COLLECTIVE AGREEMENT



AND

ANGLO EASTERN SHIP MANAGEMENT LTD. (Acting for and on behalf of the owners) (the Company)

FEDNAV LIMITED

FOR ALL LICENSED ENGINEERS

Montreal May 2007 To April 2012

WITHNESSETH THAT:

WHEREAS the Company operates a vessel under foreign going or home trade Articles or Agreements, as defined by the Canada Shipping Act; and,

WHEREAS the parties are desirous of promoting collective bargaining and stability of industrial relations in the manner and upon the terms set out:

ARTICLE 1

PURPOSE OF AGREEMENT

The general purpose of this agreement is to ensure for the Company, the Union and the Marine Engineer Officers covered hereby the full benefits of orderly and legal collective bargaining, and to ensure to the utmost extent possible safety and physical welfare of such Marine Engineer Officers standards of service and protection of the Company's property. It is recognized to be the duty of the Company and the Union and such Engineer Officers to cooperate fully, individually and collectively for advancing of such purposes.

ARTICLE 2

RECOGNITION

a) The Union is recognized to be the exclusive bargaining agent for a unit of the employees of the Company comprising Marine Engineer Officers. In this agreement "Marine Engineer Officers" shall mean all Marine Engineer Officers employed by the Company and serving on the Canadian Registered vessels but shall not include the Chief Engineer Officer.

ARTICLE 3

CLAUSE PARAMOUNT

- a) The parties to this agreement will not establish rules or enforce regulations which will in any way be contrary to or interfere with the effective implementation of all clauses in this agreement.
- Nothing in this agreement shall be so construed as to affect the obligations of the signatories under the provision of the Canada Shipping Act or other Canadian or international statute or regulation or to impair, in any manner whatsoever, the authority of the Captain.
- Interpretation Except where the context requires, all words and expressions used herein shall have the meaning as described to them by the Canada Labour Code.
- d) It is agreed between the parties, that should a difference of opinion arise on the interpretation of the collective agreement that the English Text shall prevail.

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STRIKES AND LOCK-OUTS

The Canadian Marine Officers Union and the Company declare it to be their common intention that all disputes and grievances shall be resolved amicably in accordance with the provisions of this agreement and to this end:

- a) The Canadian Marine Officers Union agrees that there shall be no strikes, slow-downs or stoppages of work for any cause and;
- The Company agrees that there shall be no lock-outs for any cause during the term of this agreement
- c) It is agreed for the purposes of this agreement that the refusal of a member to pass through a lawful picket line established by Unions directly involved with the Company, shall not be construed as a violation of this agreement and shall not be a reason for dismissal.
- The Union agrees to respect only legal picket lines established by any Union directly involved with the Company.

ARTICLE 5

CONDITIONS OF EMPLOYMENT

- a) The Company will endeavour to employ as Engineers only members of the Union in good standing.
- b) The Company recognizes the Union **as** the source of supply for all Engineers covered by this Agreement and will request such personnel from the offices of the Union **as** required. Such request shall **be** confirmed in writing, such confirmation shall specify whether the job is permanent or relief, also the officer required. In the event the Union fails, or is unable to fill a vacancy with qualified personnel, or where such employee is not available within forty-eight (48) hours from the time of the initial request from the Company, the Company or its representative shall be free to use any other source of supply for such qualified personnel.
- c) In view of the nature of the operation and due to an employee being dispatched to a Foreign Port, the actual selection and hiring of the employee will be through an interview by the Company prior to being dispatched to the vessel. All Engineers having to travel for such interview, the traveling expenses shall be paid to the candidate upon the production of receipts.
 - Engineers who are not accepted must be supplied with the reason in writing at the time of rejection with a copy to the Union and same will be subject to the grievance procedure.
- d)
 1. As a condition of employment an employee covered by this agreement who is not a member of the Union at the time of hiring, shall within thirty (30) days of employment, make application for membership in the Union and be accepted by the Union as a member and shall maintain his membership in the Union for the duration of this agreement. If the Union refuses to accept such an employee as a member, he shall not be removed from the ship until the Union gives satisfactory reasons for its refusal to accept such an employee as a member.

2. Probation period means all employees employed for the first time in a permanent position with the Company. Such employees shall complete a NINETY (90) day probation period. The employee on probation period shall be covered by the existing labour agreement with the exception of the grievance and arbitration articles in case of a lay-off.

