

COLLECTIVE AGREEMENT

BETWEEN

ANGLO-EASTERN SHIP MANAGEMENT LTD
(Hereinafter called "the Company")

AND

CANADIAN MERCHANT SERVICE GUILD
(Hereinafter called "the Guild")

**Representing all Deck Officers working for Anglo-Eastern Ship
Management Ltd, acting for Fednav Ltd, on board the M/V Arctic**

EDSC, TRAVAIL
ESDC, LABOUR

JAN 21 2016

EFFECTIVE: May 1st, 2015

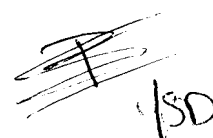
EXPIRES: April 30th, 2018

SFMC
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Table of Contents

| Article # | Page # |
|--|---------------|
| 1. GENERAL PURPOSE OF THIS AGREEMENT | 4 |
| 2. RECOGNITION..... | 5 |
| 3. UNION SECURITY..... | 6 |
| 4. MANAGEMENT RIGHTS..... | 7 |
| 5. NO STRIKES AND NO LOCK-OUTS | 8 |
| 6. GRIEVANCE AND ARBITRATION | 9 |
| 7. SENIORITY..... | 11 |
| 8. OFFICER COMPLEMENT | 14 |
| 9. SHIPBOARD FLEXIBILITY | 15 |
| 10. RELIEF OFFICERS/TEMPORARY OFFICERS | 16 |
| 11. GUILD OFFICERS BOARDING VESSELS | 17 |
| 12. JOINT CONSULTATIVE COMMITTEE..... | 18 |
| 13. MEDICAL FITNESS..... | 19 |
| 14. NORMAL WORK ROUTINE..... | 20 |
| 15. OFFICERS LEAVING VESSEL WHEN NOT ON DUTY | 21 |
| 16. GENERAL AND EMERGENCY DUTIES..... | 22 |
| 17. SAFETY PROCEDURE | 23 |
| 18. PROTECTIVE CLOTHING, UNIFORMS & SAFTEY EQUIPMENT | 24 |
| 19. SAFETY..... | 26 |
| 20. HOURS OF WORK..... | 27 |

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| Article # | Page # |
|---|---------------|
| 21. TERMINATION OF EMPLOYMENT | 28 |
| 22. DRUG AND ALCOHOL TESTING | 29 |
| 23. CADETS AND OTHER SUPERNUMERARIES | 30 |
| 24. STATUTORY REQUIREMENTS..... | 31 |
| 25. TRAVEL EXPENSES/CREW CHANGE DAYS | 32 |
| 26. BEREAVEMENT LEAVE | 33 |
| 27. DISCIPLINE | 34 |
| 28. LEAVE OF ABSENCE..... | 35 |
| 29. CONSOLIDATED DAY RATE | 36 |
| 30. SENIORITY BONUS SYSTEM..... | 37 |
| 31. TOUR OF DUTY..... | 38 |
| 32. MARINE DISASTER | 39 |
| 33. LEGAL DEFENCE INSURANCE AND ADMINISTRATION..... | 40 |
| 34. EDUCATION/CERTIFICATE UPGRADING..... | 41 |
| 35. GROUP BENEFITS PLAN & RRSP..... | 42 |
| 36. SEVERANCE PAY..... | 43 |
| 37. PAYMENT OF WAGES | 44 |
| 38. DURATION..... | 45 |
| Appendix A – Wage Table: Mates and Engineers | 46 |
| MOU 1 – STEVEDORING PAY | 47 |
| MOU 2 - REST PERIOD ON JOINING THE VESSEL..... | 48 |
| MOU 3 - CARGO OPERATIONS DURING LAY-UP..... | 49 |

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1. GENERAL PURPOSE OF THIS AGREEMENT

1.01 The general purpose of this Agreement is to ensure for the Company, the Guild, and the Officers employed by the Company, the full benefits of orderly and legal collective bargaining and to ensure, to the utmost extent possible, the safety and physical welfare of the said Officers and the economy of operations. It is recognized by this Agreement to be the duty of the Company, the Guild, and said Officers to cooperate fully, individually, and collectively for the advancement of said conditions.

1.02 Where “Officers” are referenced in this Agreement, it refers to all Deck Officers, excluding Master, except where specifically stated otherwise.

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2. **RECOGNITION**

2.01 The Company recognizes the Canadian Merchant Service Guild as the certified bargaining agent to represent all Deck Officers working for Anglo-Eastern Ship Management Ltd, acting for Fednav Ltd, on board the M/V Arctic.

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3. UNION SECURITY

3.01 An Officer covered by this Agreement, who is not a member of the Guild, shall as laid out in Article 3.02 make application for membership in the Guild. If the Guild refuses to accept such Officer a written statement of reasons must be supplied by the Guild to the Company.

3.02 Any Officer employed by the Company and not a member of the Guild shall as a condition of employment, make application to the Guild for membership. Such application shall be made within thirty (30) days of employment with the Company. The Guild agrees that membership of an Officer in the Guild shall not be denied, suspended or terminated for any reason other than in accordance with the Collective Agreement and the Constitution, Rules and Regulations of the Guild.

3.03 The Company shall deduct on the payroll for the last pay period of each month, from the wages due and payable each Officer coming within the scope of this Agreement, an amount equal to the uniform monthly membership fee and regular assessments of the Guild.

