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PROPOSED COLLECTIVE AGREEMENT

BETWEEN

ANGLO-EASTERN SHIP MANAGEMENT LTD.

**Acting for and on behalf of
GREAT LAKES FEEDER LINES INC.**
(hereinafter referred to as "the Company")

AND

SEAFARERS INTERNATIONAL UNION OF CANADA ("SIU")
(hereinafter referred to as "the Union")

2008-2013

13816 (01)

WHEREAS the Company either operates, owns, manages and/or bare boat charters vessels in inland and home trade voyages and also foreign going voyages on Canadian registered ships as defined by the *Canada Shipping Act* R.S.C. 1985, c. S-9, as amended, replaced or revised from time to time.

AND WHEREAS the Parties are desirous of promoting collective bargaining and stability of industrial relations in the manner and upon the terms herein set out;

1. GENERAL PURPOSE OF THIS AGREEMENT

1.01 The general purpose of this agreement is, in the mutual interest of the Company and its employees, to provide for the most reasonable operations of the Company's ships under methods which will further, to the fullest extent possible, the safety and welfare of the said Employees and economy of operation. It is recognized by this agreement to be the duty of the Union, the Company and said Employees to cooperate fully, individually and collectively for the advancement of these conditions.

2. RECOGNITION

2.01 The Company recognizes the Union as the sole and exclusive representative for the purpose of collective bargaining for the unlicensed and licensed personnel employed on the Company's ships, excluding the Captain and Chief Engineer, involved in short sea shipping (Ro-Ro operations), which unlicensed and licensed personnel are hereinafter referred to as "Employees," which word shall include the singular as well as the masculine and feminine.

- 2.02
- a) The Union recognizes that the right to direct the crew, determine qualifications, hire, promote, transfer, lay-off, suspend or discharge Employees is vested exclusively with the Company.
 - b) The Union recognizes the right of the Company to operate and manage its business in all respects to maintain order and efficiency on its vessels and to determine the location of its vessels at all times, the types of charters and other business to be entered into, the scheduling of its vessels and its method of scheduling and types of vessels to be used in its operations.
 - c) The Union further acknowledges that the Company has the right to make and alter from time to time rules and regulations to be observed by Employees which rules and regulations shall not be inconsistent with the provisions of this agreement.

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3. **CLAUSE PARAMOUNT**

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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 of this agreement.

3.02 Subject to 3.04, it is agreed that there shall be no strikes, walkouts, secondary boycotts or other similar interruptions of work by the Union or the Employees during the term of this agreement or any renewal thereof and disputes and grievances shall be adjusted through the regular channels established in the grievance procedure. Any violation of this clause shall entitle the Company to claim damages from the Union or the Employees involved, in addition to the imposition of appropriate disciplinary measures, as per Appendix "H".

3.03 There shall be no discrimination, interference, restraint or coercion by the Company against any Employee because of membership in the Union. The Company agrees not to intimidate or coerce or threaten Employees in any manner that will interfere or hinder the effective carrying out of this agreement and the principles contained herein and will assist and cooperate with the Captain, Chief Engineers and Executives of the Company in the maintaining of discipline aboard ship. The Union also undertakes to attempt to prevent interference by other labour organizations in Canadian or United States ports.

3.04 It is agreed for the purposes of this agreement that the refusal of an Employee to pass through a lawful picket line in direct business relationship with the Company shall not be construed as a violation of this agreement and shall not be reason for dismissal.

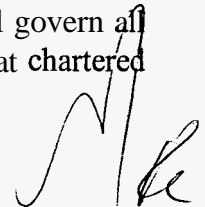
3.05 In addition to the anti-discrimination provisions contained in applicable legislation, the Company shall not discriminate against any Employee for legitimate Union activity or on grounds of mother tongue when an Employee's mother tongue is either of the two official languages of Canada.

3.06 Employee means a seafarer hired as an officer (licensed employee) or a seaman (unlicensed employee).

4. **APPLICABLE LAW, JURISDICTION, ENFORCEMENT AND UNDERTAKINGS OF THE PARTIES RESPECTING APPLICABLE LAW AND JURISDICTION**

4.01 Nothing in this agreement shall be so construed as to effect the obligations of the signatories under the provisions of the Canada Shipping Act as amended or other government legislation or to impair in any manner whatsoever the authority of the Captain.

4.02 The Company and the Union agree that the present Agreement shall govern all conditions of employment on board the ship or ships owned, bare boat chartered and/or administered by the Company.



4.03 The Company and the Union further agree that the Agreement shall be governed and construed in accordance and compliance with the laws of Canada and in particular with the provisions of the *Canada Labour Code*, (Revised Statutes of Canada, 1985, chapter L-2, as that statute is amended, replaced or revised from time to time) and its regulations.

4.04 The Company and the Union further agree that with respect to any dispute arising between the parties respecting the interpretation, application, administration or alleged violation of this Agreement, including all matters of discipline governed by the *Discipline Code*, unless settled by the parties to their mutual satisfaction, shall be submitted forthwith to arbitration, in accordance with the grievance provisions of this Agreement and that any decision of the arbitrator appointed under this Agreement shall be enforceable in any court or other relevant tribunal of any jurisdiction where the Company's vessel may travel or be located from time to time.

4.05 The Company and the Union further agree and undertake not to dispute the choice of governing law made by the parties in this Agreement or the enforceability of an arbitrator's decision rendered under this Agreement on the grounds that another forum or another law is more appropriate. However, in the case of any matter involving an alleged criminal act or alleged act against public order, the parties agree that the applicable law of the jurisdiction where the alleged offence took place will govern.

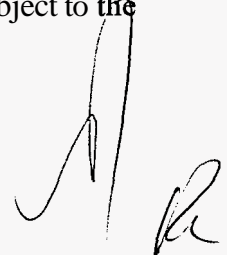
4.06 Unless agreed otherwise by the parties, all arbitrations and other proceedings respecting the interpretation, application, administration or alleged violation of this Agreement shall be heard and decided either in Montréal, Canada or Toronto, Canada, as the parties may jointly determine in their sole discretion.

5. MAINTENANCE OF MEMBERSHIP AND EMPLOYMENT

5.01 **An** Employee covered by this agreement who is not a member of the Union shall, within thirty (30) days of employment make application for membership in the Union. If the Union refuses to accept such Employee, a satisfactory written statement of reason must be supplied by the Union to the Company.

5.02 The Company agrees to maintain in their employ only members of the Union in good standing. "Good Standing" in herein interpreted to mean that a member has not failed to pay the periodic dues, assessments and initiation fees uniformly required to be paid by all members of the Union.

5.03 The Company shall not be required to discharge any Employee under clauses 5.01 and 5.02 above unless and until a qualified replacement is available, subject to the Captain's determination and the grievance procedure.

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5.04

- a) The Company agrees to deduct initiation fees and/or monthly union dues and/or assessments in respect to all Employees covered by this Agreement in the amounts as established by the Union.
- b) In addition to the above amounts, the Company also agrees to deduct and remit to Union Headquarters in Montreal, Quebec, any other amount of money when requested to do so by the Union.
- c) All amounts required to be deducted by the Company by this Article shall be remitted to Union Headquarters in Montreal, Quebec no later than the 15th day of each month following the employment of the Employee(s) concerned.

5.05

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

5.06

The Company agrees that during the period this agreement is in effect, all personnel to be hired shall be requested through the offices of the Union closest to the location of the vessel for which the request is made. Such personnel shall be fully certified as per STCW95 and Transport Canada Regulations and shall *carry* a valid passport at all times.

