

**COLLECTIVE BARGAINING AGREEMENT
BETWEEN**

**ALGOMA TANKERS LIMITED
(hereinafter called the "COMPANY")**



AND

**CANADIAN MERCHANT SERVICE GUILD
(hereinafter referred to as the "GUILD"
representing the Engineer Officers)**



Effective: August 1, 2013 to July 31, 2016

13676 (03)

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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.

(c) In recognition of the desirability of improving communications between the Company and the Guild to facilitate solutions of mutual problems, which may arise during the term of the Agreement, the parties agree as follows:

i) Periodic meetings will be held at a mutually convenient date and time, and more frequently on urgent matters as may be requested from time to time by either party at a mutually convenient date and time.

ii) Each of the parties shall submit to the other agenda items to be discussed at least seven (7) days prior to the meeting date.

iii) The purpose of such meetings will be to discuss general matters of concern arising out of administration of the Collective Agreement as well as other matters of mutual concern affecting the interests of the Company and Employees. It is understood, however, that such meetings are not intended to replace or interfere with the established Collective Bargaining procedures, the Grievance Procedure, or other established procedures for administration of the Collective Agreement.

iv) Details as to the scope of such discussion and other procedural matters will be subject to mutual agreement of the parties.

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 Engineer Officers employed with Algoma Tankers Limited.

1.04 The Company owns, operates, manages and/or bareboat charters 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 Guild pursuant to this Agreement shall be delivered or transmitted by fax to the Office of the Guild, at 15 Albert Street West, Suite 201, Thorold, Ontario, L2V 2G2 or at any other address which the Guild may designate and

which the Guild shall notify the Company in writing; fax number (905) 685-1648.

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 905-687-7841.

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 Guild or activity authorized herein on behalf of the Guild or for exercising his/her rights under the Canada Labour Code or as provided by this Agreement.

3.02 The Guild 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 Guild 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 Guild. Such members shall, as a condition of employment, maintain their membership in the Guild for the duration of this Agreement.

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

4.03 The Guild shall indemnify the Company, its vessels, Officers, servants and agents and hold it or any

of them harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of any action taken by it, them or any of them for the purpose of complying with the provisions of this section or that arise out of or by any reason of reliance by it, them or any of them on any list or notice furnished to the Company by the Guild pursuant to the provisions of this section, 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 Guild, hired or promoted to the position of an Officer, shall within fifteen (15) days of notice of employment or employment make application for membership in the Guild. Such application may be made by fax or otherwise directed to the Office or sub-offices of the Guild.

4.05 (a) The actual selection and hiring of Officers shall be at the discretion of the Company.

(b) Preference for hiring of Officers on the Algoma Dartmouth will be given to personnel who live within a 100 km radius of Halifax (defined as the "Halifax Region").

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 day's pay.

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

4.08 When an Officer joins a vessel, the Company shall, as a condition of employment, deduct the monthly dues, assessments and/or initiation fees as required or requested by the C.M.S.G. The amount(s) so deducted will only be changed during this Agreement to conform with changes in the amount of the regular dues or fees of the Guild in accordance with its Constitution and By-Laws.

4.09 Should the Company require an Officer to present themselves for an employment interview or any other meeting at the Company's office, or any other location not in the vicinity of the Officer's residence; the Officer will be reimbursed for reasonable traveling expenses according to the Company's travel expense

policy. The Company shall provide reasonable notice of at least 48 hours of such meeting and shall inform the Officer of the nature of the meeting, and who will be present at the meeting on behalf of the Company.

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 Guild. The deductions will be made from the Officers first pay cheque of each month and remitted to C.M.S.G., 15 Albert Street West, Suite 201, Thorold, Ontario, L2V 2G2, by the end of each calendar month in which the deduction was made.

Article 5 GUILD REPRESENTATION

5.01 The Guild 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 Guild through these designated representatives.

Article 6 BOARDING OF VESSELS

6.01 The Company agrees to issue passes to authorized Representatives of the Guild for the purpose of consulting with the Officers aboard vessels of the Company covered by this Agreement in respect to Guild business.

6.02 Authorized Representatives of the Guild may board, and remain on board, the vessels only while they are in port or transit through the Seaway.