After completing the probation period, the employee becomes a permanent employee and his seniority shall commence at the date he was hired.

e) The Company shall not be required to discharge any employee under the provisions of this article, unless and until a replacement satisfactory to the Company is made available.

f) Dispatch Hall

The Company agrees to pay to the Canadian Marine Officers Union the sum of \$3.00 perjob per payroll day, for the purpose of ensuring the provisions by the Union of adequate arrangements for the supply of Engineer Officers to the Company. This sum is to be remitted to the Canadian Marine Officers Union, 9670 Notre- Dame Street East, Montreal, Quebec, H1L 3P8 not later than the 15th of the following month. This sum will be increase as per Article 8.

- g) In addition to normal watchkeeping and daywork duties Engineers may be required to carry out or assist in Research and Development work related to the operation of the vessel. In order to do this work the Engineer may have to work for short periods at location ashore, in particular at the Company's office in Montreal.
- h) Where an Engineer is required by the Company to attend a location away from the vessel in order to carry out work as specified by the Company he will be reimbursed for transportation and subsistence expenses as detailed in Article 10 hereof.

ARTICLE 6

DEDUCTION OF FINANCIAL, OBLIGATIONS

a) The Company agrees to deduct Union dues and/or assessments in the amount as established by the Union and remit same to the Union for all employees covered by this agreement.

It is further agreed that in addition to the monthly dues the Company will also deduct any other amount of money when billed by the Union. The Union dues and/or assessments and/or initiation fees will be remitted to the Union Headquarters in Montreal, (Que.) not later that the fifteenth (15th) of the month following deductions.

When requested by the Union auditors, confirmation will be supplied of the total Union dues deducted and remitted to the Union during the fiscal year under review.

The Union further agrees that it shall indemnify the Company and hold it harmless against any and all suits, claims, demands and liabilities that shall arise out of or by reason of any action that shall be taken by the Company for the purpose of complying with the foregoing provision of this article or in compliance with any notice which shall have been furnished to the Company under the foregoing provision.

The Company shall remit to the Union a complete list of all its licensed Engineers when such list is requested by the Union.

d) Penalty Clause

Failure by the Company to remit its contributions and deductions to the Union for dues deductions, and hiring hall, to the Pension Plan and Life Insurance Plan and such by the 15th of the following month that deductions are made or contributions due, such failure shall incur a penalty of \$50.00 per day for each day of delay until such time as deductions or contributions are made. The post mark on the envelope shall be the determining factor provided there is no interruption in postal service. Such penalty shall be paid to the C.M.O.U. Hiring Hall.

ARTICLE 7

WORK WEEK AND OVERTIME

- a) In this agreement "day" means a twenty-four (24) hour day commencing at 00h00 of one day and ending 24h00 of the same day.
- b) In this agreement "day work" means work done by an Engineer between 08h00 and 17h00 in any one day on the vessel and they shall have one (1) hour off for lunch at the usual time.
- c) The normal watchkeeping hours shall be on the three (3) watch system of four (4) hours on watch and eight (8) hours off watch, making a total of eight (8) hours worked during one (1) day.
- d) The normal work including standard hours and fixed overtimes shall be 7 days of total 72 hours per week.
- e) When an Officer has to stand 6/6 for any reason, the watches shall be set as follows:

f) Security Watch

When sea watches are broken and watchkeeping Engineers are placed on day work, the following security watch system will apply.

Each Engineer prior to doing a security watch will work on day work from 08h00 a.m. to 05h00 p.m. and then will be required to stay on board from 05h00 p.m. to 08h00 a.m. of the following morning. Such security watch will be followed by 24 hours off duty.

Engineers while on security watch will not be required to perform any work.

Security watch is for the sole purpose of emergency and assisting the unlicensed watchkeeper when necessary.

SCHEDULE OF WAGES MAY 1, 2008 to APRIL 30, 2009

2 nd Engineer	Annual Wages Rate on boardheave Stevedoring Rate Over 72 Hours	88,504.21 242.48/day 30.63/hour 47.14/hour
3rd Engineer	Annual Wages Rate on boardheave Stevedoring Rate Over 72 Hours	76,277.07 208.98/day 29.61/hour 40.64/hour
4 th Engineer	Annual Wages Rate on boardheave Stevedoring Rate Over 72 Hours	73,478.36 201.31/day 28.59/hour 39.15/hour

Increase of wages is retroactive from May 1st 2007.

Effective May 1st, 2009 and on May 1st, 2012, the wage rates shall be increased by total consumer price index as define by Statistic Canada and published by Bank of Canada covering the previous twelve (12) month period ending April 30th for each year.

RATES OF PAY To be paid 50% On 50% Off

a) 1. When Engineer join or leave the ship, during that current week, O/T will be paid after 10 hours / day for that week.

