

Collective Bargaining Agreement

Between

ALGOMA TANKERS LTD.

hereinafter referred to as

THE COMPANY

AND

SEAFARERS' INTERNATIONAL UNION OF CANADA

hereinafter referred to as

THE UNION

Effective August 1, 2005

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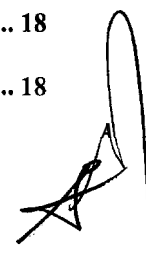

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TABLE OF CONTENTS

ARTICLE 1 PURPOSE AND SCOPE.....	4
ARTICLE 2 MANAGEMENT RIGHTS.....	5
ARTICLE 3 DISCRIMINATION.....	5
ARTICLE 4 MEMBERSHIP AND DUES DEDUCTION.....	6
ARTICLE 5 UNION REPRESENTATION.....	7
ARTICLE 6 BOARDING OF VESSELS	7
ARTICLE 7 LABOUR-MANAGEMENT COMMITTEE	8
ARTICLE 8 DEFINITIONS.....	8
ARTICLE 9 PROBATIONARY EMPLOYEES.....	9
ARTICLE 10 SENIORITY	9
ARTICLE 11 LAYOFF AND RECALL.....	10
ARTICLE 12 TOURS OF DUTY AND HOURS OF WORK	10
ARTICLE 13 RATES OF PAY AND PAID LEAVE SYSTEM.....	12
ARTICLE 14 EXTRA - OVERTIME.....	13
ARTICLE 15 MEALS.....	14
ARTICLE 16 WAGE ADMINISTRATION	14
ARTICLE 17 VACATION PAY	14
ARTICLE 18 TRANSPORTATION COSTS.....	15
ARTICLE 19 EMPLOYEE RESIGNATION.....	16
ARTICLE 20 LEAVES OF ABSENCE	16
ARTICLE 21 HEALTH AND SAFETY.....	17
ARTICLE 22 DRUG AND ALCOHOL POLICY	17
ARTICLE 23 FAMILY VISITATION	17
ARTICLE 24 DISCIPLINE	18
ARTICLE 25 MARINE DISASTER.....	18



ARTICLE 26 GRIEVANCE PROCEDURE..... 18

ARTICLE 27 ARBITRATION PROCEDURE 20

ARTICLE 28 STRIKES AND LOCKOUTS..... 21

ARTICLE 29 GENERAL PROVISIONS..... 21

ARTICLE 30 DURATION AND RENEWAL..... 22

APPENDIX “A” 23

 CLOTHING POLICY 23

APPENDIX “B” 24

 MANNING SCALE 24

APPENDIX “C” 26

 FRINGE BENEFITS..... 26

 MEDICAL PLAN..... 26

 PENSION PLAN..... 26

 DISPATCH HALL..... 27

APPENDIX “D” 28

 ALGONOVA OPERATIONS 28

Article 1 PURPOSE AND SCOPE

1. INTERPRETATION AND AMENDMENT

1.01 The purpose of this Agreement is:

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

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

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

Before any amendment to this Agreement, which has been agreed to by all parties, becomes operative it shall be reduced to writing, it shall state the effective date of the amended provision and it shall be executed in the same manner as the Agreement.

1.03 The Company acknowledges the Union as the sole bargaining agent for all Unlicensed Employees employed on the following vessels; ALGOEAST, ALGOSAR, ALGOSCOTIA, ALGOSEA and ALGONOVA.

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

1.05 Any notice required to be given to the Union pursuant to this Agreement shall be delivered or transmitted by fax to the Office of the Union, at 1333 St. Jacques Street, Montreal, Quebec, H3C 4K2, or at any other address which the Union may designate and which the Union shall notify the Company in writing; fax number (514) 931-3667.

1.06 Any notice required to be given to the Company pursuant to this Agreement shall be delivered or transmitted by fax to 63 Church Street, Suite 600, St. Catharines, Ontario, L2R 3C4, Telephone number (905) 687-7888, Fax number (905) 708-3841.




Article 2 MANAGEMENT RIGHTS

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

Article 3 DISCRIMINATION

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

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Article 4 MEMBERSHIP AND DUES DEDUCTION

- 4.01 The Company agrees to retain in its employ only members in good standing of the Union. Such members shall, as a condition of employment, maintain their membership in the Union for the duration of this Agreement.
- 4.02 An Employee is deemed to be a member in good standing of the Union until the Union determines that the Employee is not in good standing pursuant to the Union's Constitution, Rules and Regulations, and until the Union gives notice in writing to the Company that the Employee is not in good standing.
- 4.03 The Union shall indemnify the Company, its vessels, Employees, servants and agents and hold it or any of them harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of any action taken by it, them or any of them for the purpose of complying with the provisions of this section or that arise out of or by any reason of reliance by it, them or any of them on any list or notice furnished to the Company by the Union pursuant to the provisions of this section, or by reason of compliance by the Company with provisions of Article 4.11 (Dues Deduction).
- 4.04 The Company recognizes the Union as the primary source of employment for all Employees covered by this Agreement and will make all requests for Employees from the office or sub-office of the Union. Such requests shall be confirmed in writing or fax and shall specify whether the job is permanent or relief and the position and qualifications required.
- 4.05 The Company and the Union 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
- 4.06 Any person not a member of the Union shall within thirty (30) days of employment make application for membership in the Union.
- 4.07 The actual selection and hiring of Employees shall be at the discretion of the Company. Employees who are not accepted by the Company must be notified in writing of the reason of rejection, with a copy provided to the Union. The Company shall only be required to show that it acted reasonably in judging the employee unsuitable for employment.
- 4.08 When an Employee is dispatched on a ship upon the Company's request, and is refused by the Master for just cause, this Employee shall be paid out of pocket transportation expenses to and from the vessel and one day's pay.
- 4.09 The Union agrees that membership in the Union shall not be denied, suspended or terminated for any reason other than in accordance with the Constitution, Rules and Regulations of the Union.
- 4.10 Should the Company require an Employee to present himself/herself for an employment interview at the Company's office, or any other location not in the vicinity of the Employee's residence, he will be reimbursed for reasonable traveling expenses according to the Company's travel expense policy.

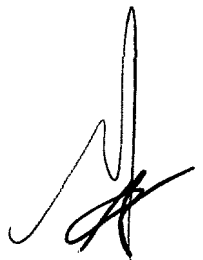
- 4.11 The Company agrees to deduct from the wages of each Employee the monthly dues and/or assessments and/or initiation fees and/or any other amounts as specified by the Union. The deductions will be made from the Employees first paycheque of each month and remitted to Union Headquarters by the end of each calendar month in which the deduction was made. The Union will notify the Company of the amount of regular monthly dues and of any changes in that amount. At least thirty (30) days notice of any change in the amount to be deducted by the company shall be provided in writing.