3.04 The Company will deduct initiation fees, dues and assessments and remit to the Guild.

3.05 All deductions required under this Article will be forwarded to the Guild, attention of the Secretary-Treasurer, within thirty (30) days, together with a list in duplicate showing the month and names of the Officers to whom the deductions are to be credited.

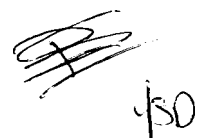
3.06 The Company will indicate on each employee's T4 slip the amount of dues deducted for the year.

3.07 The Guild shall indemnify the Company, its vessels, Officers, servants and agents and hold it or any of them harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of any action taken by it, them or any of them for the purpose of complying with the provisions of this Article or that arise out of or by reason of reliance by it, them or any of them on any list or notice furnished to the Company by the Guild pursuant to the provisions of this Article.

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4. **MANAGEMENT RIGHTS**

4.01 The Guild recognizes that the Company has the sole and exclusive right, except as otherwise specifically limited by the express provisions of this Agreement, and subject to the grievance procedure contained herein, to determine all matters pertaining to the conduct of its Management of the Company and its affairs, the right to hire, the right to evaluate performance, classify, discipline, suspend, discharge for cause, promote or demote, transfer or lay-off Officers, and require Officers to observe Company rules and regulations and safety systems and standards consistent with the provisions of this Agreement.

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5. NO STRIKES AND NO LOCK-OUTS

5.01 It is agreed that there will be no strikes or stoppages of work either complete or partial, by the Guild and/or any one or more Officers, nor any lock-outs by the Company until the provisions of the Canada Labour Code have been satisfied permitting the Guild to strike or the Company to lock-out.

5.02 It is further agreed that the Guild and the Officers will not engage in any act or omission which limits the Company's operations or services until the provisions of the Canada Labour Code have been satisfied permitting the Guild to strike or the Company to lock-out.

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6. GRIEVANCE AND ARBITRATION

6.01 A grievance is any dispute or difference concerning the interpretation, application or any alleged violation of the Agreement and shall be resolved as expeditiously as possible in accordance with the procedure set out in this Article. "In writing" means regular mail or fax or email.

6.02 Step 1:

The Officer or the Guild's delegate may present the grievance in writing to the Dept. Head or superintendant within fifteen (15) calendar days of the event giving rise to the grievance as outlined in Clause 6:01. The grievance must bear the signature of the Officer, date, and as a condition of its validity including its arbitrability, must also state the section(s) of the Agreement in question and any relief sought. The Company shall provide a decision in writing to the Officer, with a copy to the Guild, within five (5) calendar days after the grievance is presented. If a satisfactory settlement is not reached, Step 2 may be followed.

6.03 Step 2:

The Officer or Guild's delegate shall submit his/her written appeal from the Step 1 decision of the appropriate Company official to the Human Resources Manager within seven (7) calendar days after receipt of the Step 1 written decision. Within seven (7) calendar days of submission of the written appeal to the Human Resources Manager, the Company and appropriate Guild Representatives and any other person the Company considers appropriate shall meet to consider the grievance. The decision of the Company shall be given to the appropriate Guild representative in writing within seven (7) calendar days of the day on which the meeting was held.

6.04 Group or Policy grievances arising out of the interpretation, application, or any alleged violation of this Agreement may be initiated by either party within 15 days of becoming aware of the incident giving rise to the grievance by notice in writing clearly stating the grievance, the section(s) of the Agreement in question and any relief sought, delivered to the Company Representative or the appropriate Guild Representative, as the case may be. Such grievances shall commence at the Step 2 stage and the time limits referred to in clause 6:03 shall be strictly adhered to. Within seven (7) calendar days of delivery of written notice a meeting shall be held to discuss the grievance and within seven (7) calendar days of that meeting, the party initiating the grievance shall be advised of the other party's decision.



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6.05 Step 3:

Any party continuing to feel aggrieved by the decision reached at Step 2 may give notice of appeal within twenty-one (21) calendar days of receipt of the notice of the decision reached at Step 2.

The notice that the party remains aggrieved shall include the naming of that party's nominee as Arbitrator. The party receiving such notice shall within five (5) days concur on the Arbitrator or put forward the name of its own nominee. If the Parties fail to agree they shall request that the Minister of Labour appoints an Arbitrator.

6.06 The award of the Arbitrator shall be given within thirty days of the conclusion of the hearing and shall be binding on both parties.

6.07 The Arbitrator shall not have any power to alter or change any of the provisions of this Agreement or to substitute new provisions for existing provisions, nor to give any decision inconsistent with the terms and provisions of this Agreement.

6.08 Each of the parties will jointly bear the expense of the Arbitrator.

6.09 In the event a grievance has not been processed in the procedure outlined in this Article and within the time limit set forth, the grievance shall be deemed to be abandoned and all rights of recourse of this Article in respect of that grievance shall be at an end. Notwithstanding the above, the time limits may be extended at any stage of the grievance procedure by mutual written consent.

6.10 Nothing in the Grievance Procedure provided shall be deemed to take away the right of any Officer to present and discuss a problem of a personal nature directly with the Company.

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7. SENIORITY

7.01 An Officer shall be considered on probation and shall not be placed on the seniority list until he/she has been employed for ninety (90) sea days, excluding lay-up. Upon completion of the probationary period the Officer's seniority shall commence from date of employment. During the probationary period the Company may terminate a probationary Officer's employment, based on shipboard evaluation, if in the opinion of the Company the probationary Officer would not be suitable for permanent employment. The Officer shall be covered by the full benefit plan (except WI and LTD) and Pension plan while on probation and such time shall count towards seniority or other bonus accumulation. Pension plan amounts shall only be paid after successful completion of the probationary period.