2. Fixed Overtime

Effective May 1st, 2003, officers shall receive fixed overtime pay. The fixed overtime pay encompasses all overtime work, including the following:

- i) Any work on a Saturday in excess of eight (8) hours;
- ii) Any work on a Sunday in excess of eight (8) hours;
- iii) Any work on a Statutory Holiday in excess of eight (8) hours;
- iv) Entering and working in ballast tanks or any other confined space, when necessary;
- In case of emergency for the safety of the vessel, its crew and cargo or the safety of other vessels and crew, the Master may request any or all Officers to perform such emergency duties as he sees **fit** and under theses circumstances.

NOTE: In the event of a dispute as to whether an emergency situation existed or not and' where the ruling is in favour of the Officer(s) Article 8, section 2v) would not apply. In this case each Officer involved is to be compensated at double (x2) the appropriate basic hourly rate, in Article 8, section 1, above for each hour so worked in excess of ten (10 hours in any one day.

b) <u>Vacation Pay</u>

- 1. **An** Engineer Officer having completed less than one (1) year of service with the Company shall receive vacation pay at the time of pay-off equal to four percent (4%) of his gross wages earned during the current calendar year.
- 2. **An** Engineer Officer having completed between one (1) and less than five (5) full consecutive years of service with the Company shall receive vacation pay at the time of pay-off equal to five percent (5%) of his gross wages earned during the current calendar year.
- 3. An Engineer Officer having completed between five (5) and less than seven (7) full consecutive years of service with the Company shall receive vacation pay at the time of pay-off equal to seven percent (7%) of his gross wages earned during the current calendar year.
- 4. **An** Engineer Officer having completed seven (7) or more full consecutive years of service with the Company shall receive vacation pay at the time of pay-off equal to nine percent (9%) of his gross wages earned during the current calendar year.
- 5. The right of an Engineer Officer to receive vacation pay pursuant to paragraphs, 2, 3, and 4 above shall not be affected in any way where such Engineer Officer is absent from his employment for reasons satisfactory to the Master.
- 6. The Company agrees to pay all vacation pay to each officer under this agreement at the end of each calendar month.
- 7. Unlicensed personnel promoted to a permanent position **as** an Engineer shall retain Company seniority for vacation pay purposes only.

c) Advances

Engineer Officers shall be entitled to advances against their consolidated monthly salary when in port in the currency of that port at times fixed by the Master, to the extent that funds are available.

d) Balance of Pay

An Engineer Officers' balance of wages shall be paid **semi monthly** into a designated bank account from Head Office by electronic transfer or to the vessel if so requested by the Officer. The balance of wages shall include the consolidated monthly salary less advances and deductions, plus overtime pay.

e) When an Engineer Officer is paid off a vessel, he shall, receive in cash an amount up to two thousand (\$2,000.00), or less depending of his accrued credits, if requested by the Engineer Officer.

f) <u>Severance Pay</u>

An Officer who is laid off because of a lack of work for a continuous period of more than two (2) years shall be entitled to severance benefits calculated on their basic daily rate of pay. For each full year of service, an Officer shall receive five (5) days at their basic daily rate. Severance pay under this clause shall not apply in the following cases;

- 1. Where an Officer voluntarily quits or retires,
- 2. Where an Officer is discharged for cause,
- 3. Where an Officer is laid off and fails to return to work within fifteen (15) days after the Company has delivered written notice to the Officer by registered mail.

ARTICLE 9

STATUTORYHOLIDAYS

a) In the agreement, the term "Holiday" includes:

New Year's Day

First Monday in February

Good Friday

Easter Monday

Victoria Day

First Monday in June

Canada Dav

First Monday in August

Labour Day

Thanksgiving Day

Remembrance Day

Christmas Day

Boxing Day

- b) In the event that a holiday falls on a Saturday or a Sunday, the following Monday will be observed as a holiday.
- c) An Engineer Officer employed by the Company will be compensated for holidays in his consolidated pay as defined in Article 8.

ARTICLE 10

TRANSPORTATION, MEALS AND ROOM ALLOWANCE

a) The Company agrees to pay to Engineer Officers reasonable transportation costs when transported by the Company during the course of their employment, or to join a vessel. These costs are to include first class surface passage plus meals and berth or economy air fare or two-way car allowance.

Transport Allowance

For the duration of this agreement the transport allowance by car will be fixed at **forty five cents** (\$0.45) per kilometer, and shall not be taxable. **To be review annually.**

- b) Engineer Officers discharged for cause or leaving the vessel of their own accord shall bear their own transportation costs.
- Rooms and meals, when not provided aboard the vessel are to be paid by the Company upon the production by the Engineer Officers of acceptable vouchers. When reservations for rooms are made by the Company or the Captain through an Agency every effort will be made to provide good quality single room accommodation.
- Transportation expenses from an Engineer's place of work to the nearest hospital or clinic following work accident shall be paid by the Company. If the Engineer is classified unfit to work after being hospitalized or otherwise, the Company shall pay transportation expenses to his home in Canada.