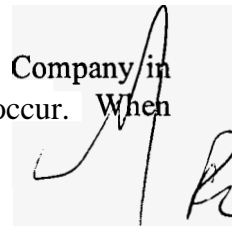
5.07

The Union agrees that its hiring facilities shall be available as follows:

1. The Union Hall shall be open Monday through Friday from 09:00 hrs. to 17:00 hrs.
2. Dispatching shall be conducted at all ports in accordance with the above stated hours, Monday through Friday.
3. Telephone numbers of the Union officials in each port shall be furnished to the Company in case of emergency calls for employment.
4. Outside the hours of 09:00 hrs. to 17:00 hrs. the Union Hall shall have an answering service available for incoming calls which are received.
5. The Union hiring facilities shall be closed on all statutory holidays specified in Article 13 herein and on all other Federal and/or applicable Provincial statutory holidays. Where such statutory holidays fall on a Saturday or Sunday, the Union Hiring Halls shall be closed on the following Monday or on the next juridical day should the following Monday be a statutory holiday.

5.08

The Union agrees to cooperate fully with the management of the Company in obtaining qualified, reliable Employees to fill vacancies as they occur. When



Employees are requested, the Union agrees that the Company's requirements will be filled as quickly as possible.

09

- a) Prior to dispatching members, the Union shall supply the Company with names and all relevant information. A member who is refused employment shall have no rights under Articles 6 and 7.
- b) When a member is refused for employment, the Union must be furnished in writing with a valid reason for such refusal.
- c) If a member is not accepted by the Company, as a result of or because of an error committed by the Company in placing a call for a replacement, the said member shall be reimbursed any and all reasonable transportation costs to and from the vessel, and living expenses supported by receipts and shall receive one day's basic pay.

Should the Union dispatch members who are not qualified as per article 5.08, the Company shall not be responsible for any transportation costs incurred as well as any wages claimed.

However extra employees hired over and above the regular compliment of crew members may, at the Company's discretion, not be required to be in possession of all certificates required under 5.08 except for a valid medical certificate issued by Transport Canada. Said extra employees shall have a valid medical certificate containing no limitation or restriction whatsoever.

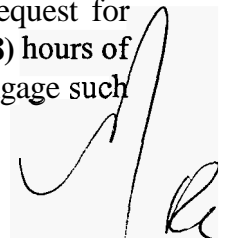
- d) If a ship is delayed in transit and the Employee must stay overnight waiting for the vessel, the Company shall pay reasonable living expenses supported by receipts until the arrival of the vessel or until the call is cancelled and, in the latter case, the Employee shall receive basic wages from the date on which the Employee was to report to the vessel.

5.10 The right of any Employee to employment with the Company shall be conditional upon the Employee being medically fit to perform his duties and the Company may, at any time, cause the Employee to be medically examined at the Company's expense.

The Company shall pay up to one hundred and fifty dollars (\$150.00) to defray the cost of Transport Canada Medicals examination when required. Proof of payment and copies of the medical must be submitted prior to reimbursement.

5.11 Refusal of any Employee to work as directed or to obey lawful orders of his superior officers shall be grounds for disciplinary measures.

5.12 The parties agree that where the Union fails or is unable to fill a request for replacement personnel acceptable to the Company within forty eight (48) hours of the receipt of the Company's request the Company shall be free to engage such



personnel through any other available source, subject to appropriate rules hereinafter:



1. Where an Employee terminates his employment with the Company, he shall provide the Company with a minimum of forty-eight **(48)** hours written notice. Such notice shall be in writing and in duplicate so that the Employee can retain a copy from the Company. The Company shall immediately thereafter request the Union to supply the required personnel. If the Union is unable to dispatch the replacement personnel within forty-eight **(48)** hours, the Company may hire replacement personnel from any other source available. The replacement personnel shall hold the same employment status as that held by the terminating Employee.
2. When, as indicated above, the Company does not provide the Union with a minimum of forty-eight **(48)** hours notice for replacement personnel, the Union shall in any event endeavour to dispatch the requested personnel within the time limits required by the Company. However, if the Union is unable to dispatch within the time limits required by the Company, the Company shall be free to hire replacement personnel on a temporary basis only. Should this occur, the Captain upon hiring temporary personnel shall immediately notify the nearest Union office so that the replacement personnel hired by the Company will be replaced by a Union member as soon as possible.
3. Where an Employee terminates his employment without giving forty eight **(48)** hours written notice to the Company, the Company shall notify the nearest Union hall immediately with the request for replacement personnel. However, if the Union is unable to dispatch within the time limits required by the Company, the Company shall be free to hire replacement personnel. The replacement personnel shall hold the same employment status as that held by the terminating Employee.
4. Where an Employee is discharged for cause, the Company shall notify the nearest Union hall immediately with the request for replacement personnel. However, if the Union is unable to dispatch within the time limits required by the Company, the Company shall be free to hire replacement personnel.

5.13 The forty eight **(48)** hour notice shall be waived at the Employee's request, where there has been a death or other emergency in the immediate family of the Employee.

5.14 Where the Captain or Chief Engineer decides to lay off other than when the ship lays up, twenty four (24) hours written notice shall be given to the Employee affected, stating therein the reason for such lay-off.

5.15

Should an Employee be absent for consecutive tours of duty, the Company will recall the relief who completed the last tour of duty. Should this relief be unavailable to resume employment at the date indicated by the Company, another relief will be requested as per **5.06**.

6.

GRIEVANCE PROCEDURE

6.01

Any dispute involving any Employee or any policy matter respecting the interpretation, application, administration or alleged violation of this Agreement, may be filed as a grievance with the Company through the Union within five (5) days of its occurrence or such other delay as is set out in this Article **6** and subject to the procedure outlined herein.

6.02

Where the Employee has a grievance while working on board a vessel, he must present his grievance on a Standard Grievance Form (if available) to the Captain or Chief Engineer with a copy to the ship's delegate within ten (10) days of its alleged occurrence.

6.03

Upon request of the grieving Employee, the Ship's delegate shall assist in the grievance procedure, provided such assistance does not interfere with the operating of the ship.

6.04

The Captain or chief Engineer shall acknowledge receipt and reply to the grievance by completing and returning to the griever a duly completed Standard Grievance Form.

6.05

If settlement is not achieved upon receipt by the griever of the Captain's or Chief Engineer's reply, the griever shall submit the Standard Grievance Form to the Union immediately.

6.06

Within thirty (**30**) days of the Captain's or Chief Engineer's reply, the office of the Union representative shall submit the duly completed Standard Grievance Form to the Head office of the Company.

6.07

Within thirty (**30**) days of the date the grievance is submitted by the Union to the Company's head office, the Company shall reply enclosing a copy of the duly completed Standard Grievance Form.

6.08

The Union shall also have the right to submit a grievance in writing to the Company on behalf of all the Employees in the bargaining unit or a group or category thereof within thirty (30) days of the occurrence giving rise to the grievance or on behalf of an individual member not employed aboard a vessel at the time within thirty (30) days of the occurrence giving rise to the grievance. In both these instances above, the Company shall reply to the grievance as per clause 6.07 above.



6.09 Should the grievance not be settled within the thirty (30) day period provided in clause 6.07 above, the matter may be referred to arbitration within ten (10) days thereafter.



6.10 Failure to follow the above procedure within the time limits specified, unless extended by mutual agreement, shall be conclusive evidence of the abandonment or non-existence of a dispute or grievance.

7. ARBITRATION

7.01 Any grievance involving the interpretation or alleged violation of any provision 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 an Arbitration Board. Matters involving any request for a modification of this agreement or which are not covered by this agreement shall not be subject to arbitration.

7.02 The Arbitration Board shall consist of one (1) arbitrator who shall be jointly selected by the Union and the Company. This selection shall be made within ten (10) days after the request for arbitration has been made by either party to this agreement. In the event that the parties fail within the said ten (10) day period to agree upon the selection of an arbitrator, the matter may be referred by either party to the Federal Minister of Labor who shall select and designate the Arbitrator.

7.03 In the event the Arbitration Board is vacated by reason of death, incapacity or resignation or for any other reason, such vacancy shall be filled in the same manner as is provided herein for the establishment of the Board in the first instance.