7.02 Seniority lists shall be revised annually and posted in January of each year. Copies of the seniority lists shall be supplied to the Guild. In addition, the Guild will be notified when new Officers are added to the seniority list. Protest in regard to seniority standing shall be submitted in writing within ninety (90) calendar days from the date such lists are posted. When proof of error is presented by an Officer, such error shall be corrected and when corrected the agreed upon seniority date shall be final. Once seniority has been established for ninety (90) days without protest, it shall thereafter remain unchanged, unless agreed by mutual consent of all parties concerned. No changes shall be made in the existing seniority status of an Officer unless concurred in by the Guild.

7.03 An Officer who is promoted or transferred to a position within the Company but outside the bargaining unit shall maintain seniority up to a maximum of twenty four (24) months while so employed outside the bargaining unit. If such an Officer is released from their position outside the bargaining unit within twenty four (24) months, he/she may, within thirty (30) days, exercise his/her seniority to return to the job classification from which he/she was promoted or transferred. Failure to do so shall result in loss of his/her seniority.

7.04 In selecting Officers for upgrading or promotion to or within classifications covered by this Agreement, the following factors shall be considered: certification, qualifications, ability, competency and seniority. Those factors being equal, seniority shall prevail. The Company shall be the judge of ability and competency.

For such Officers promoted to a higher classification there will be a 2 tour of duty assessment period, minimum 70 days on board, excluding lay-up. During this assessment period the Company will evaluate the Officer's suitability to meet the standards and responsibilities of the job. If during the assessment period the Officer is not successful, he/she shall be returned to his/her former position. It is understood that having successfully completed the assessment period, an Officer would not have to perform any re-entry assessment unless twelve (12) months had elapsed since the completion of the last assessment.

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7.05 An Officer shall lose his seniority and his/her employment shall be terminated if he/she:

- (a) Resigns.
- (b) Is discharged for cause.
- (c) Refuses, without cause satisfactory to the Company, to return to work after expiration of shore leave.
- (d) Is absent without leave without notice satisfactory to the Company.
- (e) Overstays his/her leave of absence.
- (f) Fails to return from layoff under the recall procedure as set forth in this Article.
- (g) Is on lay-off for a continuous period equal to his/her seniority or two (2) years, whichever is less.
- (h) Is unable to perform his/her normal duties due to illness or accident for a period of two (2) consecutive years. This may be extended by mutual agreement of the parties.
- (i) Retires.

7.06 If it becomes necessary to layoff Officers, they will be retained in order of seniority. When there is an increase in the work force after layoff, Officers will be hired in reverse order of the layoff provided they have the necessary qualifications and ability to do the work available.

7.07 Subject to Article 7.01 (probationary Officers) Officers will establish positional and fleet seniority upon commencement of employment with the Company. Officers who are permanently promoted (i.e., 2nd. Mate to 1st. Mate) shall establish and accumulate position seniority while continuing to retain and accumulate vessel seniority. In the event of layoffs for those Officers who have been promoted, vessel seniority shall apply and permit those Officers to move back to their former position.

7.08 Officers relieving in a higher classification shall accumulate positional seniority in the higher classification after being appointed to the higher classification for ninety (90) cumulative sea days. Positional seniority for Officers relieving in a higher classification shall be based on time worked in the higher classification. Officers under this Article shall continue to retain and accumulate vessel seniority.

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7.09 For the purposes of determining seniority for promotion:

- A) Within different classifications, the Officer in the higher classification is deemed to be the senior Officer;
- B) Within the same classification, the Officer who has established the greater seniority relieving in the higher classification shall be deemed to be the senior Officer. If no Officer within the same classification has established seniority in a higher classification, the Officer with the greater length of service in the same classification is deemed to be the senior Officer;
- C) With the same length of service within the same classification, the Officer with the greater vessel seniority is deemed to be the senior officer.

7.10 If laid off, an Officer will have recall rights for a period equal to his/her seniority or for two (2) years whichever is less.

7.11 Each Officer including an Officer on lay off status is responsible to keep the Company informed at all times in writing of his/her current address, including email address and telephone number, where he/she may be reached. In all cases requiring the Company to give an Officer notification for any reason, it may rely on the accuracy of the information on file. Failure of the Officer to receive notification where required under any of the terms of the Agreement, due to his/her noncompliance with this section shall relieve the Company of any responsibility for the result.

7.12 An Officer is required to notify the Company within forty-eight (48) hours of receiving written notice as per 7:09 to return to work after lay-off, as to whether he/she will or will not so return within five (5) calendar days of the receipt of notification. Nothing in this Article shall be construed to preclude the Company from giving longer notice of return to work or a longer period in which the Officer is to report for work. Should the Company not receive notification of the Officers intention as to availability, the Company shall consider the Officer unavailable for recall. The sailing time of a vessel will not be held up awaiting the arrival of a recalled employee.

7.13 In an emergency situation the notification of 48 hours outlined in Article 7:10 shall not apply. The Company may employ any person in order that the vessel may sail when required, provided the recall list has been exhausted.

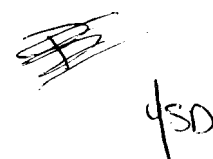
7.14 An Officer who is subject to recall under Articles 7:10 and 7:11 shall be given the opportunity to be assigned to a vessel at the next port of call, provided the Officer is available.

