COLLECTIVE **AGREEMENT**

Canadian Merchant Service Guild BETWEEN:

(hereinafter referred to as the "Guild")



Island Tug and Barge Ltd. AND:

(hereinafter referred to as the "Company")



Effective Date October 1, 2006 — September 30, 2010

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COLLECTIVE AGREEMENT

BETWEEN: CANADIAN MERCHANT SERVICE GUILD

Representing:

Masters,

Mates,

• Engineers, and Other Marine Employees

(hereinafter referred to as "The Guild")

AND: ISLAND TUG and BARGE LTD.

(hereinafter referred to as the "Company")

PREAMBLE

The intent of this Agreement is to ensure for the Company, the Guild and the Employees employed by the Company the full benefits of orderly and legal collective bargaining, and to promote harmonious employment relationships between the Parties.

It is also the intent of this Agreement to ensure to the utmost extent possible the safety and physical welfare of the Employees, efficiency and economy of operation, standard of service and protection of property.

It is recognized that the Company exercises rights and responsibilities as Management, which may be subject to the terms of this Collective Agreement. Management of the operation is vested solely in Management.

As signatories to this Agreement, it shall be the duty of the Company and the Guild to abide by the terms set out hereinafter.

ARTICLE 1 — RECOGNITION

1.01 The Company recognizes the Guild as the sole bargaining agent for all Masters, Mates, Engineers and Other Marine Employees employed on vessels owned, operated or directly or indirectly controlled by the Company provided that such vessels are operated within the coastal and inland waters of British Columbia or in waters bordering on the Yukon and North West Territories, or if operated on a national or international basis, that the port from which the vessel is dispatched is within those waters of British Columbia, Yukon and the North West Territories.

The Company agrees that only vessels covered by a Guild Agreement will be employed to perform work except in those designated areas in which other unions have historically manned vessels. It is understood that the only exceptions to this would be in the event of Guild vessels not being available when required to do the job and US Flag vessels. The Company agrees to inform the Guild monthly of any exceptions.

- **1.02** Where a vessel covered and listed in this Agreement is chartered or leased, the terms of such charter or lease shall provide that this Agreement shall apply unless a vessel is chartered or leased to a Company which has an Agreement with another Union to man and operate vessels, and such agreement contains the provision that the other Union has jurisdiction over the work to be performed.
 - 1. Should the charteree or lessee fail or neglect to abide by the terms of this Agreement, the Company shall be liable to the Guild members concerned for wages and other monetary benefits which are not paid by the charteree or lessee.
 - 2. In applying 1.02 (1), it is agreed that a six (6) month limitation shall apply to any claims that might arise out of such third (3rd) Party arrangements. In other words, in the event that the Company charters a vessel to a third Party who failed to meet these obligations under the terms of the Agreement, any crew member concerned with a valid claim would be obliged to register his claim with the Company not later than six (6) months from the date the claim first arose. It is understood that a claim initiated beyond this point in time will not be recognized.
- **1.03** Where a vessel covered by this Agreement is sold to another Company or to an individual, satisfactory proof of such sale shall be provided to the Guild at time of sale.
- For greater clarity, the Parties agree that the vessels described above are as listed in Appendix "A", and the Parties recognize that the list may be altered from time to time, pursuant to Article 1.01.

 Additions to the Company's fleet of existing vessels shall be covered by the agreement and the Company agrees to notify the Guild as these occur.

 The Guild will be allowed to display its insignia aboard the vessels and it may be up to twelve inches (12") by nine inches (9") in size.
- The Company recognizes the Guild as a source of supply for all Employees covered by this Agreement and may request same from the Office of the Guild. The Company agrees to employ only members of the Guild in good standing. All new Employees are required to sign an engagement letter regarding Guild membership status as set out in Appendix "E" of this Agreement. Copy of such engagement letter shall be forwarded to the Guild upon signing.
- 1.06 Effective the last pay period of each month, the Company shall deduct from the wages due and payable each Employee coming within the scope of this Agreement, an amount equal to the uniform monthly membership fees, pension contributions as required and any assessments of the Guild. The amount so deducted shall only be changed during the term of this Agreement to conform with changes in the amount of the regular fees of the Guild in accordance with its Constitution and By-laws.
- **1.07** The Company will deduct initiation fees and remit same to the Guild upon receipt of proper authorization from the Employee concerned.

1.08 All deductions required under this Article will be forwarded to the Western Branch of the Guild, attention of the Secretary Treasurer within thirty (30) days together with a list in duplicate showing the names of the Employees to whom said deductions are to be credited and the month for which the deductions are made

ARTICLE 2 — LAYOFF and RESIGNATION from EMPLOYMENT

2.01 Layoff

An Employee shall be given seven (7) calendar days notice of layoff or displacement from employment, except in cases of discharge for just cause. Failure to give such notice will result in seven (7) days pay. An Employee, when hired for relief or temporary work which does not exceed six (6) months, shall only be entitled to two (2) days pay for failure to give such notice.

2.02 Resignation

An Employee shall give the Company seven (7) calendar days notice of resigning employment. An Employee is to be responsible for payment of up to two (2) days pay (not including leave) for failure to give seven (7) calendar days notice of resigning employment.

ARTICLE 3 — DISCRIMINATION and INTIMIDATION

3.01 The Company agrees not to discriminate or intimidate any member of the Guild for his lawful activities on behalf of/or for membership in the Guild

3.02 Human Rights

Employees will not suffer any harassment nor will they be discriminated against by the Company with respect to terms or conditions of employment on the grounds of sex, age, race, colour, nationality, ancestry, place of origin, language ability, family relationship, place of residence, political affiliation, sexual orientation, disability, or other prohibited grounds as stated in the Canadian Human Rights Act.

3.03 Workplace Harassment

The Company and Union are committed to providing a harassment free workplace. Harassment is defined as a course of comment or conduct that is known or ought to reasonably be known to be unwelcome, that denies individual dignity and respect on the basis or grounds such as gender, disability, race, colour, sexual orientation or other prohibited grounds as stated in the Canadian Human Rights Act. All Employees are expected to treat others with courtesy and consideration and to discourage vexatious harassment.

If an Employee believes they have been subject to discrimination, intimidation or harassment, they may file a grievance pursuant to Article 11.

3.04 Retirement

As the Company does not currently universally apply a mandatory age sixty-five (65) retirement policy, no Employee over the age of sixty-five (65) who is entitled to take pension benefits shall be allowed to work when other Employees under the age of sixty-five (65) are on layoff.

ARTICLE 4 — LEGAL DEFENCE

4.01 Legal Defence coverage for Employees covered by this Agreement shall be provided by the Guild, and paid for by the Company, monthly, for each Employee in it's employ at the following rate(s):

October 1, 2006	twenty-six dollars fifty cents (\$26.50)
October 1, 2007	twenty-eight dollars (\$28.00)
October 1, 2008	twenty-nine dollars fifty cents (\$29.50)
October 1, 2009	thirty-one dollars (\$31.00)

ARTICLE 5

CANADIAN MERCHANT SERVICE GUILD, WESTERN BRANCH-PENSION PLAN

- 1. The Employer will contribute monthly to the Pension Plan a total of eight and one-half per cent (8.5%) of each Employee's monthly basic rate of pay actually paid to the Employee each month. The plan will be portable within Guild membership.

 The Employer contribution shall be allocated as seven and one half per cent (7.5%) to the Pension Plan account of the individual Employee and a further contribution of one per cent (1%) to the money purchase provision of the Pension Plan on an unallocated basis. This supplementary account will be used for the sole purpose of providing to the extent of funds available, Employer-Employee Pension Plan contributions of seven and one-half per cent (7.5%) and seven and one-half per cent (7.5%) respectively, for those Employees on Long Term Disability under the Guild Health Benefit Plan or after fifty-two (52) weeks on WCB Benefits.

 Employees for whom the seven and one-half per cent (7.5%) contribution is made will contribute
 - Employees for whom the seven and one-half per cent (7.5%) contribution is made will contribute concurrently by payroll deduction seven and one half per cent (7.5%) on their own behalf.
 - 2. A Board of Trustees will continue to jointly administer the Pension Plan in accordance with the Trust Agreement. The Trustees shall be six (6) in number, comprised of three (3) Industry and three (3) Guild Trustees.
- **5.02** All contributions referred to under (1) above are exclusive of any contributions required for the Canada Pension Plan.
- **5.03** The Company will forward to the Pension Plan Administrator monthly statements showing all contributions made on behalf of all Employees on payroll that month.

- **5.04** Where a Company is remiss in forwarding pension contributions, it shall be responsible for its contributions and any lost interest for any period beyond thirty (30) days.
- Pension Plan contributions shall commence as of the first day of employment as an Employee. An Employee who is laid-off or terminated will have pension contributions and deductions made on all basic earnings paid which includes regular leave paid.
- Employees who were participating in the Company Pension Plan prior to December 11, 2002 shall be entitled to maintain those pension arrangements and contributions shall be as allocated as contained in clause 5.01.1, above.

Employees exercising this option shall not hold the Guild or the Company in any way responsible for any short coming in the resultant pension benefits.

All Employees hired on or after December 11, 2002 shall be enrolled in the Canadian Merchant Service Guild, Western Branch Pension Plan.

ARTICLE 6 — BOARDING PASS

- Guild Representatives shall be given access to Company property and aboard Company vessels either by checking with the Company office or by possession of a Boarding Pass issued by the Company. It is agreed that these visits will not interfere with the sailing or maintenance of the vessel.
- At times when the Company offices are not open, permission *will* be obtained from the Master of the vessel. It is agreed that the Company assumes no liability for injury to any Employee Representative while he is on Company property.

ARTICLE 7 — WARRANTY of CONTINUOUS OPERATION

- **7.01** The Company, signatory to this Agreement, and the Guild agree that there shall be no strikes or lockouts during the life of this Agreement.
- **7.02** There shall be no slowdown or stoppage of work during the period when a grievance is being resolved.
- **7.03** Refusal to pass through a picket line which has not been held to be illegal shall not be construed as a violation of this Article.
- **7.04** The Company will not require any member of the Guild to continue with a tow if it has been brought through a legal picket line.

ARTICLE 8 — BENEFIT PLAN

- (\$826.00) or such higher rates as may be in effect for each eligible Employee in its Employ in lieu of providing a Health Benefit Plan including but not limited to Life Insurance, Accidental Death and Dismemberment, Weekly Indemnity, Extended Health Care, Long Term Disability and Dental Coverage. The Guild Western Branch Benefits Plan is described in Appendix "K". The Company will provide a monthly contribution of one per cent (1%) of each Employee's basic monthly rate of pay to subsidize post-retirement benefits. This benefit will be subject to the Employee holding membership in the Plan for two (2) consecutive years directly preceding retirement.
- **8.02** The Guild shall provide a Health Benefit Plan for all eligible Employees utilizing all of the contributions received under 8.01 above.
- **8.03** An Employee must be actively at work in order to be eligible for contributions to be made on his behalf, except as provided otherwise in this Article.
- **8.04** Contributions will be pro rated for those Employees who are eligible and who are employed for a part month. Laydays shall be credited as employed days.
- **8.05** All eligible Employees (except those who are part-time) will have contributions made for them on completion of ninety (90) days continuous employment.
- **8.06** Employees absent due to disability, temporary layoff or leave of absence on the date they would normally become eligible shall be eligible for contributions from their date of return to active full-time employment.
- 8.07 Contributions will commence immediately for any eligible Employee who returns to active full-time employment with a participating Employer within six (6) months of the date of his leaving employment. If an Employee does not return to active full-time employment within the six (6) month period, he will be considered a new Employee and will be subject to the completion of ninety (90) days continuous employment.
 - Where an Employee retains recall rights under Article 12.08, he shall not be subject to the waiting period on return-to-work.
- **8.08** The Employee's pay shall be maintained (including red days) during waiting periods for weekly indemnity payments up to a maximum of seven (7) red days.

- An Employee on weekly indemnity shall be entitled to top-off his weekly indemnity income up to full basic wages with laydays. Such laydays shall include red days (unearned leave) as follows:
 - 1. Seven (7) days red day credit for each year of service with the Company up to a maximum of forty-five (45) red days, inclusive of any red days the Employee might have had when going off on weekly indemnity.

Employees who would otherwise have been laid-off will not be entitled to be supplemented with red days. Where an Employee is not expected to return-to-work (doctor's advice) before going on LTD, red days will not be available for top-off.

Employees who qualify for and elect red day top-up under this Section will be required to sign the debt repayment Letter of Agreement as under Appendix "C" with the Company prior to any red day top-up being paid. Should an Employee not return-to-work for the Company, the Guild will render cooperation toward recovery of the red day top-up amount.

- When an Employee is on Weekly Indemnity or WCB benefits for up to fifty-two (52) weeks, the Employer will pay the full contribution under 8.01 above, and the BC Medical Plan Premium. An Employee who is put on layoff when on these benefits will continue to have these premiums paid by the Company.
- Extended Health Care benefits shall be available for any Employee and his spouse subsequent to retirement after age sixty (60), providing that such an Employee has been in the employ of the Company for at least ten (10) years prior to retirement. Weekly Indemnity, Long Term Disability and dental coverage shall be excluded and Life Insurance coverage shall be reduced to twenty-five thousand dollars (\$25,000.00) for the principal member and five thousand dollars (\$5,000.00) for his spouse. All other terms and conditions of the Health and Welfare Plan shall remain in force. The entitlement shall expire at age sixty five (65).
- **8.12** Any rebate of EI Premiums shall continue to be retained by the Employer to offset contributions.
- **8.13** The Employer will continue to pay one hundred per cent (100%) of the premium of the BC Medical Services Plan

ARTICLE 9 — MARINE DISASTER and MISHAP

9.01 Any Employee who suffers loss of personal effects, clothing, navigational equipment and tools related to the operation of the vessel through wreck or marine disaster, or while in transit provided or paid for by the Company to or from home port, shall be compensated by a payment of up to one (1) month's basic pay subject to satisfactory proof of loss and in the event of loss of life this amount to be paid to the beneficiary.

ARTICLE 10 — MEDICAL EXAMINATIONS

Effective October 1, 2006

10.01 It is agreed that the Company has the right to have all Employees medically examined for fitness and any Employee found medically unfit for service at sea shall not be employed. Medical examination shall be at the Company's expense. The Employee shall be compensated with one-half calendar day's pay plus receipted reasonable expenses for each such examination except for pre-employment medical.

Effective October 1, 2008

It is agreed that the Company has the right to have all Employees medically examined for fitness and any Employee found medically unfit for service at sea shall not be employed. Medical examination shall be at the Company's expense. The Employee shall be compensated with one calendar day's pay plus receipted reasonable expenses for each such examination except for pre-employment medical.

- Where the Company refuses to employ an Employee or discharges an Employee for medical reasons, the question of the Employee's fitness for full sea duties in the category in which he is to be employed may be referred to a competent medical authority, acceptable to the Company, the Guild and the Employee concerned for determination acceptable to the Company, the Guild and the Employee concerned.
- **10.03** The Guild and the Company agree that Employee will abide by all the rules and regulations required by law with respect to drug testing.
- **10.04** The Company will pay the full cost of the doctor's charge for a Transport Canada required medical exam for Continued Proficiency or STCW95 Certification.

ARTICLE 11 — GRIEVANCE PROCEDURE

11.01 Grievance

Any difference concerning the interpretation, application or operation of this Agreement or any alleged violation thereof, including any question as to whether any matter is arbitrable shall be dealt with without stoppage of work in the following manner:

- 1. A regular Employee shall not be disciplined, discharged or demoted without just cause.
- 2. Should an Employee be required to meet with his Employer regarding a disciplinary action, he shall be entitled to have a Guild Representative in attendance.
- 3. Letters of discipline to an Employee covered by this Agreement shall be copied to the Guild.

4. Where the Company enacts discipline upon an Employee, such record of discipline may only be referred to by the Company for a three (3) year period subsequent to the date the discipline is enacted, providing there has not been any further discipline enacted upon the Employee within this three (3) year period.

Initiation of Grievance

By the Guild:

- **11.02** Any grievance lodged by an Employee or the Guild shall be presented to the Master or person designated for that purpose by the Employer.
- 11.03 The maximum time for instituting a grievance concerning demotion, suspension, dismissal and all other disciplinary matters shall be thirty (30) days from the date of demotion, suspension, dismissal or disciplinary matter. A Double Registered Letter shall be sent or delivered by hand to the Employee concerned, if he requests it.

The maximum time for instituting a grievance concerning issues other than the above shall be thirty (30) days.

11.04 Grievances arising shall be dealt with and processed to settlement in the following manner:

STEP 1:

The Employee or Employees involved shall first present the matter to the designated Employer official.

STEP 2:

If the matter is not satisfactorily resolved at Step 1 within seventy-two (72) hours of the date the grievance is presented, the Employee shall within thirty (30) days of that date refer the matter to the appropriate Guild Representative, who shall then within seven (7) days submit the grievance, in writing, to the Employer.

STEP 3:

If a satisfactory settlement is not reached within seven (7) days of the date the grievance is submitted to the Employer, the grievance may, within thirty (30) days of that date be referred to the Arbitrator in the manner provided in Section 11.08.

By the Company:

Any grievance lodged by the Employer shall be presented in writing to a person designated for that purpose by the Guild. If a satisfactory settlement is not reached within seven (7) days of the date the grievance is presented in writing, the grievance may, within thirty (30) days of that date, be referred to an Arbitrator, in the manner provided in Section 11.08.

Time Limits

11.06 The time limits set out in the foregoing may be extended by mutual agreement of the Parties.

11.07 Any grievance may be advanced directly to arbitration by mutual agreement of the Parties.

Arbitration

11.08 In the case of a dispute arising under this Agreement which cannot be settled in the manner provided for in Article 11, the matter shall be determined by arbitration in the following manner.

Arbitration Procedure

11.09 The Party advancing the grievance shall notify the other Party in writing of the issue to be arbitrated.

Arbitrator

11.10 The Parties shall, by mutual agreement, select a Single Arbitrator. Failing mutual agreement the Minister of Labour will be requested to appoint an Arbitrator.

Cost Apportionment

11.11 The Parties shall bear in equal proportions the fees and expenses of the Arbitrator including the rental of any premises used for the Hearing. This shall apply in all cases except where, as provided in Clause 11.17, the Arbitrator is called upon to reconsider his Decision. In such latter instances, the fees and expenses connected with his reconsideration of the Decision, including the rental of any premises used, shall be borne in fully by the Party which requested such reconsideration.

Powers

- **11.12** The Arbitrator shall have no authority to alter, modify, subtract from or supplement the provisions of this Agreement in any way.
- 11.13 If the Arbitrator finds that an Employee has been unjustly demoted, suspended or discharged the Arbitrator has the power to substitute for the discharge or discipline such other penalty as to the Arbitrator seems just and reasonable in the circumstances.

Arbitration Procedure

- **11.14** The Party advancing the grievance shall notify the other Party and the Arbitrator in writing of the issue to be arbitrated.
- The Arbitrator shall then invite the Parties to meet and present evidence, and shall render a decision within fifteen (15) days of concluding his hearing, said decision to be final and binding upon the Parties to this Agreement, subject to the provisions of Section 11.17.

- **11.16** If upon application by either Party, it appears to the Arbitrator that the circumstances surrounding the grievance are of such urgency or seriousness as to justify disposition in a summary manner, then:
 - 1. the Arbitrator may order that the matter proceed to Arbitration without compliance with the grievance provisions of Article 11.
 - 2. the Arbitrator may proceed to hear the matter in such manner and in such time as he deems advisable
 - 3. the Arbitrator may issue a summary decision, direction or order which shall be binding on the Parties.
 - 4. the Arbitrator shall, within seven (7) days of his summary decision, render his decision in writing, and at that time he may, on his own initiative, vary the summary decision made by him.

 The procedure outlined herein shall be subject to the provision of 11.17.
- 11.17 Either Party may, within five (5) days of receipt of the Arbitrator's decision, notify the Arbitrator and the other Party of its desire to have the Arbitrator reconsider his decision, such notice to be in writing and to be supported by reasons. The Arbitrator may proceed to reconsider the matter, and in the event that he does he shall render a decision within seven (7) days of receiving notice, provided that if he has to conduct a hearing into the matter he shall render a decision within fifteen (15) days of concluding the hearing.

Interpretation Ruling

11.18 Either Party may, within fifteen (15) days notice to the other, request the Arbitrator to make an interpretation ruling on any question involving an interpretation of any terms of this Collective Agreement. It is agreed that such an interpretation ruling will only be initiated as a result of one of the Parties disagreeing with the actions or stated intended actions of the other Party. In such instances, the Arbitrator shall invite the Parties to make submissions in support of their respective interpretations at a hearing to be held for the purpose, and shall render a ruling within thirty (30) days of the conclusion of the hearing. Such a ruling shall be final and binding upon the Parties and shall not be subject to reconsideration.

ARTICLE 12 — SENIORITY

- **12.01** For the purpose of this Article there shall be two (2) kinds of seniority:
 - 1. Service Seniority-being length of service with the Company as an Employee;
 - 2. Category Seniority-being length of service with the Company in a specified category. To maintain an Employee's seniority, he must be a member in good standing with the Guild.
- An Employee shall acquire seniority as of his date of employment with the Company as an Employee provided he has completed six (6) months continuous employment as an Employee.

12.03 The Company will provide the Guild with separate lists setting out both kinds of seniority. These lists shall include length of service in the above named categories and total service as an Employee. A revised seniority list is to be posted on vessels by March 31st of each year. A new seniority list shall be final if not disputed within four (4) months of it being posted.

All Employees shall, on request, be provided with a letter confirming their posted vessel or class of vessel. Any changes will be in accordance with the provisions of this Article. Where posting is to class, the Employee's customary vessel will be identified.

To ensure that seniority acquisition in specific categories is duly recognized and that any and all category seniority acquired, albeit in an infrequent or non-posted fashion will be recognized, the following will prevail. In the instance an Employee relieves as a Master, Mate, or Chief Engineer, and is listed on the Mates, Bargemen's, Cook/Deckhands, or Second Engineer's seniority list, any documented time served in the higher capacity shall be recognized upon permanent promotion to such a higher capacity.

- 12.04
- 1. In cases of layoff or recall, service seniority shall be the determining factor, provided that the Employee's qualifications, experience and ability being sufficient to do the job. Layday positions will not affect the layoff sequence.
- 2. Realignment of positions due to layoffs shall be in accordance with the sequence set out below provided that an Employee's qualifications, experience and ability being sufficient to do the job.
- 3. Where an Employee who has positive laydays is subject to layoff pursuant to Sub-Section 12.04 (1) above, he shall be entitled at his election to continue on the Company's payroll as follows:
 - a) His leave will be run out.
 - b) He shall have the option of banking his annual vacation or cashing it out.
 - c) Overtime converted leave to be banked or cashed out at the Employee's discretion.
 - d) Any statutory holiday that falls in the Employee's run-out time will not be paid.
 - e) Benefit Plan premiums shall be maintained (Article 8.01).
 - f) Pension Plan contributions shall be maintained (Article 5.01).
 - g) Monthly Employee dues deductions/remittances shall be maintained (Article 1.06).