Arrangements to board a vessel must be made through the Company's office, on reasonable notice. Any Guild Representative boarding a vessel must immediately report to the Master or the Master's designate. While onboard, Guild Representatives may confer with Officers, but otherwise may engage in discussion only with the Master or Chief Engineer in respect of any dispute or grievance. Guild 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 the Guild Representative to board the Company's vessels while in port for the purpose set out in this Section. In the event the Guild withdraws the privilege of boarding Company vessels from the designated Guild Representative, the Guild undertakes to notify the Company to revoke such pass.

6.04 The Guild 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 Guild 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 "Guild" means the Canadian Merchant Service Guild.

8.11 In this Agreement "Calendar Day" means one-half of the earnings per day.

8.12 In this Agreement "ATO Day" means the accumulation of time off, a day of leave (vacation day) for each day worked.

Article 9 PROBATIONARY PERIOD

9.01 An Officer who is hired to fill a permanent position on the seniority list shall be considered to be a probationary Officer until that Officer has been working in that position for a period of ninety (90) days working on a vessel. During the period of probation, the Officers 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 their 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 worked within the previous twelve (12) months for the Company under this Agreement by an Officer on a relief basis, will be counted towards the ninety (90) day probationary period.

Article 10 SENIORITY

10.01 a) For the purpose of this Agreement, seniority is the total length of continuous service with the Company as an Officer.

b) An Officer becomes eligible for seniority and placement on the seniority list only when there is a permanent vacancy on the seniority list. The date the position on the seniority list becomes available will be the seniority date assigned to the Officer. The

Company will make every effort to fill a permanent seniority position as soon as possible but no later than 90 days after the date the position becomes available.

c) Classification (grade) seniority will begin on the date of permanent promotion into the higher classification.

d) All Officers promoted from a classification to a higher job classification within the Agreement shall serve a trial period of ninety (90) working days. At any time during the trial period, the promoted Officer may be returned to their previously held job classification, at the discretion of the Company or the Officer.

e) The Company will notify the Guild by email when a permanent seniority position becomes available.

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 (1) copy of these listings will be sent to the Guild.

10.04 In the event an Officer is promoted to a position outside this bargaining unit, the Officer will continue to accrue seniority provided the Officer has maintained their membership in the Guild.

10.05 An Officer shall lose their seniority standing and shall have their 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 the Officer and to the Guild by prepaid registered post advising the Officer 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 this. 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.

11.05 An Officer who is expected to be laid off for an extended period may be considered for relief work within any of the Company's other fleets provided they possess the required certificate and ability and provided they are not in conflict with the explicit seniority clauses of that particular Collective Agreement. The Company

retains the exclusive right to determine what relief work is available and which Officers will be offered such work.

Officers must inform the Company in writing during any period of lay off that they wish to be considered for relief work outside the Algoma Tankers Fleet.

Should an Officer be offered a relief opportunity by the Company the Officer shall be allowed to accept the relief work. If the accepting Officer has an outstanding ATO balance they must provide, in writing, whether they wish to freeze their ATO balance during the relief work period or whether they wish to cash out their ATO balance before starting the relief period.

Officers who accept a relief position are bound by the terms as outlined in the applicable Collective Agreement for relief Officers.

Article 12 TOURS OF DUTY AND HOURS OF WORK

12.01 a) The Guild 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. A Tour of Duty may be extended beyond thirty-five (35) days with the consent of the Company, the Officer and the Guild.

b) Officers, at their option, may extend their "Tour of Duty" to a maximum forty-five (45) days, providing there is agreement between the Officer and the relieving Officer.

c) The "tour of duty" where two Officers reside within the Halifax Region and are employed in steady rotation aboard the Algoma Dartmouth, can be reduced to a minimum of fourteen (14) days on the ship followed by fourteen (14) days off the ship.