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8. **OFFICER COMPLEMENT**

8.01 As per safe manning requirements

8.02 **If for any reason the vessel sails with less than the regular number of Officers or Marine Engineering Officers, the consolidated day rate for the Officer(s) that is (are) missing will be divided among the remaining department members, provided they perform the normal work of the missing Officer(s).**

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9. SHIPBOARD FLEXIBILITY

9.01 Officers shall not be required to perform duties of unlicensed personnel. However, Officers should recognize that due to the nature of their employment and crew size limitation, they are expected to assist members in other areas of shipboard operations without extra compensation.

9.02 All Officers should be prepared to assist the catering department with the removal of dishes from the mess room to galley, vessel cleaning and other duties, as required.

9.03 Officers shall be assigned to a particular vessel within the fleet, but may be moved to other vessels within the fleet as directed by the Company.

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10. RELIEF OFFICERS/TEMPORARY OFFICERS

10.01 Definition - A temporary Officer is that Officer hired from outside the bargaining unit to meet short-term operational requirements.

10.02 Definition – A relief Officer is a bargaining unit Officer with valid certification appointed to fill a temporary position at a higher classification within the bargaining unit to meet short term operational requirements.

10.03 When filling a permanent position, the Company shall take into consideration certification, qualifications, ability, competency and seniority. Those factors being equal, seniority shall be the deciding factor. The Company shall be the sole judge of qualifications, ability and competency.

10.04 Subject to Article 10:03, relief Officers shall receive first consideration when a permanent position in a higher classification becomes available, provided the relief Officer holds the higher certificate of competency required by the Company for that position.

10.05 Temporary Officers who are subsequently hired into a permanent position shall have time worked as a temporary Officer credited towards their probationary period. Upon completion of the probationary period, the Officer's seniority shall be backdated to the date of becoming a permanent Officer.

10.06 Definition – A permanent-relief Officer is a bargaining unit Officer with valid certification that has filled temporary positions for more than ninety (90) cumulative sea days in an operational year. An operational year is defined as the period from January 1st to December 31st.

A permanent-relief Officer is entitled to the same benefits as the permanent Officers, as well as seniority bonus, as per 30.01. Seniority bonus is paid to a permanent-relief officer on a prorated basis for time worked on board.

This clause will be applicable starting January 1st 2016 going forward.

10.07 When filling the position of a permanent officer on leave, the Company will offer the position to the available permanent officers on the Seniority list, by order of seniority, provided the total days worked by the concerned Officer in the current year do not exceed one hundred and ninety six (196) days.

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11. GUILD OFFICERS BOARDING VESSELS

11.01 Subject to authorization of the vessel Master, Guild Representatives shall be allowed to board the Company vessel covered by this Agreement in any ports/areas used by the vessel for the purpose of contacting its members covered by this Agreement. Such representatives of the Guild shall be allowed to board at any time which, in the opinion of the responsible officials of the Company, will not interfere with the regular operating of the Company's business, nor with the sailing, loading or unloading of the vessel, and shall not interfere with the Officers at work.

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12. JOINT CONSULTATIVE COMMITTEE

12.01 The parties to this Agreement acknowledge the benefit of joint consultation and are prepared to enter into discussions aimed at communicating Company policy and resolving issues prior to them becoming irritants. This shall ordinarily take place during the scheduled OSH and Policy Committee meeting.

12.02 It is further agreed that consultation on subjects other than the above may take place when either party so requests. Reasonable notice of such meetings shall be given when time permits.

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13. MEDICAL FITNESS

13.01 The right of an Officer to employment with the Company shall be conditional upon the Officer being declared as medically fit by the Company doctor to perform his/her duties on Company vessels. The Company may cause the Officer to be medically examined at any time and the Company shall be responsible for all costs associated with the medical. If the Officer is not in agreement with the results of the medical, the Officer may get a second opinion from another doctor of their choosing at the Officer's expense. Should the results of both medical examinations regarding medical fitness conflict, then both physicians shall consult. If no mutually acceptable resolution is found, then the matter shall be referred where possible to a medical specialist for final resolution. The costs shall be shared equally between the Officer and the Company. Notwithstanding the above process in Article 13, as outlined in the Canada Shipping Act, the Transport Canada standard for Seafarers medicals and processes contained therein shall be maintained.

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14. **NORMAL WORK ROUTINE**

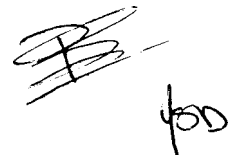
14.01 The Guild agrees that regular working duties for all classifications, where applicable, shall be working the hours deemed necessary to load or discharge cargoes, in addition to the regular duties of navigation, bridgewatch, mechanical operation, drills, and maintenance (including electrical), and the administrative functions associated with these duties. This work shall normally be performed in watches or day work as decided on the vessel and hours in excess of these hours shall be addressed and compensated separately in this document. These duties shall be completed at any time requested by the Master or his or her representative under the terms and conditions as outlined in this Agreement.

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15. OFFICERS LEAVING VESSEL WHEN NOT ON DUTY

15.01 Officers may leave the vessel when not on duty after receiving permission from the master or his designee. However, the Officer must have a contact telephone number posted on board.

