

COLLECTIVE AGREEMENT

BETWEEN

CAPE HARRISON MARINE/COMTUG LIMITED

AND

CANADIAN MERCHANT SERVICE GUILD

September 1, 2005 to August 31, 2009

MARS: 1934

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Article 1.0 – General Purpose and Scope of this Agreement

- 1:01 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 Canadian Merchant Service Guild and Cape Harrison Marine/ComTug Limited and all licensed personnel.
- 1:02 It is the responsibility of both the Union and the Company and its employees to cooperate fully, individually and collectively to ensure the safety of the vessel's operations, environment and personnel, while retaining above average standards and good economic operations.

Article 2.0 -- Recognition *

- 2:01 The Company recognizes the Canadian Merchant Service Guild (herein after referred to as "the Guild") as the sole collective bargaining agent for all Licensed Personnel employed on vessels owned or operated by Cape Harrison Marine/ComTug Limited. (herein after referred to as "the Company") and operating in Canadian Territorial Waters. Such licensed personnel are hereinafter referred to as "Officers", which word shall include the singular, as well as the masculine and feminine gender.
- 2:02 The Guild recognizes Cape Harrison Marine/ComTug Limited as the sole and exclusive employer for all vessels under the management of the Company.
- 2:03 The use in this Agreement of the words "Employee" or "Employees" shall mean any person or persons covered by this Agreement and, where the parties intend to refer only to a type of employee, this Agreement references the type by any of the following names: "Regular Employee"; "Probationary Employee"; or "Temporary Employee". These types are defined as follows:
- 1.) "~~Regular Employee~~" ~~is an~~ employee who has a permanent full-time position and whose name correctly appears as Regular Full-Time Employee on the Seniority List of Regular Employees.
 - 2.) "Probationary Employee" is an employee without seniority rights designated as a Probationary Employee, and does not include a Temporary Employee. Probationary employees are not eligible for benefits awarded to regular employees and shall not accumulate seniority while serving in a probationary position.
 - 3.) A "Temporary Employee" is an employee without seniority rights who is hired to replace full time and probationary employees on a temporary relief basis. Temporary relief employees are not eligible for benefits awarded to regular employees and shall not accumulate seniority while serving in a temporary relief position. A temporary employee hired to replace a regular employee who is sick, on long-term disability, or on an approved leave of absence (i.e. school/certification) shall be notified in advance of the expected term of that assignment. Such notification will be in written form.

Article 3.0 – ii of Union Membership of Employees

- 3:01 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. In addition, neither the Company nor the Union will discriminate against any employee or future employee deciding to join or not join the Guild. However, the employment officer will recommend any employee or future employee take membership in the Guild.
- 3:02 The Company agrees to deduct monthly Guild dues, dues in arrears, and/or assessments in the amount as established by the Guild and to remit same to the Guild for all employees covered by this Agreement. It is further agreed that all initiation fees will be deducted and remitted to the Guild from the employees concerned. The Guild dues and/or assessments and/or initiation fees will be remitted monthly to the Guild, 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 Guild.
- 3:03 The Guild shall indemnify the Company, its vessels, officers, 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 Guild pursuant to the provisions of this section.
- 3:04 The Company agrees that the Guild shall be a source of supply of new Officers, if promotion from within does not provide suitable candidates.
- 3:05 The Guild agrees that their hiring facilities shall be available to the Company twenty-four (24) hours a day. The Guild agrees to furnish the night telephone numbers of the Guild officers.
- 3:06 The Guild agrees to cooperate fully with the ship's officers and management of the Company in obtaining well qualified, reliable, sober employees to fill such vacancies as they occur, When employees are requested, the Guild agrees that the Company's requirements will be filled as quickly as possible.

Article 4.0 – Company Rights

- 4:01 The Guild recognizes that it 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 Guild 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.
- 4:02 Management reserves the right to request any prospective employee referred by the Guild to obtain a letter from his last employer. Failure to obtain a letter of reference may result in the officer not being employed.

Article 5.0 – Safety and Health

- 5:01 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.
- 5:02 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.
- 5:03 All licensed personnel are required to report on board ready and able for work in sufficient time prior to their scheduled working period or prior to the vessels' 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.
- 5:04 ~~A safety committee will be established by the employees: 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.~~
- 5:05 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 6.0 – Drug and Alcohol Policy

6:01 The Union recognizes and agrees with the Company's Drug and Alcohol Policy.