7.04 A statement of the dispute or question to be arbitrated shall be submitted by both parties either jointly or separately to the arbitrator within seven (7) days of his appointment. The Arbitration Board shall convene within ten (10) days following the appointment of the arbitrator unless otherwise mutually agreed by the parties and shall render its decision as soon thereafter as possible.

7.05 The decision of the Board shall be limited to the dispute or question contained in the statement or statements submitted to it by the parties. The decision of the Arbitration Board 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.

7.06 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.

8.

UNION OFFICERS BOARDING VESSELS

8.01

The Company agrees to issue passes to the Union's representatives for the purpose of consulting with its members aboard vessels of the Company covered by this agreement. Representatives of the Union shall be allowed on board vessels at the principal ports used by the vessel provided that he shall present his pass on boarding the vessel to the Captain or the Officer-in-charge. Such representatives shall have the right to engage in negotiations with the Captain or Officer-in-charge of the ship in respect of any dispute or grievance but not have the right to interfere in any way with the operations of the vessel.

8.02

The Union shall submit to the Company the name and relevant particulars of the bona fide Union members authorized by the Union to act as its representatives provided that the Company, upon receiving from any representative 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 representative enabling him on board the Company ships in ports for the purpose herein provided. In the event that such privilege is withdrawn from the designated Union representative the Union will undertake to notify the Company to revoke such a pass.

8.03

The Union representative shall not violate any provision of this agreement or interfere with the officers aboard the ship or retard the work of the vessels subject to penalty or revocation of the pass granted herein. Any such revocation shall be subject to the grievance procedure.

8.04

The Company assumes no responsibility for securing passes to or through property owned or controlled by others, but the Company agrees to cooperate with the Union in endeavouring to secure such passes.

9.

SENIORITY

9.01

Seniority shall mean the length of continuous service that an Employee has accumulated with the Company.

9.02

An Employee shall be considered to be a probationary employee until he has been employed by the Company for a period of ninety (90) working days. Any days previously worked for the Company by the Employee in a relief capacity or otherwise in the previous twelve (12) months from the day of his new hiring, will be counted towards the ninety (90) day probation period. If found unsuitable by the Company, the Employee will not be retained in its service. A seafarer released from his probation shall not have any rights under Articles 6 and 7.

9.03

A seniority list will be compiled by the Company and will be revised annually. Such list will show names, positions and date of last entry into service in positions covered by this agreement.



9.04 A copy of the seniority list shall be forwarded to the Union annually thirty (30) days after it is compiled.

Q.

PROMOTIONS

10.01 It is agreed that in any promotions to positions within the bargaining unit the Company will select Employees on the basis of ability, qualification and merit. These being equal, preference shall be given the Employees with the greatest seniority with the Company.

11. VACATION PAY

11.01 An employee having completed less than one (1) full year of service with the Company shall receive vacation pay equal to four percent (4%) of his gross wages earned during the current pay period.

11.02 **An** employee having completed one (1) year of service with the Company or up to and including five (5) full consecutive years of service with the same Company shall receive vacation pay equal to five percent (5%) of his gross wages earned during the current pay period.

11.03 An employee having completed more than five (5) full consecutive years **of** service with the Company shall receive vacation pay equal to seven percent (7%) of his gross wages earned during the current pay period.

11.04 The right **of** an employee to receive vacation pay pursuant to paragraphs 11.02, 11.03 and 11.04 above shall not be affected in any way where such employee is absent from his employment for reasons satisfactory to the Captain.

11.05 The Company shall pay all accumulated vacation pay to an employee at the end of each pay period.

11.06 The Company will recognize the seniority accumulated by S.I.U. members for vacation pay purposes if they are promoted as an Officer.

11.07 A season of service is defined as consecutive season(s) from hire to anniversary date and, in accordance with the preceding clauses **of** this Article, the percentages shall change one (1) day after anniversary date.

12. GENERAL AND EMERGENCY DUTIES

12.01 In addition to the duties specifically imposed by this document all Employees shall perform competently the ordinary duties pertaining to their positions on the vessel.

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- 12.02 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, shall be performed at any time on immediate call by all Employees and notwithstanding any provisions of this agreement which might be construed to the contrary in no event shall overtime be paid for the work performed in connection with such emergency duties of which the Captain shall be the **sole** judge.
- 12.03 The Captain may, whenever he deems it advisable, require any Employee to participate in lifeboat or other emergency drills. Such drills will take place in accordance with government regulations.
- 12.04 G.P.S. are to assist with the taking and placing on board of any engine room stores in addition to their regular duties as well as assist engineers as per chief engineer's requirements.
- 12.05 Cooks will not be called upon to do any painting or general maintenance work on deck, their duties being confined to the duties normally assigned to a cook such as cooking, serving meals, cleaning galleys, taking and placing on board galley stores and provisions, etc.
- 12.06 It is agreed that employees covered by this agreement will assist officers when working on reefers. It is further agreed by the parties that the duties of plugging and the unplugging of reefers are regular duties of the ship's officers. Notwithstanding the present article, only under special circumstances will unlicensed personnel be required to perform duties of plugging or unplugging of reefers, at which time all electrical circuits would be shut off.
- 12.07 When employees are required to perform work on reefers (i.e. taking temperatures), and such work is performed at a height where the use of a ladder is required, such work will be performed with the assistance of another Employee.
- 12.08 When an employee is required to work in a classification outside of his regular classification he shall be paid at the appropriate rate of pay of **an** employee working that classification or his own rate of pay, whichever is greater.

13. **STATUTORY HOLIDAYS**

13.01 The Company agrees to recognize the following holidays:

- | | |
|-------------------------|---------------------------|
| 1. New Years Day | 7. First Monday in August |
| 2. Good Friday | 8. Labour Day |
| 3. Easter Monday | 9. Thanksgiving Day |
| 4. Victoria Day | 10. Remembrance Day |
| 5. First Monday in June | 11. Christmas Day |
| 6. Canada Day | 12. Boxing Day |



13.02 In the event that any of the above holidays fall on a Saturday or a Sunday, the following Monday will be observed and paid at the same rate as a Statutory Holiday. The work performed on a holiday shall be that usually performed on a Sunday. If an employee does not work on a Statutory Holiday, he will receive his usual daily wage. If an employee is required to work on a Statutory Holiday, he will be paid at one point five (1.5) his basic ~~hourly~~ rate.

13.03 If any Statutory Holiday falls during an employee's scheduled time off, he will be paid a day's basic pay on the first pay day following his return to work.

14. CLEANLINESS OF QUARTERS

14.01 The Company and the Employees shall see that all quarters assigned for the use of the Employees are kept clean, tidy, lighted and ventilated insofar as is practical to do so. The Company and the Employee shall cooperate to the fullest in keeping the living quarters clean and tidy at all times. The Company agrees to fumigate all quarters whenever such fumigation is necessary to free them of vermin.

15. OTHER CONVENIENCES

15.01 The following items shall be supplied to the Employees employed on board vessels of the Company:

1. A suitable number of clean blankets for each Employee;
2. **An** adequate supply of sheets, pillowcases, hand and bath towels, standard brand face soap and laundry soap or detergent to be supplied weekly;
3. **An** adequate supply of crockery;
4. The Company agrees to supply and maintain on each vessel one colour television, a washing machine, an iron and an ironing board. Where electrical capacity and space are available, the Company shall supply an electric dryer or, in the alternative, space for drying clothes will be made available.
5. Two (2) pairs of coveralls per year shall be provided to each regular Employee in the deck department and four (4) pairs of coveralls per year shall be provided to each regular Employee in the engine room department.
6. One (1) pair of insulated coveralls per year shall be supplied to each regular Employee in the deck and engine room departments.



7. One (1) pair leather safety boots shall be supplied to each regular Employee and one (1) pair of suitable rubber boots shall be supplied to each Employee in the deck department and the Engine Room Department.
8. Insulated work gloves shall be issued to Employees who are required to work outside in cold weather.
9. One (1) suit of rain gear shall be supplied to each Employee in the Deck Department and Engine Room Department. This gear shall be of Black Diamond quality or equivalent and will be supplied as needed. Torn or worn out rain gear must be presented to the Captain or Chief Engineer for replacement.

