

COLLECTIVE AGREEMENT

Between



CANADIAN MERCHANT SERVICE GUILD
hereinafter referred to as
“THE GUILD”

and

UPPER LAKES GROUP INC.
(Tug & Barge Operation)
hereinafter referred to as
“THE COMPANY”



RECEIVED
APR 04 2005

January 1, 2005 - December 31, 2007

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ARTICLE 1. INTERPRETATION AND AMENDMENT

1.1 This agreement maybe amended at any time by mutual agreement of the parties hereto.

Any party proposing an amendment shall submit a written draft of the suggested amendment to each party to the agreement along with a notice in writing of the suggested time and place of a joint meeting to discuss the proposal.

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

1.3 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.

1.4 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) reference to and numbering of divisions of this agreement shall be made as follows:
 - 1. section
 - 1.1 subsection
 - (a) paragraph
 - (i) sub-paragraph

1.5 In this agreement, unless the context otherwise requires,

- (a) "Company" includes any employer or employer corporation that is signatory to this agreement
- (b) "Guild" means Canadian Merchant Service Guild
- (c) "Officer" means all certified Deck and Engineering Officers serving on vessels employed by the Company
- (d) "vessel" or "Company vessel" means a tug and/or barge which are managed by the Company.

ARTICLE 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 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 co-operate fully, individually and collectively, for the advancement of the above conditions.
- 2.3 During the life of this agreement, when in the opinion of the Guild, matters of mutual interest arise that require discussion with the Company, the Guild may make arrangements to meet with the Company. Whenever possible, the topics for discussion will be identified prior to the meeting.

ARTICLE 3. RECOGNITION

- 3.1 The Company recognizes the Guild as the sole bargaining agent for all employees who are employed on vessels which are managed by the Company pursuant to a Vessel Management Agreement.

ARTICLE 4. UNION SECURITY

- 4.1 All officers who, on the date of this agreement, are members in good standing of the Guild in accordance with its Constitution, Rules and Regulations, shall, as a condition of their continued employment, maintain their membership in the Guild for the duration of this agreement.
- 4.2 All persons hereafter becoming Officers who are not members of the Guild, shall, within thirty (30) days after being hired by the Company, acquire and maintain membership in the Guild for the duration of this agreement,
- 4.3 For the purpose of this agreement, the Guild acknowledges and agrees that membership in the Guild shall be made available and shall be permitted to be maintained by all Officers employed by the Company and covered by this agreement, subject to the same terms and conditions as are applicable to all members of the Guild.
- 4.4 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.

- 4.5 When an Officer joins a vessel, the Company shall require the Officer to complete at once, in duplicate, as a condition of employment, a dues deduction card authorizing the automatic deduction of the Guild dues and initiation fees only. Said card to be supplied to the Company by the Guild. The Company shall forward at once to the Guild one copy of the deduction card as completed by the Officer and retain the second copy for their records.
- 4.6 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.
- 4.7 The Guild shall indemnify the Company, its vessels, Officers, servants and agents and hold it or any of them harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of any action taken by it, them or any of them for the purpose of complying with the foregoing provisions of this section or that arise out of or by any reason of reliance by it, them or any of them on any list or notice furnished to the Company by the Guild pursuant to the provisions of this section.

ARTICLE 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.

ARTICLE 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 Officer 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.

ARTICLE 7. HOURS OF WORK, OVERTIME & LEAVE

- 7.1 In this agreement, "day" means a twenty-four (24) hour day commencing at 00:00 hours one day and ending at 24:00 hours of the same day.
- 7.2 Officers will work a twelve (12) hour day normally in two (2) six (6) hour watches. All hours worked in excess of twelve (12) hours in a day and eighty-four (84) hours in a week shall be considered overtime and will be paid at the rate of time and one half (1 ½) the hourly rate. The hourly rate shall be the daily rate divided by twelve (12).

Such overtime shall only be recognized when it is approved by the Master prior to the overtime being worked.

- 7.3 The normal watches shall be declared as follows:

00:00 - 06:30	06:30 - 12:00
12:00 - 17:30	17:30 - 24:00

- 7.4 Upper Lakes Group Inc. (Tug & Barge Division) will operate a "one for one" leave system for all of its' Officers commencing January 1,2005. The schedule of work and leave shall be six (6) weeks of work followed by six (6) weeks of leave with pay.
- 7.5 Leave Travel Costs - All transportation costs incurred when an Officer takes leave shall be borne by the Company and paid in accordance with Article 31 - Transportation Costs.