Article 7.0 – Probationary Period

- 7:01 Probationary employees as defined in Clause 2:03 of Article 2.0 shall serve a probationary period of six calendar months, as an evaluation for regular full-time employment. Once the employee has completed the probationary period, he/she will be evaluated by the Company, the purpose of which is to determine whether he/she will be offered regular full-time status. Should the employee be offered and accept a regular full-time position with the Company, then the Officer's seniority shall commence from the first day employed.
- 7:02 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 8.0 – Medical Fitness

- 8:01 Each new Officer 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 Officer right to employment with the Company. The Officer shall arrange, pay for, and provide the Company with a certificate of fitness prior to the first sea duty.
- 8:02 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 officer is deemed by the Company's doctor to be insufficiently medically fit to carry out the duties required of him, such officer 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 officer'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 9.0 – Protective Clothing: and Safety Equipment

- 9:01 To ensure the crew's safety while working on the vessel, the Company's policy is to provide regular full-time employees with items of clothing and other safety equipment or **an** allowance for such items. Where the wearing of safety clothing or the use of safety equipment is mandatory, regular employees must wear or use these items whenever they are on duty in accordance with the Company's policy and manuals.
- 9:02 Regular employees, on the anniversary date of the Agreement, shall be provided with the following:
- 1.) three pairs of coveralls (one insulated) per year;
 - 2.) one set of foul weather gear every three years (see note below)
 - 3.) one floater suit every three years (see note below)
 - 4.) one floaterjacket every three years (see note below)
- 9:03 Sufficient work gloves, hard hats, etc., will be kept on the vessel for use by the ship's officers as required, and will be replaced as necessary if worn out during ~~work use.~~

Notes:

Floater Suits and Floater Jackets are to be provided once every three years as indicated above unless damaged due to working conditions, in which case the Company will replace said suit/jacket. The Company's policy is that floater suits and jackets are to be inspected on a yearly basis. Floater suits and jackets failing inspection or have expired will be returned to the Company prior to issuing a new suit/jacket. All suits/jackets are to be stored on the vessels at all times.

The Company will issue \$225 to each regular employee in September of each year for the purpose of purchasing two pairs of Work Safety Footwear (Safety Boots) – one pair for indoor use and one pair for outdoor use.

All safety equipment provided to employees is to remain on board the vessel at all times. The Company will equip each vessel with spare coveralls and a spare floater suit for use by temporary and probationary employees. The Company will provide secure storage facilities for employees to store their safety equipment. Each crew member shall return his/her used safety equipment and apparel to the Company prior to receiving new items.

Article 10 – Training

- 10:01 The Union and employees warrant that they shall 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.
- 10:02 All Officers must be willing to undergo periodic training, upgrading, orientation, etc. as deemed necessary by the Company. Officers must demonstrate their best efforts for training related to the activities of the vessel and further demonstrate the proper implementation of their specialized training through their work effort. The costs of this training will be incurred by the Company. Employees participating in training activities on their time off shall be paid at a rate of time and one-half and will be reimbursed for training expenses.

Article 11 – Working Conditions and Hours of Work

- 11:01 The normal work schedule for crew members will be two weeks on and two weeks off.
- 11:02 Licensed personnel will work the watch system to be specified by the Master, and shall perform the duties of the position as the Master so requires.
- 11:03 During normal operations, the tugs will be required to provide assistance 24 hours per day seven days per week and the Officers must be ready for duty and ready to respond. A work day shall be defined as any day in the week.
- 11:04 Meal periods shall not constitute a part of any work period except where an officer is required to eat during his regular watch. In all cases, officers shall be allowed at least one-half (1/2) hour free of work for the purpose of eating a meal.
- 11:05 With respect to call back, the first right of refusal shall be given to those licensed regular employees coming off shift – with priority given to the “on leave” employee working on the particular vessel for which employment is required.

In the event licensed personnel refuse call back opportunities, the Company may then offer the work to qualified personnel outside the bargaining unit.

- 11:06 Regular employees called back on overtime shall be paid at time and one-half for a minimum of four (4) hours overtime.