15.02 An Employee wilfully damaging or destroying linen, mattresses and/or any of the equipment supplied for entertainment or recreational purposes of the crew shall be held financially accountable in addition to the imposition of appropriate disciplinary measures, as per Appendix "H".

15.03 The Company shall supply 110 volt transformers for each room occupied by an employee.

16. MEALS, COFFEE TIME AND LUNCHESES, RELIEVING FOR MEALS

16.01 Meal hours, when practicable, shall be as follows unless otherwise directed by the Captain but in no case shall the indicated hours be altered by more than one half (½) hour in either direction, except in an emergency.

Breakfast - from 05:30 hrs. to 06:30 hrs.

Dinner - from 11:30 hrs. to 12:30 hrs.

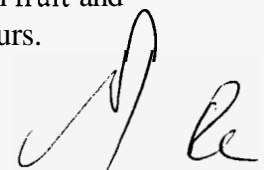
Supper - from 17:30 hrs. to 18:30 hrs.

16.02 A fifteen (15) minute coffee break shall be allowed to each member of the crew on each watch, and for crew members on day work each morning and afternoon. Such coffee breaks for day workers shall be taken in the middle of their regular watch when the nature of the work permits, otherwise as near as possible to those hours. For watchkeepers such coffee breaks shall be taken as near as possible to the middle of the watch and coffee must be available.

16.03 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.

16.04 Night lunches shall be available for crews changing watches and those called to work overtime.

16.05 The Company agrees to make every effort to supply fresh milk and fresh fruit and vegetables, and to provide meals in full and plentiful quantity at meal hours.



- 16.06 Should a dayworker not have one (1) full unbroken hour to eat a meal, every effort will be made to give him at least one half (1\2) hour to eat his meal and he will be knocked off one hour early at the end of the day or at the end of the next week day where this occurs at supper time or on week-ends.

17. TRANSPORTATION COSTS

- 17.01 Employees shall be responsible for their own transportation to the nearest designated airport (Montreal and Halifax, and should the vessel operate on a regular schedule to Toronto and/or Hamilton, then they shall become home ports).

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.

- 17.02 To be eligible to have the Company pay the transportation costs, the Employee must complete his assigned tour of duty. If an Employee quits or is dismissed for cause, transportation costs will not be paid by the Company.

- 17.03 **An** Employee shall be given forty-eight (48) hours notice prior to joining his vessel. The Employee will be paid for the day of travel providing he works a minimum of one four hour shift on the travelling day.

- 17.04 In the event that **an** Employee is transferred by the Company from one vessel to another vessel **of** the Company, the Company shall continue to pay the Employee his regular lay-day rate of pay, and benefits, and reasonable expenses during the time period necessary to enable him to make his transfer.

- 17.05 In *the* event **an** Employee **is** injured or becomes ill and a medical doctor determines that he must leave the vessel as a result, the Company will pay the Employee's cost of transportation to the hospital or to the Employee's residence.

- 17.06 The Company requests an Employee to attend to any Company business, without imiting the generality of the foregoing, it will be without loss of pay or benefits and the Company shall reimburse the Employee for all reasonable expenses incurred by him/her upon production of acceptable receipts and vouchers in accordance with Company policy.

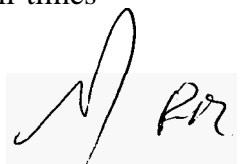
18. ROOM AND MEAL ALLOWANCE

- 18.01 When the Company does not provide room and board during the course of his employment, an Employee shall receive all fair and reasonable hotel and meal expenses provided such expenses are supported by receipts in accordance with Company policy.

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19. SAFETY EQUIPMENT

- 19.01 The Company shall make every effort to furnish and maintain safe working gear and equipment for the protection of its Employees and shall continue to make reasonable provision and rules for their safety.
- 19.02 Any vessel tied up at any wharf, dock or landing place where crew members may go ashore or come aboard, shall have a suitable gangway and a safety net properly secured to the ship for the safe and convenient transit of crew members.
- 19.03 Members of the engine room shall not be required to work on staging or bosun's chair in machinery space while the ship is underway. Crew members shall not be required to work on staging overside while the vessel is underway. While in port or at anchor and work is required on staging overside, there shall be a man standing by above the stages at all times.
- 19.04 Only water from an approved source shall be used for drinking or sanitary use.
- 19.05 All vessels shall be supplied with life jackets sufficient for the watch below and an approved medical kit. Each medical kit shall be checked every six (6) months together with the ship's delegate and one (1) licensed ship's officer. Such officer shall hold a current M.E.D. Certificate. A copy of the check list, together with expiry dates for all supplies if any, shall be kept by both the ship's delegate and the officer appointed.
- 19.06 Goggles shall be supplied as required for men engaged in chipping or scraping, also ear muffs or ear plugs will be made available for all engine room personnel on diesel vessels and to deck personnel required to operate automatic chipping hammers.
- 19.07 Hard hats shall be supplied to crew members working in areas where overhead work is being performed.
- 19.08 The Company will supply proper face respirators when crew members are handling dusty cargoes as well as when required to do spray painting in confined areas such as tanks, tunnels etc.
- 19.09 Goggles, hard hats and respirators will be signed for and, if not returned at the termination of employment, the Employees will pay for the cost of replacement.
- 19.10 Non-conductor foot pads shall be supplied in front of the main electrical switchboard.
- 19.11 During the hours of darkness outside painting must not be performed.
- 19.12 The Company agrees to provide immersion suits that conform with the standards prescribed by M.O.T. to crew members on all vessels. It is understood that each crew member will be fully responsible and accountable for the suit at all times

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while in his possession and will pass it over to his alternate prior to his going on leave and will ensure that he receives it back in proper condition on returning from leave. These suits shall remain the property of the Company.



- 19.13 First aid kits, life preservers, life jackets, portable life rafts, etc., shall not be stored away while on the run immediately prior to lay-up nor shall the life boats be emptied of their equipment, permanently covered or securely lashed in preparation for such lay-up.
- 19.14 The Union agrees to cooperate with the Company in promoting safe practices and conditions aboard ship by reporting hazardous situations to the on-board safety officer who shall endeavor, whenever practicable and with the least possible delay, to have the situations rectified.
- 19.15 It is agreed that any safety regulations that the Company may now have in force for the safety of the vessel and the crew and any further safety regulations which the Company shall put into effect and bring to the attention of the crew shall be strictly adhered to by all crew members. Violations of any such regulations will warrant disciplinary action and may lead to dismissal.
- 19.16 The Company agrees to post a notice advising all crew members that it is their duty to ensure that all flammable materials are stored when not in use in the designated storage lockers which are properly identified and approved by M.O.T. for the storage of such materials.
- 19.17 If painting, chipping or soogeeing is to be undertaken with respect to the mast and smoke stack while the vessel is underway, they will only be done with a secure ladder, proper safe staging and in accordance with generally accepted practices of good seamanship.
- 19.18 The Company agrees that no crew member shall knowingly be required to work under unsafe conditions. Unsafe conditions shall be defined as those not normally considered safe.

20. WAGES AND HOURS OF WORK

20.01 a) Effective February 15th, 2008 the following schedule of wages shall apply:

| | Hrly Rate | Basic Daily Rate | OT Hrly Rate | Leave Day Rate |
|--------------------------|-----------|------------------|--------------|----------------|
| 1 st officer | 18.75 | 150.00 | 28.13 | 150.00 |
| 2 nd officer | 17.05 | 136.40 | 25.58 | 136.40 |
| 3 rd officer | 15.83 | 126.64 | 23.75 | 126.64 |
| 2 nd mechanic | 18.75 | 150.00 | 28.13 | 150.00 |

| | | | | |
|--------------------------|-----------|---------------------|-----------------|-------------------|
| 3 rd mechanic | 17.05 | 136.40 | 25.58 | 136.40 |
| 4 th mechanic | 15.83 | 126.64 | 23.75 | 126.64 |
| ○ | Hrly Rate | Basic Daily Rate | OT Hrly Rate | Leave Day Rate |
| G.P.S. | 13.81 | 110.49 | 20.72 | 110.49 |
| Chief Cook | 16.16 | 129.28 | 24.24 | 129.28 |

- b) Effective March 1st, 2009, wages shall be increased by 2.5% over the previous year.
- c) Effective March 1st, 2010, wages shall be increased by 2.5% over the previous year.
- d) Effective March 1st, 2011, wages shall be increased by 2.5% over the previous year.
- e) Effective March 1st, 2012, wages shall be increased by 2.5% over the previous year.

