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Collective Bargaining Agreement

Between

ALGOMA TANKERS LTD.

hereinafter referred to as

THE COMPANY

AND

CANADIAN MARINE OFFICERS UNION

hereinafter referred to as

THE UNION

Effective: August 1, 2005 to July 31, 2010

13676(01)

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Article 1 PURPOSE AND SCOPE

1. INTERPRETATION AND AMENDMENT

1.01 The purpose of this Agreement is:

- (a) to establish terms and conditions of employment and related matters for Officers covered by this Agreement;
- (b) to establish a procedure for final settlement of differences concerning the interpretation, administration and application of alleged violations of any of the provisions of this Agreement.

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

A party proposing an amendment under the foregoing provision shall give the other party at least seven (7) clear days notice.

Before any amendment to this Agreement, which has been agreed to by all parties, 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 the Agreement.

1.03 This Collective Agreement applies to the Marine Engineers employed on the following vessels; Algoeast, Algosar (Gemini), Algoscotia, Algosea (new tanker), Algonova.

1.04 The Company owns, operates, manages and/or bareboat charters the above noted ships capable of carrying liquid petroleum products in Canada, in both home trade voyages as well in foreign voyages as defined by the Canada Shipping Act. It is recognized by the parties that the bulk of the trade is in the Maritime Provinces.

1.05 Any notice required to be given to the Union pursuant to this Agreement shall be delivered or transmitted by fax to the Office of the Union, at 9670 Notre-Dame Street East, Montreal, Quebec H1L 3P8 or at any other address which the Union may designate and which the Union shall notify the Company in writing; fax number (514) 354-8368.

1.06 Any notice required to be given to the Company pursuant to this Agreement shall be delivered or transmitted by fax to 63 Church Street, Suite 600, St. Catharines, Ontario, L2R 3C4, fax 905-708-3841.



Article 2 MANAGEMENT RIGHTS

- 2.01 The Company has and shall retain the exclusive right to manage its business and direct its working forces in the most economical manner possible. The Company has the right to hire, discipline and discharge for just cause, and promote/demote Officers in accordance with the provisions of this Agreement.
- 2.02 The right of any Officer to employment with the Company will be conditional upon the Officer being medically fit to perform his/her duties and in possession of a medical fitness card. The Company reserves the right to require a medical examination of any present or future Officer at any time by a medical practitioner approved by the Canadian Coast Guard, and to require certification from a medical practitioner that the Officer or applicant for employment is medically fit to perform the duties of the job in question. Where the Company requires a present Officer to undergo a medical examination (apart from any examination required to maintain the Officer's medical fitness card), the Company will pay the fee charged for the examination.

Article 3 DISCRIMINATION

- 3.01 The Company will not discriminate against an Officer because of membership in the Union or activity authorized herein on behalf of the Union or for exercising his/her rights under the Canada Labour Code or as provided by this Agreement.
- 3.02 The Union agrees not to intimidate or coerce or threaten Officers in any manner that will interfere with or hinder the effective carrying out of this Agreement and the principles contained herein, and will assist and cooperate with the Master and other Management representatives of the Company in maintaining discipline aboard ship.
- 3.03 The Company and the Union agree that they will not threaten, intimidate or unlawfully discriminate in the workplace against any Officer for reasons of race, national or ethnic origin, colour, religion, age, sex (including pregnancy and childbirth), marital status, family status, disability (as under the Canadian Human Rights Act), a conviction for which a pardon has been granted or political affiliation with a legitimate political party.

Article 4 MEMBERSHIP AND DUES DEDUCTION

- 4.01 The Company agrees to retain in its employ only members in good standing of the Union. Such members shall, as a condition of employment, maintain their membership in the Union for the duration of this Agreement.
- 4.02 An Officer is deemed to be a member in good standing of the Union until the Union determines that the Officer is not in good standing pursuant to the Union's Constitution, Rules and Regulations, and until the Union gives notice in writing to the Company that the Officer is not in good standing.
- 4.03 The Union shall indemnify the Company, its vessels, Officers, servants and agents and hold it or any of them harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of any action taken by it, them or any of them for the purpose of complying with the provisions of this 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 Union pursuant to the provisions of this section, or by reason of compliance by the Company with provisions of Article 4.10 (Dues Deduction).



- 4.04 Any person not a member of the Union, hired or promoted to the position of an Officer, shall within thirty (30) days of employment make application for membership in the Union. Such application may be made by telegram, fax or otherwise directed to the Office or sub-offices of the Union.
- 4.05 The actual selection and hiring of Officers shall be at the discretion of the Company.
- 4.06 When an Officer is dispatched on a ship upon the Company's request, and is refused by the Master for just cause, this Officer shall be paid out of pocket transportation expenses to and from the vessel and one days pay.
- 4.07 The Union agrees that membership in the Union 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 Union.
- 4.08 When an Officer joins a vessel, the Company shall, as a condition of employment, deduct the monthly dues and/or initiation fees as required or requested by the CMOU. The amount(s) so deducted will only be changed during this Agreement to conform with changes in the amount of the regular dues or fees of the Union in accordance with its Constitution and By-Laws.
- 4.09 Should the Company require an Officer to present himself/herself for an employment interview at the Company's office, or any other location not in the vicinity of the Officer's residence, he/she will be reimbursed for reasonable traveling expenses according to the Company's travel expense policy.
- 4.10 The Company agrees to deduct from the wages of each Officer the monthly dues and/or assessments and/or initiation fees and/or any other amounts as specified by the Union. The deductions will be made from the Officers first pay cheque of each month and remitted to CMOU, 9670 Notre-Dame Street East, Montreal, Quebec H1L 3P8, by the end of each calendar month in which the deduction was made.