ARTICLE 11

RETURN TO PORT OF SAILING

In the event the ship is sold, transferred or laid up, the Engineer Officers shall be returned to their respective homes in Canada, with subsistence, transportation and wages as provided in Article 10 paragraph a) of this agreement.

ARTICLE 12

SUBSTITUTES SIGNED ON ABROAD

The Company shall have the right to employ replacement Engineer Officers abroad when circumstances demand, but this replacement will not be allowed to re-sign new Articles after expiring of old Articles unless sanctioned by the Union.

ARTICLE 13

LEAVE

a) Leave will accumulate at one day (1) day for each day of service. Leave days will be paid at the consolidated rate as defined in Annex "A".

Leave entitlement will be granted in Southern Canadian ports including Montreal, and West European ports after 60 days of continuous service according to leave schedule set by the Engineers and accepted by the Company Management, and transportation to the Officer's home from the port of signing off shall be paid by the Company. Notwithstanding the foregoing, operational requirements may require an Officer to be relieved before 60 days have elapsed in which case the Company will pay transportation costs.

Engineer Officers who are discharged for cause or leave of their own accord prior to the sixty (60) days period referred to above, will be paid their entitlement for leave days earned, but

- they will be responsible for transportation as outlined in Article 10.
- c) It is the Company's responsibility to make all arrangements so that all Engineers Officers are relieved as close as possible to the date set on the approved leave schedule.
- d) When an Engineer is home on leave, he shall not be recalled to work prior to the expiry of at least sixty (60) days of earned leave. An Engineer Officer may be recalled prior to the expiry of his leave but the total time spent on the vessel should not be more than 90 days minus the remaining leave days due on his last leave unless otherwise agreed between the Engineer Officer and the Company for other arrangements.
- e) During ship trading from January until May between Canadian Arctic and The St. Lawrence River ports the Company will endeavour to provide the Engineer Officers with the leave entitlement after sixty (60) days of continuous service or after one complete voyage. On a case-by-case basis, subject to the Company approval the above clause may be extended to the rest of the shipping season.

SENIORITY AND PROMOTIONS

- a) A seniority list will be compiled by the Company and will be revised at the end of each year. Such list will show names, positions and date of last entry into service in positions covered by this agreement from which date seniority will accumulate, and a copy of the list will be mailed to each Engineer together with his appointment.
- b) The name of the newly employed Engineer Officer shall be placed on the seniority list immediately.
- A copy of the seniority list shall be forwarded to the Union and to each Engineer Officer every year, at the end of the year.
- It is agreed that in any promotion, the first consideration shall be given to the Engineer with the greatest seniority with the Company, if he holds the certificate required by the open position.
- e) It is agreed that all promotions will be given a ninety (90) running day trial period. This ninety (90) days trial period is to allow the Company enough time to evaluate the promoted Engineer's ability in his new position. If the Engineer Officer remains in the promoted position over a ninety (90) running day trial period, he shall be confirmed in that position and his name will be registered as such on a seniority roster as of the first day he took that promotion. However, should the Engineer promoted not be confirmed in his promotion, he shall revert to his old position. All Engineers called to replace a newly promoted Engineer shall be called on the basis of a relief job until confirmation of the promotion. In the case of temporary promotions due to sickness or injury to another Engineer, the above conditions will not apply.
- An Engineer's seniority with the Company will not be broken for the following reasons:
 - 1. Article 13 leave
 - 2. Sickness

- Accident at work
- 4. While laid-off by the Company if the Engineer has been given a Notice of Intent; or
- 5. For any leave of absence authorized by the Company.

CHARACTER OF WORK

- a) The work of all Marine Engineer Officers shall be under the direction of the Chief Engineer Officer.
- Except in emergency, Marine Engineer Officers will be required to do only the work and perform only the duties normally expected of their rank.
- Marine Engineer Officers will not be requested or ordered to carry out painting, chipping, scraping, soogeeing or any other form of cleaning.
- When an Engineer Officer on regular watch is requested to perform work outside the engine room, he shall, while performing the work outside, be relieved by an Engineer Officer off duty.
- e) The Chief Engineer and the electrician will not usually perform any of the work normally performed by the Engineers. However, the Chief Engineer may supervise such work.