20.02 The payment of wages shall be the average of the basic daily rate and the lay day rate and shall be based on 28 days.

20.03 Watchkeeping Employees shall normally work a twelve (12) hour day consisting of two, six (6) hour watches, seven (7) days per week.

20.04 The regular hours of work for dayworking Employees shall be twelve (12) hours between the hours of 06:00 and 20:00 hrs. ship's time, seven (7) days per week.

20.05 It is recognized that the basic daily rate includes the calculation of a certain amount of overtime over the course of a tour of duty. Such overtime shall include all work required to operate, maintain, overhaul or as otherwise preserve the safety and efficiency and economy of the vessel, her crew and operation.

20.06 a) Should **an** Employee be required to work more than a total of 336 hours during his normal 28 day tour of duty, these extra hours shall be considered excessive and will be paid for at the overtime rate as indicated above. In the case of a tour of duty that is longer or shorter than the normal 28 days, the hourly calculation shall be prorated.

b) Any calculations for overtime shall be made at the end of the tour of duty and paid out on the next pay period.

c) During a tour of duty all employees are required to record, on their overtime sheet, all overtime worked. On a weekly basis the sheet is presented to the officer in charge for verification and **initialization**. The

employee shall retain his overtime sheet and add his overtime every week until the end of his tour of duty. At the end of the employee's tour of duty, the employee and the officer in charge shall both sign duplicate overtime sheets recording the duration of such work. One (1) copy of the sheet shall be given to the employee and the other retained by the Captain. In the event a question arises as to whether work performed is payable as overtime, or if the claim is rejected, the Senior Officer must sign "Disputed" and indicate the reason(s) for non-approval. In the case of a dispute, the matter shall immediately enter the Grievance Procedure as provided for in this Agreement. Any overtime exceeding the contractual amount shall be paid during the next pay period.

- 20.07 When Employees are called out for work, outside their normal hours of work, and then "Knocked off" for less than one (1) hour, excepting where an Employee is recalled for his regular duties, he shall be considered to have worked straight through.
- 20.08 The decision when to break watches shall be with the Captain or Chief Engineer who shall also be responsible for ensuring the even distribution of overtime worked to ensure that no individual is unfairly put upon.
- 20.09 In the event that an Employee is required to work excessive hours in any day as established in the *Canada Labour Code*, R.S.C. 1985, c. L-2, as amended, replaced or revised from time to time, he shall not, as far as is operationally practical, be required to work excess overtime the following day. This is to ensure that Employees shall have a reasonable opportunity to rest after a prolonged period of work.
- 20.10 During the course of the Employee's employment, should the Employee be required to perform the duties of lashing and unlashng commercial cargo, trailers and/or containers, said Employees shall receive a premium of nine dollars (\$9.00) per hour. This premium will be exclusive of any overtime. This premium will not be payable for lashing that is normally done by the Employee in the performance of his duties i.e. emergencies, tightening of chains, etc.
- 20.11 The Company agrees that any crew member working beyond his normal crew change time shall be compensated for such time worked at his regular hourly rate of pay, if the delay is as a result of company operations or scheduling.

21. MAINTENANCE WORK

- 21.01 Maintenance work is hereby classified as painting, chipping, soogeeing, scraping or working on ship's gear. Deck maintenance work, except when concerned with the safe navigation of the vessel, shall be performed between 06:00 hrs. and 20:00 hrs.
- 21.02 a) During the period from October 1st to March 31st of the following year, Employees shall perform only necessary work between 06:00 hours on

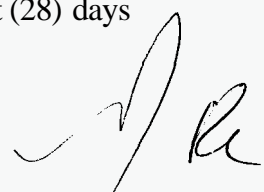
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Saturday and 6:00 hours on Monday, and between 20:00 hours and 06:00 hours on weekdays.

- b) During the period from April 1st to September 30th, Employees shall perform only necessary work between 20h00 on Saturday and 06:00 hours on Monday, and between 20:00 hrs and 06:00 hrs on weekdays. Otherwise any hours worked shall be paid at the overtime rate. During all remaining hours of the week, crewmembers will be affected to regular maintenance work.
- c) For the purposes of 21.02a) and 21.02 b), necessary work may include the following:
1. Navigation duties including the keeping of watches and work performed in connection with the assistance of ships and other functions in which a Ro-Ro (short sea shipping) vessel may engage.
 2. Docking, undocking, handling of mooring lines, preparing for loading and unloading of the vessel including ballasting and deballasting.
 3. Battening down, opening up and closing of hatches, securing the vessel in preparation for the voyage.
 4. Washing down the deck department immediately after loading and unloading of cargo or water ballast.
 5. Cleaning of cargo holds if it is necessary to avoid delay to the immediate loading of cargo and/or water ballast.
 6. Sanitary work which shall mean cleaning the wheelhouse, wheelhouse windows from inside and outside, the wheelhouse, mopping of the wheelhouse; it shall also include the sweeping and general cleaning of hallways, recreation room and mess rooms.
 7. Sweeping, mopping wiping and cleaning floor plates and deck oil in machinery space areas, including the exterior of main engines and auxiliaries.
 8. Taking onboard fuel and stores required for the continuous operation of the vessel.
 9. Any securing of cargo necessary for safety on the vessel.

22. TOUR OF DUTY

22.01 The normal tour of duty for vessels engaged in home trade, Ro-Ro (short sea shipping) operation will be on the basis of approximately twenty-eight (28) days



on and approximately twenty-eight (28) days off. The Company will do everything possible to maintain this schedule but reserves the right to extend this schedule to allow the ship to reach an appropriate terminal port. Tour of duty may be extended beyond thirty-five (35) days with the consent of the Company and the Employee.

Employees, at their option, may extend their "Tour of Duty" to forty-two (42) days (minimum thirty-seven (37) maximum forty-five (45)) providing there is agreement between the Employee and the relieving Employee. By December 1st of each year, Employees must declare the leave system they will be adopting for the following calendar year, commencing January 1st.

22.02 It shall be the duty of the Employee to provide the Company with his current address and telephone number. Should the Employee move, he shall immediately notify the Company of any changes. In the event that the Employee does not and the Company cannot subsequently reach him when calling back crew, the Company shall be free to call the Hiring Hall for a replacement.

23. STEWARD'S DEPARTMENT

23.01 Routine duties for the Chief Cook will include the supervision, preparation and the serving of regular meals and the preparation of night lunches, the cleaning of all dining rooms, galley, pantries, store room, linen room, refrigeration spaces and all departmental equipment, providing he has the proper qualifications. The Chief Cook may, from time to time, be required to assist in tying up or releasing the vessel. Such work shall be conducted outside his regular hours of work and shall be paid at the overtime rate of pay for all hours worked.

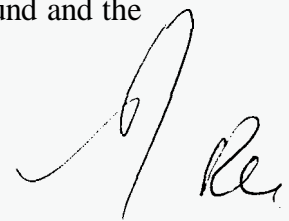
23.02 While the ship is in port, if meals are supplied to any personnel other than members of the crew or Company officials, the Company agrees to pay two dollars (\$2.00) per meal effective February 15th, 2008 provided that the provisions of this clause shall not apply to pilots.

