,000	\$ 34,000	\$ 35,000
	<i>gross</i>	\$ 36,630	\$ 37,740	\$ 39,550
Jan. 1, 2006	<i>regular</i>	\$ 34,000	\$ 35,425	\$ 36,300
	<i>gross</i>	\$ 38,760	\$ 40,385	\$ 42,108
Jan. 1, 2007	<i>regular</i>	\$ 35,000	\$ 36,900	\$ 37,500
	<i>gross</i>	\$ 40,950	\$ 43,173	\$ 44,625

Launchmaster

		<u>Less than 2 years</u>	<u>2-5 years</u>	<u>Greater than 5 years</u>
Jan. 1, 2005	<i>regular</i>	\$ 47,000	\$ 48,000	\$ 48,200
	<i>gross</i>	\$ 52,170	\$ 53,280	\$ 54,446
Jan. 1, 2006	<i>regular</i>	\$ 47,500	\$ 49,025	\$ 49,225
	<i>gross</i>	\$ 54,150	\$ 55,889	\$ 57,101
Jan. 1, 2007	<i>regular</i>	\$ 48,000	\$ 50,275	\$ 50,400
	<i>gross</i>	\$ 56,160	\$ 58,822	\$ 59,976

A-2 The gross pay calculations in A-1 above are as follows:

- \$ 4% of regular pay in lieu of Statutory Holidays
- \$ 4% of regular pay for vacation pay, except 6% for employees with greater than 5 years service
- \$ 3% of regular pay in lieu of overtime effective January 1, 2005
- \$ 6% of regular pay in lieu of overtime effective January 1, 2006
- \$ 9% of regular pay in lieu of overtime effective January 1, 2007

A-3 Pursuant to A-1 above, a year of service equals 2080 hours of work in the classification.

A-4 The casual per diem rate calculation is the less than 2 year rate divided by 365.

A-5 Each permanent employee shall receive a lump sum payment of \$1,700 within seven (7) days of the signing of the Collective Agreement.

SIGNATURE PAGE

Signed at _____, in the Province of Newfoundland, this the 22 day of December, 2004.

South Coast Crewing Limited

International Union of Operating Engineers,
Local 904

MEMORANDUM OF UNDERSTANDING

1. The parties hereto agree that this Memorandum of Understanding shall form a part of, and be included as an appendix to, a collective agreement dated the day of November, 2004, between the International Union of Operating Engineers, Local 904 (the "Union"), and South Coast Crewing Ltd. (the "Collective Agreement").
2. Notwithstanding Article 4.01 or any other applicable Article of the Collective Agreement, the President and owner/operator of South Coast Crewing Ltd., Barry Spencer ("Spencer"), shall be entitled to work in the bargaining position of Launch Master, however, Spencer shall not be required to be a member of the Union as a condition of his employment as a Launch Master but the employer shall remit on his behalf, an amount equivalent to the dues required to be remitted for an employee in his position in the bargaining unit.
3. The parties to the Collective Agreement acknowledge and agree that Spencer, while occupying the position of Launch Master within the bargaining unit and governed by the Collective Agreement in respect of such employment, shall be entitled to manage South Coast Crewing Ltd. and carry out and perform all of the normal management rights except as specifically abridged or modified by the express provisions of the Collective Agreement, and to perform all of the duties and responsibilities and functions of management and advise South Coast Crewing Ltd. in respect of the management and operation of the Company. Any non-bargaining unit work and any management duties, responsibilities, functions or advice performed or provided by Spencer shall not be governed by the Collective Agreement.

DATED this 22 day of December, 2004.

South Coast Crewing Limited

International Union of Operating Engineers,
Local 904

LETTER OF UNDERSTANDING

November 24, 2004

Mr. Dermot Cain
IUOE
P.O. Box 700
28 Aberdeen Street
Kentville, Nova Scotia B4N 3X9

Dear Mr. Cain,

This is to confirm that during negotiations in 2004 the Company committed to the following:

1. To provide tea and coffee supplies aboard the pilot boat for employees;
2. A floater suit will be available on board the pilot boat for use by casual employees.

Barry Spencer

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