15.02 Any Officer who misses the vessel sailing time will be subject to discipline.

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16. GENERAL AND EMERGENCY DUTIES

16.01 Any work necessary for the safety of the vessel, crew or cargo or for saving of or rendering assistance to other vessels, lives, property or cargoes, shall be performed at any time on immediate call by all Officers and, notwithstanding any provisions of this Agreement which might be construed to the contrary, in no event shall overtime be paid for the work performed in connection with such emergency duties of which the Master will be the sole judge.

16.02 The Master, may, whenever he/she deems it advisable, require any Officer to participate in life boat or other emergency drills. Such drill will take place in accordance with government regulations.

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17. SAFETY PROCEDURE

17.01 The Company will furnish and maintain safe working gear and equipment for the protection of its Officers and shall continue to make reasonable provisions and rules for their safety.

17.02 The Guild agrees to cooperate with the Company in promoting safe practices and conditions aboard the ship.

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18. PROTECTIVE CLOTHING, UNIFORMS & SAFETY EQUIPMENT

18.01 Whenever items of clothing or other safety equipment are supplied to Officers, as per Company policy, or where the Company has identified positions where the wearing of safety clothing, uniforms, or use of safety equipment is mandatory, the Officers must wear or use these items whenever they are on duty, in accordance with their departmental and Company policy.

Upon commencement of employment with the Company, all Officers will receive:

- Two pairs of ordinary coveralls per year
- One pair of insulated coveralls or winter jacket and pants. Replaced as required.
- Floater suits and rain gear as required and while working on deck in inclement weather
- One hard hat as required
- One Balaclava. Replaced as required.
- Work gloves as required
- Any other PPE that may be required by the Company.
- \$180 per year footwear allowance.**
- \$200 per year uniform/thermal underwear allowance.**

All PPE will be replaced when necessary and old PPE must be returned prior to receiving new issue. The respective head will determine if it is necessary to replace returned PPE.

18.02 Equipment, materials and provisions are provided for safe operation. Any person removing any shipboard item without written permission will be immediately dismissed (if an Officer of the Company) and prosecuted under the full extent of the law.

18.03 The Company reserves the right to conduct random security searches (by the Master or a 3rd party and a member of the VMT) of person(s) while on board or leaving the vessel. These searches may include a search of the Officer's living quarters and personal effects, including bags that contain personal clothing. Individuals who fail to cooperate in this matter are subject to immediate suspension and may be subject to further disciplinary action, to the point of discharge. All employees and visitors must strictly adhere to this policy.

18.04 The Company shall ensure that each ship carry sufficient numbers of survival suits for the use of each and every Officer on the ship in the event of an emergency.

18.05 Officers who are dismissed for just cause or terminate their employment of their own accord will return all work gear issued.

18.06 Survival suits shall remain the property of the Company.



19. SAFETY

19.01 Safe operation of the vessel is of paramount importance. All Officers shall participate, as required, in all safety related drills and meetings. All Officers must fully comply with the Company's operations and safety manuals and all safety related directives. All safety related directives must be carried out with the utmost dispatch. At all times, Officers shall wear the required safety equipment and protective clothing for their work area on board the vessel.

19.02 It is to be understood by all Officers that they are required to report on board in a well-rested suitable condition ready for work at least two hours prior to their scheduled working period or prior to the vessel's scheduled sailing time. Failure to report as scheduled for service is grounds for disciplinary action.

19.03 Notwithstanding 19.02, when Officers are away from the vessel on approved shore leave, they must return to the vessel no later than the time directed by the Master. They must furnish the Officer on duty with details of their whereabouts and leave a contact number.

19.04 It is agreed that a safety committee will be established on board each vessel. This committee shall meet on a monthly basis to discuss safety matters related to the vessel and a copy of the minutes will be forwarded to the Company office.

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20. **HOURS OF WORK**

20.01 An Officer's work day shall be defined as any day in the week. An Officer's normal working day shall consist of twelve (12) hours per day with the watch or work system to be specified by the Master. In addition to these normal working hours, Officers are expected to work whatever hours are required to ensure the safety of the vessel.

20.02 It is responsibility of each Officer to monitor his own hours of work, especially when work routines are changed. Officer should advise the Head of the Department when he / she notices an expected breach in his normal working day consisting of twelve (12) hours per day. This may enable the Head of the Department to amend the working schedule of the Officer in order to provide compensatory rest.

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21. TERMINATION OF EMPLOYMENT

21.01 Subject to the grievance procedure and only for just cause, the Company reserves the right to terminate any Officer's employment without notice in the event of serious misconduct, negligence in the performance of duties, breach of the Company, Owner's, or Charterer's confidence, failing to comply with Company's drug and alcohol policy and/or failure to comply with Company directives. Company directives also include directives made by the vessel's on board management team including the master, Chief Engineer or their representatives.

21.02 Officers shall provide the Company with at least fourteen (14) days notice in writing of their intention to terminate their employment with the Company. The Company shall provide the Officer with fourteen (14) days notice of their intentions to lay off Officers as a result of a lay-up, refit, major modifications, or other conditions affecting the normal operations of the vessel. Failure by either party to provide the above required notices, will result in the following: The Officer upon failure to provide such required notice, will forfeit up to fourteen (14) days of earned pay and the Company by failing to provide its notice will pay the Officer up to fourteen (14) days of earned pay. The number of days will be the additional number required from the actual notice provided to comply with the fourteen (14) days notice requirement.

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22. DRUG AND ALCOHOL TESTING

22.01 The Officers recognize the Company's right to establish a drug and alcohol policy that is binding upon the Officers covered by this Agreement. The Officers recognize and support the Company's policy of zero tolerance towards the presence and use of alcohol and any other non-prescribed drug use.