All travel costs will also be covered by the existing practice in place.

ARTICLE 8. HOLIDAYS

- 8.1 The Company agrees to recognize all statutory holidays, as contained in the Employment Standards Act as amended from time to time.
- 8.2 Where an Officer employed by the Company does not work on a holiday, he shall be paid his usual rate of pay for that day.
- 8.3 Where an Officer employed by the Company is required to work on or any part thereof, he shall be paid time and one-half in addition to the pay he would normally receive for that day.
- 8.4 When any of the above holidays fall on Saturday, it shall be observed on the preceding Friday, and if the holiday falls on a Sunday, it will be observed on the following Monday.
- 8.5
- (a) If an Officer who qualifies under Section 1 and who works thirty (30) days immediately prior to the holiday is on authorized leave of absence when the holiday occurs, he shall receive holiday pay for the first holiday that occurs during this absence, provided he returns to work on time, unless his return to work on time is prevented by circumstances beyond his control.
 - (b) An Officer who qualifies under Section 1 who is obliged to cease work due to a layoff during the thirty (30) day period immediately prior to the holiday, shall receive holiday pay for the holiday(s) within such thirty (30) day period.
 - (c) An Officer, who qualifies under Section 1 who is obliged to cease work due to sickness or accident certified by a licensed practitioner during the twenty-one (21) day period immediately prior to the holiday, shall receive holiday pay for the holidays within such twenty-one (21) day period.
 - (d) If an Officer who qualifies under Section 1 is recalled and works any time during the fourteen (14) calendar day period immediately following the holiday, he shall receive holiday pay for the preceding holiday.

ARTICLE 9. VACATION PAY

- 9.1 An Officer having completed less than three (3) full seasons of service will be credited with four percent (4%) of his total wages.
- 9.2 An Officer having completed three (3) and less than six (6) full seasons of service will be credited with five percent (5%) of his total wages.
- 9.3 An Officer having completed six (6) and less than nine (9) full seasons of service will be credited with six percent (6%) of his total wages.
- 9.4 An Officer having completed nine (9) and less than twelve (12) full seasons of service will be credited with seven percent (7%) of his total wages.
- 9.5 An Officer having completed twelve (12) or more seasons of service will be credited with eight percent (8%) of his total wages.
- 9.6 Vacation pay shall be paid out at the end of each calendar month at the applicable percentage rate as agreed to in this Article.

ARTICLE 10. LEAVE OF ABSENCE

- 10.1 If he has obtained the prior approval 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.
- 10.2 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.
- 10.3 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.

10.4 Any employee desiring leave of absence for any reason other than those set out above must obtain same in writing from the Company, a copy of such leave to be forwarded to the Guild.

ARTICLE 11. COMPANY BUSINESS

11.1 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 enquiry concerning the Company or its vessels at any enquiry 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 to the Officer his regular pay, and family welfare contributions for the period when he is so absent.

11.2 In addition to paying an Officer's regular pay while he is absent from his regular employment on Company business, the Company shall pay or reimburse him for all expense 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.

11.3 No officer will be absent for Company business without written permission.

ARTICLE 12. WAGES

Effective upon ratification the daily rate of pay for each Officer shall be as follows; which shall include the statutory requirements of Federal Labour Law.

Upon Ratification in 2005

Master	256.79	(x 365 = yearly pay)
1st Mate	203.49	(x 365 = yearly pay)
2nd Mate	185.08	(x 365 = yearly pay)
Chief Engineer	247.10	(x 365 = yearly pay)
2nd Engineer	203.49	(x 365 = yearly pay)
3rd Engineer	185.08	(x 365 = yearly pay)

Effective January 1,2006

Master	243.95	(x 365 = yearly pay)
1st Mate	193.32	(x 365 = yearly pay)
2nd Mate	175.83	(x 365 = yearly pay)
Chief Engineer	234.75	(x 365 = yearly pay)
2nd Engineer	193.32	(x 365 = yearly pay)
3rd Engineer	175.83	(x 365 = yearly pay)

Effective January 1,2007 a 1.5% increase in the daily rate

Master	247.60	(x 365 = yearly pay)
1st Mate	196.22	(x 365 = yearly pay)
2nd Mate	178.47	(x 365 = yearly pay)
Chief Engineer	238.27	(x 365 = yearly pay)
2nd Engineer	196.22	(x 365 = yearly pay)
3rd Engineer	178.46	(x 365 = yearly pay)

In addition each Officer shall, upon ratification, receive a two thousand dollar (\$2,000.00) signing bonus.