Article 5 UNION REPRESENTATION

- 5.01 The Union agrees to notify the Company in writing of the names of its Officers and to inform the Company in the same manner of any changes and thereafter, the Company shall conduct all its dealings with the Union through these designated representatives.

Article 6 BOARDING OF VESSELS

- 6.01 The Company agrees to issue passes to authorized representatives of the Union for the purpose of consulting with the Officers aboard vessels of the Company covered by this Agreement in respect to Union business.
- 6.02 Authorized representatives of the Union may board, and remain on board, the vessels only while they are in port. Arrangements to board a vessel must be made through the Company's office, on reasonable notice. Any Union representative boarding a vessel must immediately report to the Master or his/her designate. While onboard, Union representatives may confer with Officers, but otherwise may engage in discussion only with the Master in respect of any dispute or grievance. Union representatives shall not have the right to interfere in any way with the operations of the vessel.



- 6.03 The Company upon receiving a waiver, in form satisfactory to the Company, of any claim for any damage resulting from any accident or injury in or about Company property, shall thereupon issue a pass to each such representative enabling him/her to board the Company's vessels while in port for the purpose set out in this Section. In the event the Union withdraws the privilege of boarding Company vessels from the designated Union representative, the Union undertakes to notify the Company to revoke such pass.
- 6.04 The Union representative shall not violate any provision of this Agreement or interfere with the Officers aboard the vessel or retard the work of the vessel, subject to the penalty of revocation of the pass granted by the Company pursuant to this Section.
- 6.05 The Company assumes no responsibility for securing passes to or through property owned or controlled by others, but the Company agrees to cooperate with the Union in securing such passes.

Article 7 OFFICERS' DUTIES

- 7.01 An Officer shall not be required to perform any duties usually assigned to unlicensed crew members.

Article 8 DEFINITIONS

- 8.01 In this Agreement "Day" means a twenty-four (24) hour day commencing at 0000 hours one day and ending at 2400 hours on the same day.
- 8.02 In this Agreement words importing male persons include female persons and corporations, words in the singular include the plural and words in the plural include the singular.
- 8.03 In this Agreement where a number of days expressed to be "Clear Days" is prescribed, both the first day and the last day shall be excluded.
- 8.04 In this Agreement "Department" means Engine Room.
- 8.05 In this Agreement "Officer" means certified Second Engineer, Third Engineer, or Fourth Engineer.
- 8.06 In this Agreement "Vessel" or "Ship" or "Company Vessel" means a ship owned, operated or bareboat chartered by the Company.
- 8.07 In this Agreement "Year of Service" means a period consisting of twelve (12) months.
- 8.08 In this Agreement "CPI" means Consumer Price Index.
- 8.09 In this Agreement "Company" means Algoma Tankers Ltd.
- 8.10 In **this** Agreement "Union" means the Canadian Marine Officers Union.



Article 9 PROBATIONARY OFFICERS

- 9.01 An Officer shall be considered to be a probationary Officer until he/she has been employed by the Company in the bargaining unit for a period of ninety (90) days working on a vessel. During the period of probation, the Officer's suitability for permanent employment will be assessed by the Company.
- 9.02 At any time during the period of probation, an Officer may be released by the Company if the Company judges the Officer unsuitable for permanent employment. In the event a probationary Officer grieves his/her release, the Company shall only be required to show that it acted reasonably in judging the Officer unsuitable for permanent employment with the Company.
- 9.03 Any days previously worked for the Company by an Officer on a relief basis will be counted towards the ninety (90) day probationary period.

Article 10 SENIORITY

- 10.01 For the purpose of this Agreement, seniority is the total length of continuous service with the Company as an Officer.
- 10.02 If two or more Officers have the same seniority date, the Officer first hired shall be deemed to have the most seniority.
- 10.03 The Company will prepare and post on appropriate bulletin boards, by January 15 of each year, listings showing the seniority of Officers. One copy of these listings will be sent to the Union.
- 10.04 In the event an Officer is promoted to a position outside this bargaining unit, he/she will continue to accrue seniority provided he/she has maintained his/her membership in the Union.
- 10.05 An Officer shall lose his/her seniority standing and shall have his/her 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/her and to the Union by prepaid registered post advising him/her to return to work;
 - d) where an Officer has been laid off because of lack of work for a continuous period of more than twenty-four (24) months.
- 10.06 In the selection of Officers for promotion within the bargaining unit, where ability and qualifications are equal, seniority will be the determining factor.



- 10.07 Notwithstanding any other provisions contained in this agreement, the Company may at its discretion promote a Company Officer in order to fill a temporary vacancy for a period not exceeding sixty (60) days, but at or before the expiry of that sixty (60) day period, the Company shall fill the vacancy in accordance with the express provisions of this agreement.