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 their 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 permanent 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 who was to be replaced must remain on duty until a substitute is secured. The extra hours worked by the Officer remaining on watch will be owed to the Officer by the Officer who was missing from their 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 their 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 the Officer 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, the Officer 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, the Officer will be reinstated and reimbursed their transportation costs to the vessel, provided the Officer notifies the Master as soon as possible of their 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 the Officer cannot be held responsible, the Officer will be reinstated provided the Officer promptly notifies the Master or the Company's office of their 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 semi-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 based on the calculation outlined in Article 13.04:

- (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	First Monday in August
January 2nd	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Remembrance Day
Victoria Day	Christmas Day
First Monday in June	Boxing Day
Canada 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, 2012, the base hourly rate in effect:

Position	Regular Hourly Wage Rate	Overtime Hourly Wage Rate	Daily Stat Premium	Earnings per Day Worked	Calendar Day Rate Paid
2 nd Engineer	\$33.66	\$50.49	\$31.17	\$502.41	\$251.21
3 rd Engineer	\$30.48	\$45.72	\$28.23	\$454.95	\$227.48
4 th Engineer	\$28.71	\$43.07	\$26.59	\$428.55	\$214.28

Effective August 1, 2013, 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	\$34.50	\$51.75	\$31.95	\$514.95	\$257.48
3 rd Engineer	\$31.24	\$46.86	\$28.93	\$466.29	\$233.15
4 th Engineer	\$29.43	\$44.15	\$27.26	\$439.30	\$219.65

Effective August 1, 2014, the base hourly rates in effect will increase by three per cent (3.0%).

Position	Regular Hourly Wage Rate	Overtime Hourly Wage Rate	Daily Stat Premium	Earnings per Day Worked	Calendar Day Rate Paid
2 nd Engineer	\$35.54	\$53.31	\$32.91	\$530.47	\$265.24
3 rd Engineer	\$32.18	\$48.27	\$29.80	\$480.32	\$240.16
4 th Engineer	\$30.31	\$45.47	\$28.07	\$452.43	\$226.22

Effective August 1, 2015, the base hourly rates in effect will increase by three per cent (3.0%).

Position	Regular Hourly Wage Rate	Overtime Hourly Wage Rate	Daily Stat Premium	Earnings per Day Worked	Calendar Day Rate Paid
2 nd Engineer	\$36.61	\$54.92	\$33.90	\$546.46	\$273.23
3 rd Engineer	\$33.15	\$49.73	\$30.70	\$494.82	\$247.41
4 th Engineer	\$31.22	\$46.83	\$28.91	\$465.99	\$233.00

*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, 2012 increase will be based on the 2011 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 Stat Premium

= (6 ½ Stat Days Worked, paid at 12 hrs at 1 ½) (=117)

+ (6 ½ Stat Days on Leave, paid at 8 hrs basic) (=52)

x Overtime Hourly Wage Rate

÷ Total Annual Days Worked (365 ÷ 2 = 182.5)

13.05 Relief Officers do not participate in the ATO banking process.

Article 14 EXTRA OVERTIME

14.01 a) 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.

b) When Officers' are called out to work on extra overtime and then "knocked off" for less than two (2) hours, excepting where an Officer is recalled for their regular duties, overtime shall be paid straight through.

14.02 Extra Overtime will be recognized only when it has been approved by the Master or Chief Engineer in writing prior to the overtime being worked. Extra overtime is not banked, but is paid in accordance with the pay schedule outlined in Article 16.03.

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 or Chief Engineer 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.

14.06 Overtime reconciliation for the Algoma Dartmouth is based upon a flex hour schedule within the tour. On the 20th of each month, a reconciliation of overtime hours worked vs. hours scheduled off on flex-time will be conducted for all overtime hours worked from the 21st of the previous month to the 20th of the current month. Any overtime hours worked that have not been scheduled off on flex-time will be paid out as 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. Should an Officer not receive one-half (1/2) an unbroken hour in which to eat a meal, the Officer shall be paid in addition to the Officer's wages earned one (1) hour at the Officer's applicable regular hourly wage rate.

15.03 The Company agrees to maintain bi-monthly provisions (groceries) for the Officers aboard the Algoma Dartmouth. However, perishable items such as dairy products, fruits and vegetable shall be maintained weekly. The Master shall ensure the groceries are provided aboard the vessel. The crew is expected to ensure that the galley is cleaned and that sanitary conditions are maintained in the galley.

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 the Officer 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 their regular position rather than the lower rate of the position to which the Officer has been temporarily assigned.