22.02 This Drug and Alcohol Policy will include random alcohol testing for all Officers.

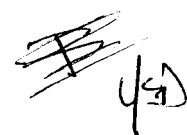
22.03 A copy of the Drug and Alcohol Policy is available to all Officers and may be obtained from the Human Resource Office.

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23. CADETS AND OTHER SUPERNUMERARIES

23.01 The Company is at liberty to have on board each vessel Nautical Science and Marine Engineering cadets or other persons in training from any training center. These persons are learning practical job skills by performing and assisting the regular crew to perform their normal duties.

23.02 Supernumeraries, including management personnel, shore based work squads, dry-dock personnel, shore-based trades persons and any other required support persons or observers will be engaged from time to time on board the vessel to support ongoing service maintenance, performing repairs, contract maintenance, prepare reports and as required may be used to assist the vessel's normal crew complement.

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24. STATUTORY REQUIREMENTS

24.01 Nothing in this Agreement shall be construed to effect the obligations of the signatories under the provisions of the Canada Shipping Act as amended or other government legislation or to impair the lawful authority of the Master.

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25. TRAVEL EXPENSES/CREW CHANGE DAYS

25.01 The Company will pay travel expenses to and from the Officers residence to the place of joining and departing the vessel. Private cars may be used where this is the more economic means of transportation.

25.02 Officers shall be reimbursed for travel expenses on the basis of recorded mileage, accommodations if required, and meal costs. Officers shall discuss the particulars of individual travel arrangements with the Human Resources Department prior to departure so that the Company may approve the method of travel and calculate the appropriate amount. Any payment shall be made to the Officer by the Company upon submission of a completed expense form accompanied by receipts and a written explanation by the Officer involved.

25.03 Exceptional transportation costs shall be subject to review by the Company and considered, if reasonable, and supported by receipts and a written explanation by the Officer involved.

25.04 Travel on approved Company business other than regular crew change shall be paid as per this Article, including all meals and accommodations. The mileage rate for all private car use under this Article shall be reimbursed at the rate of 55.5 cents per kilometer, and thereafter follow the Kilometric rate as set by the federal government.

25.06 Rooms, when not provided aboard the vessel are to be paid by the Company upon production by the 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.

Meals, when not provided onboard the vessel by a Cook are to be compensated by a daily per diem of forty dollars (40.00\$).

Amount to be increased according to CPI annually.

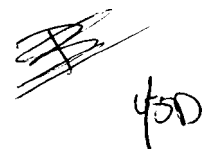
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26. BEREAVEMENT LEAVE

26.01 The Company will grant seven (7) days leave to an Officer in the event of death in the Officer's immediate family. For the purpose of this clause immediate family shall be defined as spouse, son, daughter, mother, and father. This leave is to be granted for the purpose of attending the funeral and under no circumstances will this bereavement leave be granted retroactively or when an Officer is already on his or her days off. The Company agrees to repatriate the Officer in these circumstances and return them to their vessel.

26.02 The Company will grant four (4) days leave to an Officer in the event of a death to a brother, sister, parent-in-law, grandparent, grandchild, brother-in-law and sister-in-law.

26.03 Every effort will be made to allow the Officer to attend the funeral. It must be realized that the operational requirements of the vessel may be such that it may not be possible for the Officer to leave the vessel immediately. In such case, upon arrival at the next port, when a suitable relief is on board, the Officer may sign off to commence bereavement leave.

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27. DISCIPLINE

27.01 Subject to the grievance procedure, an Officer may be disciplined but only for just cause. For the purpose of this agreement disciplinary action shall mean discipline up to and including termination of employment. Some of the actions that may invoke discipline include, but are not limited to, the following:


- a. failure to comply with Company policies
- b. failure to comply with all lawful orders of the Master and or superintendent of vessels.
- c. bringing on board or use of alcohol or illegal drugs onboard the ship or reporting to a vessel under the influence of alcohol or drugs
- d. theft of or deliberate damage to Company property
- e. Fighting or use of physical force against the Master or any other employee
- f. Failure to be present at scheduled reporting time without just cause
- g. Deliberate interference with the sailing of the vessel.

The record of disciplinary action shall remain on an Officers personnel file for a period of 24 months from date of issue, after which it shall be removed.

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28. LEAVE OF ABSENCE

28.01 The Company may, upon request and at its sole discretion, grant an Officer a leave of absence without pay for legitimate personal reasons, provided operational requirements and the availability of a suitable replacement will permit. If the reason for the leave is violated or if the Officer overstays his/her leave, he/she shall be deemed to have quit without notice.

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29. CONSOLIDATED DAY RATE

29.01 Wages are based on consolidated day rates, calculated to the nearest half-day on board. The payment rate shall be equal while working and on leave. The consolidated daily rate includes basic pay for a 12 hour day, overtime allowance, leave pay, sick leave, statutory holidays, travel, vacation pay at 6%, and standard hours of work for the layday plan as outlined by current federal government legislation.

The consolidated day rate pay excludes stevedoring work, which shall be paid for separately at the rate stipulated in Memorandum of Understanding 1.

29.02 Crew changes will be scheduled for the beginning or mid-day where possible. It is expected travel to or from the vessel will be completed in one day. In instances where one way travel exceeds one day, Officers will be paid at the basic day rate. In this instance he/she will not accumulated leave for travel time exceeding one day when departing the vessel.