Article 5 UNION REPRESENTATION

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

Article 6 BOARDING OF VESSELS

- 6.01 The Company agrees to issue passes to authorized representatives of the Union for the purpose of consulting with the Employees aboard vessels of the Company covered by this Agreement in respect to Union business.
- 6.02 Authorized representatives of the Union may board, and remain on board, the vessels only while they are in port. Arrangements to board a vessel must be made through the Company's office, on reasonable notice. Any Union representative boarding a vessel must immediately report to the Master or his designate. While onboard, Union representatives may confer with Employees, but otherwise may engage in discussion only with the Master in respect of any dispute or grievance. Union representatives shall not have the right to interfere in any way with the operations of the vessel.
- 6.03 The Company upon receiving a waiver, in a form satisfactory to the Company, of any claim for any damage resulting from any accident or injury in or about Company property, shall thereupon issue a pass to each such representative enabling him/her to board the Company's vessels while in port for the purpose set out in this Section. In the event the Union withdraws the privilege of boarding Company vessels from the designated Union representative, the Union undertakes to notify the Company to revoke such pass.
- 6.04 The Union representative shall not violate any provision of this Agreement or interfere with the Employees aboard the vessel or retard the work of the vessel, subject to the penalty of revocation of the pass granted by the Company pursuant to this Section.
- 6.05 The Company assumes no responsibility for securing passes to or through property owned or controlled by others, but the Company agrees to co-operate with the Union in securing such passes.

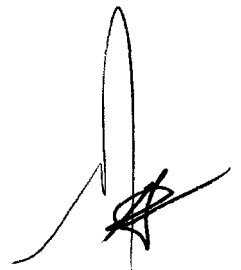


Article 7 LABOUR-MANAGEMENT COMMITTEE

- 7.01 The Company and the Union agree to form a Labour-Management Committee consisting of senior Company and Union representatives to provide a forum for the discussion of any issue except matters which have been made the subject of grievance/arbitration procedure.
- 7.02 The Labour-Management Committee will meet at least three (3) times each calendar year, but can also meet at the request of either party.
- 7.03 The parties will agree in advance on the agenda for each meeting. Minutes will be kept, circulated after each meeting, and signed off by the parties.

Article 8 DEFINITIONS

- 8.01 In this Agreement "Day" means a twenty-four (24) hour day commencing at 0000 hours one day and ending at 2400 hours on the same day.
- 8.02 In this Agreement words importing male persons include female persons and corporations, words in the singular include the plural and words in the plural include the singular.
- 8.03 In this Agreement where a number of days expressed to be "Clear Days" is prescribed, both the first day and the last day shall be excluded.
- 8.04 In this Agreement "Employee" means an Employee in the Unlicensed bargaining unit covered by this Agreement.
- 8.05 In this Agreement "Vessel" or "Ship" or "Company Vessel" means a ship owned, operated or bareboat chartered by the Company.
- 8.06 In this Agreement "Year of Service" means a period consisting of twelve (12) months.
- 8.07 In this Agreement "CPI" means Consumer Price Index.
- 8.08 In this Agreement "Company" means Algoma Tankers Ltd.
- 8.09 In this Agreement "Union" means the Seafarers' International Union of Canada.

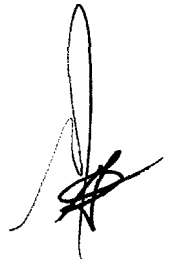
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Article 9 PROBATIONARY EMPLOYEES

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

Article 10 SENIORITY

- 10.01 For the purpose of this Agreement, seniority is the total length of continuous service with the Company as an Employee.
- 10.02 If two or more Employees have the same seniority date, the Employee first dispatched from the Union's dispatch hall shall be deemed to have the most seniority.
- 10.03 The Company will prepare and post on appropriate bulletin boards, by January 15 of each year, listings showing the seniority of Employees. One copy of these listings will be sent to the Union.
- 10.04 In the event an employee is promoted to a position outside this bargaining unit, he will continue to accrue seniority for a period of six (6) months from the date of promotion, at the conclusion of which time he must either return to his former position in this bargaining unit or renounce his seniority in this bargaining unit.
- 10.05 An Employee shall lose his seniority standing and shall have his name removed from all seniority lists in any one of the following cases:
- a) where the Employee voluntarily quits;
 - b) where the Employee is discharged for cause;
 - c) where the Employee is laid off and fails to return to work within fifteen (15) days after the Company has delivered written notice to him/her and to the Union by prepaid registered post advising him/her to return to work;
 - d) where an Employee has been laid off because of lack of work for a continuous period of more than twenty-four (24) months.



- 10.06 In the selection of Employees for promotion within the bargaining unit, where ability and qualifications are equal, seniority will be the determining factor.
- 10.07 Notwithstanding any other provisions contained in this Agreement, the Company may at its discretion promote a Company Employee in order to fill a temporary vacancy for a period not exceeding sixty (60) days, but at or before the expiry of that sixty (60) day period, the Company shall fill the vacancy in accordance with the express provisions of this Agreement.

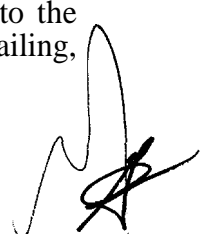
Article 11 LAYOFF AND RECALL

- 11.01 The Company agrees that in matters relating to the selection of Employees for layoff and recall, where ability and qualifications are equal, departmental seniority within the fleet will be the determining factor. If the Company must reduce the size of the workforce in any given department, the Employee who has held a position in that department for the least amount of time will be the one laid-off, and recall will be in reverse order of layoff.
- 11.02 Notice of layoff will be given in accordance with the provisions of the Canada Labour Code.
- 11.03. An Employee who is laid off will retain his seniority and the right to recall for work for a period of twenty-four (24) months from the date of layoff provided he reports to the Company for work when recalled. An Employee who is recalled in conformity with the provisions of this Agreement and does not report for work within 15 days will have his employment terminated for just cause.
- 11.04 Notice of recall will be by telephone and will be provided at least seventy-two (72) hours in advance of the scheduled report time unless exceptional circumstances do not permit this. It is the responsibility of the Employee to ensure that the Company is always advised of how best to contact the Employee for purposes of recall from layoff.
- 11.05 For the purposes of layoff and recall, during the normal operation of the vessel not exceeding five (5) calendar days, an employee's seniority rights for the purpose of layoff and recall will be specific to the vessel they are employed on. If the layoffs are greater than five (5) calendar days employees will be able to exercise their seniority rights across the entire fleet. It is understood that during these short period layoffs the leave cycle will not be broken.