16.03 Wages will be paid by way of direct deposit into the Officer's bank account on the 15th day of the month for wages earned between the 21st day of the preceding month and the 5th day of the current month. Wages earned between the 6th day and 20th day of the current month shall be paid by way of direct deposit on the last day of the month. The pay stub will be sent to the Officer's home. Each Officer must provide the Company with an authorization for direct deposit and all relevant banking information and any changes thereto.

16.04 The Company will endeavour to investigate methods and the feasibility of such methods of electronic distribution of pay stubs.

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 semi-monthly equal to four percent (4%) of the Officer's 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 semi-monthly equal to five percent (5%) of the Officer's 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 semi-monthly equal to seven percent (7%) of the Officer's 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 semi-monthly equal to nine percent (9%) of the Officer's 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). Vacation pay is paid on each paycheque.

Article 18 FAMILY SECURITY PLAN

18.01 Effective date of ratification, the Company agrees to pay the required premiums in order to maintain the benefit entitlements in effect as at July 1, 2010 for all permanent full time Officers.

Should a permanent full time Officer be laid off benefits will continue to the end of the month following

the month of the date of lay-off. Should an Officer continue to be laid off the Officer may elect to use the accumulated balance in their ATO bank to cover the required contributions provided they have sufficient funds available in their ATO bank.

18.02 For relief Officers the Company agrees to make the following contributions on the Officer's behalf such that the relief Officer will have full benefits for each day an Officer works pro-rated to a maximum of 12 hours per day.

For relief Officers, the Company agrees to send the aggregate of the contributions to the Family Security Plan administrator designated by the Guild, on or before the 15th of the following month. The contributions shall be accompanied by a list in duplicate showing each relief Officer's name and the number of days and hours for which the contributions are being made.

18.03 The Company agrees to continue Family Security Plan contributions when an Officer is off work as a result of compensable disability or illness. The Company will continue to remit contributions for up to a period of one (1) month from the first date of absence while that employee applies for disability coverage.

After this, contributions will only be paid 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 when proof of compensability is provided.

18.04 The remittance for permanent full-time Officers will be adjusted annually in accordance with any premium changes that are required to maintain benefit coverage levels. Should any other premium adjustments be necessary outside of the normal renewal period, the Company must approve all changes prior to the adjustment taking effect. The Company has the right to attend benefit renewal meetings where coverage and the required premiums are to be discussed with the benefit provider.

18.05 Changes to the plan will only be made with the approval of both the Company and the Guild.

18.06 The Company and the Guild agree to determine the process for premium payments for permanent full-time employees and the parties have the right to utilize difference benefit providers providing that the same benefit coverage is provided to the Officers.

Article 19 PENSION PLAN

19.01 All permanent Officers hired on or prior to the date of ratification will belong to the Company Pension Plan, which will be a "Money Purchase" type of plan. The Company's contribution to the pension plan will be nine per cent (9.0%) of the Officer's basic regular hourly wage rate for twelve hours per payroll day.

19.02 Officers enrolled in the Company pension plan have the option to contribute an amount equal to that remitted by the Company.

19.03 Officers enrolled in the Company pension plan shall not be required to transfer to the CMSG Retirement Security plan, but may elect to do so within thirty (30) days of ratification. Officers who elect to opt out of the Company pension plan shall thereafter not be eligible to opt back into the Company pension plan.

19.04 All Officers hired after the date of ratification shall, as a condition of employment,

become and maintain membership in the CMSG Retirement Security Plan.

19.05 The Company's contribution for all Officers hired after the date of ratification will be nine percent (9.0%) of the Officer's basic regular hourly wage rate for twelve hours per payroll day.

19.06 All Officers hired after the date of ratification shall contribute an amount equal to that remitted by the Company. As such, Officers shall have deducted from their pay by the Company, the amount of nine percent (9.0%) of the Officer's basic regular hourly wage rate for twelve hours per payroll day, over and above any contribution to the Federal or a Provincial plan.

19.07 The combined contributions as outlined in Articles 19.05 and 19.06 shall be remitted to the CMSG Retirement Security Plan.