ARTICLE 13 PAYROLL PROCEDURE

- 13.1 All Officers shall be allowed to draw up to fifteen (15) days basic salary, less deductions on the sixteenth (16th) day of each month where the Officer has worked fifteen (15) days.
- 13.2 Where an Officer has worked less than fifteen (15) days, the mid month draw will be calculated on a daily basis.
- 13.3 All pay slips shall be placed in sealed envelopes.

ARTICLE 14. SICK LEAVE AND COMPASSIONATE LEAVE

- 14.1 An Officer may be entitled to receive from the Company a reasonable leave of absence from his employment without pay in the event of either illness or injury to himself or a member of his immediate family, that is his wife, brother, sister, children, grandchildren, parents and parents-in-law, and no such leave shall be unreasonably withheld.
- 14.2 Officers who have served with the Company for one (1) year or more, will be granted compassionate leave when a death occurs to a member of their immediate family, that is an Officer's father, mother, wife or child, grandchildren, sister or brother and parents-in-law. The Officer granted leave to attend the funeral will be paid at his daily rate for the time lost up to

a maximum of seven (7) days. Claims for compassionate leave pay must be submitted by the Officer in writing to the Company along with proof of bereavement in the Officer's immediate family.

ARTICLE 15. MARINE DISASTER

- 15.1 An Officer who, while employed by the Company, suffers loss of clothing or other personal effects of any kind because of marine disaster or shipwreck, shall be compensated by the Company of such loss up to a maximum of three thousand dollars (\$3,000.00).
- 15.2 An Officer or his estate making claim under this section shall submit reasonable proof to the Company of the actual loss he suffered.
- 15.3 Any dispute between an Officer and a Company with respect to a claim made under subsection 1 shall be subject to the grievance and arbitration procedures set forth in this agreement.

ARTICLE 16. SAFETY REGULATIONS

- 16.1 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 the Department of Transport,
- shall, after they have been brought to the attention of the Officers, be strictly adhered to by each Officer.

ARTICLE 17. SENIORITY

- 17.1 In case of promotion, demotion, transfer, lay off and recall after lay off, the most senior officer with the sufficient qualifications shall be entitled to preference.
- 17.2 For the purpose of this Section, seniority shall be understood to commence at the date of employment with the Company.
- 17.3 In the case of a vacancy, it is agreed that the Company will give members of the Canadian Merchant Service Guild first consideration in filling such a vacancy, providing that the person has the proper qualifications set by the Company.

17.4 All Officers shall be separated into the following classifications of: Master, First Mate, Second Mate, Chief Engineer, Second Engineer, Third Engineer. As between two (2) Officers:

- (a) within different classifications the Officers 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.

17.5 The seniority date 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
- (9) in order to serve in Canada's armed forces.

17.6 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;
- (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 an Officer has been laid off because of lack of work for a continuous period of more than two (2) years

17.7 The Company shall by February 15th but not later than March 1st in each year, prepare and forward to the Guild and to each officer employed by the Company, a written notice of his appointment and a seniority list divided into six (6) classifications of; Master, First Mate, Second Mate, Chief Engineer, Second Engineer, Third Engineer setting forth with respect to each Officer concerned.

- (a) his name;
- (b) his seniority number;
- (c) the nature of his certification;

- (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.

17.8 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 1st, in 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 objection thereto.

17.9 If the Officer or the Officer acting through the Guild gives notice to the Company pursuant to Article **17.8** 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.

17.10 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.

17.11 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 Article 17.1 he shall be promoted to fill that vacancy.
- (b) 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.

17.12 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, ability and physical fitness in order to fill a vacancy shall be determined according to the following practices:

- (a) Master/Chief Engineer of the Company;
- (b) Officers of the Company who were employed 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 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.

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

- (a) In the event a Master/Chief Engineer is laid off, he shall have the right to be transferred to and occupy the position of First Mate/Second Engineer of the Company and be reinstated with his original seniority date prior to his promotion as Master/Chief Engineer. If the Officer was hired by the Company as Master/Chief Engineer, his seniority date as First Mate^{2nd} Engineer shall be the date he was hired by the Company.
- (b) In the event the senior First Mate/Second Engineer is displaced by operation of the foregoing subsection, the senior First Mate/Second Engineer 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.

17.14 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.

17.15 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 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.

17.16 All grievances concerning the foregoing subsections of Article 17 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.

ARTICLE 18. DISMISSAL

18.1 No Officer shall be dismissed from his employment with the company except for just cause.

18.2 A Company dismissing an Officer shall give the Officer notice in writing of his dismissal at the time of his discharge.