Article 11 LAYOFF AND RECALL

- 11.01 The Company agrees that in matters relating to the selection of Officers for layoff and recall, where ability and qualifications are equal, seniority will be determined by length of service within the Company in the position the Officer is in at the time of layoff, so that if the Company must reduce the size of the workforce in any given position, the Officer who has held that position for the least amount of time will be the one laid-off, and recall will be in reverse order of layoff.
- 11.02 Notice of layoff will be given in accordance with the provisions of the Canada Labour Code.
- 11.03 An Officer who is laid off will retain his/her seniority and the right to recall for work for a period of twenty-four (24) months from the date of layoff provided he/she reports to the Company for work when recalled. An Officer who is recalled in conformity with the provisions of this Agreement and does not report for work within fifteen (15) days will have his/her employment terminated for just cause.
- 11.04 Notice of recall will be by telephone and will be provided at least seventy-two (72) hours in advance of the scheduled report time unless exceptional circumstances do not permit his. It is the responsibility of the Officer to ensure that the Company is always advised of how best to contact the Officer for purposes of recall from layoff.

Article 12 TOURS OF DUTY AND HOURS OF WORK

- 12.01 (a) The Union and the Company agree that a "Tour of Duty" be a minimum of twenty-five (25) days and maximum of thirty-five (35) days on board ship, followed by approximately thirty (30) days off the ship, acknowledged as a thirty (30) day on and off system. For every day worked, an Officer is credited with one days leave. The company will do everything possible to maintain this schedule but reserves the right to extend or shorten this schedule to allow the vessel to reach the port determined by the Company to be appropriate for Officers to leave or join the vessel. Tour of Duty may be extended beyond thirty-five (35) days with the consent of the Company, the Officer and the Union.
- (b) Officers, at their option, may extend their "Tour of Duty" to forty-two (42) days (minimum thirty-seven (37) maximum forty-five (45)) providing there is agreement between the employee and the relieving employee. By December 1st of each year employees must declare the leave system they will be adopting for the following calendar year, commencing January 1st.
- 12.02 Officers shall work a twelve (12) hour day each day of the week. Officers shall be expected to work any hours necessary to operate, overhaul, or otherwise preserve the safety, efficiency, and operation of the vessel and crew. An Officer may make a written request to extend his/her tour of duty in order to accumulate a longer period of leave. Approval will be at the discretion of the Company and will be subject to operational



considerations, but not to the detriment of another Officer wishing to return to work.

- 12.03 Day working Officers will work twelve (12) hours per day on a "flex hour schedule". "Flex hour" means that normal working hours can be adjusted to meet the requirement of the job. However, if more than twelve (12) hours of work is required in a day, the excess hours qualify as overtime and overtime provisions apply.
- 12.04 A minimum of seven (7) days notice in writing must be given to the Master by an Officer intending to take leave. However, having regard to the need of the Company to be able to continue to operate its vessels with sufficient qualified Officers at all times, the right to begin a period of leave is conditional upon the approval of the Company. Such approval will not be unreasonably withheld.
- 12.05 Where Officers are required to work six (6) and six (6) shifts, shifts shall be as assigned by the Master with due consideration given to seniority and ability.
- 12.06 Should an Officer fail to report for duty as scheduled, the Officer he/she was to replace must remain on duty until a substitute is secured. The extra hours worked by the Officer remaining on watch will be owed to him/her by the Officer who was missing from his/her watch and must be repaid.
- 12.07 When a vessel is at a dock, an Officer may leave the vessel but must return to the vessel not less than thirty (30) minutes prior to his/her assigned shift or to the time of sailing, whichever comes first. The time of sailing will be posted on the notice board.
- 12.08 With the prior approval of the Master or Chief Engineer, which shall not be unreasonably withheld, an Officer may, while the vessel is in port or at anchor, make private arrangements with other Officers to exchange watches thereby enabling him/her to go ashore. There shall be no additional cost to the Company as a result of any such exchange of watches.
- 12.09 If an Officer misses a vessel due to the fact that it sails before the posted sailing time, he/she will notify the Master by telephone within two (2) hours of the original posted sailing time, and if the Officer joins the vessel at the first point where it can be boarded, he/she will be reinstated and reimbursed his/her transportation costs to the vessel, provided he/she notifies the Master as soon as possible of his/her intention to rejoin the vessel. There will be no break in service of the Officer under these circumstances.
- 12.10 If an Officer misses a vessel due to circumstances for which he/she cannot be held responsible, he/she will be reinstated provided he/she promptly notifies the Master or the Company's office of his/her intention to rejoin the vessel and rejoins the vessel at the first point where it can be boarded. All transportation costs will be borne by the Officer.



Article 13 RATES OF PAY AND PAID LEAVE SYSTEM

13.01 An Officer will be entitled to one (1) days leave for each full day worked on board ship.

13.02 Each Officer will receive a regular bi-monthly pay cheque while on board ship and while on shore leave. The amount will be based on one half (½) of the Earnings per Day Worked plus vacation pay. The Earnings per Day Worked rate represents compensation for the following:

- (a) While on tour of duty, eight (8) working hours per day paid at the Officer's Regular Wage Rate;
- (b) While on tour of duty, four (4) working hours per day paid at the Officer's Overtime Wage Rate;
- (c) Pay for the following Statutory Holidays:

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

13.03 Regular Hourly Wage Rates and Overtime Hourly Wage Rates and Statutory Holiday Hourly Wage Rates shall be as follows:

Effective August 1, 2005, the base hourly rates in effect will increase by two and one half per cent (2.5%).

Position	Regular Hourly Wage Rate	Overtime Hourly Wage Rate	Daily Stat Premium	Earnings per Day Worked	Calendar Day Rate Paid
2 nd Engineer	\$28.07	\$42.11	\$25.99	\$418.99	\$209.50
3 rd Engineer	\$25.42	\$38.13	\$23.54	\$379.42	\$189.71
4 th Engineer	\$23.95	\$35.93	\$22.18	\$357.50	\$178.75

Effective August 1, 2006, the base hourly rates in effect to then will increase by two and one half per cent (2.5%) COLA* whichever is the greater.