Recall to work shall be in accordance with the Collective Agreement.

Realignment Sequence

Deck

- **12.05** 1. Real
 - 1. Realignment of displaced Masters to Mate category shall be in accordance with Master's category seniority, and
 - 2. Realignment of displaced Mates to Cook/Deckhand or Bargemen's category shall be in accordance with Masters and Mates category seniority.

Engineering

3. The above sequence shall apply similarly to Engineers with the divisions being First (Chief) Engineer and Second/Third Engineer.

12.06 Intentionally Blank

- **12.07 1.** All appointments to regular job vacancies shall be made by category seniority subject to qualifications, experience and ability being sufficient to do the job.
 - 2. Employees wishing training for relief positions to gain experience for future appointments are to advise the Company of their interest. When the Company is planning such training, Employees shall receive consideration on the basis of seniority subject to qualifications and ability sufficient to do the job. Employees successfully completing training would then be given future relief opportunities as they arise.
- **12.08**1. A vessel crewed by Island Tug and Barge that has consistent and on going work will be permanently posted.
 - 2. Where the vessel has adequate work to support additional crew, then additional crew will be posted.
 - 3. Postings shall be determined by category seniority subject to qualifications, experience and ability being sufficient to do the job. Filling of relief positions shall be determined by category seniority subject to qualifications, experience, and ability being sufficient to do the job. In the event that category seniority is equal, then service seniority shall be the determining factor. Final selection shall be made within sixty (60) days of the posting.
 - 4. In the event a vessel is taken out of service, the Employees posted to the vessel shall have first right of refusal to return to their vessel and their postings when the vessel returns to service. While the vessel is out of service, the posted crew shall work relief, subject to qualifications, experience and ability being sufficient to do the job.
 - 5. When a posting vacancy occurs, it will be posted within fifteen (15) days and eligible Employees will be given forty-five (45) days to apply from the date of the posting. The name(s) of successful applicant(s) will be distributed to the vessels.
- **12.09** An Employee who has failed to apply for a particular job vacancy within the time limit specified shall not be entitled to apply for the position in question until such time as it again becomes vacant.
- An Employee who has been laid-off will retain his seniority and the right to be recalled for a period up to eighteen (18) months from date of layoff, provided he reports to the Company when recalled, and further provided, that should payment of severance pay under Article 29.01 of the Canada Labour Code be made after the expiration of the twelfth (12) month of layoff, all rights including seniority and recall shall be at end. It is understood that an Employee is not entitled to any severance pay until twelve (12) months of layoff has occurred. An Employee who is given reasonable notice and fails to report for work upon recall is subject to discharge from service. Reasonable notice shall not be less than twenty-one (21) days by Double Registered Mail.

An Employee on layoff, who has been employed for less than two (2) months in a period of a year (12 months), shall have the option of collecting severance pay.

- **12.11** When an Employee on leave takes employment with another Company within the marine industry, he shall be deemed to have terminated employment with the Company from which he took leave.
- 12.12 1. The provisions of this Article shall not in any way interfere with the Company's right to discharge for cause.
 - 2. Where a senior Employee is in a red day position and there are junior Employees in his category working, the senior Employee will have the first right of refusal to the work. The Employee must have the seniority, qualification, experience and ability sufficient to perform the work.
- Where a merger or a purchase occurs between Companies and the purchase or merger agreement involves the transferring of Employee from one Company to another, the resulting Company agrees to meet and consult with the Guild on matters of seniority. The meeting shall take place within thirty (30) days following the date of the event or later if mutually agreed. The Company, after consulting with the Guild, shall effect a revised seniority list.

The Guild shall have the right to dispute the revised seniority list provided it does so within sixty (60) days of receiving the list. Any disputed issues may be referred to an Arbitrator in accordance with the provisions of Article 11.

12.14 1. An Employee may request to work up to half time subject to approval by the Company.

Entitlement to this provision shall be dependent on the following age and service formula:

Service	Age
15 years	60
20 years	55
25 years	50

The minimum period shall be one (1) year. The work/leave of absence arrangement shall be as mutually agreed between the Employee and the Company. It is understood that an Employee may have to relinquish his/her posting and take another position in order to facilitate this clause. The intent of this clause is for retirement phase in, not alternate employment.

- 2. Such Employee shall only accrue further seniority and service for actual days worked and corresponding leave.
- 3. Pension contributions shall be maintained as per Article 5.01.
- 4. The Benefit Plan premiums shall be paid by the Company and the Employee on a fifty/fifty (50/50) basis each month and will continue to be paid until this half time arrangement is ended.
- 5. Weekly Indemnity and Long term Disability Benefits will be paid at the rate of fifty per cent (50%) of the benefit entitlement and the other benefits at the full entitlement.

- 6. Weekly Indemnity top-up with red days as per Article 8.09 shall be pro-rated both in time and money. Top-up will not be available during the leave of absence period.
- 7. The Employee will only be entitled to statutory holiday compensation which coincides with his/her being on the Company payroll, ie: on a sea day, work by or a layday.
- 8. Annual vacation day's accrual shall be fifty per cent (50%) of the Employee's normal vacation day's entitlement from commencement of this half time arrangement.
- 9. At the time the Employee commences his/her leave of absence period all accrued monies including leave may be paid out, at the Employee's discretion.
- 10. Article 12.14 may be reviewed and amended by mutual agreement between the Guild and the Company.

ARTICLE 13 — ANNUAL VACATIONS

- An Employee shall receive fourteen (14) consecutive days annual vacation upon completion of one (1) year of service with the Company and for each succeeding year. He shall be paid for such vacation on the basis of four per cent (4%) of gross wages earned in each year.
- An Employee shall receive twenty-one (21) consecutive days annual vacation upon completion of two (2) years of service with the Company. He shall be paid for such vacation on the basis of six (6) per cent of gross wages earned during his second (2nd) and succeeding years of service.
- An Employee shall receive twenty-eight (28) consecutive days annual vacation upon completion of seven (7) years of service with the Company. He shall be paid for such vacation on the basis of eight per cent (8%) of gross wages earned during his seventh (7th) and succeeding years of service.
- An Employee shall receive thirty-five (35) consecutive days annual vacation upon completion of fifteen (15) years service with the Company. He shall be paid for such vacation on the basis of ten per cent (10%) of gross wages earned during his fifteenth (15th) and succeeding years of service.
- An Employee shall receive forty-two (42) consecutive days annual vacation upon completion of twenty-two (22) years of service with the Company. He shall be paid for such vacation on the basis of twelve per cent (12%) of gross wages earned during his twenty-second (22nd) and succeeding years of service.
- An Employee with thirty (30) years of service with the Company shall receive an additional two per cent (2%) of gross wages earned during his thirtieth (30th) and succeeding years of service.

- In all cases under 13.01, 13.02, 13.03, 13.04, 13.05 and 13.06 above, if the Employee has worked less than a normal year and is not entitled to the full annual vacation days allowed, they shall be pro rated in accordance with the vacation pay earned.

 Excepted from this is when an Employee is off on WCB benefits for up to one (1) year. In this instance, he shall be entitled, at his election, to take vacation time he would have otherwise earned without pay subject to the fact that any vacation pay entitlement would be that which had been accumulated before the commencement of WCB benefits and subsequent to such benefits coming to an end in the vacation year.
- Vacation pay shall be accumulated throughout the year and shall be paid to the Employee on the pay-day prior to his vacation. Vacation pay shall not be used to offset red days while an Employee is employed except by mutual agreement with the Employee who shall be obliged to advise the Guild. An Employee shall be able to request all vacation pay in excess of their annual vacation entitlement be paid out, at his request, in lieu of time off.
- **13.09** The Company shall provide vacation pay information, including amount, income tax deducted, period covered and gross earnings for the period, at the same time an Employee receives his vacation pay.
- An Employee shall be entitled to select the periods desirable to him for his vacation periods on the basis of his seniority with the Company, and his vacation periods may, at his discretion, be combined with time off, subject to the Company having the right to approve the overall vacation schedule. Selection of vacation periods shall be made no later than January 31st of each year. The Employee's request will not be unreasonably denied. Vacation schedules shall be posted no later than March 15th of each year.
- **13.11** For the purposes of this Article, the term "gross wages" shall include all monies credited including wages, overtime, excessive hours, subsistence allowance, previous vacation pay and engine servicing pay.
- An Employee terminating his employment shall be paid all vacation pay due him up to the date of leaving, calculated in accordance with Sections 13.01, 13.02, 13.03, 13.04, 13.05, 13.06 and 13.07.
- **13.15** When a statutory holiday occurs in a vacation period the provisions of Article 15 shall apply.
- An Employee who has been laid-off and is re-employed by the same employer within eighteen (18) months of the date of layoff shall be granted the same vacation entitlement as he possessed immediately prior to the layoff.

13.17 Where an Employee is scheduled or elects to retire within any given year such an Employee shall be entitled to utilize all vacation allowances accrued during the year of retirement including the immediate preceding year should he so choose.

ARTICLE 14 — ANNUAL VACATION PAY on TERMINATION

An Employee terminated or laid-off for lack of work shall be entitled to request payment of any vacation pay due him at the time of layoff in accordance with Article 13.

ARTICLE 15 — STATUTORY HOLIDAYS

15.01 All Employees will be given the following paid statutory holidays:

New Years Day		Canada Day	Remembrance Day
	Good Friday	BC Day	Christmas Day
ľ	Easter Monday	Labour Day	Boxing Day
	Victoria Day	Thanksgiving Day	

Any statutory holiday proclaimed by either the Federal or BC Provincial Government shall be recognized upon proclamation and included as a paid holiday.

15.02 Twelve (12) Hour Employees

- 1. If it is not possible to take a holiday listed above and an Employee is called to work on that day, he shall be granted an alternate day off in lieu thereof. This day off shall be in addition to the pay and leave for the day worked as provided for in (3) below.
- 2. The rate of pay for work on a statutory holiday shall be time and one-half (1.5) the straight time hourly rate. Only the straight time value of the leave portion of earnings shall be credited to the layday account, i.e.: one point two four (1.24) of a normal day's pay.
- 3. For each statutory holiday not worked or for each alternate day off in place of a statutory holiday worked, an Employee shall be paid his regular pay for a normal day worked (12 hours) plus the leave he would earn for that day.
- Employees will be granted the three (3) day period, consisting of December 24th, 25th, and 26th as leave in the home port. Where due to cases of distress, extreme emergency or continuous on station operations, all or any part of this three (3) day period is not granted, then the three (3) day period of December 31st and January 1st and 2nd will be granted.
- Employees who do not receive either three (3) day period referred to in Section (3) above shall receive a three (3) consecutive day period of leave immediately on return to home port. All three (3) days in such case will be paid for at the statutory holiday rate.

15.05 Where the Company is unable to obtain the services of its Employees during the three (3) day period consisting of December 24th, 25th and 26th, Management personnel may be used.

ARTICLE 16 — LEAVE (LAYDAYS)

- Pay in lieu of leave shall not be tendered or accepted except as mutually agreed between the Guild and the Company. The Company, before paying such leave, shall have a letter of authorization from the Guild.
- No Employee shall accumulate more than forty-five (45) days leave without mutual agreement between the Guild and the Company. A list of all accumulated leave shall be forwarded by the Company to the Guild monthly. This list will indicate if the Employee was at sea or on leave at the end of the indicated pay period.
- When a vessel is laid up for overhaul, an Employee with any accumulated leave due shall take such leave while his vessel is laid up unless requested by the Company to work by his vessel or to sail on another Company vessel. When requested to work by his vessel, the conditions set out in Article 21 (Vessels in Port) shall be in effect.
- Any Employee away on leave who fails to report for duty at the expiry of his leave, without reasonable excuse, shall be considered to have terminated his employment with the Company.
- At the expiration of accumulated time off and, when an Employee is unable to rejoin his vessel, he shall continue to receive his rate of pay until such time as he resumes duty but such time shall be deducted from his next accumulated leave period.
- Where an Employee has been granted leave of twenty-four (24) hours, he shall return to his vessel at the end of such time unless previously requested to phone for confirmation of sailing time. The Employee shall not be required to phone more than once in that twenty-four (24) period. If the Employee is not required to sail at the expiration of the above noted twenty-four (24) hour period, the onus shall thereafter be upon the Company to inform the Employee as to sailing time.
- When an Employee has been recalled to work, he shall receive a minimum of one (1) day's pay and leave earned for that day before being given leave again.
- **16.08** The Company shall give twenty-four (24) hours notice when leave of more than two (2) days is to be granted and provide at least twelve (12) hours confirmation.

- **16.09** In all occupational classifications covered by this Agreement, leave with pay shall be granted as set forth in Article 16.10, exclusive of annual vacation and statutory holidays.
- **16.10** The method of calculating leave shall be 1.24 days leave earned for each day worked. Such leave shall be granted in the home port.
- 1. An Employee who is on a regular period of leave & who has a positive leave position shall not be required to return-to-work prior to the expiration of his regular leave period. Should an Employee be required as a replacement, an Employee in the same pay class (taking into regard Seniority-Article 12) shall be offered the position. Where such an Employee is not available, the Company will then seek a replacement from its Employee ranks in accordance with Seniority-Article 12.
 - 2. Employees who are due or are on scheduled leave (laydays), shall be entitled to take additional accumulated leave provided they give the Company seven (7) days notice (except under extenuating circumstances) prior to commencing the additional leave, and this leave shall not be unreasonably denied. This arrangement shall not give rise to red day payments.

ARTICLE 17 — LEAVE of ABSENCE

- Any Employee desiring leave of absence for any reason other than those set out in Sections 17.03, 17.04 and 17.05 of this Article must obtain authorization in writing from the Company, and the Company and the Guild must mutually agree in writing to the granting of such leave and it will not be unreasonably denied.
- Where any Employee is granted leave of absence under this Article for a period of longer than thirty (30) calendar days, the Company agrees to notify the Guild as to the circumstances for granting of such period of leave.
- 17.03 1. The Company will grant leave of absence to Employees suffering injury or illness, when on Weekly Indemnity, LTD or WCB, subject to a medical certificate if required by the Employer.
 - 2. Where an Employee on a Worker's Compensation Board claim is medically determined by the WCB to be unable to return to the employ of the Company and re-training for alternate employment under the WCB Vocational Rehabilitation phase has commenced, the employment relationship between the Employee and the Company is ended. The foregoing shall apply providing the medical determination is not in dispute and/or only after fifty two (52) weeks on claim.

- 17.04

 1. The Company will grant leave of absence to Employees who are appointed or elected to a Guild office (or who go ashore to work for the Company) for a period up to and including three (3) years. The Employee shall accumulate seniority for three (3) years and then his seniority shall remain dormant until his return. Further leave of absence will be granted if requested. Any Employee who obtains such leave of absence shall return to the Company within thirty (30) calendar days after completion of his term of employment with the Guild.
 - 2. In the event an Employee returns to sea and subsequently returns ashore, he shall not be entitled to accumulate seniority for more than the period of his return to sea unless it is for more than one (1) year. Employees going ashore on a temporary basis, less than one (1) year at a time, shall continue to accumulate seniority.
 - 3. By mutual agreement between the Parties, leave of absence of up to three (3) years may be granted to an Employee who desires to work offshore with an Employer engaged in foreign going shipping. Such an Employee's seniority shall remain dormant from the time leave is granted and until his return to the employ of the Company from which leave was taken.
- The Company will grant leave of absence to Employees who are elected as Representatives to attend Guild meetings, Guild conventions, conventions of labour organizations to which the Guild is affiliated or any convention to which the Guild nominates the Employee as a delegate on its behalf or acts as members of any Guild Negotiating Committee.

 An Employee shall be allowed to continue to receive his rate of pay from his layday account including red days up to a maximum of fourteen (14) days, for the purpose of attending such conventions and/or
 - red days up to a maximum of fourteen (14) days, for the purpose of attending such conventions and/or meetings. When an Employee sits on a Guild Negotiating or Trustee Committee dealing with his Employer, the above fourteen (14) day limit shall not apply. This Section shall not interfere with the provisions of Article 1.02.
- 17.06 It is agreed that before the Employee receives the leave of absence as set forth in Sections 17.04 and 17.05 above, the Company will be given due notice in writing by the Guild in order to replace the Employee during his absence with a competent substitute.
- An Employee, when returning from leave of absence, shall be reinstated in no less than the same pay classification the Employee held when granted the leave of absence.

 Should the Company not have a vessel of his former pay class, he shall receive the rate of pay of the next lower vessel group in which the Company operates a vessel.
- An Employee shall be entitled to compassionate leave of up to three (3) days to attend urgent domestic affairs. Leave of more than three (3) days may be taken, subject to Company approval, if the circumstances warrant.

- An Employee who is required to be available for Jury Duty, Coroner's Jury Duty, Coroner's Witness, Crown Witness, or where the Employee represents his Employer in a court action, will be paid while on such duty, provided such court action is not occasioned by the Employee's private affairs. The pay will be such as to maintain the Employee's monthly basic rate. Leave banks will be frozen during this time. Such pay shall be offset where an Employee's pay is remunerated by a third Party, e.g.: when acting as a witness. An Employee in receipt of his regular earnings while giving service at court shall remit to the Company all monies paid to him by the Court, except travelling and meal allowance.
- **17.10 1.** Employees are entitled to a maximum of four (4) days paid bereavement leave, including any layday accumulation, for those days immediately following the death of an immediate family member which are defined as:
 - a) the Employee's spouse or common-law partner;
 - b) the Employee's father and mother and the spouse or common-law partner of the father or mother;
 - c) the Employee's children and the children of the Employee's spouse or common-law partner
 - d) the Employee's grandchildren;
 - e) the Employee's brothers and sisters;
 - f) the grandfather and grandmother of the Employee;
 - g) the father and mother of the spouse or common-law partner of the Employee and the spouse or common-law partner of the father or mother; and
 - h) any relative of the Employee who resides permanently with the Employee or with whom the Employee permanently resides
 - 2. Bereavement leave will only apply to qualifying days as per the provision of which occur during the Employee's regular tour of duty or scheduled time to be at work.
 - 3. The Employee will advise the Company as soon as possible regarding his request for bereavement leave so arrangements for relief, where required, may be arranged.
 - 4. In unusual circumstances, where the deceased is not a member of the immediate family, bereavement leave will be at the discretion of the Company.
- 17.11 In order to provide care or support to a family member of the Employee who has serious medical condition with a significant risk of death, any Employee shall be granted a leave of absence to a maximum of eight (8) weeks, in accordance with the following provisions:
 - 1. the leave will be without pay (except for laydays).
 - 2. the Company will continue contributions for all benefits.
 - 3. seniority will continue to accumulate.
 - 4. medical proof must be provided to the Company.

- 5. family member is defined as:
 - a) a spouse or common-law partner of the Employee;
 - b) a child of the Employee or a child of the Employee's spouse or common-law partner;
 - c) a parent of the Employee or a spouse or common-law partner of the parent; and
 - d) any other person who is a member of a class of persons prescribed for the purposes of this definition or the definition "family member" in sub-section 23.1(1) of the Employment Insurance Act.
- **17.12** Upon the birth of a child, Employees shall be granted a maternity leave of absence, to a maximum of fifty-two (52) weeks, in accordance with the following provisions:
 - 1. the leave will be without pay (except for positive laydays).
 - 2. the Company will continue contributions for all benefits.
 - 3. seniority will continue to accumulate.
- **17.13** Due to the adoption of a child, Employees shall be granted a leave of absence, to a maximum of thirty-seven (37) weeks, in accordance with the following provisions:
 - 1. the leave will be without pay (except for positive laydays).
 - 2. the Company will continue contributions for all benefits.
 - 3. seniority will continue to accumulate.
- **17.14** Parental leave may be granted to Employees to a maximum of thirty-seven (37) weeks in accordance with the following provisions:
 - 1. the leave will be without pay (except for positive laydays).
 - 2. the Company will continue contributions for all benefits.
 - 3. seniority will continue to accumulate.

ARTICLE 18 — EDUCATION and UPGRADING

18.01 The Parties agree that the initial Marine Emergency Duties (M.E.D.) Courses, A, B, & C are covered by the provisions of this Section.

The following concepts shall govern the payment of courses:

- 1. On Company required education and training programs, the Employer will bear all costs of tuition, and including wages, at the hourly rate for all hours spent on training (minimum four [4] hours).
- 2. On voluntary upgrading courses with controlled attendance including marine correspondence upgrading courses, the Employer will bear the costs of tuition, books and fees, and the Employee will contribute his time in accordance with 18.03 below. An Employee who fails to successfully complete a course shall reimburse the Company for tuition, books and fees. Any additional costs that arise during the course will be submitted for reimbursement upon successful completion.
- 3. On required upgrading arising out of government regulations, the Employer will assist the Employee along the lines outlined in (2) above.

- 4. The Company will pay to each Employee who attends a required upgrading course necessary for maintaining his Continued Proficiency Certificate and STCW'95 Certificate as follows:

 An expense allowance of one (1) day's leave pay will be paid to a maximum of thirty (30) days every five (5) years. Leave banks may be frozen at the discretion of the individual Employee while attending such upgrading courses.
- **18.02** The Company shall have the right to limit the selection and the number of Employees permitted to take an upgrading course at any one time.
- 18.03

 1. If an Employee runs out of leave time during attendance at a course required by the Company, the Company shall loan him funds to the extent of continuing the Employee's normal take-home pay and shall continue benefits including statutory holidays under this Agreement for the period of the course plus a consecutive period of up to fourteen (14) days for the taking of exams.
 - 2. If Government assistance is available, the Employee shall apply and if granted, the amount advanced by the Company during the course shall be reduced by the sum of such Government assistance.
- **18.04** At the completion of the course, an Employee shall return-to-work for the Company until such loan is repaid. If the Employee fails to do so, the Guild will render cooperation toward recovery of the loan.
- The Employer will provide wage assistance to eligible Employees who take courses leading to certificates for which the Employer deems he has use and which are three (3) or more months in length. Wage assistance shall be fifty per cent (50%) of the Employee's basic rate commencing with the sixth (6th) week of the course through its completion including up to an additional two (2) weeks for the taking of exams. To be eligible, an Employee shall have a minimum of three (3) years with the Employer.
- **18.06** An Employee will be paid one hour's pay in addition to his regular pay for any shift he is assigned by the Company to train another Employee.

ARTICLE 19 — DUTIES

Deck Officers

- 19.01 1. The Master is in command of the vessel and the duties of all crew members regardless of position come under his direct control.
 - 2. The duties of a Deck Officer shall be primarily those of a Navigating Officer and a working Supervisor of Unlicensed Crew members.
 - 3. A Deck Officer shall not be required to perform the work of an Unlicensed Crew member except when his assistance is necessary.

Engineers

19.02 The prime responsibility of an Engineer is to operate and maintain the engine room equipment and to maintain other mechanical equipment on the vessel. Engineers shall not perform duties customarily performed by Unlicensed personnel, provided that on one (1) Engineer vessels with two (2) or less Deckhands, the Engineer may be required to perform limited duties aboard the vessel other than his customary duties however, he shall not be requested to perform such duties if they interfere with his necessary engineering duties.