ARTICLE 16

CLOTHING ALLOWANCE

- a) Two (2) pairs of coveralls will be supplied by the Company to each Marine Engineer Officer. One (1) pair of coveralls shall be replaced when necessary or every four (4) months. When supplied, only Company coveralls will be worn.
- b) Welding gloves, welding goggles, welding aprons and masks will be made available for the use of Engineers, when necessary.
- c) When Marine Engineer Officers are required by the Company to wear uniform, the cost of such uniforms shall be borne by the Company.
- d) The Company agrees to make available an oil-skin suit and boots to Marine Engineer Officers required to work in tanks or boilers.
- e) Effective June 1st, 2007, all permanent Engineer Officers will be given a two hundred fifty (\$250.00) dollar allowance towards the purchase of safety boots. This allowance shall be paid to each permanent Engineer Officer at the end of November of each year on a separate cheque. Only CSA approved boots are acceptable.

GRIEVANCE PROCEDURE

- a) Where a Marine Engineer Officer has a grievance while employed on board a vessel, he shall reduce same to writing and present it to the Chief Engineer within ten (10) days of his obtaining knowledge of the occurrence giving rise to the grievance and shall thereafter send a copy thereof to his Union Headquarters.
- b) In the case of a Marine Engineer Officer who is refused employment, discharged, suspended, laid-off or transferred from his employment, as well **as** in all other cases where the person is no longer on board a vessel, the grievance shall be reduced to writing and mailed or delivered to the designated office of the Company with a copy to his Union Headquarters within ten (10) days of his obtaining knowledge of the occurrence giving rise to the grievance.
- c) The Union shall have the right to submit a grievance to the Company on behalf of all the employees in the bargaining unit or a group thereof. In such case the grievance shall be reduced to writing and mailed or delivered to the designated office of the Company within ten (10) days of obtaining knowledge by the Union of an occurrence giving rise to the grievance.
- d) The Union shall also have the right to submit a grievance in writing to the Company on behalf of a Marine Engineer Officer who is unable to file same within the delay of ten (10) days provided for in either paragraphs a) and b) above. In such cases, the grievance shall be mailed or delivered to the designated office of the Company within ten (10) days of obtaining knowledge by the Union of the occurrence giving rise to the grievance.
- e) Within thirty (30) days following receipt of a grievance from a Marine Engineer Officer or the Union, the Union and the Company's representatives shall meet to discuss the grievance and attempt to reach a settlement.
- f) Should the parties fail to meet or should the grievance not be settled within the thirty (30) day period referred to in sub-section e) above, the matter may, thereafter, be referred to arbitration within a delay of ten (10) days.
- g) The parties may, by mutual agreement expressed in writing, agree to extend any of the delays hereinabove provided for, where the circumstances so warrant.

ARTICLE 18

ARBITRATION

a) Any grievance involving the application interpretation or alleged violation of any provisions of this agreement which has not been settled to the satisfaction of the Company and the Union by conference or negotiation, may be submitted to arbitration and the party so requesting arbitration shall so advise the other party in writing. Matters involving any request for a modification of this agreement or which are not covered by this agreement shall not be subject to arbitration.

b) The parties agree that the following persons may act **as** sole arbitrator during the life of this' agreement:

Gagné, Jean Sylvestre, André

- c) The selection of the arbitrator shall be made by the party requesting arbitration within ten (10) days after the request for arbitration has been made.
- d) In the event that all of the above named persons are unable or unwilling to act as arbitrator for any reasons whatsoever, the matter may be referred by the party requesting arbitration to the Minister of Labour for Canada who shall then select and designate the arbitrator.
- e) A statement of the dispute or question to be arbitrated shall be submitted by both parties, either jointly or separately, to the arbitrator within fifteen (15) days of his appointment. The arbitrator shall convene the parties within twenty (20) days following his appointment unless otherwise mutually agreed by the parties, and shall render his decision as soon thereafter as possible.
- f) The decision of the arbitrator shall be limited to the dispute or question contained in the statement or statements submitted to him. The decision of the arbitrator shall not change, add to, vary or disregard any conditions of this agreement. The decisions of the arbitrator which are made under the authority of this arbitration article shall be final and binding upon the Company, the Union and all persons concerned.
- g) 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 the responsibility that each side had in the production of the grievance.
- h) An Engineer Officer shall not suffer loss of wages, benefits or traveling expenses after attending arbitration if the arbitrator resolves the arbitration in the Engineer Officer's favour.

ARTICLE 19

PENSION PLAN

- a) Effective June 1st, 1998, the Company agrees to continue a contribution of seven and a half percent (7.5%) of the **daily rate on board / leave** rate of pay for each Engineer Officer covered by this agreement and to deduct from the Engineer Officer's own earnings an amount equivalent to five percent (5%) of his **daily rate on board / leave** rate of pay as his participation to the C.M.O.U. Pension Plan.
- b) It is further understood and agreed that the Company shall maintain the payment of its contribution in effect **as** of this date to the Canada and Quebec Pension Plans for each employee (Marine Engineer Officer) who so adheres to the Pension Plan.
- The payment of the foregoing is over and above the amount of contributions provided for as participation to the C.M.O.U. Pension Plan.