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 their 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 August 1, 2011 increase the mileage allowance to forty-six cents (\$0.46) per kilometer.

a) Upon joining the vessel, relief employees and new permanent employees with less than one (1) year of seniority hired after January 1, 2004 shall be responsible for their own transportation to the nearest designated airport (Toronto, Hamilton, Montreal, Quebec City, Stephenville, Moncton, Saint John, Fredericton, Chatham, Bathurst, Charlottetown, Halifax, Sarnia, Sydney, St. John's, Gander, Deer Lake, Vancouver, Edmonton, Calgary, Mont-Joli, Sept Iles, Regina, Winnipeg and Thunder Bay). 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.

Permanent employees hired after January 1, 2004 will be reimbursed transportation expenses according to the following schedule:

YEARS OF COMPANY SENIORITY	TRAVEL REIMBURSEMENT FROM AIRPORT TO HOME *
Less than One (1) Year	Not available
One (1) Year but Less than Two (2) Years	Up to 100 km
Two (2) Years but Less than Five (5) Years	Up to 200 km
Five (5) years or More	Full transportation reimbursed

*Home to be established as place of residence at time of hire.

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 a) An Officer shall be given forty-eight (48) hours notice prior to joining his/her vessel for a normal

crew change. The Officer shall receive one (1) calendar day's pay plus one-half (1/2) of a leave day providing the Officer works one (1) four (4) hour shift on the traveling day joining the vessel. The Officer leaving shall receive one (1) calendar day's pay plus one-half (1/2) of a leave day if the Officers work that day.

b) An Officer who has been called to work and is waiting at the vessels next port of call shall not lose nor accrue ATO days if the vessel is delayed the Officer shall receive one (1) calendar day's pay for each day so delayed.

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 their regular Earnings per Day Worked rate of pay, and benefits, and reasonable expenses during the time period necessary to enable him to make their transfer.

20.05 In the event an Officer is injured or becomes ill and a medical doctor determines that they 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 them upon production of acceptable receipts and vouchers.

20.07 The maximum allowable rate for meals shall be eighteen dollars (\$18.00) per meal exclusive of taxes and one-hundred and ten dollars (\$110.00) per night, exclusive of taxes supported by receipts.

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 when 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.

21.03 Officers with less than five (5) year's Company seniority who receive training provided by the Company shall be required to repay 100% of the total cost of providing the training if the Officer leaves the employ of the Company within twelve (12) months of the training date.

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. 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); five (5) 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 Guild,

a) if the Officer requests a leave of absence in writing, and

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

22.07 In the event an Officer has been elected or appointed to attend a Guild convention or to carry out other business of the Guild, if the Officer gives fifteen (15) clear days notice to the Company and if satisfactory replacement is found, the Company shall, for this purpose, grant leave of absence without pay to the Officer. When the Guild reports to the Company that the Officer is ready to return to work after completing the Guild 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.

22.09 An Officer with three (3) or more years of seniority may be granted a Leave of Absence without pay for a period of up to thirty (30) days upon submitting

a request in writing to the Company at least fifteen (15) days prior to the date such leave is to commence.

22.10 Under no circumstances will an Officer be granted a leave of absence to obtain alternate employment with a competitor in the marine industry. It is understood there may be circumstances where an employee may require a leave of absence, but while on leave may find it necessary to earn income. However, in these circumstances leaves will not be granted or will be revoked in an Officer accepts employment with a competitor in the marine industry.

Article 23 HEALTH AND SAFETY

23.01 A Shipboard Safety Committee, having at least one (1) 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.

23.03 No animals or pets will be permitted on board a ship.

23.04 This will confirm that the Company will continue to apply its clothing policy (personal protective equipment) 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 (1) 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.

23.05 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.

Effective August 1, 2014, the boot allowance will be one hundred and fifty dollars (\$150.00).

Article 24 DRUG AND ALCOHOL POLICY

24.01 The parties recognize that the Employer has a drug and alcohol policy that applies to all Officers and it shall be in compliance with the legislation.

24.02 No Officer shall be subjected to the terms of the drug and alcohol policy when on rest days or off due to reasons in compliance with this Agreement without seventy-two (72) hours' notice.