19.03 Intentionally Blank

Cook / Deckhand — Deckhand

- 19.04 The customary duties of the Cook/Deckhand shall be those duties which have traditionally been done by a Cook/Deckhand as assigned by the Master and include ordering and menu planning to ensure balanced meals and will be arranged so that:
 - 1. Meals are served within the time limits set out in article 32.03;
 - 2. Sufficient time is allowed for food preparation prior to meal hours, and for clean-up. During the period of food preparation and serving, the Cook/Deckhand's prime function is in the galley. During these periods, it is recognized, that in order to meet regulatory requirements and operational needs the Cook/Deckhand may be required to work outside the galley for short periods which will not adversely affect the preparation of meals.
 - Cook/Deckhands will not be required to chip and paint on the exterior of the vessel or in the engine room.
 - Owing to the comparable size of the Island Monarch and the Island Tugger, Cook/Deckhands working on these vessels shall receive one (1) hour of straight time pay per day worked for soogeeing.

ARTICLE 20 — DUTIES OTHER THAN as an OFFICER

- 20.01 1. An Employee who performs duties such as handling cargo, fuel hoses, gear or boomchains other than for the vessel's own use, shall be paid for each hour so worked on watch a premium of one and one-half (1.5) hour's straight time pay and for each hour so worked off watch a premium of two and one-half (2.5) times his straight time pay;
 - 2. The minimum payment for work set out in (1) shall be one (1) hour to be computed thereafter in half hour increments. It is understood that ships' crew customarily load ships' stores as part of their normal duties on watch. Such stores should only be for their own vessel and/or one other Company vessel. If Employees are required to load or unload stores off watch they shall be paid the overtime rate.
 - 3. If the ship's stores are other than those described in (1), the loading and unloading of such stores shall be paid for as cargo in accordance with the provisions of (1).

- 4. An Employee not properly trained or certificated to load or discharge oil or chemical barges shall not be required to perform such work.
- **20.02** In addition, Employees called to work off the vessel, whether on watch or off watch, repairing or maintaining other than the vessel's mechanical equipment, shall be considered to be working at non-ship duties and shall be paid in accordance with the provisions of Section 20.01.1
- **20.03** Engineers shall be paid in accordance with the provisions of Section 20.01 for the following:
 - 1. Cleaning smoke stacks, boilers, bilges, rose boxes, oil spills (unless caused by themselves) and sewage systems.
 - 2. Engineers shall be paid in accordance with Section 21.01.1, for the following unless the vessel is in port and they are working by on a voluntary basis:
 - 3. Cleaning bilges oil separating centrifuges, oil tanks, air boxes, inlet ports, exhaust ports of internal combustion engines.
- **20.04** Cook/Deckhands shall be paid in accordance with the provisions of Section 20.1 for the following:
 - 1. working in confined spaces;
 - cleaning under winches.
 In addition, Cook/Deckhands shall receive four dollars thirty-nine cents (\$4.39) for each guest meal served. A guest is anyone not comprising the crew. Management staff on official Company business shall not be considered guests.

20.05 Fuel

Fuel for the vessel's own use shall not be considered as cargo so long as it is loaded from the tow or from an oil dock or barge which is alongside the vessel. In conditions other than this when crew members are required to go off the vessel, dock or barge to load fuel, it shall be paid for in accordance with Article 20.1.

20.06 The provisions of this Article shall not apply when safety of life at sea is involved.

ARTICLE 21 — VESSELS in PORT

1. When a vessel is tied up for repairs, overhauls, alterations, assembling and dismantling, carried out by the Company, watches and shifts may be broken provided reasonable notice is given.

Employees may be assigned to day work. Three (3) shifts shall be permitted of eight (8) hours length, inclusive of a one-half (.5) hour meal break. Eight (8) hours pay shall be paid for seven and one-half (7.5) hours work. For work on the afternoon or graveyard shifts, a seven per cent (7%) differential shall be paid over and above the basic rate of wages. Where possible, the Employer will endeavour to provide forty-eight (48) hours of notice of putting the vessel into annual overhaul.

- 2. When an Employee, who lives out of town, works by during an overhaul or repairs, he shall be provided with accommodation and meals. When meals are not provided, a subsistence rate of forty-three dollars (\$43.00) per day will be paid on the basis of twelve dollars fifty cents (\$12.50) for breakfast, twelve dollars fifty cents (\$12.50) for lunch(s), and eighteen dollars (\$18.00) for dinner
- **21.02** As a general rule, repair work or overhaul will not be carried out on Saturday or Sunday or statutory holidays or afternoon or graveyard shift.
- **21.03** For the purpose of this Article, the regular hours of work for a vessel in port will be thirty-seven and one-half (37.5) hours per week. Any time worked in excess of (37.5) hours per week, or on a statutory holiday, shall be paid at the overtime rate in accordance with Article 25.01.
- **21.04** 1. Employees working under this Article 21 shall be known as Non-Live Aboards.
 - 2. The rate of pay for an Employee required for overhaul work shall not be less than his hourly rate.
- When a vessel is away from the home port, watches shall not be broken and the conditions in Sections 21.01, 21.02, 21.03, and 21.04 shall not apply.

 However, notwithstanding the above, watches may be broken at the discretion of the Masters on Foreign Going and Home Trade Class I and II voyages in accordance with the foregoing. In the above instances, Sections 21.01, 21.02, 21.03, and 21.04 shall not apply.
- Chief Engineers desirous of participating in refits shall so indicate by registering their names with their Employers. The Company shall ensure that a Chief Engineer will work by the first main engine refit of a vessel subsequent to his regular posting to that Vessel. This requirement may be waived where the Chief Engineer has been previously employed on a vessel with a similar engine or where the Company has an alternative training program available for Engineers to upgrade their skills in overhaul procedure of propulsion or auxiliary machinery.

 When an Engineer assigned to a vessel does not work by during repairs or overhauls he shall be supplied prior to sailing with a list of repairs made. The Company shall ensure that a competent person who is familiar with the work done shall confer with said Engineer prior to sailing.
- **21.07** Where an Engineer works by, and the time between sailing is less than twenty-four (24) hours, he shall remain on ships pay.
- **21.08** One Master normally assigned to the vessel shall be in attendance during steamship inspection of life saving and fire fighting equipment.

ARTICLE 22 — CLOTHING

- **22.01** If an Employee is required to wear a uniform, the Company will supply, maintain and clean such uniform.
- The Company will provide any protective clothing or equipment required and approved by applicable Federal or Provincial Regulatory requirements for the handling of specific cargo requiring same. The Company will provide quality ear protectors without cost to Employees. The Employee may elect either headsets or earplugs provided the appliance chosen affords the necessary protection against noise levels to which the Employee expects to be exposed. Employees working in operating engine rooms shall wear hearing protectors. Temporary or relief Employees will be provided headsets in the event they do not have their own.
- **22.03** Any Employee who suffers clothing damage as a result of handling dangerous cargo, eg: battery acid, shall be reimbursed for reasonable cost incurred in replacing the damaged clothing.
- **22.04** Upon request by Employees, the Company shall supply the following:
 - 1. Proper work gloves, free of charge, suitable to the work to be performed.
 - 2. Rain jackets and pants at Employee's cost, to be recovered from the Employer.
 - a) with respect to Bargemen, the Company shall issue rain gear and boots and will re-issue, as required by condition on an exchange basis, at no cost to Bargemen.
 - 3. Two pair of good quality coveralls free of charge, as may be required for the protection of the Employees while performing their duties.
 - 4. The Employer shall provide each Employee either a safety shoe or caulk boot or rain jacket and pants allowance of one hundred twenty-five dollars (\$125.00) against proof of purchase. Where the Employee leaves the employ of the Company before acquiring six (6) months service, the allowance will be deducted from final pay.
 - An Employee may elect to carry over the full allowance noted above for two (2) consecutive years. In the second (2^{nd}) year, the Company will grant the Employee an allowance equal to two (2) times the annual allowance.
 - 5. The Company shall provide each Employee, on request, a M.O.T. approved or U-VIC style floater coat. The Company shall issue the coats and will replace them when necessary. An Employee who requests in lieu anti-exposure coveralls, shall have the first one hundred thirty (\$130.00) paid by the Company and shall reimburse the Company the difference. Where the Employee leaves the employ of the Company before acquiring six (6) months service, the cost of the floater coat or the monies advanced will be deducted from his final pay. New Employees are not covered on their first tour of duty.
 - 6. One (1) air breathing apparatus to be supplied aboard each continuously operating vessel. The apparatus shall be equivalent to the "Robert Shaw Five Minute Device".

The Employer will reimburse each Employee for the purchase price of one (1) set of personally fitted (filtered or unfiltered) ear plugs. Entitlement to replacement earplugs will be once every four (4) years.

ARTICLE 23 — TOWBOAT ACCOMMODATION

23.01 Both Parties subscribe to the Towboat Accommodation Regulations as contained in the Canada Shipping Act.

In addition, the Company agrees to furnish the following:

- 1. A washing machine and proper facilities for drying clothes.
- 2. A TV to be supplied to the vessel for the use of the crew.

ARTICLE 24 — RATES of PAY

- 24.01 1. Effective October 1, 2006, the rates are increased by three per cent (3%) (or COLA, whichever is greater) and are as contained in Appendix "B".
 - 2. Effective October 1, 2007, the rates are increased by three per cent (3%) (or COLA, whichever is greater) and are as contained in Appendix "B".
 - 3. Effective October 1, 2008, the rates are increased by three per cent (3%) (or COLA, whichever is greater) and are as contained in Appendix "B".
 - 4 Effective October 1, 2009, the rates are increased by three per cent (3%) (or COLA, whichever is greater) and are as contained in Appendix "B".
 COLA to be based on annual Vancouver CPI as published in the month of April preceding the October 1st increase.
- **24.02** The payroll procedures shall be as contained in Appendix "D".

ARTICLE 25 — OVERTIME

- **25.01** Time worked in excess of regular hours to be paid at the rate of double the straight time hourly rate.
- **25.02** Overtime shall be calculated at a minimum of one (1) hour and in one half (.5) hour increments thereafter.

When Employees off duty are called for overtime work, they shall be allowed twenty (20) minutes call-out and such call-out shall be considered as time worked. In the event a man is called more than once during an off-watch period and there is less than one and one-half (1.5) hours between the time of the second call and the time of completing the first call, his overtime shall be deemed to be continuous from the time of the first call. The minimum payment for a call-out under this Section shall be three (3) hours at the straight time rate.

- **25.03** Any Employee covered by this Agreement shall have the option of converting overtime, premium rates and statutory holiday pay into time off in lieu subject to:
 - 1. Employees making an election any month to convert all or any part of said overtime, and
 - 2. Employees who are due or are on scheduled leave (laydays), shall be entitled to take such converted leave provided they give the Company seven (7) days notice (except under extenuating circumstances) prior to commencing the additional leave, and this leave shall not be unreasonably denied. This arrangement shall not give rise to red day payments.
 - 3. On written request from an Employee his converted leave or part thereof in dollar value will be paid out up to six (6) times per year in conjunction with regular payroll cheques which fall on or approximate and of the following dates.
 - a) January 1st, March 1st, May 1st, July 1st, September 1st, and November 1st, subject to a two (2) week advance written request.
 - 4. Any Employee may elect in writing to retain his converted overtime leave and be paid into the red, as provided elsewhere under this Agreement, provided that such converted leave will be used before red days for make up to full pay when he is on medical leave and educational leave."
- **25.04** The payment of overtime will not apply under the following exceptions:
 - 1. In the event of an emergency at sea involving the safety of the vessel and crew.
 - 2. When Masters are working hours which are covered by the flat rate payment for excessive hours set out in Article 34.
- 1. The overtime shall be prepared in duplicate by the Employee and presented to the Master within forty-eight (48) hours for signature indicating both receipt of the claim and information that the work was ordered and performed. The duplicate copy of the claim shall be given to the Employee for the record. The Master shall turn in the overtime claim with the Ship's Log at first return to home port (or by mail at least twice monthly).
 - 2. If the overtime claim is disputed, a copy of the claim is to be returned by the Company to the Employee concerned before the next pay period together with reasons for rejecting the claim.
 - 3. The Company shall establish specific cut-off date(s) for the purposes of paying overtime and shall process and pay overtime in the pay period immediately following the date so specified. The cut-off date not to exceed ten (10) calendar days prior to the payroll cut-off date.
- **25.06** All claims for overtime may be first applied against red days.
- **25.07** Notwithstanding the foregoing, it is agreed that with respect to specific runs as identified in Appendix "F" "Letter of Understanding" "Flat Rate Overtime", these rates shall supersede this Article.

ARTICLE 26 — MANNING

- **26.01** The following rules shall be applied to determine the crew of a tug in order to maintain a safe and efficient operation at all times:
 - 1. The crew of a commercially operated tug shall be a minimum of two (2) men.
 - 2. The manning of a tug shall allow for two (2) men being available to the wheelhouse at all times the vessel is underway; this means one Deck Officer in charge and one other person who shall be under the direct control of and readily available to assist the Officer in charge. However, the duties of all crew members regardless of position shall come under the direct control of the Master.
 - 3. Whenever a crew member is required to work aboard a tow out of sight from the tug control station, he shall be supplied with a suitable communication device which will allow for immediate communication at all times and will not restrict his movements.
 - 4. Due to sea-going conditions and the exigencies of the service, overtime work is necessary from time to time. Such overtime will be kept to a minimum and in no case barring emergencies will an Employee work more than sixteen (16) hours overtime in any consecutive seven (7) day period.
 - 5. The Guild and the Company subscribe to the provisions of the "Hours of Rest" as contained in the Canada Shipping Act Regulations.
 - 6. Each crew member must take the hours of rest to which he is entitled under this Article.
- **26.02** Every continuous operating tug shall carry at least one (1) person who has sufficient knowledge of the engine and mechanical equipment to satisfy the Ministry of Transport requirements. When the Master or Mate is the person referred to in this Section, he shall be paid one (1) hour at the straight time rate per full day worked in addition to his basic salary for performing such engine servicing duties as follows:

Operational Checks

- 1. Drain water from fuel system.
- 2. Drain water from air receivers.
- 3. Drain water from air control system.
- 4. Check batteries, hydrometer reading and add water.
- 5. Check voltage regulator and adjust rheostat when necessary.
- 6. Check and maintain oil level in base of main engine, auxiliary engine, reduction gear and air compressors.
- 7. Check and maintain cooling water level in main engines and auxiliary engines.
- 8. Check and maintain stuffing boxes and report.
- 9. Check alarm systems.
- 10. Record and report repairs.
- 11. Check and pump bilges.
- 12. Check steering hydraulic hoses and rams for leaks.
- 13. Check and maintain fuel levels.

Servicing of Main and Auxiliary Engines

Master, Mate, Cook/Deckhand or Bargeman shall not be required to:

- 1. Change lube oil or lube oil filters.
- 2. Change fuel filters.
- 3. Change oil and filters in reduction gear. Provided that if under unusual circumstances, including isolation from servicing facilities, it becomes necessary for a crew member to perform this work, he shall be paid his regular overtime rate for each hour so worked in addition to his basic rate of wages.
- **26.03** Every tug shall have sufficient crew aboard so that life-saving and fire extinguishing equipment may be used simultaneously in the event of fire aboard.

26.04 Manning Disputes

If a dispute should arise between the Parties on the manning of a vessel, the matter may be referred by either Party to the Arbitrator in accordance with the terms of the Arbitration Procedure set out in Article 11.08.

ARTICLE 27— JOINT SAFETY COMMITTEE

27.01 The Company and the Guild subscribe to safe working practices aboard the vessel. To this end, both will cooperate to ensure safe working conditions aboard the vessel,

ARTICLE 28 — LIABILITY INSURANCE

28.01 The Company will provide for the inclusion of the Employees under their Liability Insurance. The intent is to prevent separate actions against Employees by allowing the Company's policy to represent a single and unified defence against Third Party Claims.

ARTICLE 29 — SEVERANCE PAY

- Employees with more than one (1) year's service who are displaced and for whom no job is available due to automation, mechanization or permanent reduction in the number of vessels or number of Employees will be entitled to severance pay. Severance pay will be paid in the following manner (under the Canada Labour Code or this Article, whichever is the greater):
 - 1. One (1) week's pay for each year of service (to last day worked) with the Company as an Employee.

The calculation of one (1) week's pay is the monthly basic \times 7/30.42.

ARTICLE 30 — HOURS on DUTY

The hours of work for Employees on continuous operating vessels shall be the two (2) watch system of six (6) hours on and six (6) hours off commencing at the beginning of the calendar day.

Notwithstanding the above, Masters may be Non-Watchkeepers where the Deck Officer complement includes two (2) Mates and likewise Chief Engineers may be Non-Watchkeepers where the engine room is automated.

When a vessel is tied up away from home port watches may be broken at the discretion of the Master on Foreign Going and Home Trade Class I and II voyages.

- An Employee returning from leave of more than two (2) days duration shall contact the Company by telephone forty-eight (48) hours prior to expiry of his scheduled leave or as otherwise directed by the Company for confirmation of sailing time. Thereafter, the onus shall be on the Company to contact the Employee and it shall give the Officer a minimum of twenty four (24) hours notice of sailing. In the event less than twenty four (24) hours notice is given for a scheduled crew change, an Employee shall have the right to refuse to join the vessel or, if he joins, shall receive a penalty payment of two (2) hours straight time pay, except where unforeseen circumstances arise which are clearly beyond the Company's control (illness or injury).
- **30.03** An Employee shall give twenty-four (24) hours notice when requesting leave, except under extenuating circumstances.
- 30.04 Crew changes may be established on the hour, at any time between 08:00 hours and 24:00 hours on any calendar day. An accommodation to 09:00 hours will be made for those Employees who reside on Vancouver Island. Given the afore-noted, a voyage shall be deemed to have commenced at the time the crew reports for duty. The end of each twenty-four (24) hour period thereafter shall be referred to as the Start Time. This twenty-four (24) hour period will be known as the work day for purposes of this Article.
- One-half (.5) day's pay and leave earned shall be paid to any Employee leaving a vessel prior to mid Work Day (the twelfth hour), an Employee joining prior to mid work day shall receive one (1) day's pay and leave earned. One (1) day's pay and leave earned shall be paid any Employee leaving his vessel after mid work day. An Employee joining after mid work day shall be paid one-half (.5) day's pay and leave earned. Excepted from this provision are those Employees on anniversary hour leave of 30.08 & 30.09.
- **30.06** When a regular crew change occurs two (2) hours or less after the anniversary hour, an Employee shall only be entitled to overtime payments in accordance with Article 25. Article 30.10 below will continue where applicable.

Notwithstanding the aforementioned, an Employee shall receive a payment of one-half (.5) days pay for an air crew change within two (2) hours either side of the Anniversary Hour or mid work day provided the Employee has departed or returned to his home port within this period. Employees who depart or return prior to or after this two (2) hour period shall be entitled to a full day's pay and leave earned. This paragraph is not applicable prior to 1000 hours.

- In the event a statutory holiday falls within any portion of a day to which some of the Employees are entitled to statutory holiday pay, then all Employee's employed onboard that vessel shall be entitled to such statutory holiday pay pro rata.
- **30.08** Where a vessel is to be tied up in its home port and an Employee is put on leave of twenty-four (24) or forty-eight (48) hours, each twenty-four (24) hour period free of the ship shall constitute a day off.
- **30.09** The time at which the Employee is granted this leave is the anniversary hour. This leave shall not commence between the hours of midnight and 08:00 hours.
- When an Employee is relieved from his vessel between the hours of 12:00 midnight, and 07:00 hours and is not permitted to remain aboard, the Company will either provide transportation from the point where he disembarked to his home or will provide reasonable accommodation in a hotel.
- **30.15** Employees shall be scheduled so they have a minimum of ten (10) consecutive calendar days off in each calendar month.

ARTICLE 31 — HARBOUR OPERATIONS

- An Employee when employed on non-continuous operating vessels shall report to a designated place known as the "home dock" at the shift starting time. If the Employee does not return to the "home dock" at the end of his shift, the Company will provide him transportation back to the "home dock". The Company is to provide travel insurance as under Article 33 for each Employee when travelling on Company business. The overtime rate shall be paid for all travel time which occurs after the time the Employee's shift would normally have ended.
- There shall be no crew change between 24:00 hours and 06:00 hours except for emergencies such as injuries and illness. Not withstanding the above, the Guild and the Company may mutually agree to a variance of up to one (1) hour before 06:00 hours.

ARTICLE 32 — SUBSISTENCE

32.01 Subsistence of top grade, quality and in sufficient quantities shall be supplied on all vessels.

- **32.02** On vessels where subsistence is customarily supplied and where, for any reason other than overhaul, subsistence is not supplied, alternate accommodations and meals shall be provided. When a vessel undergoes overhaul or is otherwise laid up while away from the home port and customary standards of accommodation and/or meals cannot be maintained, suitable accommodation and/or meals shall be provided ashore.
- **32.03** Meal hours for Employees covered by this Agreement shall be as follows:

Breakfast: from 0530 - 0630 hours Lunch: from 1130 - 1230 hours Dinner: from 1730 - 1830 hours

These hours may be varied provided such variation shall not exceed one-half (.5) hour either way and also provided that one (1) unbroken hour shall be allowed for meals at all times when the vessel is in port. There shall not be more than six (6) hours between the end of one (1) meal period and the start of the next meal period.

32.04 Penalty Meal Hours

- 1. Where an Employee works from an off watch period into an on watch period he shall be given one- half (.5) hour in which to eat immediately following completion of the work. Where an Employee does not receive one-half (.5) hour in which to eat, he shall be credited with an additional one-half (.5) hour at the overtime rate as a penalty thereof.
- 2. Where an Employee works from an on watch period into an off watch period, he shall be given one-half (.5) hour in which to eat immediately following the on watch period. Where an Officer does not receive one-half (.5) hour in which to eat, he shall be credited with an additional one-half (.5) hour at the overtime rate as a penalty thereof and his time shall be continuous.
- **32.05** Ingredients for night lunches shall be provided.
- Sufficient clean bedding, linen and towels shall be supplied to all Employees and kept clean. Linen and towel supply shall allow for a change at least every seven (7) days. In the event of such bedding, linen or towels being lost or destroyed, the Party responsible shall replace same or have the equivalent value deducted from his pay. All bedding, linen and towels will be of a quality standard.
- Where subsistence is not available (shift tug operation) an allowance shall be paid to the concerned Employee at the rate of twenty dollars and twenty-four cents (\$20.24) for each day that he works. The allowance shall be amended in accordance with percentage values of wage increases. In addition, tea, coffee, sugar, canned milk, hot chocolate, coffee mate, and bottled water shall be supplied by the Company.