Further to this notice, the Company will provide a statement of the reasons for his dismissal, which shall be delivered to him within seven (7) clear days setting out the reasons for his dismissal.

18.3 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) to uphold the dismissal;
- (b) to reinstate 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.

ARTICLE 19. GRIEVANCE PROCEDURE

19.1 In the event a grievance arises on a vessel of the Company as to the interpretation or application of or compliance with the provisions of this agreement, including without limiting the generality of the foregoing, a grievance in respect of 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 Company, and if no satisfactory solution is achieved, he must submit that grievance in writing to the Company within ten (10) days of its alleged occurrence. The Company must reply to the written grievance within five (5) 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-eight (28) days from the date the Manager 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 with fourteen (14) days of receipt of the decision in Step Two.

ARTICLE 20. ARBITRATION

20.1 In the event any difference arising 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 any section of this agreement the difference may be submitted to arbitration pursuant to the terms of this section.

- 20.2** Arbitration of any difference arising under subsection shall be submitted to a single arbitrator jointly selected by the Union and the Company. This selection shall be made within ten (10) days after the request for arbitration has been made by either party to this agreement. In the event that the parties fail within the said ten (10) day period to agree upon the selection of an arbitrator, an Arbitration Board shall be formed consisting of three (3) members: the Company and the Union each selecting one (1) man and these two shall select a third party who shall act as a chairman. Either party shall appoint its nominee not later than five (5) days after receipt of written notice of the other party's nomination. In the event of a failure of the two (2) men selected by the respective parties to select a third party as provided above, they shall ask the Minister of Labour for Canada to select and designate the third party.
- 20.3** In the event the selected arbitrator is unable to serve by reason of death, incapacity or resignation, or for other reason, his replacement shall be appointed in the same manner as is provided herein for the appointment of the first arbitrator.
- 20.4** 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.
- 20.5** 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.
- 20.6** Each party to this agreement shall pay all expenses, fees and costs, of the members of the Arbitration Board selected by it or by the Minister of Labour and shall share equally in the expenses, fees and costs, of the Third member of the Board.

ARTICLE 21. STRIKES AND LOCKOUTS

- 21.1** 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 stoppages of work for any cause, and

(b) the Company agrees that there shall be no lockouts for any cause during the term of this agreement.

21.2 It is agreed for the purpose 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.

21.3 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.

21.4 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.

ARTICLE 22 CLOTHING ALLOWANCE

22.1 Following three (3) months of employment, the Company agrees to provide the following for their Officers:

(a) Deck Officers:

Two (2) pairs of coveralls per year

One (1) hard hat as required

Two hundred dollars (\$200.00) to go toward safety footwear and insulated weather gear

Sufficient supply of rubber boots, rain gear and proper work gloves will be supplied by the Company.

(b) Engineering Officers:

Three (3) pairs of coveralls per year

One (1) hard hat as required

Two hundred dollars (\$200.00) to go toward safety footwear and insulated weather gear

Sufficient supply of rubber boots, rain gear and proper work gloves will be supplied by the Company.

ARTICLE 23. HIRING SERVICES

23.1 The Company agrees to pay to the Canadian Merchant Service Guild the sum of one dollar and seventy-five cents (\$1.75) per payroll day per position aboard the vessel to be remitted to the C.M.S.G., 36 Wright Street, Unit #1, St.Catharines, ON L2P 3J4, not later than the fifteenth (15th) of the following month.

ARTICLE 24. SHORT PERIOD LAY-UPS

24.1 When vessels are laid up for refit or other purposes for periods of three (3) days or less, officers will suffer no **loss** of pay, benefits or lay day accumulations. Officers will not be laid off during such three (3) day periods.

ARTICLE 25. LEGAL DEFENCE INSURANCE

25.1 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 in the amount of one dollar and twenty-five cents (\$1.25) per position per day aboard the vessel.

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, ON 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.

ARTICLE 26 ESTABLISHED CUSTOMS

26.1 Any right or privileges enjoyed by an Officer as a matter of custom prior to the date of this agreement shall not be altered and no change of these customary rights and privileges shall be put into effect unless mutually agreed to by the company and the Guild.

ARTICLE 27 FAMILY SECURITY PLAN

27.1 The Company effective January 1, 2005, agrees to make a contribution of ten dollars and fifty-five cents (\$10.55) per position per day aboard the vessel and per position per day an Officer is on paid leave as per Article 7.4. Leave Pay. This amount will increase according to the wage increases as stipulated in Article 12.