Position	Regular Hourly Wage Rate	Overtime Hourly Wage Rate	Daily Stat Premium	Earnings per Day Worked	Calendar Day Rate Paid
2 nd Engineer	\$28.77	\$43.16	\$26.64	\$429.44	\$214.72
3 rd Engineer	\$26.06	\$39.09	\$24.13	\$388.97	\$194.49
4 th Engineer	\$24.55	\$36.83	\$22.73	\$366.45	\$183.23

Effective August 1, 2007, 2008, 2009, the base hourly rates in effect to then will increase by two and one half per cent (2.5%) or COLA* whichever is the greater.

*COLA will be based on the annual average published by Statistics Canada for the year preceding the August 1 increase. (i.e. the August 1, 2007 increase will be based on the 2006 annual COLA average published by Statistics Canada, if required.)

13.04 The Earnings per Day Worked shall be calculated as follows:

Earnings per Day Worked = (Regular Wage Rate x 8 hours)
+ (Overtime Wage Rate x 4 hours)
+ (Daily Statutory Premium*).

*Daily Statutory Premium = (6% Statutory Days Worked and paid at 12 hrs at 1½) (=117)
+ (6½ Statutory Days on Leave and paid at 8 hours basic) (=52)
x Overtime Hourly Wage Rate
÷ Total Annual Days Worked (365÷2=182.5)

Article 14 EXTRA OVERTIME

- 14.01 All hours worked in excess of twelve (12) hours in a day will be considered Extra Overtime and will be paid at the overtime hourly wage rate as per Article 13. Any portion of the first hour worked in excess of twelve (12) hours will be paid as a full hour and on the half hour (1/2) thereafter.
- 14.02 Extra Overtime will be recognized only when it has been approved by the Master in writing prior to the overtime being worked.
- 14.03 No Officer shall be required to perform more than sixteen (16) hours of continuous work, excluding meal hours, in a twenty-four (24) hour period.
- 14.04 The Master will ensure that Overtime work is distributed equitably among the Officers.
- 14.05 Any work necessary for the safety of the vessel, passengers, crew or cargo, or for the saving of or rendering assistance to other vessels, lives, property or cargoes, will be performed at any time on immediate call by all Officers and notwithstanding any provisions of this Agreement which might be construed to the contrary, in no event will overtime be paid for the work performed in connection with these emergency duties of which the Master will be the sole judge. Further, the Master may, whenever he/she deems it advisable, require any Officer to participate in lifeboat or other emergency drills without incurring overtime.



Article 15 MEALS

- 15.01 Officers who are entitled to meals while on Company business will be reimbursed upon submission of bona fide receipts for reasonable costs incurred by them in the purchase of meals when the Company is unable to provide the Officer with a meal(s) on board a ship. Allowable costs for such meals are stated in Article 20.07.
- 15.02 All Officers shall be permitted one half (1/2) hour free from work for the purpose of eating each meal.

Article 16 WAGE ADMINISTRATION

- 16.01 The basic rates of pay for the Officers covered by this Agreement shall be as set forth in the wage schedules in Article 13.
- 16.02 When an Officer is temporarily assigned by the Master to a higher paid position, for a period of at least one (1) shift, for the purpose of replacing an Officer who is injured, sick or absent, the Officer will receive the rate of the position to which he/she has been temporarily assigned by the Master. If assigned to a lower paid position for the purpose of replacing an Officer who is injured, sick, or absent, the Officer will continue to receive the rate of his/her regular position rather than the lower rate of the position to which he/she has been temporarily assigned.
- 16.03 Wages will be paid by way of direct deposit into the Officer's bank account no later than two (2) days following the end of each pay period. The pay stub will be sent to the Officer aboard the vessel. Each Officer must provide the Company with an authorization for direct deposit and all relevant banking information and any changes thereto.

Article 17 VACATION PAY

- 17.01 An Officer having completed less than one (1) full year of service with the Company shall receive vacation pay monthly equal to four percent (4%) of his/her gross wages on the basis of thirty (30) days on and thirty (30) days off.
- 17.02 An Officer having completed one (1) but less than five (5) full consecutive years of service with the Company shall receive vacation pay monthly equal to five percent (5%) of his/her gross wages on the basis of thirty (30) days on and thirty (30) days off.
- 17.03 An Officer having completed five (5) but less than ten (10) full consecutive years of service with the Company shall receive vacation pay monthly equal to seven percent (7%) of his/her gross wages on the basis of thirty (30) days on and thirty (30) days off.
- 17.04 An Officer having completed ten (10) or more full consecutive years of service with the Company shall receive vacation pay monthly equal to nine percent (9%) of his/her gross wages on the basis of thirty (30) days on and thirty (30) days off.
- 17.05 A year of service commences from hire to anniversary date and in accordance with the preceding clauses of this Article, the percentages shall change effective one (1) day after anniversary date.
- 17.06 Vacation pay is accumulated during the thirty (30) day work period and paid on the basis of thirty (30) days on and thirty (30) days off (i.e.: continues uninterrupted during on and



off periods).