ARTICLE 33 — TRAVEL and TRANSFERS

- For the purposes of this Article, the home port of an Employee and the home port of the vessel aboard which he is regularly employed shall be one and the same, provided that at the date of entering this Agreement, his home port shall be the port which has normally been regarded as the home port of the Employee.
- When an Employee is dispatched to or discharged from a vessel away from his home port, the Company will provide travel insurance of two hundred thousand dollars (\$200,000.00) for each Employee and will be responsible for his transportation, wages and board and lodging costs until such time as he is returned to his home port.
- 33.03 In the event that it becomes necessary to change the home port of a vessel on a permanent basis (eg: Victoria Vancouver transfer), an Employee who has been regularly employed on the vessel may be requested to transfer to the new home port, in which case the Company shall be responsible for all reasonable costs incurred in moving and relocating his family and belongings. In the event that the Employee chooses not to move, he shall have the option of:
 - 1. remaining with the vessel and bearing his own transportation, travel, board and lodging costs (if any), or
 - 2. exercising his rights of seniority under Article 12.
- Employees will be paid forty-six cents per kilometre for use of their personal vehicle to move from one location to another. A standard chart will be developed by mutual agreement between the Company and the Guild. The Company and the Guild agree that this allowance will be reviewed annually and increased if necessary. The Canada Revenue Agency published maximum allowance will be used as a guideline.

ARTICLE 34 — PAYMENT for EXCESSIVE HOURS

A Master of a continuous operating vessel normally works a limited amount of incidental overtime while his vessel is at sea, related to traffic conditions, weather hazards, or the navigation of difficult tidal conditions, for which he shall be compensated by a monthly payment of four hundred thirty dollars (\$430.00) in recognition of actual hours worked. This payment will constitute remuneration for the number of hours determined by the following formula:

\$430.00 = hours rounded to the nearest whole number

______\$430.00 = hours rounded to the nearest whole number overtime rate for the Master concerned

Time worked, pursuant to this Article, in excess of the hours determined by the above formula shall be paid for at the overtime rate for time actually worked.

34.02 Flat Rate Calculations

A standard system of calculating the flat rate for the excessive hours shall be adopted, namely:

monthly rate x 12 months

365

= rate per calendar day in the employ of the

Company excepting when in receipt of Workers

Compensation, welfare payments, while on vacation or

while on leave of absence.

- **34.03** Flat rate payments shall be made once each month whether an Officer is working or taking leave. The payment shall be pro rated for an Employee who is not engaged in this capacity for the full month.
- **34.04** All time worked under this Article shall be calculated in minimum increments of one-half (.5) hour.

ARTICLE 35 — TERM of AGREEMENT

This Agreement shall be effective from October 1, 2006 and continue in force until September 30, 2010 and from year to year thereafter subject to four (4) month's notice in writing of desire to revise, amend or terminate same. Such notice may be given any time after May 31, 2010. After such notice has been given, specific proposals (if any) must be submitted and negotiations commenced within ten (10) days of the date of notice unless the parties mutually agree to commence collective bargaining within a different time parameter.

ARTICLE 36 — RETROACTIVE PAY

36.01 The Company shall pay full retroactive wages, overtime and holiday pay from the date of expiry of the previous Collective Agreement until the date of signing of the new one to all Employees.

ARTICLE 37 — UNION DISPATCH FEE

The Company agrees to pay to the Guild monthly the agreed Hiring Hall Fee of one dollar thirty cents (\$1.30) effective October 1, 2006; one dollar thirty-four cents (\$1.34) effective October 1, 2007; one dollar thirty-eight cents (\$1.38) effective October 1, 2008; and one dollar forty-two cents (\$1.42) effective October 1, 2009 for each day the Employee is in the employ of the Company. Calculation example:

1.30 (per day) X 30.42 (average month) = thirty-nine dollars fifty-five cents (39.55) times the number of Employees = monthly contribution.

ARTICLE 38 — NOISE LEVEL READINGS

38.01 The Company agrees that it shall have noise level readings taken on all of their vessels.

- **38.02** The noise level readings shall be taken in accommodation areas, specifically sleeping cabins, galleys, messrooms, wheelhouses and recreation rooms. Such readings shall be taken when the vessel is either under static (pushing or pulling) conditions, or under tow at full engine load and with all essential auxiliary and ancillary machinery operating.
- **38.03** All noise level readings are to be made available to the Guild for inspection upon request. Any subsequent noise level readings the Guild will be supplied with copies of findings.
- **38.04** Noise level readings shall be taken as follows:
 - 1. The Company may take its own noise level readings and in this event the Guild may have an Employee in attendance while the vessel(s) are being tested, or
 - 2. Should the Guild dispute any noise level readings tendered, the Guild may then require further noise level readings with a Guild Representative in attendance.

38.05 Audiometric Testing

All sea-going personnel are to be given audiometric testing on an annual basis. Testing shall be done by Certified Audiometric Technicians, as acknowledged by the WCB and the Employee tested to be given his results, where available.

38.06 Hearing Protection

On vessels where there exists steady state and impact noise considered excessive, Employees shall be provided with adequate hearing protective devices. The noise exposure levels and standards of protective equipment shall be as provided for in the WCB Industrial Health and Safety Regulations of BC.

Dated at Vancouver, BC	This 27th day of November, 200	18
	Craig Bryant — Business Agent	
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ISLAND TUG and BARGE LTD.	CANADIAN MERCHANT SERVICE G	UILD
EXECUTED OF BEHALF OF	EXECUTED on BEHALF of the	

APPENDIX "A" LIST of VESSELS

GROUP II (0 - 550 BHP)

Georgia Transporter Island Chief

GROUP IV (901 - 1300 BHP)

Island Brave Island Crown Island Wave Island Defender

Island Scout

GROUP VII (2401 - 3100)

Island Monarch
Island Tugger

APPENDIX "B" CMSG Wage Rates

October 1, 2006: 3.00% across the board increase (or COLA. whichever is greater)

October 1, 2007: 3.00% across the board increase (or COLA. whichever is greater)

October 1, 2008: 3.00% across the board increase (or COLA. whichever is greater)

October 1, 2009: 3.00% across the board increase (or COLA. whichever is greater)

COLA to be based on annual Vancouver CPI as published in the month of April preceding the October 1st increase.

CMSG Wage Rates — Island Tug & Barge Ltd. Effective — October 1, 2006 — 3% MASTERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,813.24	191.10	236.96	428.06	35.67	53.51	71.34
3	\$5,999.16	197.21	244.54	441.75	36.81	55.22	73.62
4	\$6,201.81	203.87	252.80	456.67	38.06	57.09	76.12
5	\$6,411.61	210.77	261.35	472.12	39.34	59.01	78.68
6	\$6,621.49	217.67	269.91	487.58	40.63	60.95	81.26
	\$7,044.17	231.56	287.13	518.69	43.22	64.83	86.44
7	\$6,831.34	224.57	278.47	503.04	41.92	62.88	83.84
	\$7,254.00	238.46	295.69	534.15	44.51	66.77	89.02
8	\$7,046.87	231.65	287.25	518.90	43.24	64.86	86.48
	\$7,469.50	245.55	304.48	550.03	45.84	68.76	91.68
9	\$7,256.75	238.55	295.80	534.35	44.53	66.80	89.06
	\$7,679.42	252.45	313.04	565.49	47.12	70.68	94.24

Note: Second Rates are for Non-Watchkeepers

CMSG Wage Rates — Island Tug & Barge Ltd.

CHIEF ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,616.57	184.63	228.94	413.57	34.46	51.69	68.92
3	\$5,801.88	190.73	236.51	427.24	35.60	53.40	71.20
4	\$5,999.16	197.21	244.54	441.75	36.81	55.22	73.62
5	\$6,201.81	203.87	252.80	456.67	38.06	57.09	76.12
6	\$6,411.61	210.77	261.35	472.12	39.34	59.01	78.68
7	\$6,621.49	217.67	269.91	487.58	40.63	60.95	81.26
8	\$6,831.34	224.57	278.47	503.04	41.92	62.88	83.84
9	\$7,046.87	231.65	287.25	518.90	43.24	64.86	86.48

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2006 - 3%

MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,197.98	170.87	211.88	382.75	31.90	47.85	63.80
3	\$5,283.84	173.70	215.39	389.09	32.42	48.63	64.84
4	\$5,373.39	176.64	219.03	395.67	32.97	49.46	65.94
5	\$5,475.32	179.99	223.19	403.18	33.60	50.40	67.20
6	\$5,593.66	183.88	228.01	411.89	34.32	51.48	68.64
7	\$5,725.79	188.22	233.39	421.61	35.13	52.70	70.26
8	\$5,857.98	192.57	238.79	431.36	35.95	53.93	71.90
9	\$5,986.86	196.81	244.04	440.85	36.74	55.11	73.48

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2006 — 3%

NON-CERTIFICATED MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,056.81	166.23	206.13	372.36	31.03	46.55	62.06
3	\$5,142.64	169.05	209.62	378.67	31.56	47.34	63.12
4	\$5,232.20	172.00	213.28	385.28	32.11	48.17	64.22
5	\$5,334.11	175.35	217.43	392.78	32.73	49.10	65.46
6	\$5,494.83	180.63	223.98	404.61	33.72	50.58	67.44
7	\$5,584.59	183.58	227.64	411.22	34.27	51.41	68.54
8	\$5,716.79	187.93	233.03	420.96	35.08	52.62	70.16
9	\$5,845.64	192.16	238.28	430.44	35.87	53.81	71.74

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2006 — 3%

NEW HIRES in POSITION of SECOND MATE, THIRD ENGINEER

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,141.69	169.02	209.58	378.60	31.55	47.33	63.10
3	\$5,227.55	171.85	213.09	384.94	32.08	48.12	64.16
4	\$5,317.12	174.79	216.74	391.53	32.63	48.95	65.26
5	\$5,419.04	178.14	220.89	399.03	33.25	49.88	66.50
6	\$5,537.37	182.03	225.72	407.75	33.98	50.97	67.96
7	\$5,669.50	186.37	231.10	417.47	34.79	52.19	69.58
8	\$5,801.69	190.72	236.49	427.21	35.60	53.40	71.20
9	\$5,930.58	194.96	241.75	436.71	36.39	54.59	72.78

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2006 — 3%

SECOND MATES and THIRD ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,185.60	170.47	211.38	381.85	31.82	47.73	63.64
3	\$5,271.46	173.29	214.88	388.17	32.35	48.53	64.70
4	\$5,361.02	176.23	218.53	394.76	32.90	49.35	65.80
5	\$5,462.93	179.58	222.68	402.26	33.52	50.28	67.04
6	\$5,581.28	183.47	227.50	410.97	34.25	51.38	68.50
7	\$5,713.40	187.82	232.90	420.72	35.06	52.59	70.12
8	\$5,845.60	192.16	238.28	430.44	35.87	53.81	71.74
9	\$5,974.47	196.40	243.54	439.94	36.66	54.99	73.32

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2006 - 3%

TWELVE HOUR VESSELS / TWELVE HOUR PERSONNEL

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
Deck Hand	\$4,472.37	147.02	182.30	329.32	27.44	41.16	54.88
D/H Shift Tug	\$4,543.93	149.37	185.22	334.59	27.88	41.82	55.76
Cook	\$4,578.53	150.51	186.63	337.14	28.10	42.15	56.20
D/H — Cook	\$4,602.48	151.30	187.61	338.91	28.24	42.36	56.48

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2007 — 3% MASTERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,987.64	196.83	244.07	440.90	36.74	55.11	73.48
3	\$6,179.13	203.13	251.88	455.01	37.92	56.88	75.84
4	\$6,387.86	209.99	260.39	470.38	39.20	58.80	78.40
5	\$6,603.96	217.09	269.19	486.28	40.52	60.78	81.04
6	\$6,820.13	224.20	278.01	502.21	41.85	62.78	83.70
	\$7,255.50	238.51	295.75	534.26	44.52	66.78	89.04
7	\$7,036.28	231.30	286.81	518.11	43.18	64.77	86.36
	\$7,471.62	245.62	304.57	550.19	45.85	68.78	91.70
8	\$7,258.28	238.60	295.86	534.46	44.54	66.81	89.08
	\$7,693.59	252.91	313.61	566.52	47.21	70.82	94.42
9	\$7,474.45	245.71	304.68	550.39	45.87	68.81	91.74
	\$7,909.80	260.02	322.42	582.44	48.54	72.81	97.08

Note: Second Rates are for Non-Watchkeepers

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2007 — 3%

CHIEF ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,785.07	190.17	235.81	425.98	35.50	53.25	71.00
3	\$5,975.94	196.45	243.60	440.05	36.67	55.01	73.34
4	\$6,179.13	203.13	251.88	455.01	37.92	56.88	75.84
5	\$6,387.86	209.99	260.39	470.38	39.20	58.80	78.40
6	\$6,603.96	217.09	269.19	486.28	40.52	60.78	81.04
7	\$6,820.13	224.20	278.01	502.21	41.85	62.78	83.70
8	\$7,036.28	231.30	286.81	518.11	43.18	64.77	86.36
9	\$7,258.28	238.60	295.86	534.46	44.54	66.81	89.08

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2007 — 3%

MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,353.92	176.00	218.24	394.24	32.85	49.28	65.70
3	\$5,442.36	178.91	221.85	400.76	33.40	50.10	66.80
4	\$5,534.59	181.94	225.61	407.55	33.96	50.94	67.92
5	\$5,639.58	185.39	229.88	415.27	34.61	51.92	69.22
6	\$5,761.47	189.40	234.86	424.26	35.36	53.04	70.72
7	\$5,897.56	193.87	240.40	434.27	36.19	54.29	72.38
8	\$6,033.72	198.35	245.95	444.30	37.03	55.55	74.06
9	\$6,166.47	202.71	251.36	454.07	37.84	56.76	75.68

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2007 — 3%

NON-CERTIFICATED MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,208.51	171.22	212.31	383.53	31.96	47.94	63.92
3	\$5,296.92	174.13	215.92	390.05	32.50	48.75	65.00
4	\$5,389.17	177.16	219.68	396.84	33.07	49.61	66.14
5	\$5,494.13	180.61	223.96	404.57	33.71	50.57	67.42
6	\$5,659.67	186.05	230.70	416.75	34.73	52.10	69.46
7	\$5,752.13	189.09	234.47	423.56	35.30	52.95	70.60
8	\$5,888.29	193.57	240.03	433.60	36.13	54.20	72.26
9	\$6,021.01	197.93	245.43	443.36	36.95	55.43	73.90

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2007 — 3%

NEW HIRES in POSITION of SECOND MATE, THIRD ENGINEER

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,295.94	174.09	215.87	389.96	32.50	48.75	65.00
3	\$5,384.38	177.00	219.48	396.48	33.04	49.56	66.08
4	\$5,476.63	180.03	223.24	403.27	33.61	50.42	67.22
5	\$5,581.61	183.48	227.52	411.00	34.25	51.38	68.50
6	\$5,703.49	187.49	232.49	419.98	35.00	52.50	70.00
7	\$5,839.59	191.97	238.04	430.01	35.83	53.75	71.66
8	\$5,975.74	196.44	243.59	440.03	36.67	55.01	73.34
9	\$6,108.50	200.81	249.00	449.81	37.48	56.22	74.96

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2007 — 3%

SECOND MATES and THIRD ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,341.17	175.58	217.72	393.30	32.78	49.17	65.56
3	\$5,429.60	178.49	221.33	399.82	33.32	49.98	66.64
4	\$5,521.85	181.52	225.08	406.60	33.88	50.82	67.76
5	\$5,626.82	184.97	229.36	414.33	34.53	51.80	69.06
6	\$5,748.72	188.98	234.34	423.32	35.28	52.92	70.56
7	\$5,884.80	193.45	239.88	433.33	36.11	54.17	72.22
8	\$6,020.97	197.93	245.43	443.36	36.95	55.43	73.90
9	\$6,153.70	202.29	250.84	453.13	37.76	56.64	75.52

CMSG Wage Rates — Island Tug & Barge Ltd.

TWELVE HOUR VESSELS / TWELVE HOUR PERSONNEL

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
Deck Hand	\$4,606.54	151.43	187.77	339.20	28.27	42.41	56.54
		1			T		
D/H Shift Tug	\$4,680.25	153.85	190.77	344.62	28.72	43.08	57.44
		_					
Cook	\$4,715.89	155.03	192.24	347.27	28.94	43.41	57.88
D/H — Cook	\$4,740.55	155.84	193.24	349.08	29.09	43.64	58.18

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008 — 3%

MASTERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$6,167.27	202.74	251.40	454.14	37.85	56.78	75.70
3	\$6,364.50	209.22	259.43	468.65	39.05	58.58	78.10
4	\$6,579.50	216.29	268.20	484.49	40.37	60.56	80.74
5	\$6,802.08	223.61	277.28	500.89	41.74	62.61	83.48
6	\$7,024.73	230.92	286.34	517.26	43.11	64.67	86.22
	\$7,473.17	245.67	304.63	550.30	45.86	68.79	91.72
7	\$7,247.37	238.24	295.42	533.66	44.47	66.71	88.94
	\$7,695.77	252.98	313.70	566.68	47.22	70.83	94.44
8	\$7,476.03	245.76	304.74	550.50	45.88	68.82	91.76
	\$7,924.40	260.50	323.02	583.52	48.63	72.95	97.26
9	\$7,698.68	253.08	313.82	566.90	47.24	70.86	94.48
	\$8,147.09	267.82	332.10	599.92	49.99	74.99	99.98

Note: Second Rates are for Non-Watchkeepers

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008 — 3%

CHIEF ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,958.62	195.88	242.89	438.77	36.56	54.84	73.12
3	\$6,155.22	202.34	250.90	453.24	37.77	56.66	75.54
4	\$6,364.50	209.22	259.43	468.65	39.05	58.58	78.10
5	\$6,579.50	216.29	268.20	484.49	40.37	60.56	80.74
6	\$6,802.08	223.61	277.28	500.89	41.74	62.61	83.48
7	\$7,024.73	230.92	286.34	517.26	43.11	64.67	86.22
8	\$7,247.37	238.24	295.42	533.66	44.47	66.71	88.94
9	\$7,476.03	245.76	304.74	550.50	45.88	68.82	91.76

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008 — 3%

MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,514.54	181.28	224.79	406.07	33.84	50.76	67.68
3	\$5,605.63	184.27	228.49	412.76	34.40	51.60	68.80
4	\$5,700.63	187.40	232.38	419.78	34.98	52.47	69.96
5	\$5,808.77	190.95	236.78	427.73	35.64	53.46	71.28
6	\$5,934.31	195.08	241.90	436.98	36.42	54.63	72.84
7	\$6,074.49	199.69	247.62	447.31	37.28	55.92	74.56
8	\$6,214.73	204.30	253.33	457.63	38.14	57.21	76.28
9	\$6,351.46	208.79	258.90	467.69	38.97	58.46	77.94

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008 — 3%

NON-CERTIFICATED MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,364.77	176.36	218.69	395.05	32.92	49.38	65.84
3	\$5,455.83	179.35	222.39	401.74	33.48	50.22	66.96
4	\$5,550.85	182.47	226.26	408.73	34.06	51.09	68.12
5	\$5,658.95	186.03	230.68	416.71	34.73	52.10	69.46
6	\$5,829.46	191.63	237.62	429.25	35.77	53.66	71.54
7	\$5,924.69	194.76	241.50	436.26	36.36	54.54	72.72
8	\$6,064.94	199.37	247.22	446.59	37.22	55.83	74.44
9	\$6,201.64	203.87	252.80	456.67	38.06	57.09	76.12

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008 — 3%

NEW HIRES in POSITION of SECOND MATE, THIRD ENGINEER

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,454.82	179.32	222.36	401.68	33.47	50.21	66.94
3	\$5,545.91	182.31	226.06	408.37	34.03	51.05	68.06
4	\$5,640.93	185.43	229.93	415.36	34.61	51.92	69.22
5	\$5,749.06	188.99	234.35	423.34	35.28	52.92	70.56
6	\$5,874.59	193.12	239.47	432.59	36.05	54.08	72.10
7	\$6,014.78	197.72	245.17	442.89	36.91	55.37	73.82
8	\$6,155.01	202.33	250.89	453.22	37.77	56.66	75.54
9	\$6,291.76	206.83	256.47	463.30	38.61	57.92	77.22

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008 — 3%

SECOND MATES and THIRD ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,501.41	180.85	224.25	405.10	33.76	50.64	67.52
3	\$5,592.49	183.84	227.96	411.80	34.32	51.48	68.64
4	\$5,687.51	186.97	231.84	418.81	34.90	52.35	69.80
5	\$5,795.62	190.52	236.24	426.76	35.56	53.34	71.12
6	\$5,921.18	194.65	241.37	436.02	36.34	54.51	72.68
7	\$6,061.34	199.26	247.08	446.34	37.20	55.80	74.40
8	\$6,201.60	203.87	252.80	456.67	38.06	57.09	76.12
9	\$6,338.31	208.36	258.37	466.73	38.89	58.34	77.78

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008 — 3%

TWELVE HOUR VESSELS / TWELVE HOUR PERSONNEL

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
Deck Hand	\$4,744.74	155.97	193.40	349.37	29.11	43.67	58.22
D/H Shift Tug	\$4,820.66	158.47	196.50	354.97	29.58	44.37	59.16
Cook	\$4,857.37	159.68	198.00	357.68	29.81	44.72	59.62
D/H — Cook	\$4,882.77	160.51	199.03	359.54	29.96	44.94	59.92

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2009 — 3% MASTERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$6,352.29	208.82	258.94	467.76	38.98	58.47	77.96
3	\$6,555.44	215.50	267.22	482.72	40.23	60.35	80.46
4	\$6,776.89	222.78	276.25	499.03	41.59	62.39	83.18
5	\$7,006.14	230.31	285.58	515.89	42.99	64.49	85.98
6	\$7,235.47	237.85	294.93	532.78	44.40	66.60	88.80
	\$7,697.37	253.04	313.77	566.81	47.23	70.85	94.46
7	\$7,464.79	245.39	304.28	549.67	45.81	68.72	91.62
	\$7,926.64	260.57	323.11	583.68	48.64	72.96	97.28
8	\$7,700.31	253.13	313.88	567.01	47.25	70.88	94.50
	\$8,161.82	268.30	332.69	600.99	50.08	75.12	100.16
9	\$7,929.64	260.67	323.23	583.90	48.66	72.99	97.32
	\$8,391.50	275.85	342.05	617.90	51.49	77.24	102.98

Note: Second Rates are for Non-Watchkeepers

CMSG Wage Rates — Island Tug & Barge Ltd.