Article 12 TOURS OF DUTY AND HOURS OF WORK

- 12.01 The Union and the Company agree that a "Tour of Duty" be a minimum of twenty-five (25) days and maximum of thirty-five (35) days on board ship, followed by approximately thirty (30) days off the ship, acknowledged as a thirty (30) day on and off system. For every day worked, an Employee is credited with one day's leave. The Company will do everything possible to maintain this schedule but reserves the right to extend or shorten this schedule to allow the vessel to reach the port determined by the Company to be appropriate for Employees to leave or join the vessel. Tour of Duty may be extended beyond thirty-five (35) days with the consent of the Company, the Employee and the Union.
- (a) 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.
- 12.02 Employees shall work a twelve (12) hour day each day of the week. Employees shall be expected to work any hours necessary to operate, overhaul, or otherwise preserve the safety, efficiency, and operation of the vessel and crew. An Employee may make a written request to extend his tour of duty in order to accumulate a longer period of leave. Approval will be at the discretion of the Company and will be subject to operational considerations, but not to the detriment of another Employee wishing to return to work.
- 12.03 Day working Employees will work twelve (12) hours per day on a "flex hour" schedule. "Flex hour" means that normal working hours can be adjusted to meet the requirement of the job. However, if more than twelve (12) hours of work is required during a day, the excess hours qualify as overtime and overtime provisions apply, Nothing in this Article shall be construed as to change past practice.
- 12.04 A minimum of seven (7) days' notice in writing must be given to the Master by an Employee intending to take leave. However, having regard to the need of the Company to be able to continue to operate its vessels with sufficient qualified Employees at all times, the right to begin a period of leave is conditional upon the approval of the Company. Such approval will not be unreasonably withheld.
- 12.05 Where Employees are required work six (6) and six (6) shifts, shifts shall be as assigned by the Master with due consideration given to seniority and ability.
- 12.06 Should an Employee fail to report for duty as scheduled, the Employee he was to replace must remain on duty until a substitute is secured. The extra hours worked by the Employee remaining on watch will be owed to him/her by the Employee who was missing fi-om his watch and must be repaid.
- 12.07 When a vessel is at a dock, an Employee may leave the vessel but must return to the vessel not less than thirty (30) minutes prior to his assigned shift or to the time of sailing, whichever comes first. The time of sailing will be posted on the notice board.




- 12.08 With the prior approval of the Master or Chief Engineer, which shall not be unreasonably withheld, an Employee may, while the vessel is in port or at anchor, make private arrangements with other Employees to exchange watches thereby enabling him/her to go ashore. There shall be no additional cost to the Company as a result of any such exchange of watches.
- 12.09 If an Employee misses a vessel due to the fact that it sails before the posted sailing time, he will notify the Master by telephone within two (2) hours of the original posted sailing time, and if the Employee joins the vessel at the first point where it can be boarded, he will be reinstated and reimbursed his transportation costs to the vessel, provided he notifies the Master as soon as possible of his intention to rejoin the vessel. There will be no break in service of the Employee under these circumstances.
- 12.10 If an Employee misses a vessel due to circumstances for which he cannot be held responsible, he will be reinstated provided he promptly notifies the Master or the Company's office of his intention to rejoin the vessel and rejoins the vessel at the first point where it can be boarded. All transportation costs will be borne by the Employee.
- 12.11 Maintenance work is hereby defined as painting, chipping, soogeeing, scraping or repairing ship's gear. Deck maintenance work, except when concerned with the safe navigation of the vessel, shall be performed between 06:00 and 18:00 hours.

Article 13 RATES OF PAY AND PAID LEAVE SYSTEM

- 13.01 An Employee will be entitled to one day's leave for each full day worked on board ship.
- 13.02 Each Employee will receive a regular bi-monthly pay cheque while on board ship and while on shore leave. The amount will be based on one half (½) of the Earnings per Day Worked plus vacation pay. The Earnings per Day Worked rate represents compensation for the following:
- (a) While on tour of duty, eight (8) working hours per day paid at the Employee's Regular Wage Rate;
 - (b) While on tour of duty, four (4) working hours per day paid at the Employee's Overtime Wage Rate;
 - (c) Pay for the following Statutory Holidays:

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



13.03 Effective August 1, 2005 the Regular Hourly Wage Rates and Overtime Hourly Wage Rates and Statutory Holiday Hourly Wage Rates shall be as follows:

Position	Regular Hourly Wage Rate	Overtime Hourly Wage Rate	Daily Statutory Premium	Earnings Per Day Worked	Calendar Daily Rate Paid
GP Foreman	\$21.30	\$31.95	\$19.73	\$317.92	\$158.96
GP Watchkeeper	\$18.63	\$27.95	\$17.25	\$277.96	\$138.98
Cook	\$24.15	\$36.23	\$22.37	\$360.56	\$180.29

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

$$\begin{aligned} \text{Earnings per Day Worked} &= (\text{Regular Wage Rate} \times 8 \text{ hours}) \\ &+ (\text{Overtime Wage Rate} \times 4 \text{ hours}) \\ &+ (\text{Daily Statutory Premium}^*). \end{aligned}$$

$$\begin{aligned} * \text{ Daily Statutory Premium} &= (6\frac{1}{2} \text{ Statutory Days Worked and paid at } 1\frac{1}{2}) (=117) \\ &+ (6\frac{1}{2} \text{ Statutory Days on Leave and paid at } 8 \text{ hours basic}) (=52) \\ &\times \text{Overtime Hourly Wage Rate} \\ &\div \text{Total Annual Days Worked } (365 \div 2 = 182.5) \end{aligned}$$

13.05 New employees will be subject to an entry level rate for the first one hundred and twenty (120) days worked with Algoma Tankers Limited. The entry level rate will be equivalent to ninety per cent 90% of the rates set out above.

13.06 Effective August 1, 2006 the regular hourly wage rates shall be increased by 2%. Effective August 1, 2007, August 1, 2008, and August 1, 2009, the regular hourly wage rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)

Article 14 EXTRA - OVERTIME

14.01 All hours worked in excess of twelve (12) hours in a day will be considered Extra Overtime and will be paid at the Overtime Hourly Wage Rate as per Article 13. Any portion of the first hour worked in excess of twelve (12) hours will be paid as a full hour and on the one-half (1/2) hour thereafter.

14.02 Extra Overtime will be recognized only when it has been approved by the Master in writing prior to the overtime being worked.

14.03 No Employee shall be required to perform more than sixteen (16) hours of continuous work, excluding meal hours, in a twenty-four (24) hour period.

14.04 The Master will ensure that Overtime work is distributed equitably among the Employees.

- 14.05 Any work necessary for the safety of the vessel, passengers, crew or cargo, or for the saving of or rendering assistance to other vessels, lives, property or cargoes, will be performed at any time on immediate call by all Employees and notwithstanding any provisions of this Agreement which might be construed to the contrary, in no event will overtime be paid for the work performed in connection with these emergency duties of which the Master will be the sole judge. Further, the Master may, whenever he deems it advisable, require any Employee to participate in lifeboat or other emergency drills without incurring overtime.

Article 15 MEALS

- 15.01 Employees who are entitled to meals while on Company business will be reimbursed upon submission of bona fide receipts for reasonable costs incurred by them in the purchase of meals when the Company is unable to provide the Employee with a meal(s) on board a ship. Allowable costs for such meals are stated in Article 18.07.
- 15.02 All Employees shall be permitted 1/2 hour free from work for the purpose of eating each meal.

Article 16 WAGE ADMINISTRATION

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

Article 17 VACATION PAY

- 17.01 An Employee having completed less than one (1) full year of service with the Company shall receive vacation pay monthly equal to four percent (4%) of his gross wages on the basis of thirty (30) days on and thirty (30) days off.
- 17.02 **An** Employee having completed one (1) but less than five (5) full consecutive years of service with the Company shall receive vacation pay monthly equal to five percent (5%) of his gross wages on the basis of thirty (30) days on and thirty (30) days off.