Article 18 FAMILY SECURITY PLAN

- 18.01 The Company agrees effective August 1, 2005, to make a contribution of nine dollars and eighty four cents (\$9.84) per position per day on the basis of thirty (30) days on and thirty (30) days off. (i.e.: continues uninterrupted during on and off periods)

Effective August 1, 2006, 2007, 2008, 2009, the Company will increase its Medical Plan contribution by two and one half per cent (2.5%) COLA* whichever is the greater.

*COLA will be based on the annual average published by Statistics Canada for the year preceding the August 1 increase. (i.e. the August 1, 2007 increase will be based on the 2006 annual COLA average published by Statistics Canada, if required.)

- 18.02 The Company agrees to send the aggregate of the contributions for each month to the Family Security Plan administrator designated by the Union, 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.
- 18.03 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 twenty-four (24) months for the same compensable disability or illness.

Article 19 PENSION PLAN

- 19.01 All Officers will belong to the Company Pension Plan, which will be a "Money Purchase" type plan.

- 19.02 Effective August 1, 2005 the Company's contribution to the pension plan will increase from seven and three quarter per cent (7.75%) of the employee's basic regular hourly wage rate for twelve (12) hours per payroll day to eight per cent (8%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.

Effective August 1, 2006 the Company's contribution to the pension plan will increase from eight per cent (8%) of the employee's basic regular hourly wage rate for twelve (12) hours per payroll day to eight and one quarter per cent (8.25%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.

Effective August 1, 2007 the Company's contribution to the pension plan will increase from eight and one quarter per cent (8.25%) of the employee's basic regular hourly wage rate for twelve (12) hours per payroll day to eight and one half per cent (8.5%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.

Effective August 1, 2008 the Company's contribution to the pension plan will increase from eight and one half per cent (8.5%) of the employee's basic regular hourly wage rate for twelve (12) hours per payroll day to eight and three quarter per cent (8.75%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.

Effective August 1, 2009 the Company's contribution to the pension plan will increase from eight and three quarter per cent (8.75%) of the employee's basic regular hourly wage rate for twelve (12) hours per payroll day to nine per cent (9.00%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.

- 19.03 Each Officer shall have an option to contribute an amount equal to that remitted by the Company.
- 19.04 Temporary or Relief employees will have the same amount contributed on behalf to the Canadian Marine Officers Union Pension Plan. Temporary or Relief employees will also be required to match the Company contribution.

Article 20 TRANSPORTATION COSTS

- 20.01 Upon joining or leaving the vessel for leave or work periods, the Company agrees to pay the Officer reasonable transportation costs to and from his/her home and the ship. These costs are to include first class surface passage or economy air fare or two way car allowance where public transport is not available and meals and berth.

Effective June 15, 2006 the car allowance will equal thirty-seven cents (\$0.37) per kilometre.

Effective August 1, 2008 increase the mileage allowance to forty cents (\$0.40) per kilometer.

- a) Upon joining the vessel, new employees hired after January 1, 2004, shall be responsible for their own transportation to the nearest designated airport (Quebec City, Stephenville, Moncton, Saint John, Fredericton, Chatham, Bathurst, Charlottetown, Halifax, Sarnia, Sydney, St. John's, Gander and Deer Lake). The Company will pay the costs from the designated airport to the vessel. Upon leaving the vessel, the Company will pay the transportation costs from the vessel to the designated airport nearest the employee's home base, or directly to the employee's home, whichever is the lower.
- 20.02 To be eligible to have the Company pay the transportation costs, the Officer must complete his/her assigned tour of duty. If an Officer quits or is dismissed for cause, transportation costs will not be paid by the Company.
- 20.03 An Officer shall be given forty-eight (48) hours notice prior to joining his/her vessel. The Officer will be paid for the day of travel providing he/she works a minimum of one (1) four (4) hour shift on the traveling day.
- 20.04 In the event that an Officer is transferred by the Company from one vessel to another vessel of the Company, the Company shall continue to pay the Officer his/her regular lay-day rate of pay, and benefits, and reasonable expenses during the time period necessary to enable him to make his/her transfer.
- 20.05 In the event an Officer is injured or becomes ill and a medical doctor determines that he/she must leave the vessel as a result, the Company will pay the Officer's cost of transportation to the hospital or to the Officer's residence.
- 20.06 If the Company requests an Officer to attend to any Company business, without limiting the generality of the foregoing, it will be without loss of pay or benefits and the Company



shall reimburse the Officer for all reasonable expenses incurred by him/her upon production of acceptable receipts and vouchers.

- 20.07 Effective June 15, 2006, the maximum allowable rate for meals shall be fifteen dollars (\$15.00) per meal exclusive of taxes and eighty-five dollars (\$85.00) per room, exclusive of taxes supported by receipts.

Effective August 1, 2008 increase the meal allowance to eighteen dollars (\$18.00) per meal. Increase the room allowance to one-hundred and ten dollars (\$110.00) per night.

Article 21 OFFICER RESIGNATION

- 21.01 When an Officer decides to resign from employment with the Company, he/she must give the Master a minimum of forty-eight (48) hours notice in writing.
- 21.02 The Company will not pay the cost of transportation from the vessel to an Officer's home where an Officer resigns while working on board a vessel. Should an Officer work less than fifteen (15) days of his/her scheduled tour of duty, the Company shall be entitled to recover all related expenses incurred while joining the vessel. If the ship is trading outside of Canadian waters and the Company is required to repatriate the Officer, the cost of repatriation will be deducted from the Officer's pay cheque.