Article 12 – Accommodations, Travel and Other Benefits

- 12:01 The Company shall provide suitable sleeping quarters on the vessel or ashore.
- 12:02 Change-over time for employees shall be 12:00 noon or as mutually agreed.
- 12:03 Where meals are not provided, each employee shall receive an allowance of \$40.00 per diem per day for travel purposes other than on the vessel. No receipts will be required.
- 12:04 The Company will reimburse Officers who use their own vehicles to travel to and from the vessels other than at the regular work site, at the rate of \$0.38 per km for local travel. The officer must submit a mileage claim to the office in order to receive reimbursement. Extended travel, that is travel beyond what is currently in practice, shall be by the most time efficient means as possible. This policy will also apply to employees who use their own vehicles to attend company required training courses etc.
- 12:05 In the event that an Officer is unable to travel between his home and the vessel within the same day that the crew change takes place, due to events in the Company's control, he shall be paid for any additional days at the basic daily rate and leave shall accrue.
- 12:06 Officers discharged for cause or leaving the vessel of their own accord prior to the expiration of their regular tour of duty shall not be reimbursed for that portion of their travel.
- 12:07 Any customs, benefits or conditions not covered by the Agreement presently enjoyed by the employees shall not be altered or changed during the term of this Agreement.
- 12:08 An Officer 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 two thousand, five hundred dollars (\$2,500.00).
- 12:09 An officer or his estate making claim under clause 12:08 shall submit reasonable proof to the Company of the actual value of the loss suffered. Such proof shall be a signed affidavit listing the individual items, and the value claimed.

Article 13 – Wages and Benefits

13:01 The wages and benefits for officers shall be consistent with those outlined in Appendix A.

Article 14 – Statutory Holidays

14:01 In addition to vacation pay **as** provided in this Agreement, the following holidays shall be observed by the Company, and shall be considered as included in each Officer's consolidated wage rate:

New Year's Day

Good Friday

Easter Monday

Victoria Day

Canada Day

First Monday in August

Labour Day

Thanksgiving Day

Remembrance Day

Christmas Day

Boxing Day

Article 15 – Vacation Pay

- 15:01 Vacation pay shall be included in the Officer's regular bi-weekly pay. It is understood that vacation pay is considered part of the consolidated rate of pay as indicated in Article 13, Wages and Hours of Work.
- 15:02 All licensed personnel employed with the Company, for less than two years of service shall receive vacation pay at the rate of 4%. Licensed personnel employed with the Company for two or more years but less than ten years, shall receive vacation **pay** at the rate of 6%. All licensed personnel employed with the Company for ten years or more but less than twenty years, shall receive vacation pay at the rate of 8%. All licensed personnel employed with the Company for twenty or more years shall receive vacation pay at the rate of 10%.

Article 16 – Insurance and Medical Plans

16:01 The Company shall maintain a group medical and life insurance benefit plan for regular employees only. The benefit plan will be cost shared between the Company and the employee as follows:

- a.) The employee must pay the greater of Long-term Disability (LTD) or 25% of his/her total premium through payroll deductions.
- b.) The portion of the employee's total premium relating to employee life and dependent life will be included on the employee's T4 at the end of each year.

The Parties agree that the Company has the right to change insurance carriers. The Parties also agree that no changes will be made to the insurance coverage without the express knowledge of the Guild. Where changes in insurance coverage take place, it is agreed that there will be no loss to the Officers of benefits presently enjoyed.

Article 17 – Group RRSP

17:01 For the benefit of regular employees only, the Company will contribute 4.5% of the employee's monthly gross pay to the institution of the employee's choice, for purposes of maintaining an employee RRSP. The Officer may contribute an equal amount if he/she chooses to do so. The company will remit such amount to the respective institution on behalf of the employee.

Article 18 – Severance Pay

18:01 If, as a result of technological change, a regular employee loses his/her employment with the Company and provided he/she is eligible for benefits under this program, he/she will be entitled to severance pay at the time of termination. The amount of pay will be the highest of the following calculations:

- (1) sixty (60) dollars for each month's service completed at the Company since his/her last hiring; or
- (2) fourteen (14) dollars multiplied by the age of the employee, multiplied by the number of years service at the Company since his/her last hiring ($\$14 \times \text{age} \times \text{years of service}$).

18:02 Regular employees who have ten years of continuous service from their most recent date of hire and who are laid off with no expectation of recall after expiry of his/her seniority rights shall be eligible for severance pay on the basis of fourteen dollars times the age of the regular employee times his/her years of service. This article does not apply to any regular employee who is entitled to the benefits of Article 18:01.