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

Article 18 TRANSPORTATION COSTS

- 18.01 Upon joining or leaving the vessel for leave or work periods, the Company agrees to pay the Employee reasonable transportation costs to and from his home and the ship. These costs are to include first class surface passage or economy air fare or two way car allowance where public transport is not available and meals and berth. Effective August 1, 2005 the car allowance will equal thirty-seven cents (\$0.37) per kilometer. Effective August 1, 2008 the mileage allowance will be increased to forty cents (\$0.40) per kilometer
- a) Upon joining the vessel, relief employees and new permanent employees hired after January 1, 2004, shall be responsible for their own transportation to the nearest designated airport (Toronto, Hamilton, Montreal, Quebec City, Stephenville, Moncton, Saint John, Fredericton, Chatham, Bathurst, Charlottetown, Halifax, Sarnia, Sydney, St. John's, Gander and Deer Lake). The Company will pay the costs from the designated airport to the vessel. Upon leaving the vessel, the Company will pay the transportation costs from the vessel to the designated airport nearest the employee's home base, or directly to the employee's home, whichever is the lower.
- 18.02 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.
- 18.03 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 traveling day.
- 18.04 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.
- 18.05 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.



- 18.06 The Company requests an Employee to attend to any Company business, without limiting the generality of the foregoing, it will be without loss of pay or benefits and the Company shall reimburse the Employee for all reasonable expenses incurred by him/her upon production of acceptable receipts and vouchers.
- 18.07 Effective August 1, 2005 the maximum allowable rate for meals shall be fifteen dollars (\$15.00) per meal exclusive of taxes and eighty-five dollars (\$85.00) per night, exclusive of taxes supported by receipts. Effective August 1, 2008 the meal allowance will increase to eighteen dollars (\$18.00) per meal and the room allowance will increase to one-hundred and ten dollars (\$110.00) per night.

Article 19 EMPLOYEE RESIGNATION

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

Article 20 LEAVES OF ABSENCE

- 20.01 An Employee who has completed the probationary period, will be granted bereavement leave when death occurs to a member of his immediate family. The Employee granted leave to attend the funeral will be paid at his basic rate for time lost up to a maximum of ten (10) days for his father, mother, spouse, child; and up to a maximum of five (5) days for his brother, sister, parents-in-law, grandparents and grandchildren. The Company will pay transportation costs from the vessel to the Employee's home under these circumstances.
- 20.02 Employees will be entitled to reasonable leave of absence without pay in the event of either illness or injury to himself/herself or a member of his immediate family.
- 20.03 Employees will be entitled to child care leave in accordance with the provisions of the Canada Labour Code.
- 20.04 Claims for leave 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.
- 20.05 An Employee returning from leave under Article 20.01 or Article 20.02 will notify the Company's office seventy-two (72) hours in advance of the time he is ready to return to the vessel.
- 20.06 The Company will assist in providing adequate time off without pay for Employees wishing to attend school to either maintain their present qualifications or upgrade their certifications, when mutually agreed and in the best interest of the Company.

Article 21 HEALTH AND SAFETY

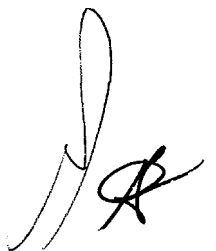
- 21.01 Shipboard Safety Committee, having at least one Union representative on it, shall be established to promote safe and healthy working conditions for the persons employed on vessels of the Company. The Committee shall hold meetings as necessary but no later than every three (3) months unless both parties agree to postpone or cancel a meeting. Minutes of the meetings will be kept and forwarded to the Company's Safety Officer for information and circulation.
- 21.02 All safety regulations which are or come into effect by the Company shall be strictly adhered to by each Employee. Failure of an Employee to comply with safety regulations may be cause for dismissal.
- 21.03 No animals or pets will be permitted on board a ship,

Article 22 DRUG AND ALCOHOL POLICY

- 22.01 The Union and the Employees recognize that the Company must have a "zero tolerance" drug and alcohol policy in place in order to transact business with the major oil companies.
- 22.02 The details of this policy may change from time to time on advance notice to the Union and the Employees but the primary elements of the policy (which is equally applicable to all members of the vessel crews) are:
- a) there will be no drugs or alcohol permitted on board any of the Company's vessels at any time.
 - b) Employees returning to the vessel from any shore leave must be in a sober condition; and
 - c) failure to comply with the policy may result in discipline, up to and including dismissal.

Article 23 FAMILY VISITATION

- 23.01 With the prior approval of the Master, which will not be unreasonably withheld, an Employee may, only while the vessel is in port, bring his spouse and family aboard for a visit, with the exception of children under twelve (12) years of age. Immediately upon coming on board, the Employee and his family members must sign a waiver releasing the Company from all liability and while on board must observe the Company's safety policy.

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Article 24 DISCIPLINE

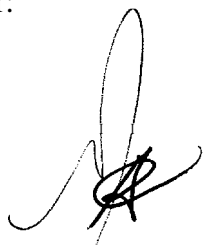
- 24.01 No Employee shall receive a written reprimand or warning, be suspended or be dismissed, except for just cause.
- 24.02 Whenever a meeting between the Company and an Employee is held for the purpose of imposing discipline, or to investigate a matter which could result in the discipline of that Employee, the ship's delegate or, if the Employee in question is the ship's delegate, another Employee, will be present where possible. The Company, when dismissing an Employee, shall give that Employee notice in writing of his dismissal and the reasons for the dismissal.
- 24.03 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 at the time of filing or within a reasonable period thereafter.
- 24.04 Disciplinary information which may have been placed in the personnel file of an Employee shall not be relied on for disciplinary purposes after twenty four (24) months have elapsed since the disciplinary action was taken provided that no further disciplinary action has been recorded during this period. Upon written request of an Employee, the personnel file of that Employee shall be made available once per year for the examination in the presence of an authorized representative of the Company.
- 24.05 Refusal of any Employee to work as directed or to obey lawful orders of his superior Employees may be grounds for summary dismissal. Any Employee who leaves a vessel without being properly relieved will forfeit his job with the Company.

Article 25 MARINE DISASTER

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

Article 26 GRIEVANCE PROCEDURE

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

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a series of loops and a final flourish.

a) **STEP ONE**

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

b) **STEP TWO**

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

c) **STEP THREE**

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

26.02 Notwithstanding any other provisions of the Agreement, if the Company or any of its representatives fail or refuse to comply with any step or condition of the grievance procedure set out in Article 26.01, the Union, acting on behalf of an Employee, may submit the grievance at once to arbitration in the manner set out in Article 27.

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

26.04 Upon request of the grieving Employee, the Ship's delegate shall assist in the grievance procedure. He shall not be subject to discipline for assisting the griever in the grievance procedure, provided such assistance does not interfere with the operation of the ship.