- d) Where an Engineer is temporarily promoted to the position of Chief, the Company agrees to continue pension plan contributions to the C.M.O.U. Pension Plan until such time that the Union is notified that the promoted Engineer is confirmed in the position of Chief.
 - e) When an Engineer Officer is confirmed in the promoted position of Chief and said Engineer Officer is a participant to the Pension Plan, the Company will continue to make contributions and deductions for said promoted Chief Engineer if he so desires. Where it is a condition of employment as a Chief Engineer to join the Company Pension Plan, the Chief Engineer will not have the choice of continuing in the C.M.O.U. Pension Plan, and in no event shall the Company be required to contribute to more than one pension plan.
 - f) CMOU Pension Plan or any other plan with agreement CPG and union.

SCHOOL PLAN

School Plan

a) An Engineer Officer who has completed at least one (1) year of continuous employment with the Company and who qualifies for certification as an Engineer Officer with **a** higher certificate or part of a certificate or endorsement and who after his re-employment remains with the Company for a period of ninety (90) consecutive days, shall be entitled to receive from the Company the following:

1st class A and B: **\$4000.00**

2nd class A and B : **\$4000.00**

3rd class : \$4000.00

If an Engineer Officer who has received an allowance resigns or is discharged for just cause during the year, reimbursement will have to be made to the Company. In the event that the Engineer Officer is paid by the Company while attending school the above payments would not apply.

- If an Officer is required by the Company to attend a training course the Company shall pay all costs related to the training course including two way transportation. Also during the period that the said employee is on the course, he shall not suffer any loss in basic salary or benefits as provided by this agreement.
- In the event that the Steamship Inspection Department changes the title of the certificate, this clause shall be amended to reflect these changes but in no event will the premiums be reduced.

ARTICLE 21

SAFETY RULES

- a) All safety regulations for the safety of the vessel, the crew or passengers;
 - 1. which the Company now has in force,

- 2. which the Company may bring into force during the term of this agreement,
- 3. which are promulgated by the Department of Transport,

shall after they have been brought to the attention of the Officers, be strictly adhered to by each Officer. Failure of an Officer to comply with safety regulations as required in section (a) 1, 2 and 3 may be cause for dismissal, subject to the grievance and arbitration procedures set forth in this agreement.

- The ship's engine rooms shall be fitted with a locker containing the appropriate number of life belts for the watchkeeping personnel on duty. These life belts will be in addition to the ones issued to all Marine Engineer Officers and available in their respective cabins.
- The Company recognizes the need for and agrees that life boat drills and fire drills shall be conducted periodically whenever it is deemed advisable by the Master.
- d) Any vessel tied up at any wharf, dock or landing place where crew members may go ashore or come aboard unless canalling, shall provide a suitable gangway properly secured to the ship for the safe and convenient transit of crew members and such gangway shall be properly lighted. This gangway shall be of solid construction and with fitted handrails and a boarding platform supplied to step from gangway to deck.

A safety net shall always be placed under the gangway when gangway is in position for boarding or going ashore.

- e) Ear plugs and/or ear muffs will be made available for the use of all Engineers on all motor vessels.
- f) Hygienic facilities to be installed in all engine rooms, irrespective of the number of non-licensed crewmen aboard.

Facilities to be provided to allow engine room employees to take their coffee breaks in the engine room.

In the case of an Engineer who has to work alone, a system will be installed whereby he may awake his replacement without leaving the engine room.

All new Engineers will be properly instructed regarding safety matters by the Chief Engineer or his deputy.

The Company agrees to provide immersion suits that conform with the standards prescribed by D.O.T. to Engineers on all vessels. It is understood that each Engineer will be fully responsible and accountable for the suit at all times. The procurement of these suits will be accomplished in the most expeditious manner. The immersion suit, however, will remain the property of the vessel and will not be removed from the vessel.

MARINE DISASTERS

- a) All Engineer Officers who suffer the loss of personal effects because of a marine disaster shall be compensated by the Company for such loss up to a maximum of five thousand dollars (\$5000.00)
- A Marine Engineer Officer or his estate making a claim under this section shall submit reasonable proof to the Company of the actual value of the loss suffered. Such proof shall be a signed affidavit, listing the individual items and value claimed.