23.03 When a Cook has completed the regulatory probation period as stated in the labour agreement with the Company, they shall be provided working clothes as follow:

- a) 4 pair of white (Chief Cook)
- b) 6 white shirts (short or long sleeves)
- c) 6 white Tee shirts
- d) 7 pair of black socks
- e) One pair of working shoes (anti-skid sole & safety cap)

24. FRINGE BENEFITS

24.01 It is agreed between the parties that the contributions payable to the Seafarer's Medical Plan, the Seafarer's International Union of Canada Pension Fund and the



Seafarer's Hiring Hall Fund, are provided for in the Letter of Understanding between the parties and are incorporated herein and made part hereof.

○.

SHORT PERIOD LAY-UP

25.01 The Company shall have the right to recall employees from a lay-off of less than six (6) consecutive days without making up the loss in basic pay occasioned by such lay-off provided that the period of employment for which the employee is so recalled shall not be less than ten (10) days.

26. PAYMENT OF WAGES

26.01 a) Wages shall be paid on a monthly basis, however, the Company undertakes to pay mid-month advances by direct deposit. Pay shall be given by direct deposit and shall be placed in the Employee's account no later than the last working day of the month.

b) When entering employment with the Company, an Employee shall provide the Company with the authorization and all pertinent banking information in order to assist in the making of direct deposit payments. It will be the responsibility of the Employee to notify the Company expeditiously of any changes of address or banking arrangements on a Company authorization form.

26.02 The Employee will not receive any part of his pay in cash from the Captain.

26.03 If the vessel is employed on a foreign going voyage advances may be made at the discretion of the Captain.

27. MARINE DISASTER

27.01 An Employee covered by this agreement, while employed by the Company, who suffers loss of clothing or other personal effects because of a marine disaster or ship wreck shall be compensated by the Company for such loss up to a maximum of two thousand (\$2,000) dollars.

27.02 An Employee or his estate, making claim under this clause, 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 values claimed.

28. SICK LEAVE AND COMPASSIONATE LEAVE

28.01 After completion of sixty (60) days of continuous employment with the Company an Employee will be granted bereavement leave when death occurs to a member of his or her immediate family, that is his father, mother, wife, child, brother, sister, parents-in-law, and grandparents. After the completion of sixty (60) working days of continuous employment with the Company, a relief Employee, will be entitled to the bereavement leave as stated above. The Employee granted

leave to attend the funeral will be paid at his basic rate for the time lost with accumulative leave up to a maximum of seven (7) consecutive working days per event. The total of days, including accumulative leave, paid to an employee from the application of this article is fourteen (14) for the duration of this collective agreement. As the case may be, any additional bereavement leave will be paid in accordance with the provisions of the *Canada Labour Code*. Claims for bereavement leave must be submitted by the Employee in writing to the Captain with proof of bereavement in the Employee's immediate family.

28.02 An Employee 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 and children.

28.03 An Employee may request paternity leave without pay at least six (6) weeks prior to the expected date of the birth of his child and shall be granted paternity leave for a maximum period of thirty (30) days without pay.

28.04 All claims under this Article must be supported by proper medical or bereavement evidence upon returning to the vessel, otherwise the Employee forfeits his right to employment with the Company.

28.05 All permanent employees shall be entitled to five (5) sick days per year payable at the basic daily rate of pay which shall be renewed upon the employee's anniversary date with the Company. These days are not cumulative from year to year

In order to be eligible for the above sick days, employees must be off sick for a minimum of seven (7) days, and must provide a medical certificate.

29. EMPLOYEE'S FILE

29.01 The Company agrees not to introduce as evidence in a hearing related to disciplinary action any document from the file of an Employee, the existence of which the Employee was not aware.

29.02 Upon written request of an Employee, notice of disciplinary action which has been placed on the personnel file of the Employee 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.

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

This clause 29.03 also applies when an Employee is off ship on leaves of absence due to the following:

1. Article on Accumulated Leave and Leave Pay;



2. Sickness;
3. Accident at work;
4. While laid off by the Company, if the Employee has been given Notice of Intent or;
5. For any leave of absence authorized by the Company.

30. LEAVE DAYS AND ACCUMULATED LEAVE DAYS

- 30.01 As far as is practical, ratings shall travel so as to arrive onboard the vessel about noon on crew change days.
- 30.02 For each day joining or leaving the vessel, all employees shall receive one (1) day's pay only provided they work a minimum of four **(4)** hours.
- 30.03 For each full day onboard vessel, ratings shall earn one (1) day's leave paid at the basic daily rate.
- 30.04 The Company will pay accumulated leave days upon request as indicated upon return to work, on the next regular pay period.

31. STAND-BY PAY

- 31.01 Stand-by pay is defined as one (1) day's pay at the basic daily rate with no leave pay accumulated.
- 31.02 This facility is for normal crew changes only and does not cover cases where a crew member has been granted additional leave for any reason including sickness.
- 31.03 Crew members returning to duty from sick leave or injury shall give five **(5)** days notice of their availability. After which he shall return to work at the next Canadian port of call as referred to in Article 17.02.
- 31.04 Crew members shall be required to return to sea after having completed twenty-four (24) days of their leave if called by the Company. In the event that they refuse to return at that time, no stand-by pay will be applicable later.

32. DIRTY WORK

- 32.01 Employees required to perform work of an excessively dirty nature, as detailed below, shall be paid a premium of eight dollars and forty cents (\$8.40) per hour worked effective August 1, 2007 and August 1, 2010 \$8.82 for the duration of the contract.

- a) Cleaning fuel or lube oil sludge tanks.
- b) Fuel oil tanks, cleaning only.
- c) Cleaning fuel or lube oil bilges.





Only the above detailed work shall be considered as dirty work.

- .02 Prior written authorization of the Captain or Chief Engineer must be obtained before work is commenced.
- 32.03 The above premium shall not apply when such work is performed during maintenance lay-up or dry-docking.

33. DURATION OF AGREEMENT

33.01 This agreement shall remain in effect commencing February 15th, 2008 and shall continue into force until February 28th, 2013 and shall thereafter without further act of formality be renewed for a further term **of** one (1) year unless written notice of desire to amend, modify or cancel **any of** the terms herein is given by either party hereto to the other within ninety (90) days prior to the expiration of such term, in which event it shall terminate at the expiration of such term.

Signed at _____,
this 22 day of February 2008.

Signed at Montreal
this 22 day of February 2008.

Anglo-Eastern Ship Management Ltd.
Acting For and on behalf of
GREAT LAKES FEEDER LINES INC.

SEAFARERS' INTERNATIONAL UNION
OF CANADA

GENERAL MANAGER

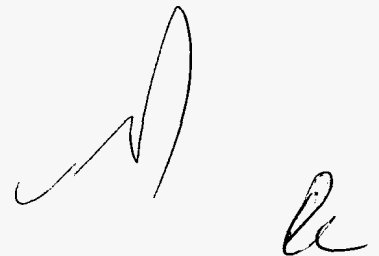
Executive Vice President

APPENDIX "A"

LETTER OF UNDERSTANDING

Temporary Relief

The Union agrees that when a temporary relief G.P.S. is requested for extra leave or medical purposes, a single relief is permitted to replace two (2) or more Employees in succession.

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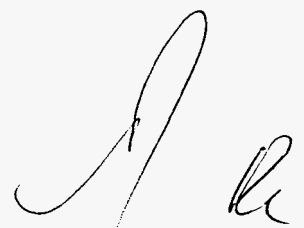
APPENDIX "B"

LETTER OF UNDERSTANDING

Promotions as Officers

Recognizing that the Company, from time to time, sees fit to promote employees to Officer positions on board their vessels, it is agreed that:

- i) All such promotions shall be based on seniority with qualifications, experience and ability being sufficient to perform the job.
- ii) Employees who are temporarily promoted for the purposes of training and/or relieving permanent officers, shall retain their unlicensed seniority.
- iii) The one hundred and eighty (180) days work limit may be extended to enable the individual being relieved to recover from sickness or study leave. Such exemptions to be mutually agreed to by the Union and the Company in advance of the normal limit being reached.
- iv) Upon promotion to a **full** time officer's position, or after six (**6**) months or (180) days, an unlicensed Employee shall not have the right to re-enter the bargaining unit unless dispatched through the Union Hiring Hall.