Article 22 LEAVES OF ABSENCE

- 22.01 An Officer who has completed the probationary period, will be granted bereavement leave when death occurs to a member of his/her immediate family, that is, his/her father, mother, spouse, child, brother, sister, parents-in-law and grandparents.

Effective June 15, 2006 the Officer granted leave to attend the funeral will be paid at his/her basic rate for time lost up to a maximum of ten (10) days for immediate family (spouse, children, and parents); seven (7) days for brother, sister, grandparents and grandchildren. The Company will pay transportation costs from the vessel to the Officer's home under these circumstances.

- 22.02 Officers will be entitled to reasonable leave of absence without pay in the event of either illness or injury to himself/herself or a member of his/her immediate family.
- 22.03 Officers will be entitled to child care leave in accordance with the provisions of the Canada Labour Code.
- 22.04 Claims for leave under this Article must be supported by proper medical or bereavement evidence upon returning to the vessel, otherwise the Officer forfeits his/her right to employment with the Company.
- 22.05 An Officer returning from leave under Article 22.01 or Article 22.02 will notify the Company's office seventy-two (72) hours in advance of the time he/she is ready to return to the vessel.
- 22.06 In the event an Officer is elected or appointed to work in an official capacity for the Union,
- a) if the Officer requests a leave of absence in writing, and



- b) if the Union 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.

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

22.08 The Company will assist in providing adequate time off without pay for Officers wishing to attend school to either maintain their present qualifications or upgrade their certifications, when mutually agreed and in the best interest of the Company.

Article 23 HEALTH AND SAFETY

23.01 A Shipboard Safety Committee, having at least one Officer representative on it, shall be established to promote safe and healthy working conditions for the persons employed on vessels of the Company. The Committee shall hold meetings as necessary but no later than every three (3) months unless both parties agree to postpone or cancel a meeting. Minutes of the meetings will be kept by an Officer and forwarded to the Company's Safety Officer for information and circulation.

23.02 All safety regulations which are or come into effect by the Company shall be strictly adhered to by each Officer. Failure of an Officer to comply with safety regulations may be cause for dismissal.

Article 24 DRUG AND ALCOHOL POLICY

24.01 The Union and the Officers recognize that the Company must have a "zero tolerance" drug and alcohol policy in place in order to transact business with the major oil companies.

24.02 The details of the policy may change from time to time on advance notice to the Union and Officers but the primary elements of the policy (which are equally applicable to all members of the vessel crews) are:

- (a) there will be no drugs or alcohol permitted on board any of the Company's vessels at any time;
- (b) Officers returning to the vessel from any shore leave must be in a sober condition;
- (c) failure to comply with the policy may result in discipline, up to and including dismissal,

Article 25 FAMILY VISITATION

25.01 With the prior approval of the Master, which will not be unreasonably withheld, an Officer may, only while the vessel is in port, bring his/her spouse and family aboard for a visit, with the exception of children under twelve (12) years of age. Immediately upon



coming on board, the Officer and his/her family members must sign a waiver releasing the Company from all liability and while on board must observe the Company's safety policy.

Article 26 DISCIPLINE

- 26.01 No Officer shall receive a written reprimand or warning, be suspended or be dismissed, except for just cause.
- 26.02 The Company, when dismissing an Officer, shall give that Officer notice in writing of his/her dismissal as per the disciplinary code.
- 26.03 The Company 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.
- 26.04 Disciplinary information which may have been placed in the personnel file of an Officer shall not be relied on for disciplinary purposes after twenty-four (24) months 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 Company.
- 26.05 Refusal of any Officer to work as directed or to obey lawful orders of his/her superior Officers may be grounds for summary dismissal. Any Officer who leaves a vessel without being properly relieved will forfeit his/her job with the Company.
- 26.06 The Union agrees to cooperate with the Company to instruct each Officer to assist and to cooperate with the Master and Company Executives to maintain discipline on board ship.

Article 27 MARINE DISASTER

- 27.01 An Officer who, while employed by the Company, suffers loss of clothing or other personal effects of any kind because of marine disasters or shipwreck, shall be compensated by the Company for such a loss, up to a maximum of three thousand, five hundred dollars (\$3,500.00).
- 27.02 An Officer or his/her estate making a claim under this section shall submit reasonable proof to the Company of the actual loss he/she has suffered.



Article 28 GRIEVANCE PROCEDURE

28.01 In the event a grievance arises on a vessel of the Company as to the interpretation or application of or in compliance with the provisions of this Agreement, including without limiting the generality of the foregoing, a grievance in respect to wages, hours of work or conditions of employment of any Officer, there shall be no interruption or impeding of work, and the parties shall endeavour to settle the grievance in the following manner:

a) **STEP ONE**

An Employee who believes he has a grievance must discuss that grievance with the Master, and if no satisfactory solution is achieved, he must submit that grievance in writing to the Master of the vessel within ten (10) days of its alleged occurrence. The Master must reply to the written grievance within ten (10) days of its receipt. If the Master is not living aboard or is not available, such grievance must be submitted directly to the Company within the same time limit of its alleged occurrence. The Company must reply to the written grievance within ten (10) days of its receipt.

b) **STEP TWO**

If no settlement is reached in Step One, the Union representative acting on the Officer's behalf must within thirty (30) days from the date the Master replied under Step One, meet with a Company representative in order to discuss the grievance, and if possible, to achieve a settlement. The Company representative shall render his decision in writing.

c) **STEP THREE**

If no settlement is reached in Step Two, either party must indicate its intention to proceed to arbitration by notifying the other party by registered mail within ten (10) days of receipt of the decision in Step Two.