Article 19 – Bereavement Leave

19:01 Officers shall receive 3 days off with full wages in the case of death in the immediate family. Immediate family shall mean: father, mother, children, spouse (including common law spouse), brother, sister, mother-in-law, father-in-law, grandparents 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 this leave be granted retroactively or when an officer is already on his day off.

Article 20 – Leave of Absence

20:01 Applications for Leave of Absence shall be made in writing to the Master of the ship who shall refer all cases to the Vice-president, Operations for consideration and decision.

20:02 Such leave, if granted, will be without pay and under 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.) Leave of Absence for educational purposes may be granted for a period of **up** to six months with no loss of seniority and employees shall accumulate seniority during such leave. The employee will provide the Company with the course dates etc.
- d.) 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.
- e.) Employees are required to notify the Company of the anticipated date of their return to work following a leave of absence.
- f.) The Company will not unreasonably deny compassionate leave requests by employees.
- g.) The Company will grant unpaid leave of absence to officers who are elected as representative to attend Guild meetings and Guild conventions or other members of any Guild negotiating committees in order that they may carry out their duties on behalf of the Guild.
- h.) The Company will grant unpaid leave of absence to officers who are elected or appointed to Guild office for a period of up to and including three years.

Article 21 – Seniority and Filling of Positions

21:01 The Company shall, not later than February 15 of each year, prepare and forward to the Guild and to each Officer employed by the Company, written notice of the officer's appointment and a seniority list divided into classifications setting forth with respect to each officer concerned:

- his/her name
- his/her seniority number
- certificate held

A master list showing date first employed by the Company in his/her present classification and the date when he/she was first employed by the Company shall be prepared and made available to the officer and the Guild upon request.

21:02 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 officer 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.

21:03 Transfers, demotions and promotions to positions covered by this Agreement, shall be based on certification requirements, ability, qualifications, performance, and seniority. Certification, ability, qualifications, and performance being sufficient, seniority shall prevail. Company management shall be the sole judge of ability, qualifications and performance.

21:04 When reducing staff, Officers with the most seniority will be retained. When increasing staff, laid-off Officers will be recalled to fill vacancies for which they are qualified in order of seniority.

21:05 An Officer 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 Officer has been laid off because of a lack of work for a continuous period of more than one year
- e.) Where the Officer has been absent due to illness for a continuous period of more than two (2) years.

21:06 An Officer shall maintain seniority for a period of twelve (12) months while on layoff. The seniority of any Officer in any classification shall count from the date

of employment in the classification and seniority shall be 'maintained and accumulated while the officer is absent from employment due to:

- a.) sickness
- b.) pursuant to authorized leave of absence;
- c.) due to Company business, up to two (2) years
- d.) due to Guild business, up to two (2) years

Article 22 – Discipline

22:01 An Officer 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

22:02 Matters of a disciplinary nature or expressions of dissatisfaction with the performance of any employee 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 or expressions of dissatisfaction with the performance of any employee shall be removed from the employees file after a period of four (4) years, subject to no additional warning during that said period.

22:03 Any officer covered by this Agreement who is dismissed or suspended shall have the right to file a grievance with the Company through the Guild within four (4) days after such firing or suspension has taken place in accordance with article 23:02 (3) of the grievance procedure.

Article 23 – Grievance Procedure

- 23:01 **A** grievance shall be defined as an alleged violation in the interpretation and application of the Collective Agreement, including response to disciplinary action.
- 23:02 An officer who feels he has a grievance shall present such grievance to the Company in accordance with the procedure set forth as follows:
- 1.) The officer shall present the grievance in writing to the Company within three (3) days of becoming aware of its alleged occurrence and both the officer and the aforesaid shall make every effort to achieve settlement thereof. The Company shall acknowledge receipt of the grievance by giving a dated receipt. The Company will reply to the grievance in writing within four (4) days of receipt.
 - 2.) The Guild shall also have the right to submit a grievance on behalf of all the employees or a group or category of employees by submitting within ten (10) days of the date on which the Guild first became aware of the action or circumstances giving rise to the grievance.
 - 3.) Upon submission of the grievance to the Company, arrangements suitable to both parties, but in any event within ten (10) days, shall be made for the representatives of the Guild and the Company, to meet and investigate the grievance and attempt to settle it equitably and in accordance with the terms of this Agreement. In the event that a settlement of the dispute cannot be reached within ten (10) days, the matter shall be referred to arbitration, by either party, after a further ten (10) days.
- 23:03 Both parties agree that grievances, at all levels, shall be dealt with as expeditiously as possible. However, the time limits stipulated in this procedure may be extended by mutual agreement between the employer and officer and, where applicable, the Guild.