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APPENDIX "C"

LETTER OF UNDERSTANDING

Education

The following concepts shall govern the payment of education.

Should the Company require Employees to upgrade their skills, they shall first endeavor to have training sessions take place aboard the vessel. If that is not feasible and training is to be taken while on scheduled time off, the Company agrees to pay all costs including wages to a maximum of 8 hours per day at the basic hourly rate provided the trained Employee remains under employment with the Company for a period of twelve (12) months after obtaining certification, otherwise the Employee shall refund to the Company all course related expenses, excluding wages.

- a) Required upgrading arising out of government regulations, it is agreed the Company will bear the costs of tuition, books, and fees and the employee will contribute his time.

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APPENDIX "D"

LETTER OF UNDERSTANDING

Pension Plan and Hiring Hall

The parties agreed by Memorandum of Agreement that the Company shall make contributions to the following plans as indicated below:

PENSION PLAN

The Company agrees to make a monthly contribution of 7.5% of the basic daily rate for each employee, for each day worked and lay days, to the Seafarers' International Union of Canada Pension Plan for each Employee covered by the present agreement.

HIRING HALL FUND

The Company agrees to pay to the Seafarers' International Union of Canada Hiring Hall Fund per Employee per payroll day as follows:

| | |
|--|--------|
| Effective Feb. 15 th , 2008 | \$4.55 |
| Effective March 1 st , 2009 | \$4.65 |
| Effective March 1 st , 2010 | \$4.75 |
| Effective March 1 st , 2011 | \$4.85 |
| Effective March 1 st , 2012 | \$4.95 |

These funds are to be remitted to the Seafarers' International Union of Canada Hiring Hall Fund, 9300 Henri Bourassa West, Suite 280, Montreal, Quebec, H4S 1L5, no later than the 15th day of the following month.

The parties recognize the previous misunderstanding relating to contributions per job per payroll day and agree that the term "per Employee per payroll day" includes leave days cashed in or payments made at termination of employment by the Company.

MEDICAL PLAN

Effective February 15, 2008, the Company agrees to make contributions of seven dollars and fifty cents (\$7.50) per job per payroll day to the existing Seafarers' Medical Plan.

Where a member is entitled to draw benefits under the Seafarers' Medical Plan, the Company agrees to continue Seafarers' Medical Plan contributions during any period the employee 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.



APPENDIX "E"

LETTER OF UNDERSTANDING

Pension Plan

It is agreed between the parties that should current pension plan for employees be changed during the term of this agreement, the Company shall redirect contributions to the approved plan.

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APPENDIX "F"

LETTER OF UNDERSTANDING

Supernumeraries

The parties hereby agree to the following terms and conditions applicable to supernumerary personnel to be employed on the vessels or the galley departments.

1. The terms and conditions of the master agreement shall not apply unless otherwise indicated herein.
2. The Company may hire supernumerary personnel for the purpose of performing maintenance work or seaway work.
3. Such personnel shall be referred to as General Purpose rating and could be assigned work to both the engine room and deck departments.
4. The work week schedule shall consist of fifty-six hours Sunday through Saturday.
5. Regular schedule of work shall be between 06:00 and 18:00 hours daily.
6. The basic hourly rate of pay shall be that of the G.P.S. less 10%. The overtime rate of pay shall be that of the G.P.S. less 10%. The wage increase referred to in article 20.01 shall apply.
7. Article 13.01 "Statutory Holidays" shall apply.
8. Vacation pay will be set at four (4%) percent.
9. The Letter of Understanding on Fringe Benefits shall apply.
10. General Purpose ratings shall be hired through the Union's hiring hall as referred to in Article 5.06.
11. Notwithstanding Article 5.06 the Company may assign a General Purpose rating to a relief position provided such employee has the proper qualification and certification.
12. Supernumerary employees shall not have recall rights.



APPENDIX "G"

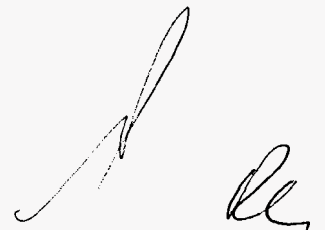
LETTER OF UNDERSTANDING

Taking Extra Time Off

The parties agree that, at the request of an employee and at the discretion of the Company, arrangements may be made to allow an employee an extra trip (28 days) off. It is understood that the only purpose of this leave is for rest, relaxation or education and it is forbidden during this leave to be employed elsewhere.

It is understood that only employees who meet all of the following conditions will qualify for said leave.

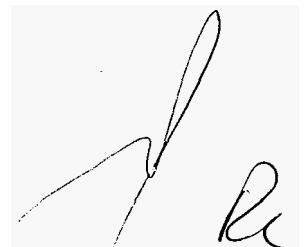
1. Request must be made 60 days in advance.
2. The employee must have ten (10) or more years of seniority.
3. Only one leave will be granted per 28-day tour.
4. The Company can find suitable relief.
5. One leave per employee per contract year.
6. The leave is without pay.
7. The Company will pay the employees Medical Plan for the 28-day leave.
8. The Company will not be responsible for any pension contributions for the 28-day leave.

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APPENDIX "H"

DISCIPLINE CODE

In order to promote a consistent and cooperative Labour Relationship climate on board the vessel, the parties agree to abide by the Discipline Code attached hereto. Nothing contained in the Discipline Code shall constitute any re-negotiation of the Collective Agreement.

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a smaller, cursive signature.

LETTER OF UNDERSTANDING

BETWEEN

ANGLO-EASTERN SHIP MANAGEMENT LTD.

**Acting for and on behalf of
GREAT LAKES FEEDER LINES INC.
(the "Company")**

AND

**THE SEAFARERS' INTERNATIONAL UNION OF CANADA
(the "Union")**

PREAMBLE

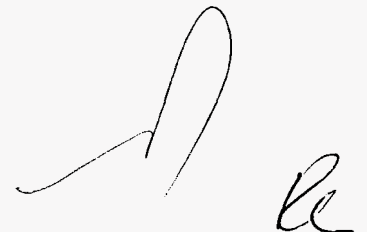
The Union and the Company have agreed to the following.

DISCIPLINARY CODE

It is understood that the present disciplinary code (the "Code") is to be used as a guide only by supervisors on board the ship and members of shore management in the discipline of shipboard personnel. Discretion, good judgment and consistency should be applied in all instances.

Accordingly, in applying this Code, consideration should be given to all the circumstances surrounding the incident or infraction for which discipline is contemplated as well as the previous record of the seaman involved. Investigations should be as thorough and as objective as possible. The following factors, amongst others, should be considered in the determination of the appropriate disciplinary measure to be imposed:

- a) The seaman's length of service with the Company;
- b) The seaman's disciplinary record;
- c) The seaman's performance;
- d) Whether the safety of the ship and/or its crew was endangered by the act;
- e) Seriousness of the offence in terms of Company policy and Company obligations;
- f) The accidental or deliberate nature of the act;



g)

Factors outside the seaman's control contributing to the offence.

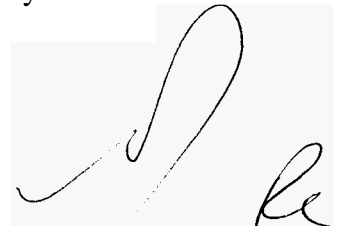
The following lists of offences are not intended to be exhaustive:

A. OFFENCES WHICH WARRANT IMMEDIATE DISMISSAL

- i) Possession, consumption, or the bringing aboard ship of illegal drugs, and/or any controlled substance or any substance likely to cause harm;
- ii) Acts of violence;
- iii) Refusal to obey lawful commands;
- iv) Refusal to comply with safety standards, rules and regulations contained in the *Canada Shipping Act* or the Company's safety regulations;
- v) Theft;
- vi) Sabotage (including wilful destruction of Company property);
- vii) Absence from place of duty, thereby endangering the safety of the ship and/or other members of the crew;
- viii) Gross incompetence and/or gross negligence, which endangers the safety of the ship and/or other members of the crew and/or damage to Company property;
- ix) Smuggling;
- x) Desertion.