${\bf Effective-October~1,~2009-3\%}$

CHIEF ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$6,137.38	201.75	250.17	451.92	37.66	56.49	75.32
3	\$6,339.88	208.41	258.43	466.84	38.90	58.35	77.80
4	\$6,555.44	215.50	267.22	482.72	40.23	60.35	80.46
5	\$6,776.89	222.78	276.25	499.03	41.59	62.39	83.18
6	\$7,006.14	230.31	285.58	515.89	42.99	64.49	85.98
7	\$7,235.47	237.85	294.93	532.78	44.40	66.60	88.80
8	\$7,464.79	245.39	304.28	549.67	45.81	68.72	91.62
9	\$7,700.31	253.13	313.88	567.01	47.25	70.88	94.50

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2009 — 3%

MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,679.98	186.72	231.53	418.25	34.85	52.28	69.70
3	\$5,773.80	189.80	235.35	425.15	35.43	53.15	70.86
4	\$5,871.65	193.02	239.34	432.36	36.03	54.05	72.06
5	\$5,983.03	196.68	243.88	440.56	36.71	55.07	73.42
6	\$6,112.34	200.93	249.15	450.08	37.51	56.27	75.02
7	\$6,256.72	205.68	255.04	460.72	38.39	57.59	76.78
8	\$6,401.17	210.43	260.93	471.36	39.28	58.92	78.56
9	\$6,542.00	215.06	266.67	481.73	40.14	60.21	80.28

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2009 — 3%

NON-CERTIFICATED MATES and SECOND ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,525.71	181.65	225.25	406.90	33.91	50.87	67.82
3	\$5,619.50	184.73	229.07	413.80	34.48	51.72	68.96
4	\$5,717.38	187.95	233.06	421.01	35.08	52.62	70.16
5	\$5,828.72	191.61	237.60	429.21	35.77	53.66	71.54
6	\$6,004.34	197.38	244.75	442.13	36.84	55.26	73.68
7	\$6,102.43	200.61	248.76	449.37	37.45	56.18	74.90
8	\$6,246.89	205.35	254.63	459.98	38.33	57.50	76.66
9	\$6,387.69	209.98	260.38	470.36	39.20	58.80	78.40

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2009 — 3%

NEW HIRES in POSITION of SECOND MATE, THIRD ENGINEER

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,618.46	184.70	229.03	413.73	34.48	51.72	68.96
3	\$5,712.29	187.78	232.85	420.63	35.05	52.58	70.10
4	\$5,810.16	191.00	236.84	427.84	35.65	53.48	71.30
5	\$5,921.53	194.66	241.38	436.04	36.34	54.51	72.68
6	\$6,050.83	198.91	246.65	445.56	37.13	55.70	74.26
7	\$6,195.22	203.66	252.54	456.20	38.02	57.03	76.04
8	\$6,339.66	208.40	258.42	466.82	38.90	58.35	77.80
9	\$6,480.51	213.03	264.16	477.19	39.77	59.66	79.54

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2009 — 3%

SECOND MATES and THIRD ENGINEERS

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
2	\$5,666.45	186.27	230.97	417.24	34.77	52.16	69.54
3	\$5,760.26	189.36	234.81	424.17	35.35	53.03	70.70
4	\$5,858.14	192.58	238.80	431.38	35.95	53.93	71.90
5	\$5,969.49	196.24	243.34	439.58	36.63	54.95	73.26
6	\$6,098.82	200.49	248.61	449.10	37.43	56.15	74.86
7	\$6,243.18	205.23	254.49	459.72	38.31	57.47	76.62
8	\$6,387.65	209.98	260.38	470.36	39.20	58.80	78.40
9	\$6,528.46	214.61	266.12	480.73	40.06	60.09	80.12

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2009 - 3%

TWELVE HOUR VESSELS / TWELVE HOUR PERSONNEL

Group	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
Deck Hand	\$4,887.08	160.65	199.21	359.86	29.99	44.99	59.98
D/H Shift Tug	\$4,965.28	163.22	202.39	365.61	30.47	45.71	60.94
Cook	\$5,003.09	164.47	203.94	368.41	30.70	46.05	61.40
D/H — Cook	\$5,029.25	165.33	205.01	370.34	30.86	46.29	61.72

APPENDIX "C" Credit Agreement to Repay Wage Advances

Island Tug and Barge Ltd.	Date

Dear Sir/Madam:

The purpose of this letter is to set out the credit arrangement between us with respect to all monies advanced to me by your firm. I hereby acknowledge these monies as my debt to you which I shall repay at first opportunity from future earnings from your firm.

Should I not return to work within twelve (12) months of my initial absence or find employment elsewhere. I agree to repay the outstanding debt on demand and until demand, at the rate of three hundred fifty dollars (\$350.00) per month payable on the earlier of the first (1st) day of each month commencing the first (1st) day of the fourteenth (14th) month of my initial absence from your employ or the second (2nd) month of employment elsewhere.

In the event of my death the full amount shall be immediately due and owing from any life insurance proceeds or secondly, from my estate. In the event of any default by me under this letter agreement, including failure to make a payment as agreed the full amount shall also be immediately due and owing. I hereby assign to your firm and authorize you to deduct all amounts owing to me at any time for vacation pay or any other payment and shall apply such amounts against the debt.

As security for amounts payable under this Letter of Agreement, I assign to you all amounts payable to me under or in respect of any of the following:

- a) Any Long-Term Disability Plan;
- b) Guild Pension Plan or any other pension plan without limitation;
- c) Amounts payable to me by any other Employer;
- d) Proceeds of any Life Insurance policy;
- e) Amounts payable to me by you, including without limitation vacation pay.

I acknowledge receipt of a copy of this Letter of Agreement which constitutes a security agreement.

I agree that this Letter of Agreement shall serve as an irrevocable direction to the Parties making the payments referred to under (a) to (d) above to directly pay to you the stipulated monthly amount or, on demand, death or default, the full outstanding amount, until the debt is repaid in full.

If, for whatever reason, I fail to comply with the terms of this Letter of Agreement, I shall be fully responsible for and pay all costs of any legal actions brought against me to enforce the terms of the Letter of Agreement. This Letter of Agreement is irrevocable and shall ensure to the benefit of you and your successors and assigns and shall bind me and my heirs, executors, administrators, successors and assigns.

Yours truly,

LETTER of UNDERSTANDING

Re: Payroll Procedures

Canadian Merchant Service Guild 310 - 218 Blue Mountain Street Coquitlam, BC

Attention: Leo M. Gray

Dear Sir:

Payroll Procedures

Regarding the method paying Officers, the following procedures are agreed:

- 1. **Pay** The Company will continue to pay its' officers in the current manner, for the duration of the Agreement.
- 2. **Layday Positions** When wage increments, provided for in the wage schedule are effected, the Employee's lay day position will be determined by the amount of dollars (plus or minus) in his lay day account divided by his new daily pay rate.
- 3. **Pay Statements** All Officers shall be supplied with a payroll statement at the end of each pay period. Such pay statement shall clearly indicate:
 - a) Days worked and rate paid.
 - b) The number of leave days earned during the period.
 - c) The number of days carried over from the previous period.
 - d) The balance of days at the end of the pay period.
 - e) The amount of annual holiday credits earned during the period and the total accrual to date.
 - f) Statutory holiday pay.
 - g) Earnings pertaining to "Duties Other Than as an Officer".
 - h) Earnings pertaining to "Officers Working by the Vessel" Article.
 - i) Overtime
 - j) Subsistence, engine servicing.
 - k) Other.
 - 1) Gross Earnings.
 - m) Deductions
 - n) Net earnings.
- 4. Upon request by an Employee his `converted overtime to leave' will be shown on his pay statement.
- 5. Any proposed change in payroll procedures will be by mutual agreement between the Parties.

LETTER of UNDERSTANDING

Canadian Merchant Service Guild 230 West Broadway St. Vancouver, BC V5Y 1P7
Attention: Leo Gray Secretary-Treasurer
Dear Sir:
New Hire Officer Declaration of Guild Membership Status
It was agreed during Collective Bargaining that Employees hired will sign a letter attesting that they are members in good standing with the Guild.
Yours truly
SUGGESTED LETTER FORMAT
TO: Island Tug and Barge Ltd.
FROM: (New Officer)
Dear Sirs,
This letter confirms that the undersigned is a member in good standing with the Canadian Merchant Service Guild.
Yours truly,
(signature)

Flat Rate Overtime on Specific Named Voyages

Hours below to be paid at the straight time hourly rate in lieu of Article 25 (overtime) for each day worked on the specified voyage pro rata,

North Coast Fuel and Equipment:

Master	- 4.8
Mate	- 3.8
Cook/DH	- 3.5
Bargeman	- 4.5

South Coast Fuel and Equipment:

Master	- 4.3
Mate	- 3.3
Cook/DH	- 3
Bargeman	- 4

LETTER of UNDERSTANDING

RE: Reasonable Costs

Canadian Merchant Service Guild 230 West Broadway Vancouver, BC

Attention: Leo M. Gray

Dear Sir:

ARTICLE 33.03 - "Reasonable Costs"

Some question has arisen as to the meaning of the term "reasonable costs" as it appears in ARTICLE 33.03 of the Agreement. I explained during negotiations that "reasonable costs incurred in moving and relocating family and belongings" would vary according to the circumstances.

It is our expectation that in the event an Officer is requested to transfer, he would secure quotations from at least two moving firms and submit them to his Company. Other things being equal, the lowest of the two bids would establish the cost to be incurred, it being understood that the Company reserves the right to make arrangements to:

- 1. move the Officer's belongings by other insured means, and
- 2. not pay the cost of moving items if they are plainly beyond the scope of normal household possessions, e.g. grand piano, livestock, etc.

Page 72 of 121

MASTER APPRENTICESHIP PROGRAM

- 1. The apprentice Master candidates shall engage in several weeks of training of a supernumerary basis. The training program will be individually tailored to address the specific requirements of each trainee based on pre-training assessments. Notwithstanding the acknowledgement that individuals require different levels and lengths of training, the Parties agree, upon request, a progress report will be issued to determine the progress of the trainee in comparison to the pre-training assessment goals.
- 2. Upon satisfactory completion of the apprentice program the candidate will be eligible for the next permanent Master position or for relief opportunities.
- 3. In the case of a permanent Master position coming available, the position will be posted for competition. If an apprentice candidate is successful in the competition and awarded the position he/she shall then accrue all seniority and wage rates as a Master and relinquish his/her previous lesser posting entitlement.
- 4. In the case of a candidate, once successfully completing the apprentice training, and is assigned relief opportunities, he/she will retain all seniority rights; including accrual of seniority, of his/her posted position. The candidate when performing relief Master duties will be paid at the Master rate and accrue seniority as a Master and have all rights as a Master contained in the Collective Agreement.
- 5. Recognizing the Employer has a long standing practice of accident investigation, the Parties agree to be guided by practice in the event an accident occurs while the vessel is under the control of the trainee. Any discipline arising from the accident will be open to the regular grievance procedure pursuant to the Collective Agreement.
- 6. The Parties agree this undertaking is jointly taken in good faith and may be cancelled at any time during the life of this agreement with thirty (30) days written notice by either Party.

Appendix "I"

Bargemen

ARTICLE "I - 1" — PURPOSE

The following sets out in more detail, and is intended to supplement the terms and conditions as set out within the Collective Agreement as they pertain specifically to Bargemen.

ARTICLE "I" - 2 — DUTIES

- **"I"-2.1** Bargemen work shall be defined as all duties related to the loading or discharging of barges.
- **"I"-2.2** In case of oil barges only, Bargemen shall be employed to perform loading or discharge functions. Employees sailing in other categories covered by this Collective Agreement may be used in place of Bargemen where none are available.
- **"I"-2.3** Bargemen shall not be required to gauge customer's tanks unless accompanied by a customer's representative or a crew member.
- **"I"-2.4** Bargemen will not be expected to perform duties that they have not been trained for.

ARTICLE "I" - 3 — PAY RATE

"I"-3.1 It is agreed that all Bargemen will be compensated at the pay rate as follows:

Qualified means qualifications, experience and ability sufficient to do the job on each barge.

CMSG Wage Rates — Island Tug & Barge Ltd.

No. of Barges Qualified	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
1 Barge	\$5,475.32	179.99	223.19	403.18	33.60	50.40	67.20
2 Barges	\$5,593.66	183.88	228.01	411.89	34.32	51.48	68.64
3 Barges	\$5,725.79	188.22	233.39	421.61	35.13	52.70	70.26
4 Barges	\$5,857.98	192.57	238.79	431.36	35.95	53.93	71.90
5+ Barges	\$5,986.86	196.81	244.04	440.85	36.74	55.11	73.48

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2007— 3%

No. of Barges Qualified	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
1 Barge	\$5,639.58	185.39	229.88	415.27	34.61	51.92	69.22
2 Barges	\$5,761.47	189.40	234.86	424.26	35.36	53.04	70.72
3 Barges	\$5,897.56	193.87	240.40	434.27	36.19	54.29	72.38
4 Barges	\$6,033.72	198.35	245.95	444.30	37.03	55.55	74.06
5+ Barges	\$6,166.47	202.71	251.36	454.07	37.84	56.76	75.68

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2008— 3%

No. of Barges Qualified	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
1 Barge	\$5,808.77	190.95	236.78	427.73	35.64	53.46	71.28
2 Barges	\$5,934.31	195.08	241.90	436.98	36.42	54.63	72.84
3 Barges	\$6,074.49	199.69	247.62	447.31	37.28	55.92	74.56
4 Barges	\$6,214.73	204.30	253.33	457.63	38.14	57.21	76.28
5+ Barges	\$6,351.46	208.79	258.90	467.69	38.97	58.46	77.94

CMSG Wage Rates — Island Tug & Barge Ltd.

Effective — October 1, 2009— 3%

No. of Barges Qualified	Monthly Basic	Calendar Day	Pay for Leave	Earnings Per Day Worked	Rate per Hour	Time and One-Half	Double Time
1 Barge	\$5,983.03	196.68	243.88	440.56	36.71	55.07	73.42
2 Barges	\$6,112.34	200.93	249.15	450.08	37.51	56.27	75.02
3 Barges	\$6,256.72	205.68	255.04	460.72	38.39	57.59	76.78
4 Barges	\$6,401.17	210.43	260.93	471.36	39.28	58.92	78.56
5+ Barges	\$6,542.00	215.06	266.67	481.73	40.14	60.21	80.28

- **"I"-3.2** Bargemen shall be paid in accordance with the provisions of Section 20.01 for the following:
 - 3.2.1 Cleaning bilges in tunnels and pumprooms
 - 3.2.2 Oil spills (unless caused by themselves)
 - 3.2.3 Oil changes.
- **"I"-3.3** In the case where loading or unloading takes more than twelve hours, the relief Bargemen shall be paid one hour straight time pay for handover in addition to hours worked. It is understood that this is a premium only and does not count towards work hours in article 4.

ARTICLE "I" - 4 — WORK HOURS

- All time worked shall be calculated on a daily basis (00:01-24:00) and twelve (12) hours shall constitute one (1) days pay. Bargemen shall be paid a minimum of six (6) hours pay for any time worked in a day. Any time worked in excess of six (6) hours in a day shall be paid as follows:
 - Six to twelve hours: twelve hours pay
 Twelve to sixteen hours: eighteen hours pay
- **"I"-4.2** Bargemen shall not work more than 16 (sixteen) hours.
- **"I"-4.3** Bargemen shall not be required to work on their scheduled 10 days off. If Bargemen are called to work on their 10 days off, they will be paid at overtime rate for those days worked.
- "I"-4.4 In Vancouver Harbor when work is to exceed twelve (12) hours, sufficient Bargemen shall be employed so that the total time worked by one man shall not exceed twelve (12) hours. This shall be known as the two man rule. If for reasons beyond the control of the Company, the two man rule cannot be followed, and then Bargemen on completing twelve (12) hours of work shall be entitled to an eight (8) hour rest period before returning to work. Where barges load or discharge at more than one location Bargemen shall be paid as if the operation was continuous from the commencement of loading or discharging at the first location to completion of the discharge or loading at the other location(s).
- **"I"-4.5** Bargemen shall be considered as having commenced work upon arrival at the Company's home dock facilities.
- **"I"-4.6** Bargemen called to work at 2400 hours may request that a relief be provided at 0600 hours if the job is expected to last eight hours or longer, unless no relief is available.

- **"I"-4.7** Any days worked by a Bargemen in excess of forty five (45) in any quarter will be overtime and will be banked or paid out as per the Bargemen's request. The quarters shall start at January of each year.
- **"I"-4.8** Where barges load or discharge at more than one terminal, time worked shall be deemed to be continuous, where the Bargemen is not permitted to rest aboard an attending or available tug for a minimum of eight (8) hours or is not permitted eight (8) consecutive hours free and clear of duty.
- **"I"-4.9** Bargemen shall work on a calendar day system and starting time may vary during the calendar day, however, they shall be exempt from the provisions of articles 16.07 and 30.04 of the Collective Agreement.

ARTICLE "I" - 5 — MEALS

"I"-5.1 Given the nature of the work it is recognized that Bargemen may be required to perform their duties at varying hours of the day he shall receive the subsistence allowance based on the following:

Six hours or less shift: \$12.50
Six to nine hour shift: \$25.00
Nine to twelve hour shift: \$43.00

"I"-5.2 Where the cost of the meal exceeds this amount then he shall be reimbursed for reasonable meal costs by providing the Company a receipt. Where Bargemen are sailing with the vessel, then accommodations and messing shall be provided by the Company and no daily allowance will be applicable.

ARTICLE "I" - 6 — TRANSPORTATION

"I"-6.1 The rate of forty six cents (\$0.46) per kilometer shall be paid for each kilometer driven by Bargemen in their own vehicle on Company business. Such mileage (see attached travel distances chart) shall be measured between the assigned home dock of the Company and location of work. The Company will reimburse Bargemen for the difference in cost in upgrading standard ICBC automobile insurance from the to-and-from work category to the "business category" upon production of the receipt. The Company and the Guild agree that this allowance will be reviewed pursuant to Article 33.04 of the Collective Agreement.

ARTICLE "I" - 7 — TRAINING and EQUIPMENT

"I"-7.1 When a new Bargemen is hired, basic training should be provided on a barge that is not in service.

- **"I"-7.2** An Employee will be paid one hour's pay in addition to his regular pay for any shift he is assigned by the Company to train another Employee pursuant to Article 18.06 of the Collective Agreement.
- **"I"-7.3** The Company will supply annually two (2) pair of good quality coveralls (fireproof, not fire resistant).

ARTICLE "I" - 8 — SAFETY

- **"I"-8.1** A stand-by man shall be provided from the plant or tug when Bargemen are unable to oversee the off-loading operation.
- **"I"-8.2** Bargemen are to exercise discretion as need be for safety re: flow rate or when loading multi product barges. These shall be no discrimination or discipline to Bargemen exercising said discretion.

START	STOP	КМ	START	STOP	KM	
GROUP 1	BERRY POINT SOUTH ROUTE		GROUP 1	IOCO SOUTH ROUT	E	
BERRY POINT	IOCO	18.60	IOCO	IOCO	0.00	
BERRY POINT	PETROCANADA	11.00	IOCO	PETROCANADA	13.30	
BERRY POINT	SHELLBURN	7.00	IOCO	SHELLBURN	18.00	
BERRY POINT	STANOVAN	2.00	IOCO	STANOVAN	20.60	
BERRY POINT	CASCADIA	7.60	1000	CASCADIA	25.00	
BERRY POINT	VANTERM	11.60	IOCO	VANTERM	29.00	
BERRY POINT	UGG	8.60	1000	UGG	26.00	
BERRY POINT	ROGERS ST.	9.60	1000	ROGERS ST.	27.00	
BERRY POINT	BALLANTYNE	12.60	IOCO	BALLANTYNE	30.00	
BERRY POINT	CENTERM	14.00	IOCO	CENTERM	31.00	
BERRY POINT	CANADA PLACE	16.00	1000	CANADA PLACE	33.00	
BERRY POINT	COAL HARBOR	18.00	IOCO	COAL HARBOR	35.00	
GROUP 2	BERRY POINT NORT	TH ROUTE	GROUP 2	IOCO NORTH F	ROUTE	
BERRY POINT	LYNNTERM	10.00	IOCO	LYNNTERM	27.00	
BERRY POINT	NEPTUNE	11.00	IOCO	NEPTUNE	28.00	
BERRY POINT	SASKATCHEWAN	11.00	IOCO	SASKATCHEWAN	28.00	
BERRY POINT	JR	12.50	IOCO	JR	29.50	
BERRY POINT	CATES	13.10	1000	CATES	30.10	
BERRY POINT	FIBERCO	16.00	1000	FIBERCO	33.00	
BERRY POINT	VANWHARF	17.60	IOCO	VANWHARF	34.60	
BERRY POINT	FRASERWHARF	30.00	1000	FRASERWHARF	46.60	
IF TRAVEL BET	WEEN SOUTH AND NO	ORTH ROU	TES JUST ADD D	ISTANCES FROM TER	MINALS	
SPLIT POINT	IOCO	22.00	SPLIT POINT	LYNNTERM	5.00	
SPLIT POINT	PETROCANADA	16.00	SPLIT POINT	NEPTUNE	6.00	
SPLIT POINT	SHELLBURN	12.00	SPLIT POINT	SASKATCHEWAN	6.00	
SPLIT POINT	STANOVAN	7.00	SPLIT POINT	JR	7.50	
SPLIT POINT	CASCADIA	2.00	SPLIT POINT	CATES	8.10	
SPLIT POINT	VANTERM	6.00	SPLIT POINT	FIBERCO	11.00	
SPLIT POINT	UGG	4.00	SPLIT POINT	VANWHARF	12.60	
SPLIT POINT	ROGERS ST.	5.00	SPLIT POINT	FRASERWHARF	24.60	
SPLIT POINT	BALLANTYNE	7.00	NOTE: WHEN T	RAVEL IN SAME GRO	UP 1 OR 2	
SPLIT POINT	CENTERM	9.00	JUST USE DIFF	ERENCE BETWEEN K	XM	
SPLIT POINT	CANADA PLACE	11.00	SPLIT POINT IS INTERSECTION HASTINGS at HIGHWAY 1			
SPLIT POINT	COAL HARBOR	13.00	1			

Appendix "J"

Labour – **Management Committee**

The Company and the Guild agree to form a joint Labour-Management Committee which will consist of Guild members, a Guild representative and management of the Company. The Federal Mediation and Conciliation Service may be requested by either party to assist the Parties as required. The Parties will reach agreement on terms of reference, which shall include scheduling.

Canadian Merchant Service Guild Western Branch Benefits Plan

June 1, 2006 Edition

Attached is a description of the Guild Benefits. For updated information see our benefits website at:

http://www.coughlin.ca/cmsgw/

To: Members of the Canadian Merchant Service Guild (CMSG) Western Branch Benefit Plan

Dear Member:

We are pleased to provide you with this booklet that outlines the group benefits available to you and your family as a member of the Canadian Merchant Service Guild. The booklet provides you with an outline of the coverage and benefits as well as various other aspects of the plan such as administrative and claims procedures.

We encourage you to read the booklet carefully and familiarize yourself with the benefits. Any questions with regard to the benefits, administration or claims should be directed to your plan administrator:

Coughlin & Associates Ltd.

P.O. Box 3517 Station C Ottawa, Ontario K1Y 4H5

Telephone: (613) 231-2266 Fax: (613) 231-2345 Toll Free: 1-888-613-1234 E-mail: WEBMASTER@coughlin.ca

Fraternally yours,

The Trustees

Markus Sturm Arnold Vingsnes Donald Rose Brian Sims

Important:

This document contains important information concerning your group coverage and therefore should be kept in a safe place. It supersedes and replaces all previous communication material.