ARTICLE 27 ARBITRATION PROCEDURE

- 27.01 In the event any difference arises between the Company and the Union as to the interpretation, alleged violation or application of or compliance with this Agreement or as to any grievance or dispute arising out of the operation of Article 26 of this Agreement the difference may be submitted to arbitration pursuant to the terms of this section.
- 27.02 Arbitration of any difference arising under Article 27.01 shall be submitted to a single arbitrator jointly selected by the Union and the Company. This selection shall be made within ten (10) days after the request for arbitration has been made by either party to this Agreement. In the event that the parties fail within the said ten (10) day period to agree upon the selection of an arbitrator, the matter may be referred by either party to the Minister of Labour for Canada who shall select and designate the arbitrator.
- 27.03 In the event the selected arbitrator is unable to serve by reason of death, incapacity or resignation, or for any other reason, his replacement shall be appointed in the same manner as is provided herein for the appointment of the first arbitrator.
- 27.04 A statement of the dispute or question to be arbitrated shall be submitted by the grieving party to the arbitrator within five (5) days of his appointment. The arbitrator shall convene the parties within ten (10) days following his appointment unless a delay is agreed to by the parties, and the arbitrator shall render his decision as soon thereafter as possible.
- 27.05 The decision of the arbitrator shall be limited to the dispute or question contained in the statement or statements submitted to him. The decision of the arbitrator shall not change, add to, vary or disregard any conditions of this Agreement. The decision of the arbitrator which is made under the authority of the Arbitration Article shall be final and binding upon the Company, the Union and all persons concerned.
- 27.06 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.

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Article 28 STRIKES AND LOCKOUTS

28.01 The Union and the Company declare it to be their common intention that all controversies shall be resolved amicably in accordance with the provisions of this Agreement, and to this end:

- a) the Union agrees that there shall be no strikes, slowdowns or stoppages of work for any cause; and
- b) the Company agrees that there shall be no lockout for any cause during the term of this Agreement.

28.02 The Company will not expect the Employees to cross a lawful picket line in a industry related to the business of the Company nor to perform the work of the people on strike. However, Employees will be expected to remain on board the vessel and perform their regular duties.

Article 29 GENERAL PROVISIONS

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

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

- a) Employees with less than three (3) year's seniority with the Company shall have their employment terminated and will be entitled to severance pay equal to five (5) day's basic pay at eight (8) hours per day per year of service with the Company calculated at the date of termination of employment.
- b) Employees with at least three (3) year's seniority with the Company will be laid off and remain on the recall list pursuant to the provisions of **Article 11**, with entitlement to be placed on other vessels as vacancies occur provided they are qualified to perform the available work.
- c) Should an Employee not be offered a placement on another Company vessel during the time he is on the recall list, his employment will terminate and he shall be entitled to severance pay equal to five (5) day's basic pay per year of service with the Company calculated at the date of layoff.




Article 30 DURATION AND RENEWAL

- 30.01 This Agreement shall take effect the 1st day of August, 2005, and shall remain in full force and effect until the 31st day of July, 2010, and shall, without further act of the parties be renewed from year to year thereafter, unless written notice of desire to amend, modify or cancel any term hereof is given by either party to the other, not later than one hundred and twenty (120) days prior to the expiry of this Agreement.
- 30.02 In the event neither party gives notice to reopen one hundred and twenty (120) days prior to expiry, allowing the Agreement to continue on a year to year basis, either party may give written notice of desire to amend, modify or cancel any term thereof one hundred and twenty (120) days prior to the anniversary date, in any year, in which case this Agreement shall terminate on the anniversary date in that year.

IN WITNESS WHEREOF the parties hereto have signed this Agreement

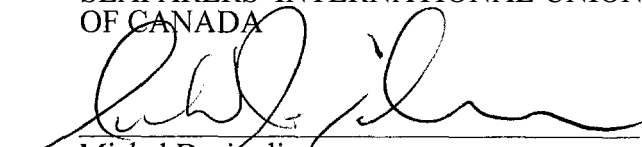
Signed at Montreal, this 7th day of June, 2006.

ALGOMA TANKERS LTD.



Graham Fisher
Vice President Human Resources

SEAFARERS' INTERNATIONAL UNION
OF CANADA



Michel Desjardins
Executive Vice President

APPENDIX "A"

BETWEEN ALGOMA TANKERS LTD. AND THE SEAFARERS' INTERNATIONAL UNION OF CANADA

Clothing Policy

This will confirm that the Company will continue to apply its clothing policy to the Employees covered by this Collective Agreement.

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

Effective August 1, 2005 each Employee, upon completion of one year of service with the Company and at the completion of each subsequent year of service, is paid a safety footwear allowance of one hundred ten (\$1 10.00) dollars.

Effective August 1, 2008 each Employee, upon completion of one year of service with the Company and at the completion of each subsequent year of service, is paid a safety footwear allowance of one hundred twenty (\$1 20.00) dollars.

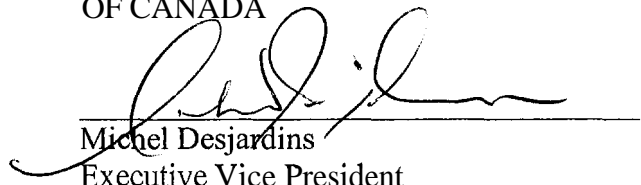
Signed at Montreal, this 9th day of June, 2006.

ALGOMA TANKERS LTD.



Graham Fisher
Vice President Human Resources

SEAFARERS' INTERNATIONAL UNION
OF CANADA



Michel Desjardins
Executive Vice President

APPENDIX "B"

BETWEEN ALGOMA TANKERS LTD. AND THE SEAFARERS' INTERNATIONAL UNION OF CANADA

Manning Scale

The Company agrees that effective the date of signing of the Collective Agreement, the manning scale for vessels defined in the Tanker Agreement will be as follows for the life of the Collective Agreement and will not be reduced without the agreement of the Union:

Position	ALGOSCOTIA, ALGOSEA	ALGOEAST	ALGOSAR*
GP Foreman	--	1	--
GP Watchkeeper	4	4	4
Cook	1	1	1
Total	5	6	5

A Fleet Electrician will form part of the ships' permanent complement on a rotating basis. He will be transferred from ship to ship as required by Company Management.

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

* A single position MUC is assigned to this vessel, see MUC language.

MOBILE UTILITY CREW

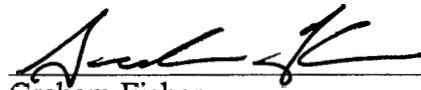
The minimum number of Mobile Utility Employees for Algoma Tankers Limited shall be four (4) employees with tanker endorsements and all other qualifications. It is understood that the fourth (4th) Mobile Utility Employee is an employee that has been accommodated. Once this employee retires or otherwise terminates his employment from Algoma Tankers Limited the minimum number of Mobile Utility Employees shall revert to three (3).



Of the MUC Employees, two (2) will be permanently assigned to the ALGOSAR and will continue to be paid at the GPW rate as per their respective accommodation agreements. Should the 4th Mobile Utility Employee terminate for any reason, the parties agree that only one (1) MUC will be permanently assigned to the ALGOSAR.

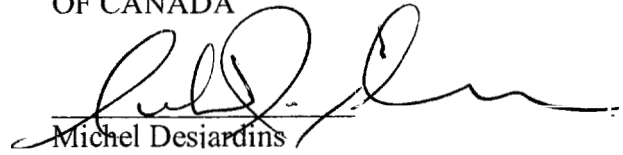
Signed at Montreal, this 7th day of June, 2008.

ALGOMA TANKERS LTD.