ARTICLE 23

BENEFITS, FACILITIES AND AMENITIES

- a) Effective June 1st 2007, the Company shall pay to the union **fifteen dollars and eighty five cent** (\$15.85) plus taxes per position/per day, payroll day, such payments will provide Engineer Officers with benefits, facilities and amenities to be determined by the Union, and which without in any way restricting the generality of the foregoing, shall include a medical plan and a group life insurance.
 - Effective June 1st, and each subsequent year for the term of this agreement the contribution will be increased by the same percentage increases as per Article 8.
- b) When an Engineer Officer is temporarily promoted to the position of Chief Engineer, the Company agrees to continue Welfare Plan contributions until such time as the Union is notified that the promoted Engineer Officer is permanently promoted to the position of Chief Engineer.
- c) Benefits Plans

The Company agrees to continue Benefits Plan contributions during any period the Officer is off work as a result of compensable disability or illness up to a period of fifteen (15) consecutive weeks for the same compensable disability or illness.

d) <u>Medical Examination</u>

All medical examinations required by the Company shall be paid by the Company, except when expenses are recoverable under the employee's medical plan, and this without loss of wages.

e) <u>Legal services Fund</u>

1. The Company agrees to make contributions to the C.M.O.U. Legal Services Fund, at the rate of **one dollar and forty cents (\$1.40)** per day/per position, effective June 1st, **2007.**

2. The Company agrees to send the aggregate of the contributions for each month to 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.

ARTICLE 24

MEALS, COFFEE TIME AND LUNCHES

- a) Night lunches shall be available for Engineer Officers going on watch and those called out to work overtime.
- As near as practicable, fifteen (15) minutes shall be allowed off at 10h00 a.m. and 03h00 p.m. daily to all Marine Engineer Officers on day work for coffee. Equipment necessary to make coffee shall be supplied in the engine rooms.
- When Marine Engineer Officers are on day work, they shall be allowed one (1) hour for lunch and one (1) hour for supper.

During the repair period, when meals are not supplied on board ship and laid-up vessel is at a distance where more than one (1) hour is required to have lunch, the Chief Engineer, with the support of the Company Head Office, will grant additional time (up to thirty (30) minutes) for the lunch period.

Should abuses occur involving the above mentioned policies, the cases must be brought to the attention of the Company and/or the Union in order that remedial action, if necessary, may be initiated.

Where overtime is worked, coffee breaks must be allowed every two (2) hours. These coffee breaks shall be given in such a way that the operations shall not be unnecessarily interrupted.

ARTICLE 25

NOTICES

Any notice or request to be given or made to the Union hereunder may be validly given by mailing same prepaid ordinary post to the Union at 9670 Notre Dame St. East, Montreal, Quebec, H1L 3P8; and any such notice or request to be given to the Company may be validly given by mailing same prepaid ordinary post to the Company at its Head Office.

ARTICLE 26

COMPASSIONATE LEAVE

a) After completion of ninety (90) days of continuous employment with the same Company, an Engineer Officer will be granted compassionate Leave when death occurs to a member of his immediate family, that is his father, mother, wife, children, brother or sister. The Engineer Officer granted Leave to attend the funeral will be paid at this regular basic rate for time lost up to a

maximum of fourteen (14) days. In the case of a wife, husband or children, the above mentioned period will be thirty (30) days.

- b) Claims for compassionate leave pay must be submitted by the Engineer Officer in writing to the Chief Engineer, along with proof of bereavement in the Engineer Officer's immediate family.
- c) If any Engineer is required to take time off while on duty to seek medical assistance such time off shall be granted without loss of wages, provided a medical certificate is forwarded by the Engineer to the employer.

d) Parental Leave

As per Government rules.

e) Sick Leave and Compassionate Leave

An Engineer Officer shall be entitled to receive from the Company a reasonable leave of absence from his employment without pay in the event of either illness or injury to himself or a member of his immediate family, that is his wife, brother, sister, children or parents.

ARTICLE 27

SHORT PERIOD LAY-UP

The Company and the Union agree that any employee serving aboard vessels under Foreing-going Articles shall not be compensated for any loss in pay due to any lay-off between the date of the closing of the Seaway and the date of the opening of the Seaway each year.

ARTICLE 28

LIVING CONDITIONS

- a) Where washing machines and drying facilities are presently available on the vessel, the Company will ensure that these facilities are for the use of all crew members by posting bilingual signs to this effect. The Company also agrees to provide a refrigerator in the engine room.
- From the time of joining the vessel to the end of their employment, all Marine Engineer Officers shall be supplied once a week with clean linens, two face towels, two hand towels and two bath towels. Sufficient soap for personal use and laundry soap and liquid bleach shall be provided. The rooms shall be cleaned weekly and beds made daily. Should an Engineer's bed not be made within a reasonable time during any day, the employee affected will on that day grieve to the Chief Engineer in writing. If the situation is not rectified, commencing the day after grievance is filed he will be paid five dollars (\$5.00) per day for that day and all days thereafter, until the service is restored. This section will not apply in the case of a legal strike of the unlicensed bargaining unit. At least once a year or more often if necessary the rooms, wall and ceilings shall be washed completely.