The extended health care and dental benefits are underwritten on a self-insured basis where all risks are carried by the Canadian Merchant Service Guild Western Branch benefit plan. Sun Life's services for the weekly indemnity benefit are provided on an administrative basis only. Sun Life underwrites and insures the life and long-term disability benefits. The accidental death and dismemberment benefit is underwritten and insured by the ACE INA Life Insurance Company while the out-of-country policy was issued by the Group Explorer Medical Emergency Insurance (Global Excel).

This information summarizes the benefits and provisions of your group plan. It does not constitute the group contracts, nor does it create or confer any contractual or other rights. Every effort has been made to ensure that the information is accurate. However, if there is any question of interpretation, all rights with respect to a covered person will be governed solely by the group contracts issued by the respective insurance companies to the Canadian Merchant Service Guild.

Change of Address:

This booklet has been sent to every member for whom a current address is available. It is important to inform the plan administrator and the Guild of any address changes.

Protecting your Personal Information:

The administrator of your group benefit plans is Coughlin & Associates Ltd. At Coughlin, we recognize and respect every individual's right to privacy. When personal information is provided to us, we establish a confidential file that is kept in the offices of Coughlin, or the offices of an organization authorized by Coughlin. We use the information to administer the group benefits plan. We limit access to information in your file to Coughlin staff or persons authorized by Coughlin who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law.

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1. BENEFIT SUMMARY

a) Insurance Benefits for You

Life Insurance

If you die, Sun Life will pay the following amounts, based on your age and employment status:

Benefit:

•	\$200,000	active member under age 65
•	\$ 25,000	active member at age 65 and over
•	\$ 50,000	retired member under age 65
•	\$ 25,000	retired member at age 65 and over

Premium payments for retired members are member funded.

Coverage terminates at age 70 for retired and active members.

Accidental Death and Dismemberment Insurance

If you die in an accident while insured, ACE INA will pay the amount specified to your beneficiary or estate, based on your age and employment status.

Benefit:

Equal to your life insurance

This benefit ends on the earlier of attainment of age 70, retirement or termination.

Weekly Indemnity

Benefit:

- 70 per cent of your weekly basic earnings;
- income from all sources may not exceed 85 per cent of your basic pre-disability earnings;
- the benefit is taxable:
- for each day of total disability, 1/7 of the weekly benefit is payable.

Elimination Period:

hospitalization: Nil;accident: Nil;

• sickness: seven days.

•

Note:

The seven-day elimination period will commence on the first date you receive medical attention after your last day at work.

Hospitalization means confinement of 24 hours, provided with a bed on the day ward, or given a general anaesthetic in a hospital.

Maximum Benefit Period

52 weeks or age 65, if earlier. This benefit ends on the date you terminate your employment or retire.

Long-Term Disability Benefit:

- equal to 70 per cent of your monthly basic earnings up to a maximum benefit of \$5,000, reduced by direct and indirect offsets as specified in the group policy;
- the benefits paid under the long-term disability benefit are subject to an overall maximum inclusive of income from other sources. Income from all sources may not exceed 85 per cent of your basic pre-disability earnings. The benefit is taxable;
- income from other sources includes income from government or private pension plans or other government plans, as detailed under the *long-term disability* wording later in this booklet;
- during a period of less than a full month, 1/30 of the monthly benefit is payable for each day of total disability.

Elimination Period:

• the later of 52 weeks or the expiry of the weekly indemnity benefit.

Maximum Benefit Period:

to age 65 for disabilities that commenced on or after June 1, 2001 or before January 25, 1993; age 62 for disabilities that began after January 25, 1993 and prior to June 1, 2001.

Workers' Compensation / Disabled Members Benefits Benefit:

A member who is in receipt of Workers' Compensation Board (WCB) benefits will continue to be insured under the CMSG Western Branch benefit plan. The plan administrator will periodically request copies of the member's most recent WCB cheque stubs and related correspondence.

A disabled member will begin to receive waiver of premium benefits for his/her group life insurance and AD&D coverage until age 65 for disabilities that commenced on or after June 1, 2001; age 62 for disabilities that began prior to June 1, 2001. At that point, he/she will be treated the same as a retiree under the plan.

There is no AD&D coverage for retirees and as a result, AD&D coverage will terminate at age 65 for disabilities that commenced on or after June 1, 2001 or before January 25, 1993; age 62 for disabilities that began prior to June 1, 2001 or after January 25, 1993.

The dependant life coverage will also terminate at age 65 for disabilities that commenced on or after June 1, 2001 or before January 25, 1993; age 62 for disabilities that began prior to June 1, 2001 but after January 25, 1993.

The member's extended health care and dental care coverage as well as out-of-country coverage will continue until age 65 for disabilities that commenced on or after June 1, 2001 or before January 25, 1993; age 62 for disabilities that began prior to June 1, 2001 but after January 25, 1993.

Please contact the plan administrator for information on the premiums and benefits after retirement.

b) Life, Health and Dental Insurance Benefits for you and your Dependants

Life Insurance

Benefit:

\$50,000 Spouse\$10,000 Child

This benefit is available to dependants of an active member under age 70, and ends on the member's retirement or termination.

Extended Health Care Insured Percentages

With the exception of out-of-province charges for hospital care and services not available in your province of residence, charges for the services and supplies outlined in the book are covered at 100 per cent after Fair PharmaCare's contribution.

Effective May 1, 2003, the universal drug and seniors' drug care plans were merged to form the new Fair PharmaCare program. Under the new plan, deductibles and out-of-pocket maximums are based on *annual reported income* rather than a flat annual fee.

Deductibles for seniors, those born in 1939 or earlier, will range from zero to two per cent of family income. Those born after 1939 will face deductibles ranging from zero to three per cent, depending on their income. Out-of-pocket pocket maximums also range from 1.25 to three per cent of family income for seniors, compared to two to four per cent for other residents.

Members age 65 or older will receive the following Fair PharmaCare Benefits:

	Seniors' Fair PharmaCare Program							
		Portion PharmaCare						
		Pays	Family Maximum					
Net Annual	Family	(once deductible is	(after which 100% of costs are					
Family Income	Deductible	reached)	covered)					
Less than	None – Government	75% of prescription	Equal to 1.25% of net income					
\$33,000	assists with drug costs	drug costs						
	immediately							
Between	Equal to 1% of net	75% of prescription	Equal to 2% of net income					
\$33,000 and	income	drug costs						
\$50,000								
Over \$50,000	Equal to 2% of net	75% of prescription	Equal to 3% of net income					
	income	drug costs						

Members under age 65 will receive the following Fair PharmaCare assistance:

Fair PharmaCare Program							
	Portion PharmaCare		Family				
Net Annual		Pays	Maximum				
Family	Family	(once deductible is	(after which 100% of costs are				
Income	Deductible	reached)	covered)				
Less than	None – Government	70% of prescription	Equal to 2% of net income				
\$15,000	assists with drug costs	drug costs					
	immediately						
Between	Equal to 2% of net	70% of prescription	Equal to 3% of net income				
\$15,000 and	income	drug costs					
\$30,000							
Over \$30,000	Equal to 3% of net	70% of prescription	Equal to 4% of net income				
	income	drug costs					

An Important Note:

Plan members in BC are reminded that they must register for the new Fair PharmaCare program. To register, or for more information, call toll-free 1-800-387-4977. If proof of registration is not submitted to Coughlin & Associates Ltd., the plan administrator, your drug claim coverage will be limited to \$1,000 per individual per calendar year. Failure to register may result in some CMSG drug claims not being reimbursed by the province of British Columbia.

Out-of-province charges for hospital care and services not available in your province of residence, but in Canada, will be reimbursed at 80 per cent.

Vision Care

You, your spouse and eligible dependant children are covered to a maximum of \$400 per person in any 24 consecutive month period, for charges relating to the purchase of lenses and frames and contact lenses when prescribed by a legally qualified practitioner.

Lenses and frames, or contact lenses required as a result of cataract surgery are reimbursed to a maximum of \$400 within the 24-month period.

Dependant children under age 18 will be allowed prescription lenses required as a result of a new prescription within the 24-month period.

The plan will reimburse insured members age 19 to 65 for up to one eye examination per 24-month period to a maximum of \$50 per insured individual.

Hearing Aids

You will be covered to a maximum of \$2,000 per hearing aid per three years, when prescribed by a certified ear, nose and throat specialist.

Maximum Benefits per Insured Individual

Individual Limit Maximums

Private duty nursing \$10,000 lifetime
 Hospital charges \$10,000 lifetime (including convalescent home care, chronic care and detox facilities)

• Drugs & medication \$10,000 yearly

•

• Overall limit \$50,000 lifetime* *Reinstatement limit \$1,000 annually

The overall lifetime limit of \$50,000 is subject to a reinstatement of \$1,000 annually. As a result, individuals whose claims do not exceed \$1,000 annually will have their lifetime maximum restored each year.

This benefit ends on the date you terminate or retire, except as provided for in the *Benefits after retirement* Section.

Dental Care Deductible: Nil Insured Percentages

• Plan "A" Basic services 100 per cent

• Plan "B" Prosthetic appliances,

crown and bridge procedures,

and implantology 80 per cent
Orthodontics 50 per cent

Maximums

Plan "C"

Plans "A" and "B" Combined calendar year maximum per insured person: \$3,500.
Plan "C" \$3,500.
\$2,500.

Pre-Determination of Dental Claims Exceeding \$300.

See the *Dental care* section for procedures to follow when you have a claim expected to exceed \$300.

Fee Guide

Reimbursement based on the current fee guide for general practitioners of the College of Dental Surgeons of British Columbia. An additional ten per cent (10%) of the general practitioners' fee guide is eligible for services rendered by a specialist.

This benefit ends on the date you terminate or retire, except as outlined in the Benefits after retirement / disability section.

Out-of-Country Coverage

The CMSG Western Branch benefit plan also provides out-of-country coverage. The plan covers an extensive list of expenses incurred while travelling outside Canada, anywhere in the world. Eligible expenses and maximums are listed under the *Out-of-country* coverage Section. This benefit is available as long as you are a Canadian resident and your extended health care insurance with the CMSG Western Branch benefit plan is in effect.

Change in Coverage

Any change in coverage will become effective immediately on the date your status changes. However, if you acquire a common-law spouse, coverage for the spouse will be effective on the first of the month following receipt of the *Change of dependant coverage* form available from the plan administrator. Any such change because of a change in your basic earnings will be made on the first day of the month in which the change occurred.

Note:

If you are not actively at work on the date an increase would otherwise take effect or on the date the group policy is amended to provide additional or increased benefits, any increase will only take effect on the first day you are actively at work.

Similarly, any increase in coverage for a dependant who is confined to a hospital or similar institution will be delayed until he/she is discharged.

If you are totally disabled, you will be entitled to an increase in benefit due to a retroactive salary increase that results from the signing of a new Collective Agreement, provided the previous Collective Agreement expired before the date you became totally disabled.

Benefits after Retirement/Disability

Arrangements can be made to maintain certain benefits after retirement.

Retirement prior to Age 65

Members can elect any or all of the following coverages:

Benefit Coverage
Life insurance \$50,000
Extended health care
Dental care

Members attaining Age 65

Members can elect any or all of the following coverages:

Benefit Coverage
Life insurance \$25,000
Extended health care

Dental Care

Members cannot add additional benefits at a later date. Application must be made within 31 days of retirement. Members who are disabled will be treated as retirees for the benefits beyond age 65 for disabilities that commenced prior to January 25, 1993 on or after June 1, 2001; age 62 for disabilities that began after January 25, 1993 but before to June 1, 2001.

Members who are disabled and in receipt of long-term disability benefits will continue to have extended health care and dental care coverage until age 65 for disabilities that commenced prior to January 25, 1993 or on or after June 1, 2001; age 62 for disabilities that began after January 25, 1993 or prior to June 1, 2001. In addition, members are eligible for a life insurance waiver of premium benefit.

Retiree benefits continue to a maximum age 70 in respect to life insurance and age 75 in respect to extended health, dental care and out-of-country coverages.

Contact the plan administrator for information on premiums and benefits following retirement or disability.

BC Medical Premium for Retirees

Members who:

- retired on or after June 1, 2002; and
- who have been active in the benefit plan for a minimum of five years; and
- who have attained age 55; and
- are in receipt of CMSG pension plan benefits,

will be eligible to have their BC medical premiums funded by the plan for a period of time, as may be adjusted from time to time by the plan's trustees. In the event of the death of the CMSG member, the retired member's spouse will continue to be covered under BC Medicare by the plan for a period of one year following the member's death.

2. General Information

Plan Effective Date

The plan described in this booklet is up-to-date as of June 1, 2006.

Eligible Members

Full-time Employees* of the Employers party to Collective Agreements or participation agreements with the Canadian Merchant Service Guild will be eligible for coverage providing they:

- are members of the Canadian Merchant Service Guild;
- have completed 90 days employment with any one Employer;
- are residents of Canada. **

All eligible Employees participate in the plan.

To be considered a full-time Employee you must be scheduled to work at least 30 hours a week, or, alternatively, you must be considered a permanent part-time Employee eligible for benefits under the terms of the collective bargaining agreement.

**Participating Employees who choose to live outside of Canada will receive the same coverage as that provided to members who reside in British Columbia or elsewhere in Canada. Non-Canadian residents will not be able to claim coverages that would not otherwise have been available to residents of Canada making claims in Canada.

Phased-in Work Reduction

The Collective Agreement provides for phased-in work reduction for members who attain age 60 with 20 years of service. Members electing to work under the phased-in work reduction terms will continue to receive benefits, subject to some reductions identified separately to affected members. The work/leave of absence arrangement shall be as mutually agreed between the officer and the Company.

Eligible Dependants

Eligible dependants include your spouse and your unmarried children (including adopted, foster and step-children) who are less than 21 years of age. Unmarried children up to the age of 25, will also be covered, providing they are full-time students and dependent upon you for support. Your dependants must reside in Canada.

Your *spouse* is the person whom you have legally married or have publicly represented as your spouse and with whom you have resided for a period of at least 12 consecutive months.

Any mentally or physically handicapped child may remain covered past the maximum age provided that upon reaching maximum age, he/she is still incapable of self-sustaining employment and is wholly dependent on you for support and maintenance. The maximum age for out-of-country coverage for a mentally or physically handicapped child is 25.

No Medical Examination

No medical examination or other evidence of insurability is required for you to join the plan. New bargaining groups added to the plan may be required to submit evidence of insurability.

How to Join

Complete the enrolment card supplied by your Employer and return it to your Employer upon completion.

Effective Date of Coverage

All eligible full-time Employees will be covered following the completion of 90 days employment with any one Employer.

If you are absent due to disability, temporary lay-off or leave of absence on the date coverage would normally commence, your coverage will begin on the date return to active full-time employment.

Dependants shall be covered on the same date as you or on the date they meet the definition of eligible dependant.

You may enrol for provincial medical coverage provided by the Medical Services Plan of British Columbia (MSPBC.) However, the Employer contribution for such coverage will not be required until the waiting period has expired. Prior to that time, you will be required to pay the entire cost by payroll deductions. All arrangements are to be made through your Employer. In the event that you qualify to receive long-term disability benefits, MSPBC premiums will be paid by the CMSG Western Branch benefit plan. The plan administrator will arrange for the coverage to remain in force as long as the member is in receipt of long-term disability benefits.

Termination Date of Coverage

Coverage will be terminated on the last day of the calendar month in which your employment terminates. However, lay-days shall constitute continuation of employment. For example, if employment terminates and you have lay-days to your credit, your coverage will terminate on the last day of the calendar month in which the credit is exhausted.

Dependants' coverage will terminate on the same day as that of the Employee or upon their ceasing to be a dependant. An exception to the previous paragraph is the provincial medical coverage. You can continue to be covered by the MSPBC by making appropriate arrangements with that organization.

Eligibility for long-term disability coverage will terminate on the last day of the calendar month in which you attain age 61. If you are in receipt of long-term disability benefits, the last benefit payment will cease in the month in which you attain age 62.

Change in Dependants' Status

You must advise your Employer of any change in the status of your dependants or you may be deprived of benefit payments.

Reinstatement

If you return to active full-time employment within six months of the date your coverage terminates, your coverage will be reinstated immediately upon your return. If you do not return to active full-time employment within the six months and have not continued benefits under the special lay-off package, you will be considered a new Employee and will be covered on the completion of 90 days continuous employment with any one participating Employer.

The above applies to all benefits except the provincial medical coverage provided by the MSPBC.

Temporary Layoff and Leave of Absence

Arrangements may be made through the plan administrator for the continuation of coverage for up to three months from the end of the month in which lay-off or leave of absence commences. This provision does not apply in cases when an Employee is absent from work during any period of formal maternity or parental leave taken pursuant to provincial or federal law or mutual agreement between the Employee and the Employer. The time limit shall be extended to the end of the maternity leave, subject to payment of premiums.

Effective April 1, 1999, Employees who have been covered under the plan for 12 consecutive months and who are working on a full-time basis will be covered for three months consisting of life, AD&D, dependant life, health and dental benefits only. These premiums will be paid by the CMSG Western Branch benefit plan.

Members on lay-off extending beyond three months may make arrangements with the plan administrator to continue benefits under a special lay-off package. This package is available for up to 18 months following lay-off and includes the following benefits:

Life Insurance: Member \$50,000

Dependant Life: Spouse \$10,000

Child \$5,000

Extended Health Care

Full coverage for individual and family.

The plan does not include disability insurance or MSPBC coverage. The monthly cost of the layoff package must be funded by the member and payments directed to the plan administrator. Please contact the plan administrator or your Employer for an application form. Members who opt for the extended lay-off package will be eligible for immediate reinstatement of all benefits immediately upon return to active full-time employment with any participating Employer within the 18-month period.

For the purposes of this plan, lay-days constitute days of employment.

Beneficiary

Upon enrolment in the plan, you must designate the beneficiary to whom the death benefits will be payable. Subject to any legal restrictions, you may change your beneficiary by completing a new enrolment card.

Change in Information

To ensure that all correspondence records are up-to-date, it is important that you contact the plan administrator as soon as any change occurs, such as the addition of a new dependant, beneficiary or address,

Portability Feature

Your coverage will continue until the end of the calendar month in which your employment terminates. If you return to full-time employment with a participating Employer within six months of the date your coverage terminates, you will be reinstated immediately and will not have to complete the waiting period.

If you transfer to another Employer participating in this plan, you will be eligible for insurance as of the date of the transfer or from the day immediately following the completion of the waiting period, whichever is later.

Total Disability Definition

For weekly indemnity coverage:

You are considered totally disabled if you are prevented by illness or injury from performing the duties of your own occupation and do not engage in any occupation or employment for wage or profit.

For long-term disability and other benefits:

You are totally disabled if you are in a continuous state of incapacity due to illness or injury which:

- continues throughout the elimination period and during the following 24 months of incapacity, prevents you from performing the essential duties of your own occupation at the onset of disability, and;
- after such period, prevents you from engaging in any occupation for which you are or may become reasonably qualified by education, training or experience.

3. Benefit Provisions

i) Life Insurance:

a) Life Insurance for You

The amount of your life insurance is outlined in the *Benefit summary*. If you die while insured, Sun Life will pay the amount of your life insurance benefit to your last beneficiary on file. In the absence of a named beneficiary, payment will be made to your estate.

You may name the beneficiary of your choice or your estate. All nominations you make are revocable, unless you or the law stipulate otherwise.

Due to the complications that might arise upon settlement of the estate, it is not advisable to appoint a minor child as beneficiary. If a minor child is appointed, the funds should be left "in trust" and the member's last will and testament should be amended to include a trustee who will handle the minor child's affairs.

b) Life Insurance for your Dependants

The amount of your dependants' life insurance can be determined from the *Benefit summary*.

If one of your insured dependants dies, Sun Life will pay the amount of insurance to you.

Disability Waiver of Premium Benefit

If prior to your 62^{nd} birthday or your retirement, you become totally disabled while insured, your life insurance and that of your dependants will remain in force with no payment of premium by you required. Premiums will be paid to the insurer by the trust fund.

If you were disabled prior to June 1, 1998, the waiver of premium benefit will continue until your 62nd birthday, after which, you will be treated as a retiree for life benefit purposes. For disabilities occurring on or after June 1, 1998, the waiver of premium benefit will continue only as long as the benefit plan operates, and will terminate upon your attainment of age 62. If the benefit plan terminates or winds-up, members disabled on or after June 1, 1998 will be treated the same as active members and will be able to exercise the conversion option described below.

Conversion

If your insurance ends, you are entitled to purchase an individual life insurance policy from Sun Life within 31 days of coverage termination, without evidence of insurability. Your written request and first premium must be received by Sun Life within the 31-day period. A similar conversion is available to your spouse.

Benefits after Disability/Retirement

Arrangements can be made to maintain some plan coverage after retirement. Application must be made within 31 days of retirement.

Please contact the plan administrator for information on premiums and benefits after retirement.

Making a Claim

If you or one of your insured dependants dies, a claim should be made as soon as reasonably possible.

If you become totally disabled, a claim for waiver of premium must be made no later than 12 months after you stopped being actively at work. Each year, Sun Life may require proof of your continued total disability.

ii) Accidental Death and Dismemberment (AD&D) Coverage

This benefit provides a lump sum cash benefit in the event of your accidental death or dismemberment anywhere in the world, twenty-four (24) hours per day, three hundred sixty-five (365) days a year including while travelling (passenger only) in commercial or chartered aircraft, provided the aircraft has a current and valid airworthiness certificate.

Eligibility

If you are an active, permanent, full-time member of the Canadian Merchant Service Guild and under age 70, you will be covered for a benefit amount stated below.

Benefit

You are insured for the amount as specified in the *Benefit summary*. Coverage ceases upon the earlier of the attainment of age 70, termination or retirement.

In the event of your death, the benefit amount is payable to the beneficiary you have named under your group life insurance plan or in the absence of such designation, to your estate.

Loss Schedule

If injuries result in any one of the following specific losses within one year from the date of accident, ACE INA will pay the benefit specified below, based on the principal sum that is equal to the benefit amount stated in the policy schedule. No more than one (the largest) benefit shall be paid for injuries resulting from one accident.

	Percentage of
For Loss of:	Principal Sum
Life	100 per cent
Both hands, both feet, entire of sight of both eyes,	
one hand and one foot, one hand or one foot	
and entire sight of one eye	100 per cent
Speech and hearing	100 per cent
Use of both arms or both hands	100 per cent
Quadriplegia, paraplegia, hemiplegia	200 per cent
One arm or one leg or use of one arm or one leg	75 per cent
One hand or one foot or use of one hand	66 2/3 per cent
Entire sight of one eye	6 2/3 per cent
Speech or hearing	66 2/3 per cent
Thumb and index finger of the same hand	33 1/3 per cent
Four fingers of the same hand	33 1/3 per cent
Hearing in one ear	25 per cent
All toes of the same foot	12 1/2 per cent

Loss shall mean, with respect to hand or foot, actual severance through or above the wrist or ankle joint; with respect to arm or leg, actual severance through or above the elbow or knee joint; with respect to eye, the total and irrecoverable loss of sight; with respect to speech, the total and irrecoverable loss of speech which does not allow audible communication in any degree; with respect to hearing, the total and irrecoverable loss of hearing which cannot be corrected by any hearing aid or device; with respect to thumb and index finger, actual severance through or above the first phalange; with respect to fingers, the actual severance through or above the first phalange of all four fingers of the same hand; with regard to toes, the actual severance of both phalanges of all toes of the same foot.