B. OFFENCES WHICH WARRANT SUSPENSION

- (i) Possession and/or consumption or bringing aboard alcohol or boarding the ship from shore in a visibly impaired state;
- (ii) Threats of violence or intimidation, including harassment of any kind in which involves threats of violence or intimidation ;

A handwritten signature in black ink, appearing to be 'R. K.', is located in the bottom right corner of the page. The signature is written over a light gray rectangular background.

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- (iii) Deliberate or repeated sleeping on duty;
 - (iv) Absence without leave;
 - (v) Insubordination;
 - (vi) Dishonest conduct;
 - (vii) Fighting.

A seaman will be deemed to be in a visibly impaired state when so judged by the Captain or Chief Engineer. However, before imposing the suspension a union representative or ship's delegate will be given the opportunity to assess the seaman's condition.

The offences in this category (B), if repeated, shall result in immediate dismissal. Any suspended seaman will not be allowed to register at his dispatch hall without forfeiting his job with the Company. The minimum suspension under category (B) is one month and excludes time off for vacation. Anyone suspended will be responsible for his own transportation costs, both ways.

C. OFFENCES WHICH REQUIRE WRITTEN WARNINGS

- (i) Abusive language;
- (ii) Incompetence;
- (iii) Absence from place of duty;
- (iv) Lateness;
- (v) Negligence;
- (vi) Non-compliance with safety standards, rules and regulations contained in the *Canada Shipping Act* or the Company's safety regulations;
- (vii) Lack of cooperation with officers or other crew members;
- (viii) Harassment, but less serious than the form of harassment referred to under category C;
- (ix) Missing ship.



The offences in this category (C), if repeated, may result in suspension or dismissal.

Depending on the seriousness and frequency of the offences committed by the seaman and the considerations set forth in (a) through (g) above [reference is to the Introductory Paragraph of this Code], the possibility of dismissal in the event of continued indiscipline should be mentioned in the final warning. Final warnings shall be in writing. The final warning must be explicit in outlining the offence, and shall indicate whether previous verbal or written warnings have been given, outlining details of all previous infractions which have resulted in a warning; the final warning shall set out clearly the improvement which is expected and the time within which this improvement is reasonably expected to take place.

Typically, three (3) written warnings should be given prior to suspension or dismissal [suspension?] for offences under category (C).

D. PENALTIES IMPOSED AND CLEARING THE RECORD

The penalty imposed in every case will depend on the particular offence or offences committed, the conduct of the seaman involved, his record and the circumstances tending to mitigate or aggravate the gravity of the offence.

1. Conditions of imposition

The following conditions shall be met by the Employer (the Company) when imposing any penalty under this Code, whether dismissal under Category A, B or C or suspension under Category B or Category C. Failure to fulfill all of the requirements set out in this section 1 will result in the automatic nullification of the disciplinary notice, and thereafter it may not be invoked in any disciplinary action or in any arbitration under the collective agreement.

Where the penalty is dismissal:

- (a) The notice of discipline shall be in writing and remitted to the seaman within ten (10) working days of the alleged offence;
- (b) A copy of the notice of discipline shall be forwarded to the Union concerned within three (3) working days of the imposition of the penalty;
- (c) In any meeting with the Captain or Chief Engineer where dismissal is to be imposed, the seaman has the right to be accompanied by a Union Representative or Ship's Delegate.





Where the penalty is suspension:

- (d) The notice of discipline shall be in writing and remitted to the seaman within ten (10) working days of the alleged offence;
- (e) A copy of the notice of discipline shall be forwarded to the Union concerned within three (3) working days of the imposition of the penalty;
- (f) In any meeting with the Captain or Chief Engineer where suspension is to be imposed, the seaman has the right to be accompanied by a Union Representative or Ship's Delegate.



2. Expunging and clearing the record

This section does not apply to any seaman dismissed for an offence set out in Category A of this Code.

With respect to offences committed under Category B and Category C, the following rules apply:

Where the penalty under Category B or Category C is dismissal:

- (a) Where the seaman has, to the satisfaction of the Company's Management Committee performed his or her tasks acceptably and has not had any further disciplinary measures imposed, including warnings, for a period of twenty-four (24) consecutive months, he or she may request that the Union seek to have his or her record of dismissal expunged and cleared by the Company. Unless there are reasonable grounds on which to refuse to expunge the record, the Company's Management Committee will ensure that the seaman's record is expunged and cleared of any reference to the dismissal in question, and the Company shall forthwith clear and expunge the seaman's record of any and all references, direct and indirect to the dismissal in question.
- (b) Where the Management Committee refuses to approve the clearing of the record, it will give written reasons for its decision to the seaman and to the Union.
- (c) Following the affirmative decision of the Company's Management Committee, the seaman's record shall be cleared within five (5) working days following and confirmation shall be communicated in writing to the seaman by registered mail, with a copy to the Union.

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- (d) The seaman may grieve the decision of the Management Committee under the ordinary grievance procedure of the Collective Agreement.

Where the penalty under Category B or Category C is suspension:

- (a) Where the seaman has, to the satisfaction of the Company's Management Committee performed his or her tasks acceptably and has not had any further disciplinary measures imposed, including warnings, for a period of twenty-four (24) consecutive months, he or she may request that the Union seek to have his or her record of dismissal expunged and cleared by the Company. Unless there are reasonable grounds on which to refuse to expunge the record, the Company's Management Committee will ensure that the seaman's record is expunged and cleared of any reference to the dismissal in question, and the Company shall forthwith clear and expunge the seaman's record of any and all references, direct and indirect to the dismissal in question.
- (b) Where the Management Committee refuses to approve the clearing of the record, it will give written reasons for its decision to the seaman and to the Union.
- (c) Following the affirmative decision of the Company's Management Committee, the seaman's record shall be cleared within five (5) working days following and confirmation shall be communicated in writing to the seaman by registered mail, with a copy to the Union.
- (d) The seaman may grieve the decision of the Management Committee under the ordinary grievance procedure of the Collective Agreement.

Where the disciplinary measure is one or more warnings only

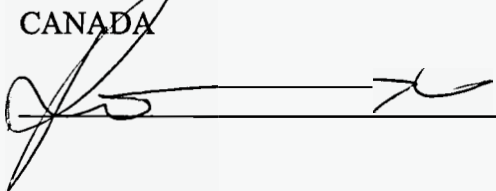
Warning notices will be removed from a seaman's file 24 months after their issuance provided that no other written warning was issued within that period. Failing that, notices will only be removed following a 24-month period during which the seaman received no written warning.



The parties agree to meet annually to review and if necessary revise this Code. Nothing in this document prevents the parties from exercising their rights under the grievance procedure.

Signed at Montreal,
this 22 day of February, 2008.

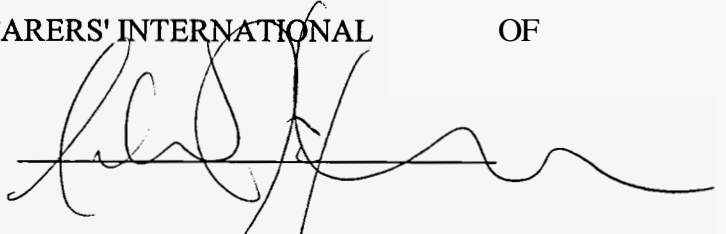
Anglo-Eastern Ship Management Ltd.
Acting For and on behalf of
GREAT LAKES FEEDER LINES INC.
CANADA



GENERAL MANAGER

Signed at Montreal
this 22 day of February 2008.

SEAFARERS' INTERNATIONAL OF



Executive Vice President