28.02 Notwithstanding any other provisions of the agreement, if the Company or any of its representatives fail or refuse to comply with any step or condition of the grievance procedure set out in Article 28.01, the Union, acting on behalf of an Officer, may submit the grievance at once to arbitration in the manner set out in Article 29.

28.03 If there is a grievance which is the same for a number of Officers of a Company, such a grievance shall be presented directly to a representative of the Company involved. If no settlement can be reached between this representative and a representative of the Union, the matter may then be submitted to arbitration as per Step Three. The results of such arbitration shall be binding on the Company, the Union and all persons concerned with the particular grievance involved.



Article 29 ARBITRATION PROCEDURE

- 29.01 In the event any difference arises between the Company and the Union 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 Article 28 of this Agreement the difference may be submitted to arbitration pursuant to the terms of this section.
- 29.02 Arbitration of any difference arising under Article 29.01 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, the matter may be referred by either party to the Minister of Labour for Canada who shall select and designate the arbitrator.
- 29.03 In the event the selected arbitrator is unable to serve by reason of death, incapacity or resignation, or for any other reason, his replacement shall be appointed in the same manner as is provided herein for the appointment of the first arbitrator.
- 29.04 A statement of the dispute or question to be arbitrated shall be submitted by the grieving party to the arbitrator within five (5) days of his appointment. The arbitrator shall convene the parties within ten (10) days following his appointment unless a delay is agreed to by the parties, and the arbitrator shall render his decision as soon thereafter as possible.
- 29.05 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 decision of the arbitrator which are made under the authority of the Arbitration Article shall be final and binding upon the Company, the Union and all persons concerned.
- 29.06 The expenses, fees and costs of the arbitrator shall be paid by the party to this Agreement found to be in default upon the arbitrator's resolution of the grievance or, if the arbitrator resolves the grievance in such a way that neither side shall be found wholly in the right, then the arbitrator shall also establish the proper split of the expenses, fees and costs between the two parties in the proportion appropriate to the share of responsibility that each side had in the production of the grievance.

Article 30 STRIKES AND LOCKOUTS

- 30.01 The Union 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 Union 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 lockout for any cause during the term of this Agreement.
- 30.02 The Company will not expect the Officers to cross a lawful picket line in a industry related to the business of the Company nor to perform the work of the people on strike. However, Officers will be expected to remain on board the vessel and perform their

regular duties.

Article 31 LEGAL DEFENSE INSURANCE

31.01 Legal Defense Insurance for Officers covered by this agreement shall be provided in the following manner:

The Union shall provide legal defense insurance which shall be paid for by the Company at the rate of one dollar and forty cents (\$1.40) per day per position.

The Company agrees to send the aggregate of the contributions for each month to the Canadian Marine Officers Union, 9670 Notre-Dame Street East, Montreal, Quebec H1L 3P8, 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 Marine Officers Union.

Article 32 HIRING SERVICES

32.01 Effective June 15, 2006, the Company agrees to pay the CMOU the sum of two dollars and ten cents (\$2.10) per position per day aboard the vessel to be remitted to the CMOU, 9670 Notre-Dame Street East, Montreal, Quebec H1L 3P8 not later than the 15th of the following month.

Each subsequent year for the term of the collective agreement, the contribution will be increased by two and one half per cent (2.5%) or COLA* whichever is the greater.

*COLA will be based on the annual average published by Statistics Canada for the year preceding the August 1 increase. (i.e. the August 1, 2007 increase will be based on the 2006 annual COLA average published by Statistics Canada, if required.)

Article 33 GENERAL PROVISIONS

33.01 Nothing in this Agreement will be construed so as to affect the obligations of the parties under the provisions of the Canada Shipping Act, or other legislation, or to impair in any manner whatsoever the authority of the Master.

33.02 Where Officers are displaced due to automation, mechanization, permanent reduction in the number of Officers because of the sale of a vessel, or a layoff, recall and severance will be determined as follows:

- a) Officers with less than three (3) years seniority with the Company shall have their employment terminated and will be entitled to severance pay equal to five (5) days basic pay per year of service with the Company calculated at the date of termination of employment.



- b) Officers with at least three (3) years seniority with the Company will be laid off and remain on the recall list pursuant to the provisions of Article 11, with entitlement to be placed on other vessels as vacancies occur provided they are qualified to perform the available work.
- c) Should an Officer not be offered a placement on another Company vessel during the time he/she is on the recall list, his/her employment will terminate and he/she shall be entitled to severance pay equal to five (5) days basic pay per year of service with the Company calculated at the date of layoff.

Article 34 SCHOOL PLAN

Effective June 15, 2006, an Officer who has completed at least one (1) full navigation season of continuous employment, or has celebrated his first anniversary with the Company and who succeeds in obtaining an upgrading of certification according to the following schedule:

4th Class Engineer to 3rd Class Engineer (part A&B)
3rd Class Engineer to 2nd Class Engineer (part A&B)
2nd Class engineer to 1st Class Engineer (part A&B)

For clarity the Officer shall be entitled to the subsistence allowance detailed below for both part A and part B of the certificate upgrade.

Shall be entitled to receive from the Company, in respect of time spent, a subsistence of three thousand five hundred dollars (\$3,500.00) provided that, after obtaining such certificate, the Officer remains with the Company for one (1) year.