27.2 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.

- 27.3 The Company agrees to continue Family Security Plan contributions during any period the Officer is off work as a result of compensable disability or illness up to a period of 24 consecutive months for the same compensable disability or illness.

ARTICLE 28 PENSION PLAN

- 28.1 The Company shall pay, on behalf of each Officer, in addition to his regular pay, five percent (5%) of the Officer's basic daily rate on the basis of twelve (12) hours for each day worked and for each day while on Leave as per Article 7.4.
- 28.2 Each Officer shall contribute to the Pension Plan and shall have deducted from his pay by the Company and remitted to the Trustees of the aforesaid Pension Plan Fund. That contribution shall be in the amount of five percent (5%) of the Officer's basic daily rate on the basis of twelve (12) hours for each day worked and for each day while on Leave as per Article e 7.4, over and above any contribution to the Federal or a Provincial Plan.
- 28.3 The Guild agrees that the Company shall be entitled to appoint one trustee to the Board of Trustees administering the Pension Plan Trust Fund, and such trustee shall represent the Company to the said Board of Trustees.

ARTICLE 29. CLAUSE PARAMOUNT

29. ■ Nothing 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.

ARTICLE 30. TRANSPORTATION IN CASE OF ACCIDENT AND SICKNESS

30. ■ The Company shall reimburse to an Officer following a work accident or sickness, 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.

ARTICLE 31 TRANSPORTATION

- 31.1 Employees shall be reimbursed thirty-five (\$0.35) cents per km up to the maximum of 500 km one way.

ARTICLE 32. NOTICES

- 32.1 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, ON L2P 3J4, or at any other address which the Guild may designate and which the Guild shall notify the Company in writing.
- 32.2 Any notice required to be given to the Company pursuant to this agreement shall be delivered to the Head Office of the Company.
- 32.3 Termination - Where an officer terminates his employment with the Company, he shall provide the office with a minimum of seventy-two (72) hours written notice. Such notice shall be in writing and in duplicate so that the officer can retain a signed copy from the office. In any event, the officer must wait until he is properly relieved, in a Canadian Port, before leaving the vessel. The seventy-two (72) hour notice shall be waived at the officer's request, where there has been a death or other emergency in the immediate family of the officer.

If an officer is deemed unsafe aboard the vessel due to the influence of alcohol or drugs, he will be subject to automatic dismissal.

ARTICLE 33. SUCCESSOR RIGHTS AND OBLIGATIONS

- 33.1 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.

ARTICLE 34. OFFICER'S FILES

- 34.1 (a) The employer agrees not to introduce as evidence in a hearing related to disciplinary action any document from the file of an Officer,

the existence of which the Officer was not aware at the time of filing or within a reasonable period thereafter.

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

Upon written request of an Officer, the personnel file of that Officer shall be made available once per year for the examination in the presence of an authorized representative of the employer.

ARTICLE 35. LEGAL FEES

- 35.1 The Company agrees to pay legal fees, medical expenses, dental expenses and full wages in case of civil or criminal action taken against an Officer while protecting the Company's property.

ARTICLE 36. SCHOOL PLAN

- 36.1 An Officer who has completed at least one (1) full navigation season of continuous employment, or has celebrated his/her first anniversary with the Company and who succeeds in obtaining a higher certificate, shall be entitled to receive from the Company, in respect of time spent an allowance of three thousand five hundred dollars (\$3,500.00) provided that after obtaining such certificate, the Officer remains with the Company ninety (90) days.
- 36.2 For the purpose of Section 36.1 "full navigation season includes a season during which an Officer is justifiably absent or laid off.

ARTICLE 37. NEGOTIATION COMMITTEE

- 37.1 The Company agrees to pay the basic daily rate for an Officer while attending negotiations and no discrimination shall be shown against any Officer attending a negotiating meeting.

ARTICLE 38. DURATION OF AGREEMENT

- 38.1 This agreement shall remain in force from January 1st, 2005 until December 31st, 2007 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 days (90) days prior to December 31st, 2007.
- 38.2 In the event neither party gives notice to re-open ninety (90) days prior to December 31st, 2007 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 December 31st on any year in which case this agreement shall terminate on the anniversary date in that year.

Contract agreed on the 16th day of MARCH 2005 in ST. CATHARINES in the Province of Ontario.

Signed on behalf of:

UPPER LAKES GROUP INC.

CANADIAN MERCHANT SERVICE GUILD

Ewa Dupien

Mary Cook

Kevin B. Kelly

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