Article 24 – Arbitration

- 24:01 In the event that settlement of a grievance is not achieved under the grievance procedure as stated in the previous Article, either Party may refer the matter to Arbitration. Matters involving any request for a modification of this agreement or which are not covered by this agreement shall not be subject to arbitration.
- 24:02 The arbitrator shall be 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 the collective agreement. In the event that the parties fail within the said ten (10) days to agree upon the selection of an arbitrator, the matter may be referred to the Federal Minister of Labour, who shall select and designate the arbitrator.
- 24:03 In the event the arbitrator vacates by reason of death, incapacity or resignation, or for any other reason, such vacancy shall be filled in the same manner as provided herein for the establishment of the arbitrator in the first instance.
- 24:04 A statement of the dispute or question to be arbitrated shall be submitted by both parties ~~either~~ jointly or separately to ~~the~~ arbitrator within seven (7) days of his appointment. The arbitrator shall, within ten (10) days following his appointment, render his decision, unless otherwise mutually agreed by the parties, in which case he shall render his decision as soon thereafter as possible.
- 24:05 The decision of the arbitrator shall be limited to the dispute or question contained in the statement or statements submitted to him by the parties. 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.
- 24:06 The expenses, fees, and costs of the arbitrator shall be paid equally by the Parties to this Agreement.

Article 25 – Strikes and Lockouts

- 25:01 There shall be no strikes, lockout, or stoppage of work while the provisions of this Agreement are in effect. Failure of an employee to cross through a legally established picket line not to mean an official strike.
- 25:02 Definition for the purpose of this article – “a legal Picket Line” is a picket line established by another union in a bonafide dispute over wages and /or working conditions and the employees are directly employed by the Company or the Company’s agents.
- 25:03 In no case will the Company require officers to cross a picket line where there is a danger of physical violence,

Article 26 – Salvage Bonus

- 26:01 Salvage is defined as the saving of a ship in peril either from weather, shipwreck, fire or mechanical failure, or for any other condition where it is determined that the salvaged vessel, its crew or cargo, are in jeopardy.
- 26:02 Any salvage award from a ship rescued as per 26 :01 shall be properly apportioned to the licensed personnel involved. The Company must disclose the full amount of any award when made and if there is disagreement over the portions accruing to the licensed personnel, an arbitrator shall be appointed as per Article Twenty-Four (24) of this Agreement.

Article 27 – Legal Defense Insurance

- 27:01 The Company recognizes the need for the Officers covered by this Agreement to have the advantage of the legal defense insurance available from the Guild. The Company agrees to pay to the Guild the sum of \$1.10 per position per day on board. This amount shall be remitted along with the union dues not later than the fifteenth day of the following month.
- 27:02 It is expressly understood that the provision of Guild legal defense insurance is available only to those officers covered by this Agreement who are Guild members in good standing.

Article 28 – Clause Paramount

28:01 The Parties to the Agreement will not establish rules or enforce regulations which will in any way be contrary to or interfere with the effective implementation of all.

Article 29 – Statutory Requirements

29:01 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 30 – Guild Officers Boarding Vessels

30:01 Guild representatives shall have access to the vessels operated by the Company under this Agreement, at any time, provided that the operating schedule of the vessel is maintained. Guild representatives agree to abide by the security and safety measures of Company and its client when accessing the Company's vessels.

Article 31 – Short Period Layup

31.01 When the vessels are laid up or on refit for periods of seven (7) days or less, officers will suffer no loss of pay, benefits, or layday accumulations. Officers will not be laid off during such seven day periods.

Article 32 – Payment of Wages

- 32:01 **All** officers employed by the Company shall be paid in bi-weekly intervals.
- 32:02 The officer will not receive any **part** of his pay in cash.
- 32:03 If the vessel is employed on a foreign-going or delivery voyage, or outside home port, advances may be made at the discretion of the Company.