OFFICERS FILES

- a) The Company agrees not to introduce as evidence in a hearing relating to disciplinary action any documentation from the file of an officer, the existence of which the Officer was not aware at the time of filling or within a reasonable period thereafter.
- Upon written request of an Officer, notice of disciplinary action which has been placed on the personal file of the Officer shall be destroyed after two (2) years have elapsed since the disciplinary action was taken provided that no further disciplinary action has been recorded during this period.
- Upon written request of an Officer, the personal file of that Officer shall be made available once per year for the examination in the presence of an authorized representative of the Company paragraph (c) also applies when an Engineer is off ship on leave of absence due to the following:
 - 1. Article 13, Leave;
 - 2. Sickness:
 - 3. Accident at work;
 - 4. While laid-off by the Company if the Engineer has been given a notice of intent; or
 - 5. For any leave of absence authorized by the Company.

ARTICLE 30

MISCELLANEOUS

- a) No pets to be carried on board ship by any of the personnel.
- b) The Company agrees to place at the gangway a notice when the ship is cleared by Customs and Immigration.
- c) Chipping on the accommodation bulkheads can be done between the hours of 13h00 and 17h00 while the vessel is in operation.

d) Dismissal

- 1. No Engineer Officer shall be dismissed from his employment with the Company except for just cause.
- 2. A Company dismissing an Engineer Officer shall give that Engineer Officer notice in writing of his dismissal at the time of his discharge.
- 3. A dismissal of an Engineer Officer shall be subject to the grievance and arbitration procedures set forth in this agreement, and in the event the issue does proceed to arbitration, the Arbitrator may make an order:
- a) to up-hold the dismissal;

- b) to reinstate the Engineer Officer with compensation from the Company; or
- c) to deal with the issue in any other manner that the arbitrator may deem just and equitable.

RETROACTIVITY

Retroactivity will be paid back to May 2007 on Basic Wages, Overtime and Vacation Pay.

ARTICLE 32

DURATION OF THE AGREEMENT

This agreement shall become effective May 1st, 2007, and shall remain in effect until April 30th, 2012, 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.

In the event neither party gives notice to reopen within ninety (90) days prior May 1st, 2007, allowing the agreement to continue on a year to year basis, either party may give written notice of desire to the anniversary date of May 1st, in any given year, in which case this agreement shall terminate on the anniversary date in that year.

THE PARTIES HAVE AGREED TO SIGN THIS AGREEMENT IN MONTREAL, THIS......DAY OF......2008.

CANADIAN MARINE OFFICERS UNION

Anglo Eastern Ship Management Ltd. (Acting for and on behalf of the Owners) FEDNAV LIMITED

MEMORANDUM OF UNDERSTANDING NO. 1

TELEPHONE CALLS

It is agreed that the Company will instruct the ship's captain as follows:

Telephone calls may be made by crew members at the convenience of and by prior arrangement with the Captain.

The Captain will log time used and the charges will be deducted from the crew member's pay.

THE PARTIES HAVE AGREED TO SIGN THIS MEMORAMDUM OF UNDERSTANDING NO. 1 AT MONTREAL THIS......DAY OF.......2008 .

CANADIAN MARINE OFFICERS UNION

Anglo Eastern Ship Management Ltd. (Acting for and on behalf of the owners) FEDNAV LIMITED

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MEMORANDUM OF UNDERSTANDING NO. 2
REST PERIOD ON JOINING THE VESSEL
Whenever possible travel arrangements for officers joining the ship following Trans-Atlantic flights, will permit at least an eight (8) hours rest period before taking up duties.
In case where officers join the following Trans-Atlantic flights and hotel accommodations at their destination have not been possible; it is agreed that such officers will be granted at least eight (8) hours rest before taking up watchkeeping duties.
THE PARTIES HAVE AGREED TO SIGN THIS MEMORANDUM OF UNDERSTANDING NO. 2, AT MONTREAL, THISDAY OF2008 .
CANADIAN MARINE OFFICERS UNION

Anglo Eastern Ship Management Ltd.
(Acting for and on behalf of the owners)
FEDNAV LIMITED

MEMORANDUM OF UNDERSTANDING NO. 3

BAR/BOND BILLS

It is agreed that the Company will deduct from the Engineer Officers' pay his/her own bar and bond bills.

THE PARTIES HAVE AGREED TO SIGN THIS MEMORANDUM OF UNDERSTANDING NO. 3, AT MONTREAL, THIS..............DAY OF........2008.

Anglo Eastern Ship Management ltd.
(Acting for and on behalf of the owners)
FEDNAV LIMITED

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