Graham Fisher
Vice President Human Resources

SEAFARERS' INTERNATIONAL UNION
OF CANADA



Michel Desjardins
Executive Vice President



APPENDIX "C"

LETTER OF UNDERSTANDING

**BETWEEN ALGOMA TANKERS LTD. AND
THE SEAFARERS' INTERNATIONAL UNION OF CANADA**

FRINGE BENEFITS

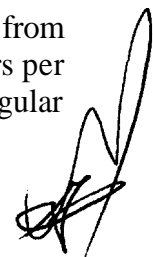
MEDICAL PLAN

The Company agrees to make monthly contributions, described hereafter, to the Seafarers' Medical Plan:

- a) From August 1, 2005 to July 31, 2006, \$6.92 a day for each employee per payroll day
- b) From August 1, 2006 to July 31, 2007, \$7.06 a day for each employee per payroll day.
- c) Effective August 1, 2007, August 1, 2008, and August 1, 2009, the Company contribution to the Seafarer's Medical Plan will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)
- d) 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.

PENSION PLAN

- a) All Permanent Employees will belong to the Company Pension Plan which will be a "Money Purchase" type plan.
- b) Effective August 1, 2005 the Company's contribution to pension plan will increase from seven and three quarter per cent (7.75%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to eight per cent (8%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.
- c) Effective August 1, 2006 the Company's contribution to pension plan will increase from eight per cent (8%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to eight and one quarter per cent (8.25%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.



- d) Effective August 1, 2007 the Company's contribution to pension plan will increase from eight and one quarter per cent (8.25%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to eight and one half per cent (8.5%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.
- e) Effective August 1, 2008 the Company's contribution to pension plan will increase from eight and one half per cent (8.5%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to eight and three quarter per cent (8.75%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.
- f) Effective August 1, 2009 the Company's contribution to pension plan will increase from eight and three quarter per cent (8.75%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to nine and one quarter per cent (9.25%) of the employee's basic regular hourly wage rate for twelve hours per payroll day
- g) Each Employee shall have an option to contribute an amount equal to that remitted by the Company.
- h) Temporary or relief Employees will have the same amount contributed on their behalf to the Seafarers' International Union of Canada Pension Plan.

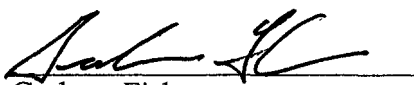
Plan details to be developed and mutually agreed upon.

DISPATCH HALL

The Company agrees to contribute to the funds of the dispatch hall of the Seafarers' International Union of Canada for the amount described hereafter:

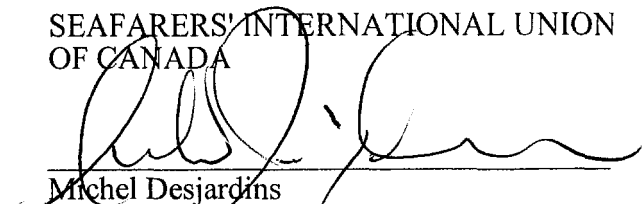
- a) From August 1, 2005 to July 31, 2006, \$6.10 per day per position.
- b) From August 1, 2006 to July 31, 2007, \$6.22 per day per position.
- c) Effective August 1, 2007, August 1, 2008, and August 1, 2009, the Company contribution to the funds of the dispatch hall will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)

ALGOMA TANKERS LTD.



Graham Fisher
Vice President Human Resources

SEAFARERS' INTERNATIONAL UNION
OF CANADA



Michel Desjardins
Executive Vice President

APPENDIX "D"

ALGONOVA OPERATIONS

It is recognized and agreed that the ALGONOVA will have operating conditions that are significantly different than the rest of the Algoma Tankers fleet. As a result of these unique operations the following articles will apply only to the ALGONOVA.

A. SENIORITY AND PROMOTIONS

- (a) At the lay-up of the vessel for the season, the vessel/Company shall provide each satisfactory employee with a Notice of Intent which will contain the following information:
- Name of Ship
 - Employee's Name
 - Home Address
 - Home Telephone
 - Rating
 - Captain/Chief Engineer

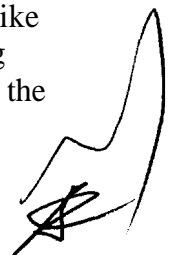
This notice will certify that the employees listed have indicated their intention to resume their employment with that vessel for the following navigation season. The notice will be signed by the Captain/Chief Engineer as acceptance of the notice of intent and his endorsement. An employee is entitled to return only to the ship that the employee laid up.

The notice does not constitute a promise of employment if the vessel which was laid up is not placed in operation by the Company. Unlicensed personnel will receive a notice of seventy-two (72) hours prior to joining the ship unless exceptional circumstances arise. In this case a relief employee will be called for those unable to join on short notice.

- (b) The notice of recall for duty shall be by telephone. If by telephone and there is no answer, the Company will immediately send **written notice by registered mail, priority post, courier, or telegram**. If a **written notice** is sent, the employee must acknowledge receipt of said **notice** within **twenty-four (24)** hours of its delivery. Failure to acknowledge shall constitute unavailability for service. The notice shall be cancelled in any undertaking expressed or implied where any employee proves unavailable for service at time of recall subject to reasonable travelling time allowance.

It will be the employee's responsibility to ensure that the Company is aware of his current address and current telephone number.

- (c) Should a permanent position become available on the vessels designated in Article 1.03, it may be offered to qualified employees on the ALGONOVA. A promotion shall like lay-offs and rehiring, be based on an employee's skill and efficiency. These being equal, the preference shall be given to an employee with the greatest seniority with the vessel.



B. SCHEDULE OF WAGES

(a) Schedule of wages effective August 1, 2005:

Position	Basic Hourly Wage Rate (Mon. - Fri)	Overtime Rate per hour worked Sat. & Sun. & in excess of 8 hrs (Mon. - Fri.)	Overtime Rate per hour worked in excess of 8 hrs (Sat & Sun)
General Purpose Watchkeeper	\$21.80	\$32.70	\$43.60

(b) New employees will be subject to an entry level rate for the first one hundred and twenty (120) days worked with Algoma Tankers Limited. The entry level rate will be equivalent to ninety per cent 90% of the rates set out above.

Position	Basic Hourly Wage Rate (Mon. - Fri)	Overtime Rate per hour worked Sat. & Sun. & in excess of 8 hrs (Mon. - Fri.)	Overtime Rate per hour worked in excess of 8 hrs (Sat & Sun)
General Purpose Watchkeeper	\$19.62	\$29.43	\$39.24
Chief Cook	\$22.59	\$33.89	\$45.18

(c) Effective August 1, 2006, the base hourly rates in effect outlined in (a) will increase by two per cent (2%).