Article 33 – Duration of the Agreement *

33:01 The parties agree that this collective agreement shall extend from September 1st, 2005 to August 31, 2009. 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 days of the expiration date of the agreement. Once notice has been given, proposals should be formulated and negotiations commenced without undue delay.

33:02 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.

SIGNED IN St. Johns ON THIS 24th DAY OF February, 2006.*

ON BEHALF OF

CAPE HARRISON MARINE/
COMTUG LIMITED

Finley Bagg
Stephanie O'Leary

ON BEHALF OF

CANADIAN MERCHANT
SERVICE GUILD

Bruce Carter
Richard Antle
Robert Woods

Appendix A

Schedule of Wages and Benefits for Masters and Engineers

ComTug Limited							
Collective Bargaining 2005							
Costing of Present Union Agreement and New Proposals							
CMSG							
				2%	2.25%	2.25%	2.5%
				Proposed			
				Sept. 1/05 to	Sept. 1/06 to	Sept. 1/07 to	Sept. 1/08 to
				Aug. 31/06	Aug. 31/07	Aug. 31/08	Aug. 31/09
		Present	Reclassification Rate - 2005/06				
Wages - Masters							
Basic Rate	64,663.00	68,627.00		70,000.00	71,575.00	73,185.00	75,015.00
Shift Differential	1,495.00			1,495.00	1,495.00	1,495.00	1,495.00
Vacation Pay (6%)	4,054.66			4,529.70	4,624.20	4,720.80	4,830.60
Total Pay before Bonus	70,212.66			76,024.70	77,694.20	79,400.80	81,340.60
Performance Bonus	3,750.00			4,000.00	4,000.00	4,000.00	4,000.00
Total Pay before RRSP	73,962.66			80,024.70	81,694.20	83,400.80	85,340.60
RRSP - 4.5% on gross pay	3,328.32			3,601.11	3,676.24	3,753.04	3,840.33
Total pay and RRSP benefits	77,290.98			83,625.81	85,370.44	87,153.84	89,180.93
Other							
Meal Allowance	\$25 per diem			\$40 per diem	\$40 per diem	\$40 per diem	\$40 per diem
Mileage rate	\$0.35/km			\$0.38/km	\$0.38/km	\$0.38/km	\$0.38/km
Safety Footwear (2 pairs - 2006-09)	\$100 - 1 pr			\$225	\$225	\$225	\$225

ComTug Limited						
Collective Bargaining 2005						
Costing of Present Union Agreement and New Proposals						
CMSG						
			2%	2.25%	2.25%	2.5%
			Proposed			
		Reclassification Rate - 2005/06	Sept. 1/05 to Aug. 31/06	Sept. 1/06 to Aug. 31/07	Sept. 1/07 to Aug. 31/08	Sept. 1/08 to Aug. 31/09
	Present					
Wages - Engineers - w/o 2nd class ticket						
Basic Rate	61,648.00	63,725.00	65,000.00	66,463.00	67,958.00	69,657.00
Shift Differential	1,495.00		1,495.00	1,495.00	1,495.00	1,495.00
Vacation Pay (6%)	3,879.79		4,229.70	4,317.48	4,407.18	4,509.12
Total Pay before Bonus	67,022.79		70,724.70	72,275.48	73,860.18	75,661.12
Bonus	3,750.00		4,000.00	4,000.00	4,000.00	4,000.00
Total Pay before RRSP	70,772.79		74,724.70	76,275.48	77,860.18	79,661.12
RRSP - 4.5% on gross pay	3,184.78		3,362.61	3,432.40	3,503.71	3,584.75
Total Pay and RRSP benefits	73,957.57		78,087.31	79,707.88	81,363.89	83,245.87
Other						
Meal Allowance	\$25 per diem		\$40 per diem	\$40 per diem	\$40 per diem	\$40 per diem
Mileage rate	\$0.35/km		\$0.38/km	\$0.38/km	\$0.38/km	\$0.38/km
Safety Footwear (2 pairs - 2006-09)	\$100 - 1 pr		\$225	\$225	\$225	\$225

Memorandum of Understanding

The Company and the Guild agree that the second class engineering certification held by Jamie Pardy and Phil Antle will be recognized by the Company in the form of an annual allowance of \$3100 for each year of this Collective Agreement, payable on the anniversary date of the Agreement each year.



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