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



Article 35 DURATION AND RENEWAL

35.01 This Agreement shall take effect the 1st day of August 2005, and shall remain in full force and effect until the 31st day of July, 2010, 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 one hundred and twenty (120) days prior to the expiry of this Agreement.

35.02 In the event neither party gives notice to reopen one hundred and twenty (120) days prior to expiry, 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 one hundred and twenty (120) days prior to the anniversary date, in any year, in which case this Agreement shall terminate on the anniversary date in that year.

Appendices "A" and "B" are attached to and form part of this Agreement.

IN WITNESS WHEREOF the parties hereto have signed this Agreement

the 3 day of OCTOBER, 2006

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION

ARL

Vegna

APPENDIX "A"

**BETWEEN ALGOMA TANKERS LTD. AND
CANADIAN MARINE OFFICERS UNION**

Clothing Policy

This will confirm that the Company will continue to apply its clothing policy to the Officers covered by this collective agreement.

Pursuant to the policy, the Company supplies one (1) pair of coveralls to each new Officer at the time the Officer first goes to work on a vessel, and thereafter two (2) additional pairs of coveralls during the first twelve (12) months of employment. Subsequently, coveralls are replaced as needed to a maximum of three (3) pairs of coveralls per year, one of which will be insulated if the ship is trading in Canada. The employee will have the option of selecting either an insulated pair of coveralls or a winter parka.


Effective June 15, 2006, each Officer, upon completion of one (1) years service with the Company and at the completion of each subsequent year of service, shall be paid a safety footwear allowance of one hundred and ten (\$1 10.00) dollars.

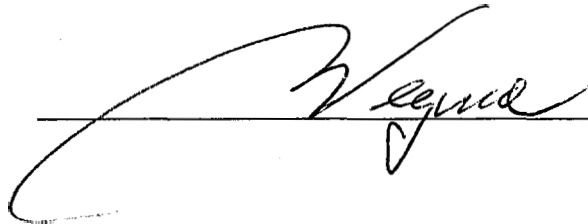
Effective August 1, 2008, the boot allowance will increase to one hundred and twenty dollars (\$120.00).

Signed at MONTREAL, this 3 day of OCTOBER, 2008

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION







APPENDIX "B"

Manning Scale – Petroleum Vessels

Manning is at the sole discretion of the Company. The Company will ensure that the vessel is manned appropriately for the safe reliable operation and to meet all government regulations.


In the event the Company acquires new vessels requiring different manning levels, the Company will discuss such manning levels with the Union prior to commencing the operation of any such vessel.


The manning for the ALGOSEA will be two (2) Engineers. This will be based on operating requirements.

Signed at MONTREAL, this 3 day of OCTOBER, 2006

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION





Letter of Understanding1

Re: Employees laid off due to vessel retirement

During the term of the Collective Agreement the vessels Algosar, and Algofax, will be retired. As a result of these retirements there will be a number of crew that are laid off. The Engineer Officers that are laid off as a result of these retirements will be placed on a special list that will allow them first right of refusal for all vacancies that they are qualified for within the rest of the Algoma fleet (including the dry bulk fleet and other tanker vessels). Selection of these Engineer Officers will be based on qualification, skill and ability. If qualification, skill and ability are equal then seniority will be the governing factor.

If an employee is appointed to a new vessel as a result of the above noted clause, they will not be eligible for severance as per Article 33 of the Collective Agreement. It is understood that if such a placement takes place the employee will keep their seniority date for vacation purposes. The employees date appointment will become their seniority date for the purposes of layoff and recall.

Signed at MONTREAL, this 3 day of OCTOBER 2006

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION

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Wegman



Letter of Understanding 2


Re: New Vessel Opportunities

If during the term of the Collective Agreement the Company decides to add new vessels to the fleet in the petroleum or non-petroleum trade, the Company and the Union agree to meet to discuss the terms and conditions of employment for the new vessels. The conditions of employment to be discussed and agreed to could include, but are not limited to, wages, hours of work, leave system, travel and benefits. All discussions will focus on ensuring the parties establish operating conditions that are competitive in the market place.

Signed at Montreal, this 3 day of OCTOBER, 20 06

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION







Letter of Understanding 3

Re: Staffing New Vessels

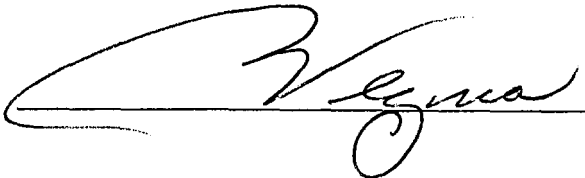
It is recognized and agreed between the parties for the purpose of staffing new vessels in the Tanker fleet that the Company shall have the ability to select the employees for any new vessel based on skill and ability. Should skill and ability be equal then seniority will be the deciding factor.

Signed at MONTREAL, this 3 day of OCTO, 2006

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION





Letter of Understanding 4

Re: Article 20.01 (a) Transportation

The purpose of this letter is to clarify the application of Article 20.01 (a) of the Collective Agreement. Article 20.01 (a) refers to "new employees hired after January 1, 2004" for the purposes of this agreement "new employees" will refer to employees who have a company hire date after January 1, 2004. Therefore employees promoted or transferred from other unions and or bargaining units with a company service date of prior to January 1, 2004 will follow the provisions of Article 20.01 of the collective agreement.

Signed at MONTREAL, this 3 day of OCTOBER 2006

ALGOMA TANKERS LTD.

CANADIAN MARINE OFFICERS UNION

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[Signature]

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[Signature]