(d) Effective August 1, 2007, the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)

(e) Effective August 1, 2008 the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)

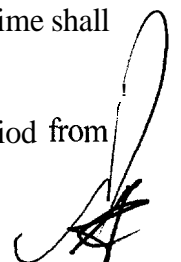
(f) Effective August 1, 2009 the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)

C. WORK WEEK AND OVERTIME

- (a) The regular work week shall be forty (40) hours, consisting of five (5) days of eight (8) hours per day, Monday through Friday. The regular work day shall be eight (8) hours per day on each day from Monday to Friday, inclusive.
- (b) Each employee shall receive wages at the appropriate basic hourly wage rate for each job classification as stipulated in the Schedule of Wages contained in Article 19 hereof, for eight (8) hours per regular work day (Monday through Friday) whether or not he is called upon to work the said eight (8) hours, provided that he is available for work during the said eight (8) hours.
- (c) Considering that the operation of ships is of a continuous nature and that consequently work must be performed in excess of the regular work week, it is agreed that overtime shall be paid for such work in accordance with the following provisions. It is further agreed no employee shall be required to perform more than sixteen (16) hours of continuous work, excluding meal hours, in a twenty-four (24) hour period.
- (d) During the navigation season, the Company agrees to make available to non-watchkeepers in the deck and engine room departments, eight (8) hours of work at the overtime rate in a spread of twelve (12) hours from 06:00 hrs. to 18:00 hrs. on Saturday and eight (8) hours of work at the overtime rate in a spread of twelve (12) hours from 06:00 hrs to 18:00 hrs on Sunday in every week.

Should a tanker be in port for the week-end, only one (1) day shall be guaranteed as per the above hours.

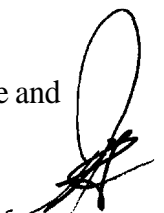
- (e) The overtime rate is defined as being one and one-half (1 1/2) the applicable basic hourly wage rate for each job classification as stipulated in the Schedule of Wages contained in Article B hereof.
- (f) The overtime rate shall be paid for the first eight (8) hours worked on Saturday and Sunday and for all hours worked in excess of eight (8) hours per day Monday through Friday. For hours worked in excess of eight (8) hours on Saturdays and Sundays, the rate of pay shall be double time.
- (g) An employee performing overtime work which ceases before the expiration of one (1) hour shall nevertheless be credited with one (1) hour's overtime. After the first hour of overtime, each further period of one-half (1/2) hour shall entitle the employee to one-half (1/2) hour at the overtime rate.
- (h) When employees are called out to work on overtime and then "Knocked off" for less than two (2) hours, excepting where an employee is recalled for his regular duties, overtime shall be paid straight through.
- (i) For the purpose of calculating overtime, a "day" shall refer in all cases to the period from midnight to midnight.



- (j) Overtime payment shall not be duplicated for any hour of work, i.e., there shall be no pyramiding of overtime.
- (k) An employee who is not on regular duty when called for overtime work shall be allowed as a general practice thirty (30) minutes in which to dress. However, the Union recognizes that under special circumstances the Captain may not be able to comply.
- (l) Within twenty-four (24) hours of completion of any overtime work, 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.
- (in) The Company agrees to supply overtime books or sheets for the purpose of keeping a record of overtime worked. Where the Company fails to supply the said overtime books or sheets, employees' overtime claims shall be considered as valid on any form of paper.
- (n) Overtime shall be divided as equally as may be reasonably practicable among the employees who normally perform the work. Hours offered and refused shall be counted as hours worked for calculation.
- (o) Watchkeepers shall have the right to select their watch by seniority at the beginning of the vessel's navigational season.

D. HOURS OF WORK

- (a) (i) The regular hours of work for all employees who are assigned to standard watches (i.e. watchkeepers) shall be eight (8) hours during each calendar day on a three (3) watch system, so that four (4) hours on watch shall be followed by eight (8) hours off watch, except when in the Captain's or Chief Engineer's discretion it is deemed advisable to break watches while a vessel is in port, anchored or not otherwise under way.
 - (ii) When watches are so broken and "day work" is undertaken, then hours of work shall be any eight (8) hours in a spread of twelve (12) hours from 06:00 hrs. to 18:00 hrs. and no employee shall be called upon to work more than eight (8) hours during each calendar day without payment of overtime, taking into consideration watches which he has stood before "day work" commenced or which he will stand on completion of "day work"
- (b) Between the hours of 18:00 and 06:00 employees will not be assigned duties which include painting and soogeeing without payment of the following:
 - (i) Monday to Friday the rate of payment for the above duties will be at the rate of time and one half (1 1/2).



(ii) On Saturday, Sunday and on Statutory Holidays, payment for the above duties will be at the rate of double time (2).

It is generally understood that there shall be no chipping and scraping between the hours of 18:00 and 06:00.

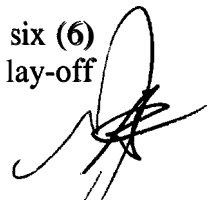
- (c) Whenever possible, and the vessel is in port, Saturday and Sunday may be given off. Every consideration shall be given to reasonable requests for time off in port for the purpose of obtaining medical care, cashing Company cheques, legal counsel or the necessities of life.
- (d) Should a watchkeeper fail to report at his regular post at the beginning of his watch, his mate on the preceding watch shall remain on duty until a substitute is secured. The missing employee, when he reports, may then work extra time so that each will have worked his regular eight (8) hours for that day. If it is necessary to pay overtime because of these circumstances, the additional cost will be deducted from the wages of the employee who was missing from his watch.

Should a vessel be short of a watchkeeper, the remaining two (2) watchkeepers will go on six (6) hour watches until a suitable replacement can be secured. Should a vessel sail from port short one or more watchkeepers, the Captain or Chief Engineer may promote on a temporary basis a member of the vessel's crew to re-establish the three (3) watch system.

- (e) The Company agrees that all vessels shall be manned with crews sufficient and efficient to meet the requirements of the operations.
- (f) When a vessel sails without a full complement of day workers through negligence in not requesting replacements through an S.I.U. dispatch hall, the wages of the absent members will be divided equally among the remaining day workers in that Department.
- (g) When employees standing sea watches are promoted for the purpose of replacing employees who are injured, sick or absent, they shall receive the differential in pay while so acting.
- (h) The Company shall give preference to the unlicensed personnel for any winter work providing the person is qualified. The total remuneration for this type of work will be fifteen dollars and fifty cents (\$15.50) per hour effective August 1, 2005 and shall be increased in accordance with Article B – Schedule of Wages. This rate shall be increased by the same percentage as the wage increase for each year with the current figure as the base.
- (i) Employees required to remain on board in port after the completion of their watches or the regular day work, shall be paid all hours required to remain on board at the appropriate hourly rate.

E. SHORT PERIOD LAY-UP

- a) 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



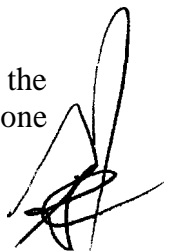
provided that the period of employment for which the employee is so recalled shall not be less than ten (10) days.

- b) When a tanker lays up (during the navigation season) the Company will have the option of keeping a portion of the unlicensed crew to perform deck or engine room maintenance. The Company will have the right to select the crew to remain. The hours of work will be eight (8) hours per day, Monday to Friday between 08:00 hrs and 17:00 hrs. During this period there will be no guarantee of work on Saturday or Sunday, however, if the employee is called upon to work he would receive the applicable rate of pay.