24.03 Officers will not be required to be tested during onboard off-duty hours.

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 Guild 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, fire or flood 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 their estate making a claim under this section shall submit reasonable proof to the Company of the actual loss the Officer 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 Officer who believes they have a grievance must discuss that grievance with the Master or Chief Engineer, and if no satisfactory solution is achieved, they must submit that grievance in writing to the Master or Chief Engineer of the vessel within thirty (30) days of its alleged occurrence. The Master or Chief Engineer must reply to the written grievance within thirty (30) days of its receipt. If the Master or Chief Engineer 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 thirty (30) days of its receipt.

b) STEP TWO

If no settlement is reached in Step One, the Guild representative acting on the Officer's behalf must within thirty (30) days from the date the Master or Chief Engineer 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 their decision in writing within twenty-one (21) days after such meeting.

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 email, fax or registered mail within twenty-one (21) 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 Guild, 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 the Company, such a grievance shall be presented directly to a Representative of the Company. If no settlement can be reached between this Representative and a Representative of the Guild, the matter may then be submitted to arbitration as per Step Three. The results of such arbitration shall be

binding on the Company, the Guild and all persons concerned with the particular grievance involved.

28.04 The time limits indicated in this Article are mandatory. However, the time limits may be extended by mutual consent in writing which will not be unreasonably withheld.

Article 29 ARBITRATION PROCEDURE

29.01 In the event any difference arises between the Company and The Guild as to the interpretation, alleged violation or application of or compliance with this Agreement or as to any grievance or dispute arising out of the operation of 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 Guild and the Company. This selection shall be made within ten (10) days after the request for arbitration has been made by either party to this Agreement. In the event 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, a 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 the arbitrator's appointment. The arbitrator shall convene the parties following the arbitrator's appointment unless a delay is agreed to by the parties, and the arbitrator shall render a 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 is made under the authority of the Arbitration Article shall be final and binding upon the Company, the Guild 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 Guild and the Company declare it to be their common intention that all controversies shall be resolved amicably in accordance with the provisions of this Agreement, and to this end:

- a) the Guild agrees that there shall be no strikes, slowdowns or stoppages of work for any cause; and
- b) the Company agrees that there shall be no 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 an 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 Guild 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 Merchant Service Guild, 36 Wright Street, Unit 1, St. Catharines, Ontario, L2P 3J4, on or before the 15th of the following month.

The contributions shall be accompanied by a list in duplicate showing each Officer's name, the number of

days for which contributions are being made and the number of positions on each vessel, whether such positions are filled or vacant.

In this Article "Officer" means Officers who are members in good standing of the Canadian Merchant Service Guild.

Article 32 HIRING SERVICES

32.01 Effective August 1, 2014 the Company agrees to pay the CMSG the sum of two dollars and thirty-six cents (\$2.36) per position per day aboard the vessel to be remitted to the CMSG, 15 Albert Street West, Suite 201, Thorold, Ontario, L2V 2G2, not later than the 15th of the following month.

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

34.01 Any permanent Officer with the Company or any relief Officer, at the Company's discretion, who succeeds in obtaining an upgrading of certification will receive a subsistence payment according to the following schedule:

4th Class Engineer to 3rd Class Engineer (part A & B): \$3,500

3rd Class Engineer to 2nd Class Engineer (part A & B): \$5,000

2nd Class Engineer to 1st Class Engineer (part A & B): \$6,500

The Officer will receive the subsistence payment following submission of proof to the Company of the obtainment of the upgraded certificate.

34.02 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, or resigns 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 2013, and shall remain in full force and effect until the 31st day of July 2016, 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.

Appendice "A" and Letters of Understanding 1, 2, 3, 4, 5, 6 and 7 are attached to and form part of this Agreement.

IN WITNESS WHEREOF the parties hereto have signed this Agreement the 30th day of January 2015.

Originals signed by:

KAREN WATT

ALGOMA TANKERS LIMITED

MARIO ELRICK

CANADIAN MERCHANT SERVICE GUILD

APPENDIX "A"

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 Guild 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.

The manning of the ALGOMA DARTMOUTH will be one (1) Engineer.

LETTER OF UNDERSTANDING 1

Re: Officers Laid Off Due to Vessel Retirement

During the term of the Collective Agreement Engineer Officers that are laid off as a result of vessel 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 Officer 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 Officer will keep their seniority date for vacation purposes. The Officer's date of appointment will become their seniority date for the purposes of layoff and recall.

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 Guild 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.

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.