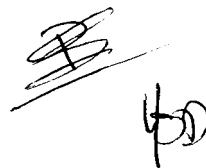
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30. SENIORITY BONUS SYSTEM

30.01 The company has a seniority bonus for full time permanent Officers that is based on the number of years' service with the company as of January 1st each year. The seniority bonus is calculated on the basis of \$1,000 for each year of service to a maximum of twelve (12) years, at which point the bonus will be paid at the maximum rate for each year of service in excess of twelve (12) years. To be eligible for the bonus, the Officer must have completed the probation period with the company, or one hundred and eighty (180) days over the last twelve months period, as of January 1st of that year.

Company seniority shall be recognized for the calculation of seniority bonus.

30.02 Officers who resign from the company forfeit the seniority bonus.

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31. TOUR OF DUTY

31.01 Leave entitlements will be granted in Southern Canadian port (excluding the Arctic) after sixty (60) days of continuous service and transportation costs to the Officer's home from the port of signing off shall be paid by the Company. Notwithstanding the foregoing, operation may require an Officer to be relieved before sixty (60) days have elapsed. In the unlikely event when suitable relief is not available or the vessel is not in the southern port, an Officer may be required to remain on board for longer than sixty (60) days period. In either case, the Company will pay transportation costs. **During ship trading between Canadian Arctic and The St. Lawrence River ports the Company will endeavor to provide the Officers with the leave entitlement after one complete voyage. On a case-by-case basis, an Officer can remain on board for more than one complete voyage, subject to a written agreement between the Company and the Officer.**

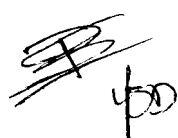
31.02 Officers required by the company to work more than one hundred and ninety-six (196) days per year will be paid two (2) times their regular day rate for those days in excess of one hundred and ninety-six (196) days. In cases of requests by the Officer to work extra days, or in case of an Officer relieving a crewmember for personal reasons, this article does not apply.

The Company will endeavor all reasonable efforts to provide their permanent officers with one hundred and eighty (180) working days per year, or as close as possible to it, taking into consideration the operational schedule of the ship. This will not be applicable to a permanent Officer requesting additional leave for personal reasons.

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32. MARINE DISASTER

32.01 Officers who suffer loss of personal effects through wreck or marine disaster shall be compensated for such loss up to a value of \$2,000.00.

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33. LEGAL DEFENCE INSURANCE AND ADMINISTRATION

33.01 Legal defence insurance for Officers covered by this Agreement shall be provided by the Guild, as well as the administration of same and for other purposes. The Company shall pay two dollars per each Officer position on board per day to the Guild. The Company will remit the aggregate of the contributions for each month to the Guild, attention of the Secretary-Treasurer, within thirty (30) days of the last day of each month.

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34. **EDUCATION/CERTIFICATE UPGRADING**

34.01 The Parties agreed on the need for Officers to upgrade certification levels and maintain the principle of promotion from within.

34.02 An Officer in the employ of the Company for two (2) years of continuous service may request to be funded for certification upgrading. Approval for funding and duration to attend certification upgrading is at the discretion of the company. **The Company will make all reasonable efforts to approve funding and duration to attend certification upgrading, or parts thereof, according to the Education Policy.**

34.03 Subject to a minimum of three year return of service agreement in writing, and once approved by the Company, the Officer shall be paid at the rate of seventy-five percent (75%) of regular pay while attending a recognized education institution for the purposes of upgrading a certificate of competency. The Officer shall be paid the remaining twenty five percent (25%) of their regular pay that they would have accumulated while attending a recognized educational institution upon their return to work, subject to successful completion of their course. All benefits and Pension plan will be maintained by the company while an Officer is upgrading their certification.

34.04 All Officers must be willing to undergo periodic training, upgrading, orientation, etc. as deemed necessary by the Company and/or the Company's client. The practice of Officers attending regular training courses pertinent to their vessels or the operation in general shall continue.

34.05 The Officer shall be responsible for any newly legislated training, courses, upgrading and/or certification that become mandatory in the future to maintain the current certificate of competency.

34.06 The Company will sponsor and pay for any Company required industrial training, industry courses, as well as all travel expenses, hotel, meals, etc associated with the training upgrading and/or certification that it may consider mandatory for its Officers in the future.

34.07 Officers will not accumulate leave days while undergoing Company sponsored training. The days enrolled in these courses will not result in Officers losing accumulated leave. **Permanent Officers attending Company sponsored training shall be paid for their training days within 30 days of course completion.**

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35. FAMILY SECURITY PLAN & PENSION PLAN

35.01 The company agrees effective **May 1st 2015, to pay the amount of 323.11\$** plus applicable taxes per month for the Family Security Plan with the exception of the Long Term Disability Benefits which will be paid by the Officers.

The following years, the amount paid will be increase by the same percentage applied to Article 37.01.

The Company agrees to send the aggregate of the contribution for each month to the Family Security Plan administrator designated by the Guild, on or before the 15th of the following month. The contribution shall be accompanied by a list showing each Officer's name, the number of days for which contribution are being made and the number of positions on each vessels, whether such positions are filled or vacant.

The Company agrees to continue Family Security Plan contributions during any period the Officer is off work as a result of illness or compensable disability up to a period of twenty-four (24) months for the same disability or illness.