F. SCHEDULED TIME OFF WITHOUT PAY

- (a) For the purposes of this Article the following definitions shall apply:
 - i) Job-sharer - is any crew member who is employed to relieve three (3) or fewer permanent employees consecutively. Upon completion of the relief work, this employee shall be laid off and shall not be eligible for recall.
 - ii) Relief - is any employee who is hired to replace a permanent crew member who is temporarily absent from the vessel for reasons other than scheduled time off.
 - iii) Seasonal vessels - are those ships that normally lay-up during the winter months as established by past practice.
 - iv) Year-round vessels - are those ships that would be anticipated to sail during all months of the year as established by past practice.
- (b) All employees shall take scheduled time off in accordance with the schedule which shall be set up annually as follows:
 - i) Seasonal vessels - Within fifteen (15) days of signing on articles, a schedule of time off, agreed to by the employees, shall be made up on board each vessel. Should two employees in the same rating request the same dates off, seniority shall be the deciding factor and the employee with the lesser seniority shall be assigned to an alternate time off period. Copies of the schedule shall be sent to the Company office as soon as possible and the Company shall provide the Headquarters of the Union with a copy.
 - ii) Year-round vessels - A schedule of time off, agreed to by the employees, shall be made up on board each vessel by no later than December 1st of each year. Such schedule shall be for the next calendar year. The schedule shall be made up in the same fashion as for seasonal vessels and forwarded to the Company and the Union in the same manner.

Time off periods shall be for thirty (30) days from the scheduled date of getting off the vessel and shall be taken on a consecutive basis for positions where there are more than one



(1) employee. Time off shall be scheduled so that employees will not work in excess of one hundred and forty (140) consecutive days.

The thirty (30) day time off period noted above may be adjusted; however, this adjustment may not exceed three days (3) before or after the scheduled date of change, except at end of season lay up when eight (8) days shall be allowed.

- (c) Wherever possible, employees in the same rating shall be grouped in units of three, with respect to time off scheduling, so as to accommodate the use of a fourth employee as a job sharing relief.
- (d) The commencement and cessation of the time off schedule shall be governed by the following rules:
- i) Seasonal vessels - Should a vessel fit out between the 1st and the 15th of a month, the leave schedule shall be effective on the 15th of the month following 60 days worked. Otherwise the leave schedule shall be effective on the 1st of the month following 60 days worked. Days worked during fit-out shall not be counted unless such work exceeds thirty (30) consecutive days immediately preceding the signing of ship's articles.
- Should a vessel fit out after September 1st of any year, then the time off system shall not commence for that season.
- Should a vessel lay up during the season for more than fourteen (14) consecutive days, the time off schedule shall be discontinued and shall be reactivated pursuant to paragraph f).
- ii) Arctic voyages - It is understood that, on vessels involved in the Arctic trade, no crew changes will be made after the vessel leaves its final loading port for the Arctic until the vessel's return to their next loading port west of Belle Isle.
- (e) Employees shall not be prevented from taking scheduled time off provided a qualified replacement, as determined by the Captain or Chief Engineer, is available. The employee taking time off may not leave the vessel until he has been properly relieved otherwise he will forfeit his job with the Company.
- (f) A returning employee shall notify and confirm with the Company his intention to return no less than three (3) calendar days in advance of his stated return date. The Company will advise the employee where he is to rejoin the vessel. The Company will also notify the ship's Captain who will inform the **departing** employee forty-eight (48) hours in advance in order to facilitate the paying-off of such employee.

Should a returning employee fail to notify the Company of his intention to return in accordance with this clause then he shall forfeit his job.



APPENDIX D-1 – Manning Scale

Position	ALGONOVA
GP Foreman	--
GP Watchkeeper	5
Cook	1
Total	6

APPENDIX D -2 – Fringe Benefits

The parties agree by Letter of Understanding that effective the dates indicated under each heading, the Company will make contributions as shown below:

SEAFARERS' MEDICAL PLAN

- a) Effective August 1, 2005, the Company agrees to make contributions of six dollars and seventy-six cents (\$6.76) per job per payroll day to the existing Seafarers' Medical Plan.
- b) From August 1, 2006 to July 31, 2007, \$6.90 a day for each employee per payroll day.
- c) Effective August 1, 2007, the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)
- d) Effective August 1, 2008 the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater, (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)
- e) Effective August 1, 2009 the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)
- f) 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.

It is further understood that employees who are hired as job sharers and who complete their relief period prior to the expiration of the agreed term of thirty (30), sixty (60) or ninety (90) days, the Company will nevertheless make medical contributions for the assigned number of days.



S.I.U. OF CANADA PENSION PLAN

The Company then agrees to make a monthly contribution to the Seafarers' International Union of Canada Pension Fund for each employee covered by the Pension Fund as follows:

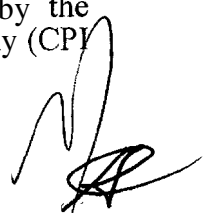
Effective August 1, 2005, the monthly contribution shall be based on eleven percent (11%) of the basic hourly wage rate of eight (8) hours per day worked.

- a) Effective August 1, 2006 the Company's contribution to pension plan will increase from eleven per cent (11%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to eleven and one quarter per cent (11.25%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.
- b) Effective August 1, 2007 the Company's contribution to pension plan will increase from eleven and one quarter per cent (11.25%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to eleven and one half per cent (11.5%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.
- c) Effective August 1, 2008 the Company's contribution to pension plan will increase from eleven and one half per cent (11.5%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to eleven and three quarter per cent (11.75%) of the employee's basic regular hourly wage rate for twelve hours per payroll day.
- d) Effective August 1, 2009 the Company's Contribution to pension plan will increase from eleven and three quarter per cent (11.75%) of the employee's basic regular hourly wage rate for twelve hours per payroll day to twelve and one quarter per cent (12.25%) of the employee's basic regular hourly wage rate for twelve hours per payroll day
- e) Each Employee shall have an option to contribute an amount equal to that remitted by the Company.
- f) Temporary or relief Employees will have the same amount contributed on their behalf to the Seafarers' International Union Pension Plan.

SEAFARERS' INTERNATIONAL UNION DISPATCH HALL FUND

The Company agrees to pay to the Seafarers' International Union of Canada Dispatch Hall Fund effective August 1, 2005, the sum of five dollars and seventy-eight (\$5.78) per job per payroll day.

- a) From August 1, 2006 to July 31, 2007, \$5.90 per day per position.
- b) Effective August 1, 2007, the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)

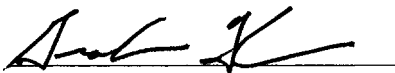


- c) Effective August 1, 2008 the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)
- d) Effective August 1, 2009 the base hourly rates then in effect will increase by two per cent (2%) or COLA whichever is the greater. (COLA will be determined by the Consumer Price Index (CPI) published by Statistics Canada for the month of May (CPI 1992 = 100).)

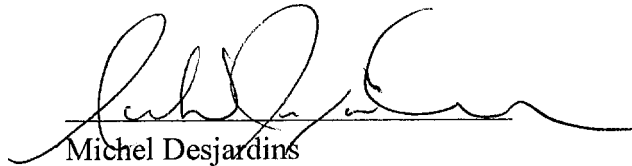
DATED at Montreal, Quebec this 7th day of June 2006 .

Algoma Tankers Limited

Seafarers International Union of Canada



Graham Fisher
Vice President Human Resources



Michel Desjardins
Executive Vice President