LETTER OF UNDERSTANDING 4

Re: ATO

1. On July 31st of each year, Officers will have the option to have their ATO Earning Balance that is in excess of the equivalent of 30 day's pay in their ATO Earning Balance as of July 5th paid out to them. There will be no adjustment to the ATO Earnings Balance as a result of any rate increase in the Officer's pay.

2. The ATO Earning Balance will be the only balance maintained for pay purposes – the ATO Hours Balance will be for the Officer's reference purposes only. For further clarification, this means should there

be a discrepancy between the ATO Earnings Balance and the ATO Hours Balance; the ATO Earnings Balance will be the Balance that is relied upon. Further, when an Officer is on leave, their ATO Earnings Balance will be reduced by 6 hours per day at their permanent hourly rate until they return to work or their ATO Earning Balance falls to \$0.00.

3. The Officer's ATO Earning Balance and ATO Hours Balance will be reported on each pay stub.

4. In the event of the Officer's termination for any reason, the Officer's ATO Earnings Balance will be paid out in full on the next date corresponding to the pay cycle within which the Officer's termination date falls.

5. It is recognized that it is at the Company's sole discretion as to whether to permit an Officer to carry a negative balance in their ATO Earnings Balance. It is also recognized by all Officers that when they are carrying a negative balance it is incumbent upon them to utilize available opportunities to rectify their negative balance situation.

6. Officers laid off shall have the option of cashing out their ATO Earnings Balance and shall receive a

record of unemployment in compliance with Service Canada and shall not be entitled to carry a negative balance.

LETTER OF UNDERSTANDING 5

Re: Engineers Aboard the Algoma Dartmouth

Qualifications for the Engineering Officer's position aboard the Algoma Dartmouth will be at a minimum Third Class Motor with required Specialized Oil Tanker Training Certificate.

In recognition of the additional requirements and unique operational circumstances on board the Algoma Dartmouth, an additional premium of thirty dollars (\$30.00) per day will be paid to the Officer.

The current Officers hired for the position will not be required to upgrade their certificate; however, they will be encouraged to obtain their Third Class Motor certificate.

LETTER OF UNDERSTANDING 6

Re: Engineers Maintenance Premium

Permanent Engineer Officers shall receive a maintenance premium during periods of dry-docking, lay-up, and fit-out when the vessel is not underway. Upon completion of the maintenance period, Engineer Officers will receive the following payments:

2nd Engineer: \$100.00 per completed week

3rd Engineer: \$75.00 per completed week

4th Engineer: \$50.00 per completed week

LETTER OF UNDERSTANDING 7

Re: Excess Baggage

During this round of negotiations the negotiation committee had much discussion around the issue of excess baggage costs arising due to the fact that Officers are often asked to take their full belongings home with them at the end of each stretch of work.

The following protocol with respect to excess baggage has been agreed to between the parties:

1. As most airlines charge excess baggage fees for baggage that is either in excess of fifty (50) pounds or is oversized, Officers are expected as much as possible to keep their baggage brought on board to a maximum of fifty (50) pounds and use luggage that does not incur oversized baggage charges.
2. Should an Officer find it necessary to bring in excess of fifty (50) pounds of baggage to the vessel, they are encouraged to bring the baggage in more than one bag, as the fees for an extra bag are lower than a bag that is in excess of fifty (50) pounds/oversized. (Currently \$20 vs \$75).
3. If an Officer is notified while onboard that they are going to be moving to another vessel during the term of their work period or the following work period, they are expected to continue to make every effort to move their baggage to the new vessel in the most cost effective method possible (for example -

arranging to move from one vessel to another vessel while in port, etc.).

4. The Company agrees to pay the Officer up to \$20 for each extra baggage charge that is incurred (to a maximum of 12) and that is supported by receipts as a result of the situation of being required to take all their belongings with them at the end of each stretch of work.

5. All Officers that are not asked on a regular basis to take their full belongings home with them at the end of each stretch of work will be permitted an annual maximum of two extra baggage fees (\$40).

6. As many loyalty programs permit additional baggage at certain threshold levels, in order for any Officer be to eligible for these reimbursements, the Officer must be enrolled in the Air Canada Aeroplan program and the Officer's Aeroplan Number must be provided to Algoma's travel agent so that travel reward points may be accumulated. All travel points and rewards will continue to accrue to the individual Officer.