35.02 At the signing date of this agreement, the Company shall pay on behalf of each Officer, in addition to his regular pay, **a contribution of eight and one half percent (8.5%)** of the Officer's daily rate for each day of pay excluding Stevedoring pay to the Guild's "Pension Plan". The company will make the first payment after completion of the 6-month probation period covered in section (3).

At the signing date of this agreement, the contribution of each Officer to the Pension Plan shall be deducted from his regular pay by the Company and remitted to the Trustees of the aforesaid Pension Plan Fund. Contribution shall be in the **minimum amount of five percent (5%)** of the Officer's daily rate for each day of pay excluding Stevedoring pay over and above any contributions to the Federal or Provincial Plan.

35.03 Participation in the Group Pension Plan will be mandatory.

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36. SEVERANCE PAY

36.01 Officers with over six (6) years service shall receive Severance Pay, if their employment is terminated by the Company. They shall receive four days pay for each year of service up to a maximum of sixty (60) days basic pay without leave pay.

36.02 Officers who resign, are dismissed for cause, transferred to another operation while maintaining employment on similar conditions covered in this Agreement shall not be eligible for Severance Pay.

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37. PAYMENT OF WAGES

37.01 Wage rates and classifications shall be as set forth in Appendix "A" to this Collective Agreement and reflect annual increases as follows:

- **Effective May 1, 2015 – 2.5% or COLA, whichever is higher**
- **Effective May 1, 2016 – 2.5% or COLA, whichever is higher**
- **Effective May 1, 2017 – 2.5% or COLA, whichever is higher**

*Consumer Price Index of Canada (Bank of Canada) – annual average.

37.02 Pay to be issued as per current practice.

Officer's pay will be in two (2) installments per month if so requested by the Officer. With "mid-month" payable at the fifteenth (15th) of the month or closest weekday, to the maximum payable of two thousand dollars (2 000\$). Balance of wages will be direct deposit on the last working day of the month.

37.03 The Company shall provide a revised set of Appendices to the Guild and each Officer within 30 days after the increases as indicated.

37.04 RETROACTIVITY

Retroactivity shall be applicable to Basic Wages and Seniority Bonus. Retroactivity shall not be applicable to Stevedoring Pay and the Pension Plan.

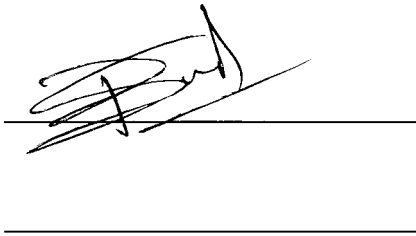
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38. DURATION

38.01 This Agreement is effective from date of signing and remains in full force and effect until **April 30, 2018**. The agreement will remain in effect unless there is notice from either party to amend, revise, or modify it. Such notice will be given at least one hundred and twenty (120) days prior to the expiration date and the terms of the agreement remain in effect during the process of renegotiating same.

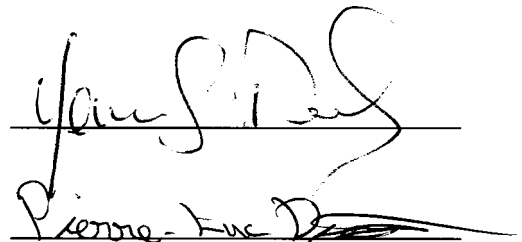
In witness whereof, the Parties have signed this agreement on the .

For the Company:



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For the Guild:



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Appendix "A"

Wage Table: Mates and Engineers

May 1st, 2015 to April 30th, 2016

| | Chief Mate 2 nd Engineer | 2 nd Mate 3 rd Engineer | 3 rd Mate 4 th Engineer |
|-----------------------|--|--|--|
| Consolidated Day rate | \$ 702.27 | \$ 574.79 | \$ 494.24 |
| Basic Annual Salary | \$128,164.94 | \$ 104,900.09 | \$ 90,198.51 |

Effective May 1st, 2016 – CPI or 2.5%, whichever is higher.

Effective May 1st, 2017 – CPI or 2.5%, whichever is higher.

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**MEMORANDUM OF UNDERSTANDING NO.1
STEVEDORING PAY**

Officers required to do work normally done by Stevedores shall be paid the following:

Effective **May 1st 2015**, the following stevedoring rates are in effect:

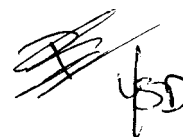
Chief Officer & 2nd Engineer
34.25\$/hour

2nd Officer & 3rd Engineer
33.11\$/hour

3rd Officer & 4th Engineer
31.97\$/hour

The following years, the amount paid will be increase by the same percentage applied to Article 37.01.

The Company recognizes that every day, after eight (8) hours of work in the engine room, Marine Engineering Officers shall be made available for Stevedoring if required by the Chief Officer and subject to the approval of the Chief Engineer and the Master.

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**MEMORANDUM OF UNDERSTANDING NO.2
REST PERIOD ON JOINING THE VESSEL**

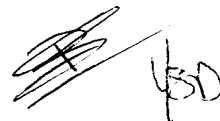
Whenever possible travel arrangements, for Officers joining the ship following Trans-Atlantic flights, will permit at least an eight (8) hours rest period before taking up duties.

In case where Officers join the ship 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.

~~SP~~
USD

**MEMORANDUM OF UNDERSTANDING NO.3
CARGO OPERATIONS DURING LAY-UP**

It is agreed that during the lay-up of the vessel if operation of cargo or water ballast system is required, it shall be done under supervision of the Chief Officer.

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