Loss as used with reference to quadriplegia (paralysis of both upper and lower limbs), paraplegia (paralysis of both lower limbs) and hemiplegia (paralysis of upper and lower limbs of one side of the body), means the complete and irrecoverable paralysis of such limbs. Paralysis benefit is subject to a maximum of \$1 million.

Loss of Use shall mean the total and irrecoverable loss of function of an arm, hand or leg, provided such loss of function is continuous for 12 consecutive months and such loss of function is thereafter determined to be permanent on evidence satisfactory to ACE INA.

Additional Benefits covered in this Policy include the Following:

Repatriation benefit	\$10,000
Rehabilitation benefit	\$10,000
Family transportation benefit	\$10,000
Spousal occupational training benefit	\$10,000
Home alteration and vehicle modification benefit	\$10,000
Seatbelt benefit	10 per cent

Please refer to the plan administrator for a complete description of these benefits and the exact provisions as described in the master policy.

Exclusions

The plan does not cover any loss that is the result of:

- 1. intentionally self-inflicted injuries, suicide or any attempt thereat, while sane or insane;
- 2. war or any act thereof;
- 3. flying in aircraft being used for any test or experimental purpose, fire fighting, power line inspection, pipeline inspection, aerial photography or exploration;
- 4. flying as pilot or crew member in any aircraft or device for aerial navigation;
- 5. full-time, active duty in the armed forces;
- 6. the commission or attempted commission of any act which if adjudicated by a court would be illegal under the laws of the jurisdiction where the act was committed;
- 7. an injury sustained where the insured person consumed, used, or hand administered any drug, medication, narcotic, toxic substance or any other substance, except for any drug or medication prescribed by a licensed medical practitioner or dentist.

Exposure and Disappearance

Loss resulting from unavoidable exposure to the elements and arising out of hazards described above shall be covered to the extent of the benefits afforded you.

If your body has not been found within one year of the disappearance, stranding, sinking, or wrecking of the conveyance in which you were riding at the time of the accident it shall be presumed, subject to all other conditions of the policy, that you suffered a loss of life resulting from bodily injuries sustained in the accident and covered under the policy.

Aggregate Limit of Liability

Aggregate limit of liability is \$1,500,000 per accident. ACE INA will not be liable for any amount in excess of the above stated aggregate limit of liability.

Important

This booklet contains a summary of the principal features of the AD&D plan. This information is presented as a matter of general information only. The contents are not to be accepted or construed as a substitute for the provisions of the Master AD&D policy ABT 102077.

iii) Weekly Indemnity Payment of Benefits

If you become totally disabled while insured, the plan will pay, subject to limitations and exclusions, a weekly indemnity benefit for each week you remain totally disabled after completion of the elimination period until the earliest of the following:

- the date you cease to be totally disabled;
- the date you are no longer under the care of a medical doctor;
- the date the maximum benefit period is reached; or,
- when you refuse to be examined by a medical doctor appointed by the plan administrator.

Total Disability Definition

You are considered totally disabled if you are prevented by illness or injury from performing the duties of your own occupation and do not engage in any occupation or employment for wage or profit.

Coverage during Periods of Extended Layoff

The weekly income benefit is not available to members during periods of extended lay-off.

Coverage while on Vacation

The benefit for illness will commence at the later of the expiration of the seven-day waiting period (from the date you first visited a physician) or the date you were scheduled to return to work. Claims relating to accidents or hospitalization will commence on the date of your scheduled to return to work.

Integration with Federal and Provincial Plans

Any disability income benefits which an Employee becomes eligible to receive under the Canada/Quebec Pension Plan or any other disability income benefits under any other federal or provincial plan, shall reduce the amount payable under this benefit to the extent that the total amount which the Employee is eligible to receive from all such sources shall not exceed 85 per cent of pre-disability basic earnings.

Recurrent Disabilities

Periods of disability for same or related causes will be considered one continuous absence unless you return to work for at least two weeks between absences.

Funding while Disabled

When an officer is disabled and becomes eligible for weekly indemnity or Workers' Compensation Board benefits, the Employer will pay the full premium, including the life insurance premium, for up to 52 weeks.

Rehabilitation Benefit

For disabilities that have an indefinite or prolonged prognosis and appear to extend beyond the maximum weekly indemnity benefit period, the plan administrator reserves the right to recommend that you consider engaging in a rehabilitation program as soon as possible after commencement of your total disability.

Disputed Workers' Compensation Board Claim

If an officer covered by the benefit plan suffers a disability and payment is in dispute with the Workers' Compensation Board, weekly indemnity payments will be paid retroactively, if requested by the officer, provided he/she has been off work for at least two weeks due to the disability and the WCB has not accepted the claim.

If the WCB claim is subsequently approved, the officer will be required to repay the weekly indemnity payment he/she received to the appropriate underwriter.

Subrogation

If you are entitled to recover damages for loss of income from another person as a result of personal injuries sustained by you while you are entitled to receive benefits under the insurance benefits provisions, the plan will be subrogated to all your rights of recovery for loss of income to the extent of the sum of the benefits paid or payable to you under that provision.

The plan sponsor may require you to complete a reimbursement questionnaire and execute a reimbursement agreement. If you do not complete and return the reimbursement agreement to the plan administrator the within 30 days after a request, the benefits which you would otherwise be entitled to receive under the weekly indemnity benefit provision will not be paid until you do so.

Benefits after Coverage Ends

If this insurance coverage ends while you are totally disabled, you will continue to receive benefits as if the coverage were still in effect.

Limitations

Payment is not made for:

- 1. maternity and/or parental leave as provided under the relevant legislation;
- 2. maternity leave commencing with the earlier of:
 - (a) the elected date of leave, mutually agreed to by you and your Employer; and
 - (b) the date of birth of the child and ending with the earlier of:
 - i) the elected date of return to active full-time work with the Employer, mutually agreed upon by you and your Employer and;
 - ii) the actual date that you again actively work with the Employer;
- 3. parental leave mutually agreed to by you and your Employer;
- 4. any period you are not under the care of a medical doctor;

- 5. total disability due to abuse of drugs or alcohol unless;
 - (a) you are confined in a hospital or participate satisfactorily in a program approved by the plan administrator; or,
 - (b) there is organic disease present that would cause total disability even if the use of drugs or alcohol ceased

Exclusions

A benefit will not be paid for a total disability resulting from:

- 1. the hostile action of any armed forces, insurrection or participation in any riot or civil commotion:
- 2. commission or attempted commission of a criminal offence by you;
- 3. intentionally self-inflicted injuries or attempted suicide (while sane or insane);
- 4. bodily injury sustained while doing any act or thing pertaining to any occupation or employment for wage or profit when Workers' Compensation benefits are payable;
- 5. any cause for which indemnity or compensation is provided under any Workers' Compensation Act or similar legislation.

Tax Deduction from Source

The weekly indemnity benefit is taxable as income. However, taxes are not deducted at source.

On your instruction, a tax deduction from source (tax withholding from the benefits payable) can be arranged so that you avoid a large tax obligation during normal tax time.

Contact the plan administrator for information on deducting tax at source.

Underwriting

The plan is self-insured by the CMSG Western Branch Benefit Trust Fund. Coughlin & Associates Ltd. and Sun Life of Canada administer and adjudicate the weekly indemnity benefit.

iv) Long-Term Disability

If you become totally disabled while insured, Sun Life will pay, subject to limitations, exclusions and subrogation, a long-term disability benefit for each month you remain totally disabled after completion of the elimination period until the earliest of the following:

- the date you cease to be totally disabled;
- the date you are no longer under the care of a medical doctor;
- when you are no longer a member in good standing of the Canadian Merchant Service Guild and paying the appropriate rate of union dues;
- the date the maximum benefit period is reached; and/or
- when you refuse to be examined by a medical doctor appointed by Sun Life.

Total Disability Definition

You are totally disabled if you are in a continuous state of incapacity due to illness or injury which:

- continues throughout the elimination period and during the following 24 months of incapacity, prevents you from performing the essential duties of your own occupation at the onset of disability;
- while it continues after such period, prevents you from engaging in any occupation for which you are or may become reasonably qualified by education, training or experience.

Continued Proficiency Certification

The long-term disability benefit has been modified to include disability income protection for up to two years in the event you fail to revalidate your certificate due to a medical condition.

Recurrent Disabilities

Successive periods of disability separated by less than six consecutive months of continuous active work shall be considered one period of total disability provided the nature of the illness or injury is related to the initial disability.

Integration with Federal and Provincial Plans

The long-term disability benefit is first reduced by income benefits payable under any Workers' Compensation or occupational disease laws or similar legislation and by *primary* income benefits payable under the Canada/Quebec Pension Plans, and by benefits payable under any other governmental plan, excluding Employment Insurance. Thereafter, any benefits received from employment related plans of insurance will reduce the long-term disability benefit to the extent that your total income from all sources will not exceed 85 per cent of your pre-disability basic earnings.

Coverage during Periods of Layoff

Long-term disability coverage is not available during a period of lay-off.

Premiums and Benefits during Disability

Premiums for weekly indemnity and long-term disability benefits are not applicable while you receive long-term disability benefits. You shall continue to be covered under the dental, extended health care, out-of-country coverage and the Medical Services Plan of B.C. without payment of premiums while you receive long-term disability benefits.

Rehabilitation Benefit

If you become totally disabled, you will be encouraged to participate in a program of retraining, such as a part-time work. During this period, you may qualify for rehabilitation income. This benefit is available for a maximum of 24 months following the elimination period. The program must be first approved in writing by Sun Life.

It is recommended that you consider engaging in a rehabilitative program as soon as possible after commencement of your total disability, including the period before your monthly payments commence. Contact Sun Life's rehabilitation section via its nearest claims office.

Subrogation

If you are entitled to recover damages for loss of income from another person as a result of personal injuries sustained by you and for which you are entitled to receive benefits under the insurance benefits provisions, Sun Life will be subrogated to all your rights of recovery for loss of income to the extent of the sum of the benefits paid or payable to you under that provision.

Sun Life may require you to complete a reimbursement questionnaire and execute a reimbursement agreement. If you do not complete and return the reimbursement questionnaire or execute the reimbursement agreement within 30 days after request, your LTD benefits will not be paid until you do so.

Benefits after Coverage Ends

If this insurance coverage ends while you are totally disabled, you will continue to receive benefits as if the coverage was still in effect.

Limitations

Payment is not made for:

- 1. a period during which you engage in any employment or occupation for wage or profit (other than in a rehabilitative program);
- 2. a total disability due to abuse of drugs or alcohol unless;
 - (a) you are confined in a hospital or are satisfactorily participating in a program approved by the plan administrator; or,
 - (b) there is organic disease present that would cause total disability even if the use of drugs or alcohol ceased.
- 3. maternity and/or parental leave taken by the member as provided under the relevant legislation;
- 4. maternity leave commencing with the earlier of:
 - (a) the elected date of leave, mutually agreed to by you and your Employer; and,
 - (b) the date of birth of the child, and ending with the earlier of:
 - i) the elected date of your return to active full-time work, mutually agreed to by you and your Employer; and;
 - ii) the actual date the member is again actively at work with the Employer;
 - (c) the parental leave mutually agreed to by you and your Employer.

Exclusions

A benefit is not paid for a total disability that is due to or results from:

- 1. the hostile action of any armed forces, insurrection or participation in any riot or civil commotion;
- 2. intentionally self-inflicted injuries or attempted suicide (while sane or insane);
- 3. commission or attempted commission of a criminal offence by you;
- 4. bodily injury sustained while doing any act or thing pertaining to any occupation or employment for wage or profit;
- 5. any cause for which indemnity or compensation is provided under any Workers' Compensation Act or similar legislation.

Taxation of Benefit

The long-term disability benefit is a taxable income to members.

v) Extended Health Care

If, while insured, you or your dependants incur any of the eligible expenses for medically necessary services or supplies in the treatment of an illness or injury, the benefit plan will pay a benefit, subject to limitations and exclusions. The amount payable is determined by using the insured percentage shown in the *Benefit summary*.

Maximum

The benefit plan carries both individual yearly or lifetime limits as well as an overall lifetime limit as specified in the *Benefit summary*. As outlined in the *Benefit summary*, up to \$1,000 may be reinvested annually in your lifetime coverage maximum.

Work-Related Injuries/Expenses

Expenses from worked-related injuries will be recoverable from the WCB when they involve payments first made through the extended health care plan.

Insured Percentages

The eligible expenses will be reimbursed in accordance with the percentages outlined in the *Benefit summary*.

Special rules apply to prescription drugs and charges for out-of-province hospital care as well as services available in Canada but not available your province of residence.

Eligible Expenses

The following is a list of the items currently eligible for payment under your benefit plan. Eligible expenses must be reasonable, customary, and recommended by a physician:

A. Services of a Physician

A benefit is payable for physicians' services which are medically necessary as a result of illness or injury, and which are provided out-of-province while you or an eligible dependant are travelling or on vacation. (Excludes any treatment rendered for cosmetic purposes.)

B. Dental Expenses

Dental treatment for the repair of damage resulting directly from an accidental injury to natural sound teeth, provided the treatment is rendered within six months of the accident and your coverage is still in force. Payment will be based on the amount for the least expensive procedure that will provide a professionally adequate result to a maximum of \$5,000 per accident.

C. Ambulance Services

Charges for emergency transportation to and from a hospital, provided the trip is in a professional ambulance, a scheduled airline, railroad, ship, boat or air ambulance to the nearest hospital qualified to provide the necessary treatment. Ambulance costs incurred as a result of a work-related accident will be reimbursed with no deductible if expense is not covered by the Workers' Compensation Board.

D. Medical Supplies, Aids, and Appliances

Charges for the following supplies, aids, and appliances when provided upon the recommendation or approval of the attending physician, or, if it is legal to do so, by the attending osteopath or podiatrist:

- 1. casts, bandages and surgical dressings;
- 2. radium or cobalt or radioactive isotopes;
- 3. blood or blood plasma;
- 4. rental for therapeutic use of wheelchairs, hospital beds, iron lungs, artificial kidney, oxygen or respiratory equipment, etc., replacement appliances are eligible once every five consecutive years which includes existing appliances that cannot be made serviceable;
- 5. surgical supplies;
- 6. diabetic supplies including glucometers (except for batteries); glucometers are limited to once every five consecutive calendar years;
- 7. drugs and supplies of a non-prescription nature required as a result of a colostomy or ileostomy and/or for the treatment of cystic fibrosis and Parkinsonism;
- 8. mastectomy bras to a maximum of four per calendar year;
- 9. wigs, subject to a lifetime maximum of \$300 for patients who have undergone chemotherapy treatment;
- 10. custom-made arch supports, if medically necessary, to a maximum of \$200 per insured per calendar year;
- support stockings up to four pairs to a maximum of \$100 per calendar year, a prescription showing the brand name and compression ratio is required;
- 12. custom moulded orthopedic shoes prescribed by an orthopedic surgeon for the proper management of unusual, congenital or post-traumatic foot problems; one pair per year to a maximum of \$400 per insured per calendar year;
- 13. hearing aids when prescribed by the attending certified ear, nose and throat specialist, the maximum benefit during a three-year period is \$2,000 per hearing aid and does not include payment for repairs and maintenance, batteries or recharging devices, or other such accessories;

- 14. aids and appliances, subject to prescribed limits, required on account of bodily injury to physical organs, or parts, such as eye glasses, contact lenses, hearing aids, dental appliances, splints, trusses, braces and crutches provided such injury is sustained in an accident occurring while the individual is insured;
- other surgical supplies, aids and appliances to replace lost physical organs or parts, or to aid in their functions when impaired;
- 16. purchase of TNS (transcutaneous nerve stimulator) machine upon written prescription by an attending physician.

E. Vision Care

Vision care is provided for the purchase of lenses and frames and contact lenses, when prescribed by a person legally qualified to make such prescription, to a maximum of \$400 per person in any 24 consecutive month period. For lenses and frames and/or contact lenses required as a result of cataract surgery, a maximum of \$400 within the 24-month period.

Dependant children under age 18 will be allowed prescription lenses, required as a result of a new prescription within the 24-month period.

For members and eligible dependants age 19 to 65: One eye examination per 24 consecutive months to a maximum \$50 per insured individual.

F. Drugs and Medication

Maximum: \$10,000 Annually

Plan members in British Columbia must register for the BC Fair Pharmacare Program. If proof of registration is not provided to the plan administrator, drug claims will be limited to \$1,000 per person per year. To register, call, toll-free, 1-800-387-4977.

The CMSG benefits program covers drug that require the written prescription of a physician and which are dispensed by a licensed pharmacist. Oral contraceptive drugs, injectables, allergy serum and inoculations are included.

Fertility drugs are covered subject to a combined lifetime maximum of 12 treatment cycles.

Nicorette gum/patches and other smoke cessation products are covered, subject to a lifetime maximum of \$250 per person.

G. Services of Paramedical Practitioners

The following expenses are covered when you receive services by a licensed, certified or registered technician to a maximum of \$200 (except chiropractor, physiotherapy, psychology and massage therapy) for each individual, each calendar year after the patient has received the maximum benefit payable under the provincial health plan:

- 1. osteopaths;
- 2. Christian Science healer:
- 3. naturopath services, excluding supplements;
- 4. podiatrist;
- 5. orthoptic technicians;
- 6. audiologists;
- 7. speech therapists;
- 8. occupational therapists;
- 9. inhalation therapists are covered when certified as medically necessary by the attending physician;
- 10. approved services of a clinical psychologist who is licensed, certified or registered, provided that if such services are for psychiatric testing they are rendered in conjunction with medically necessary psychotherapeutic treatment to a maximum \$1,000 per person per calendar year;
- 11. acupuncture by licensed physician or dentist, or other licensed, certified or registered technicians in an approved institution and when prescribed by a physician or dentist. If the service is wholly or partially provided under a hospital plan, any co-insurance factor or other charges to the individual including charges for outpatient services will be covered;
- 12. services by a chiropractor are limited to \$35 per visit and \$50 for X-rays to a maximum of \$500 per calendar year after provincial health plan benefits have been exhausted;
- 13. physiotherapy, excluding occupational or recreational, when certified as medically necessary will be reimbursed up to \$1,000 per calendar year with recommendation from your attending physician;
- 14. massage therapy will be reimbursed up to \$1,000 per calendar year with recommendation from your attending physician.

Treatment of mental or emotional disorders is not covered.

The user fee up to \$20 not covered by the Medical Services Plan of British Columbia is an eligible plan expense and will be applied to the applicable practitioner's yearly maximum.

No payment will be made for duplication of services.

H. Private Duty Nursing

Services of a registered nurse or registered nursing assistant are provided in the covered person's home. Services must be certified in writing as medically necessary by an attending physician. The attending physician's written authorization for nursing services must be submitted to the plan administrator for prior approval. When the services are required for more than 30 days, an updated authorization form must be submitted to the plan administrator on a monthly basis. Payment for nursing care services is limited to a lifetime maximum of \$10,000.

I. Hospital Expenses

Maximum: \$10,000 Lifetime

Hospital coverage includes the following:

- 1. standard charges for semi-private or private accommodation including any daily hospital co-insurance charge in your province of residence;
- 2. hospital expenses to cover the treatment of alcoholism in a residential treatment centre approved by the province of British Columbia for a maximum of 28 days at the usual and customary charge by such centre
- 3. reasonable charges necessarily incurred for confinement in a chronic care facility provided such confinement has been recommended by a physician, is medically necessary and the patient has a limited potential for rehabilitation. Such confinement must not have as its primary objective to provide 24-hour medical and professional nursing supervision for a person who has reached the apparent limit of his recovery;
- 4. standard charges for semi-private or private accommodation including any daily hospital co-insurance charge for out-of-province emergency hospital treatment within Canada;
- 5. 80 per cent of the cost of hospital treatment outside your province of residence, provided the services are not available in your home province and when referred by your attending physician;
- 6. the differential for semi-private or private room accommodation, including any daily hospital coinsurance charge, will be covered in extended care units of acute care general hospitals.

Note: the term *private accommodation* refers to a private single room.

Extension of Benefits while Disabled

If an insured individual is disabled and on the date of termination of his insurance requires the personal attendance of a licensed physician, he/she will be entitled to the same benefit to which he would have been entitled before the termination provided:

- 1. in the case of an individual who is not totally disabled, only expenses resulting solely from the disability and which were incurred within three months of the date of termination of insurance will be considered:
- 2. in the case of an Employee who is totally disabled, only expenses resulting solely from the disability that were incurred within 12 months of the date of termination of insurance will be considered;
- 3. in the case of an individual who incurs expenses in connection with an extra-uterine pregnancy or pregnancy that existed prior to termination of insurance involving an intra-abdominal surgical procedure within nine months of the date of termination of insurance, only expenses incurred within 12 months of the date of termination of insurance will be considered.

Co-ordination of Benefits

If you or any of your dependants are insured for similar benefits under any other group plan, payments under this plan may be limited to the extent necessary to limit reimbursement from all group plans to 100 per cent of eligible expenses.

Limitations and Exclusions

No benefits are payable for any of the following charges:

- 1. charges for which an individual obtains or is entitled to obtain benefits under the terms of any government plan or for which no actual charge is made;
- 2. any service or supply for which the charge is incurred previous to the effective date of coverage;
- 3. those charges incurred on account of pregnancy, childbirth or miscarriage or any complications thereof, when incurred after the date of termination of insurance, except as indicated under *Extension of benefits*;
- 4. those charges due to intentionally self-inflicted sickness or injury while sane or insane, insurrection or war, whether war be declared or not, any act incident thereto, or participation in any riot;
- 5. charges in connection with general health examination or any service provided by telephone;
- 6. charges that are not reasonable, including those charges which are in excess of those which would have been made in the absence of insurance under this plan;

- 7. charges by any person who is a member of the immediate family of the insured individual or who ordinarily resides in the insured individual's home;
- 8. any charge excluded in the group policy; and
- 9. any charge for service, treatment or supplies for which there would be no charge except for the existence of insurance

vi) Dental Care

If, while insured, you or your dependants incur any of the eligible expenses listed below, the benefit plan will pay a benefit subject to limitations and exclusions. The amount payable is determined using the insured percentages shown in the *Benefit summary* and based on the lower of the actual charge or the amount in the fee guide for general practitioners of the College of Dental Surgeons of British Columbia. An additional 10 per cent of the general practitioners fee guide is eligible for services rendered by a specialist.

It is important to ask your dentist if the plan payment will cover the entire cost of your treatment. Your dentist's charges for services rendered may be different from the plan payment. Fees greater than the plan's payment will be your responsibility.

Eligible Expenses

The present dental care plan coverage is comprised of the following:

- Plan "A" Basic services;
- Plan "B" Prosthetic appliances and crown and bridge procedures;
- Plan "C" Orthodontics.

Plan "A"

Basic Services

Members and insured dependants are entitled to the following dental services when performed by a dentist.

Diagnostic Services

The basic procedures necessary to help evaluate existing conditions and determine the required dental treatment including:

- oral examinations, once in any six-month period. Complete oral examinations will be covered once in any three-year period;
- X-rays, limited to the equivalent of one full-mouth series per year. Complete mouth X-rays will be covered once in any three-year period; and
- consultations (as a separate appointment).

Preventive Services

The basic procedures necessary to prevent the occurrence of oral disease including:

- polishing and topical application of fluoride and other anti-cariogenic substances once in any sixmonth period;
- initial provision and installation of space maintainers; and
- diagnostic casts or study models.

Surgical Services

The basic procedures necessary for extractions and other basic surgical procedures normally performed by a dentist.

Restorative Services

Those basic procedures necessary for initially filling teeth with amalgam, silicate, acrylic or composite restorations and stainless steel crowns.

Replacement of amalgam, silicate, acrylic or composite restorations, provided that, unless an additional tooth surface is involved, a continuous period of at least 12 consecutive months has elapsed since the last date on which the restoration was provided or replaced for the individual by any person.

Pit and fissure sealants for children up to the age of 18.

Prosthetic Repairs

Those basic procedures required to repair or re-line fixed or removable appliances. Repairs to complete upper and/or lower dentures may be performed by either a licensed dentist or a duly licensed dental mechanic.

Endodontics

Those basic procedures necessary for pulpal therapy and root canal therapy. Root canal therapy will be limited to once per tooth per lifetime of patient.

Periodontics

Those basic procedures necessary for the treatment of tissues supporting the teeth including:

- scaling/root planing to a combined maximum of eight units of time every calendar year; and
- occlusal equilibration to a maximum of four units of time every calendar year.

The plan does not pay for duplicate, incomplete or unsuccessful procedures. Any fees in excess of the fee schedule are your responsibility.

Anaesthesia

Covered expense when given in conjunction with dental surgery only.

The percentage of payment for services under *Plan "A"* is outlined in the *Benefit summary*.

Plan "B": Prosthetic Appliances and Crown and Bridge Procedures

Benefits shall be payable for the following:

- 1. initial provision of crown (other than stainless steel crowns), metal inlays or onlays, if the tooth is broken down by decay or traumatic injury so that the tooth structure cannot be restored with an amalgam, silicate, acrylic or composite restoration;
- 2. replacement of crowns, other than stainless steel, if a five-year period has elapsed since the last date on which the crown was provided;
- 3. initial installation of full dentures, partial dentures, or fixed bridgework;
- 4. replacement or addition of teeth to existing full or partial dentures or fixed bridgework provided the existing denture or fixed bridgework was installed at least five years prior to its replacement and cannot be made serviceable; and
- 5. implants and implantology.

The percentage of payment for services under *Plan* "B" will be as outlined in the *Benefit summary* and in accordance with the schedule of fees. Any fees in excess of the fee schedule are your responsibility.

The combined maximum for *Plan* "A" and *Plan* "B" per calendar year per individual family member is identified in the *Benefit summary*.

PLAN "C": Orthodontics

Orthodontic services as listed in the fee guide of the College of Dental Surgeons of British Columbia. Lost, broken or stolen appliances will not be replaced.

The maximum lifetime benefit is the amount stated in the *Benefit summary*.

The percentage of payment for services under *Plan* "C" is outlined in the *Benefit summary*.

Any fees in excess of the fee guide are your responsibility.

A letter from your doctor may be required before any orthodontic expenses are reimbursed.

Services not Covered

No amount shall be payable under this benefit for charges:

- in connection with general health examinations;
- which an individual is entitled under any government plan;
- for benefit which an individual is entitled to obtain without charge;
- for injuries resulting from any act related to war, insurrection or participation in a riot;
- which are not medically necessary;
- incurred as a result of any dental disease, defect or injury arising out of or in the course of any employment of an insured individual; and/or
- for education or training in, and supplies used for dietary or nutritional counselling, personal oral hygiene or dental plaque control.

Emergency Dental care anywhere in the World

If you require emergency dental care while travelling or on vacation outside British Columbia, you are entitled to the services of a duly qualified dentist and will be reimbursed up to the amount that would have been paid had the services been rendered in British Columbia.

Pre-Determination

If the expected cost exceeds the pre-determination limit shown in the *Benefit summary*, send the dentist's proposed treatment plan (completed dental claim form) to the administrator before treatment commences. The administrator will advise you of the amount payable for the treatment, taking into account possible alternate procedures or courses of treatment based on accepted dental practice. This will make you aware of the amounts payable before the dental work is done.

Co-ordination of Benefits

If you or any of your dependants are insured for similar benefits under any other group plan, payments under this plan may be limited, but only to the extent necessary to limit reimbursement from all group plans to 100 per cent of eligible expenses.

Benefit after Provision Termination

If a procedure is performed after this provision terminates, a benefit is payable as if this provision had not terminated for the repair of damage to natural teeth resulting from an accidental blow to the mouth, provided:

- the accident occurred while the person was insured and this provision was in force; and
- the procedure is performed within six months after the date of the accident.

Limitations

No payment is made for:

- dental services payable in whole or in part under any legislation, except to the extent that it permits excess payment; or
- any portion of the charge over the usual, customary and reasonable charge of the least expensive alternate service or material consistent with adequate dental services when such alternate service or material is customarily provided.

Exclusions

No benefits are payable for any of the following charges:

- 1. dental services provided primarily for cosmetic purposes;
- 2. charges for dentures lost, misplaced or stolen;
- 3. charges for appointments not kept or completion of claim forms;
- 4. expenses related to services or supplies of the type normally intended for sport or home use, such as, but not limited to, mouthguards;
- 5. charges for services or supplies rendered for full mouth reconstructions, vertical dimension corrections, correction to temporomandibular joint dysfunction (TMJ), or for the purpose of splinting;
- 6. charges by any person who is a member of the immediate family of the insured individual or who ordinarily resides in the insured individual's home:
- 7. any charges for service treatment or supplies for which there would be no charge except for the existence of insurance;
- 8. charges for dental services due to or resulting from:
 - a) the hostile action of any armed forces, insurrection or participation in a riot or civil commotion;
 - b) any cause for which indemnity or compensation is provided under any Workers' Compensation Act, Criminal Injuries Compensation Act or similar legislation, or;
 - c) commission or attempted commission of a criminal offence by the insured person.

vii) Out-of-Country Coverage

This coverage protects members and their eligible dependants against the wide variety of expenses while travelling outside your province of residence, anywhere in the world. As long as you and/or your dependants are Canadian residents and your extended health care insurance with the CMSG Western Branch benefit plan is in effect, you will be protected by the Global Excel travel assistance program.

Dependants include your spouse, under age 75, as well as your dependant children who are dependent upon you for support and are under 21 years of age. Dependant children who are pursuing education at a university or college may continue to be covered from ages 21 to 25, provided they are attending a school located in Canada.

Travel Period Limitation

Coverage for any trips outside of the country is limited to a 60-day per trip maximum. Coverage beyond 60 days is not provided by this plan. Individuals should make their own arrangements for travel coverage extending beyond the 60-day maximum.

Travel Pan

The Global Excel plan is arranged through ETFS Incorporated by Coughlin & Associates Ltd., the plan administrator.

Certificate

A Global Excel card is issued to each member. This card bears no termination date, however, should your coverage terminate at any time, the card will be null and void.

24-Hour Access

The coverages are provided twenty-four (24) hours a day and seven (7) days a week. In case of emergency, the worldwide Global Excel network may be called so that the hospital or attending physician may confirm that insurance coverage is in force and make any necessary arrangements.

Eligible Expenses

If you or your dependants incur an eligible expense, the insurer will reimburse the following expenses, subject to the provisions and limitations of the policy:

NOTE: The following is for summary information purposes. For complete details, see the Global Excel brochure.

A. Hospital Expenses

- 1. reasonable and customary hospital, room and board charges, up to and including the semi-private accommodation level, subject to a maximum duration of 365 days per person.
- 2. reasonable and customary hospital charges for out-patient services when medically required.

B. Services of a Physician

Reasonable and customary fees for medical care and treatment or surgical procedures performed by a legally qualified physician or surgeon.

C. Services of Private Duty Nurse

On the recommendation of an attending physician, the services of a private duty nurse required as a result of the emergency during hospitalisation to a maximum of \$5,000 per accident or sickness.

D. Emergency Dental Treatment Benefit

Expenses of a legally qualified dentist or dental surgeon for loss resulting from injury to natural teeth, including replacements of such teeth provided the injury was caused by an external accidental blow to the mouth or face. Treatment must be completed prior to your return to your province of residence subject to a maximum of \$2,000 for any one accident.

E. Drugs and Medication

Charges for drugs, medicines, serums and vaccines, obtainable only upon a written prescription and dispensed by a pharmacist, physician or surgeon, but excluding any charges made for the administration of injectable drugs, serums and vaccines subject to a dispensing maximum of 30-day supply.

F. Ambulance Service

Expenses for a licensed ambulance service to the nearest qualified medical facility.

G. Medical Supplies, Aids and Appliances

Casts, splints, crutches, trusses or braces (except dental braces) walkers and/or temporary rental of a wheelchair, when prescribed by a licensed physician.

H. Paramedical Services

Expenses for the services of any of the following licensed practitioners to a maximum of \$250 per specialty per calendar year:

- chiropractor;
- osteopath;
- podiatrist;
- physiotherapist.

I. Return of Deceased

In the event of death, the insurer will reimburse the insured person up to \$5,000 for the cost of preparation and homeward transportation of remains to his/her point of departure. The policy provides up to \$2,500 for burial or cremation at the place of death, excluding casket or urn.

J. Return of Vehicle Benefit

If, as a result of injury or sickness, the insured person has become totally disabled and is unable to continue the trip by driving the motorized vehicle used as a conveyance during such trip, the insurer will pay, up to a maximum amount of \$5,000, the expenses incurred for the return of such vehicle by a commercial agency to the insured person's normal place of residence or the rental agency.

K. Diagnostic Services

Laboratory tests and X-rays prescribed by the attending physician that are part of the emergency. This policy does not cover magnetic resonance imaging (MRI), cardiac catheterization, computerized axial tomography (CAT) scans, sonograms or ultrasounds and biopsies unless such services are authorized in advance by Global Excel.

L. After Hospital Convalescence

You are covered for after hospitalisation medical care until Global Excel determines that you are able to resume your trip, or you are deemed stable by Global Excel and eligible for repatriation.

M. Emergency Air Transportation

- 1. Air ambulance to the nearest appropriate medical facility or to a Canadian hospital for immediate medical attention.
- 2. Transport on a licensed airline with an attendant (where required) for emergency return to your province or territory of residence for immediate medical attention.

N. Transportation to Bedside

Transportation of one of the following by single roundtrip economy airfare from Canada and up to \$150 per policy, per day to a maximum of \$3,000 to be with you if you have been travelling and are confined to a hospital for at least three days: spouse, parent, child, brother, sister or business partner.

O. Return of Travelling Companion

The insurer will reimburse the cost of a single one way economy airfare for a travelling companion to return to Canada under the return of deceased Emergency Air Transportation provision.

P. Return to Trip Destination

If you are returned to your province or territory of residence under the Emergency Air Transportation benefit, the insurer will reimburse the cost of a single one way economy airfare for you to be returned to your trip destination, when approved in advance by the Medical Director of Global Excel and provided that your attending physician determines that you require no further treatment for your emergency.

Q. Meals and Accommodations

Up to \$150 per policy, per day to a maximum of \$3,000 for the cost of commercial accommodations and meals when your trip is delayed beyond your last day of coverage due to an illness or injury suffered by you or another person covered under this policy. Original receipts are required. This benefit must be authorized in advance by Global Excel.

R. Incidental Expenses

Up to \$250 per policy will be reimbursed for your out-of-pocket expenses such as telephone charges, television and parking while you are hospitalised for a covered medical emergency.

S. Private Hospital Accommodations

Room and board charges up to the private room rate charged by the hospital. If medically required, expenses for treatment in an intensive or coronary care unit are also covered. If coverage expires during your hospital stay, benefits continue until discharge, to a maximum of one year.

T. Lost Medication Prescriptions

The replacement of an existing prescription for medication in the event of loss, to a maximum of \$100.

U. Trip Interruption

The cost of a one-way economy airfare to return to your province or territory of residence or the fees charged to change your ticket (whichever is less) and reimbursement of the non-refundable portion of unused land arrangements, to a maximum of \$500 in the event of:

- 1. unexpected illness, injury or death of your immediate family member, business partner, key Employee or travelling companion, or
- 2. a disaster which renders your principal residence uninhabitable, or
- 3. hospitalisation of the person caring for your dependants necessitating an early or delayed return, provided no evidence of said events was made apparent in the 90 days preceding your trip.

V. Incidental Business Expenses

Up to \$250 will be reimbursed for your out-of-pocket expenses for the temporary use or rental of a computer or portable phone in the event of theft. Original receipts and police report or statement are required.

W. Flight Accident Insurance

Death or dismemberment as a result of injury sustained during the trip while you are travelling as a passenger, not as a pilot or crew member, aboard a fixed wing multi-engine transport aircraft with an authorized takeoff weight greater than 35,000 lbs. (15,900 kg) operated between licensed airports by a scheduled or charter airline.

Aggregate Limit of Liability

An aggregate limit of \$5 million per insured for accident or sickness will be paid.

Exclusions

This insurance does not cover expenses resulting from any of the following:

- 1. any expenses payable or reimbursable under a private or government insurance plan;
- 2. any travel booked or commenced contrary to medical advice or after receipt of a terminal prognosis;
- 3. cardiac catheterisation, angioplasty, and/or cardiovascular surgery including any associated diagnostic test(s) or charges unless approved by Global Excel prior to being performed, except in extreme circumstances where such surgery is performed on an emergency basis immediately upon admission to a hospital;
- 4. treatment, surgery or medication that is not required for the immediate relief of acute pain or suffering or that you elect to have provided outside Canada when medical evidence indicates that you could return to Canada to receive such treatment;
- 5. treatment or surgery when the trip is undertaken for the purpose of medical or hospital services;
- 6. hospitalisation or services rendered in connection with general health examinations for "check-up" purposes, treatment of an ongoing condition, regular care or a chronic condition, home health care, investigative testing, rehabilitation or ongoing care or treatment in connection with drugs, alcohol or any other substance abuse or non-compliance with any prescribed medical therapy or treatment;
- 7. upgrading charges and cancellation penalties for airline tickets, unless approved in advance by Global Excel;
- 8. loss or damage to eyeglasses, contact lenses, prosthetic devices or hearing aids;
- 9. the failure (or fear of failure) or inability of any equipment or computer program to recognize or correctly interpret or process any date as its true calendar date, or to continue to function correctly beyond that date;
- 10. emergency air transportation and/or car rental not approved in advance by Global Excel;
- 11. crowns and root canals;
- 12. the replacement of an existing prescription whether by reason of renewal or inadequate supply except to the extent set forth in Benefit "T" or the purchase of drugs and medication (including vitamins) commonly available without a prescription or which are not legally registered and approved in Canada or which are not required as a result of a medical emergency;
- 13. participation in professional sports, motorized or mechanically assisted racing or speed contests;
- 14. mental, psychological or emotional disorders, unless hospitalised;
- 15. treatment not performed by or under the supervision of a licensed physician or dentist;
- 16. treatment of hospital confinement of mother or child(ren) as a result of pregnancy, miscarriage, childbirth or complications of any of these conditions occurring in the nine weeks before and/or after the expected delivery date;
- 17. war, whether declared or undeclared, riot or civil disorder, rebellion, revolution, hijacking or terrorism, and service in the armed forces;
- 18. committing or attempting to commit a legally negligent act, criminal offence, suicide, attempted suicide or self-inflicted injury, whether sane or insane;
- 19. expenses incurred as the result of the abuse of medication, drugs, alcohol or other toxic substances;
- 20. expenses incurred in your province of residence, or in a province where you attend school on a full-time basis, or in your home country if you are a foreign student studying in Canada, or a non-resident working in Canada.

General Provisions

Written notice of injury or sickness on which claim may be based must be given to the insurer within 30 days after the date of the accident causing such injury or sickness.

In case of claim for loss, written proof of such loss must be furnished to the insurer within 90 days after the date of such loss. Failure to furnish such proof within such time shall not invalidate nor reduce any claim, if it shall be shown not to have been reasonably possible to furnish such proof during such time and that

such proof was furnished as soon as was reasonably possible. In no event will a claim be considered later than one year after the date of the accident.

How to Make a Claim

When you have a claim, please obtain the necessary forms from your Employer, the Guild or the plan administrator. All completed claim forms must be forwarded to the plan administrator:

Coughlin & Associates Ltd. (Logo) P.O. Box 3517 Station C Ottawa, Ontario K1Y 4H5

Telephone: (613) 231-2266 Fax: (613) 231-2345

Toll Free: 1-888-613-1234

E-mail: WEBMASTER@coughlin.ca

It is only reasonable for you to expect prompt payment of claims when they arise. The administrator wants to provide prompt service but needs your help. Make sure that all the information is complete and that all questions have been answered. It is important that you identify that you are a member of the CMSG Western Branch benefit plan.

Following are the claims procedures for the various benefits:

Life Insurance

f you or one of your dependants dies, a claim form should be completed as soon as reasonably possible. Contact the administrator for the necessary forms.

If you become totally disabled, a claim for waiver of premium from the trust fund must be made not later than 12 months after you stopped being "actively at work" and not earlier than six months.

Accidental Death and Dismemberment

In the event of a claim, notice of claim must be given to ACE INA Insurance within 30 days from the date of accident and subsequent proof-of-claim within 90 days from the date of the accident. Contact the administrator for the necessary forms.

Weekly Indemnity

If you become totally disabled, a claim must be made immediately and not later than 60 days after the commencement of your total disability. It is important that you promptly report to your Employer any disability that may result in a weekly indemnity claim in order that the appropriate form can be completed. The claim form must be completed in the following order:

- 1. the officer completes the member's portion;
- 2. the Employer completes the Employer's portion;
- 3. the doctor completes the attending physician's portion of the form before it is submitted for assessment.

Any fees charged by the attending physician for the completion of forms will be covered by the benefit plan.

Long-Term Disability

If you become totally disabled, notify Sun Life of your condition at least 30 days before the end of your elimination period. A formal claim must be made not later than 90 days after you complete the 52-week elimination period

While you are receiving the short-term disability benefit (WI) leading up to the long-term disability benefit, the insurer, Sun Life, will forward the necessary forms to be completed long enough in advance so that no interruption in payment results.

Extended Health Care

When you or any of your registered dependants have accumulated eligible expenses in excess of the required deductible, obtain a claim form from your Employer, the Guild or the administrator.

Please submit the original bills and/or receipts no later than 24 months after the date the expense was incurred to substantiate the claim. Be sure that the receipts are itemized on the claim form, i.e. sufficient information should be included to identify the insured person, the date each expense was incurred and the type of service provided.

A completed claim form, together with all the bills and/or receipts, should be sent to the administrator.

Dental Care

When you or a member of your family receive a bill for eligible dental services, ask your dentist to provide a completed claim form with sufficient details so that the claim can be processed for payment. A separate claim must be completed for each eligible dependant who has received dental care services.

Mail or fax the completed claim form to the administrator. Be sure to include the name of the dentist, the name of the person receiving the dental care, the date of birth, the group policy number, your personal identification number and your home address.

The administrator will send you a cheque as soon as the claim is processed.

Alternatively, at the member's request, assignment of benefits to the dentist can be made.

Note:

Claims should be submitted as soon as possible after the dental treatment has been completed. No action may be brought against the plan for any claim unless presented to the plan administrator within 60 days of treatment completion date.

Our EDI Service

Coughlin & Associates Ltd. can process your dental claim using our new electronic data interchange (EDI) claims processing service.

With EDI, your dental claim can be sent directly from your dental office to our claims department for adjudication.

Our EDI service uses the secure data networks of Emergis, the dedicated claims processing network sponsored by the Canadian Dental Association. With Emergis, you can be assured that the information contained in your dental claim will be transmitted to Coughlin & Associates Ltd. quickly, safely and confidentially right from your dentist's office.

To take advantage of Coughlin's EDI service, just tell your dentist that Coughlin & Associates Ltd. is your claims administrator and present him/her with the following security codes:

- the Coughlin & Associates Ltd. Emergis identification number (also known as the BIN number), which is **610105**;
- your unique Employee identification; and
- the policy number of your group benefit plan.

Your human resources department or plan administrator will be able to provide you with your Employee identification and group benefit plan policy numbers.

Out-of-Country Coverage

Should a claim arise, written notice of any loss, damage, injury, expenses or payments shall be given to the Company within 30 days. The insured must provide proof of loss within 90 days.

All claims and enquiries should be directed to the plan administrator:

5. Contract/Policy Numbers

Benefits	Insurers	Policy Nos.
Life, LTD	Sun Life	50750
WI	Self-insured/Sun Life	25105
AD&D	ACE INA	ABT 102077
EHC, dental,	Self-insured	CMSG 9006
Out-of-Country	Global Excel	

<excerpt from>

Canada Shipping Act Crewing Regulations Division 2

Hours Of Rest

Application

- 12. This Division does not apply in respect of
 - (a) pleasure craft; or
- (b) fishing vessels of less than 100 tons. SOR/2002-151, s. 25.

General

- 13. (1) The master of a ship or, in the case of a MODU to which Division 6 applies, the offshore installation manager shall ensure that the complement on board is sufficient in number and organized efficiently in a watchkeeping system and work system that meet the requirements of these Regulations.
- (2) The master of a ship or, in the case of a MODU to which Division 6 applies, the offshore installation manager shall ensure that the master or offshore installation manager and each member of the complement have
 - (a) a period of rest of not less than six consecutive hours in every 24-hour period; and
 - (b) at least 16 hours of rest in every 48-hour period.
- (3) Not more than 18 hours and not less than six hours shall elapse between the end of a period of rest and the beginning of the next period of rest.

Prior Employment

 $\underline{14.}$ Where a person employed on a ship was, immediately prior to that employment, employed by the same employer in any capacity on a ship or on shore, the last day of the prior employment shall be counted as employment on the ship for the purposes of section 13.

Emergency Duty

15. Where a member of the complement is, during the member's period of rest, required to attend to an emergency or participate in an emergency drill, the time so spent shall be counted as part of the period of rest for the purposes of section 13.

COLLECTIVE AGREEMENT

ISLAND TUG and BARGE LTD.



Canadian Merchant Service Guild

Western Branch #310 — 218 Blue Mountain Street Coquitlam, BC V3K 4H2

Tel: 604 . 939 . 8990 Email: cmsgwb@cmsg.org Fax: 604 . 939 . 8950

Website: www.cmsg-gmmc.ca