

COLLECTIVE AGREEMENT

COPY

BETWEEN

JUN -2 2009

McKEIL SHIPS LIMITED
(hereinafter "the Company")

AND

SEAFARERS INTERNATIONAL UNION OF CANADA
(hereinafter "the Union")

Effective January 10, 2009 to January 9, 2011

14011 (01)

ARTICLE I GENERAL PURPOSE OF THIS AGREEMENT

1.01 The general purpose of this Collective Agreement is, in the mutual interest of the Company and the employees it covers, to provide *for the* most reasonable *operation* of the Kathryn Spirit under *methods* which will further, to the fullest extent possible, the safety and welfare of the said employees and economy of operation as well as protect the Company's property

Consequently, the Union and the employees recognise the right conferred upon the Company to manage the employees who constitute the Kathryn Spirit's crew according to their qualifications, their experience, their ~~skills~~ and their desire to contribute, as a loyal member of the vessel's crew, to its daily operation and ~~efficiency~~ in executing all the necessary duties in this regard. By this Collective Agreement, the Union, the Company and the employees recognise that it is their duty to fully cooperate, individually and collectively in order to ~~promote~~ ease of application of these conditions and in order to attain the objectives set out herein-above.

1.02 The Company will provide the Union with the names of its two (2) ~~representatives~~ with whom the Union may communicate regarding the application of the Collective Agreement. Company representatives may be contacted or met individually or together by the Union to discuss any matter relating to the Collective Agreement or any other matter of ~~mutual~~ interest.

ARTICLE 2. RECOGNITION AND DEFINITION *

2.01 Pursuant to the issuance of certification order no. 9393-U by the Canada Industrial Relations Board, the Company recognises the Union as the sole and exclusive representative for the purpose of collective bargaining for the unlicensed personnel employed by the Company on the vessel Kathryn Spirit.

2.02 Employees subject to Article 2.01 are referred to in this collective agreement as "employees" of "employee".

2.03 For the purpose of this collective agreement:

a) "Permanent Employee" shall mean an employee who has completed the probationary period such as defined in 9.05 and whose name is registered on the seniority list, according to the provisions of Article 9;

b) "Relief Employee" shall mean an employee who can be hired to fill a position that has been left temporarily vacant by a permanent employee due to illness, occupational accident, scheduled leave without pay or other reasons;

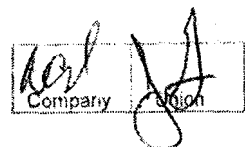
c) "Probationary Employee" shall mean an employee expressly hired for the purpose of becoming a permanent employee when the Company must fill a vacant or newly created position and who has not completed the probationary period as defined in 9.05;

d) "Temporary Employee" shall mean an employee hired on a temporary basis to fill the operational needs of a vessel:

e) "Person dispatched" shall mean a person dispatched by the Union and who had previously been duly approved by the Company to fill a position on a vessel;

f) "Candidate" shall mean a person proposed by the Union, who has not been approved by the Company, to fill a position on a vessel.

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ARTICLE 3. CLAUSE PARAMOUNT

3.01 The parties to this Agreement will not establish rules or enforce regulations which **will** in any way be contrary to or interfere with the effective implementation of all clauses in this Agreement.

ARTICLE 4. GOVERNMENT LAWS AND REGULATIONS

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

ARTICLE 5. MAINTENANCE OF MEMBERSHIP AND EMPLOYMENT

5.01 Any employee covered by this Agreement who is not a member of the Union shall, within thirty (30) days of employment, make application for membership and become a member of the Union

5.02 The Company agrees to maintain in its employ only members of the Union in good standing. "Member in Good Standing" designates a member who has paid his periodic **dues**, assessments and initiation fees **uniformly** required to be paid by all members of the Union.

5.03 The Company shall not be required to discharge any **employee** under 5.01 and 5.02 above unless and until a replacement found to be satisfactory is available, subject to the Company's determination and the grievance procedure.

5.04 The Company agrees to deduct initiation fees and/or monthly Union dues and/or any other assessments in respect to all employees covered by this Agreement in the amounts as established by the Union.

All amounts deducted by the Company in compliance with 5.04 shall be remitted to Union Headquarters in Montreal, Quebec, no later than the 15th day of each month following the hiring of the **employee(s)** concerned.

Should the Company fail to remit the amounts mentioned in 5.04 within the delay provided for herein it shall be liable to a penalty of fifty dollars (\$50.00) per day for each day of delay **until** such time as deductions or contributions are remitted. The **postmark** on the envelope shall be used to determine the date provided there is **no interruption** in postal services,

5.05 The Company agrees that during the period this Agreement is in effect, at the option of the Company, personnel may **be** hired through the **offices** of the Union and closest **to** the location of the vessel for which the **request** is made. If **required**, the Union shall supply the name of the employee along with copies of relevant discharge book entries, certificates of competency along with a copy of the applicant's passport to be dispatched as **soon** as such name is **determined** to the person having made such a request.

5.06 The Union undertakes to maintain and operate its hiring facilities in accordance with the following schedule:

a) The hiring **halls** shall be open from 09:00 hrs. to 17:00 hrs Monday through Friday.

b) Hiring services **shall** be conducted at all halls in accordance with the above stated hours, **Monday** through Friday.



The image shows two handwritten signatures in black ink. Below the signatures are two rectangular stamps. The left stamp contains the word "Company" and the right stamp contains the word "Union".

c) Telephone numbers of Union officials in each port shall be furnished to the Company in case of emergency ~~calls~~ for employment.

d) Whenever the hiring halls are closed, a telephone answering service shall be available to handle all incoming calls.

e) The Union hiring facilities shall be closed on all statutory holidays specified in article 12 and on all other Federal and/or Provincial statutory holidays. Where such statutory holidays fall on a Saturday or Sunday, the Union Hiring Halls shall be closed on the following Monday or on the next juridical day should the following Monday be a statutory holiday.

5.06 The Union undertakes to cooperate fully with the ship's officers and management of the Company in order to fill any occurring vacancies with qualified, reliable and sober employees as quickly as possible.

5.07 **Prior** to dispatching any personnel to the Kathryn Spirit, the Union or the person in charge of the hiring hall shall supply the Company with the complete identity as well as the tickets, certificates, endorsements, medical cards and other pertinent information necessary to enable the Company to contact these employees.

The Company shall confirm as soon as possible its acceptance of the employee(s) referred by the Union or, if the case arises, shall inform the Union of its refusal of the candidate(s). In such event, the Union shall provide the Company with the name of other candidates up until the Company has made its choice. Refusal of a candidate shall not give rise to a grievance and the candidate retained will be subject to the probationary period provided for in 9.05 if it is a permanent position being filled.

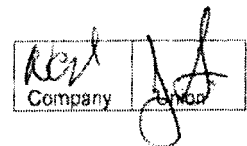
Relief employees and temporary employees as defined in 2.03, shall not be considered probationary employees and can be dismissed at any time, without recourse by them or by the Union including the grievance procedure.

5.08 Each employee and each person dispatched must, at the moment of hiring, present their dispatch slip, if available, as well as their discharge book, tickets, certificates, endorsements, medical cards and all other documents necessary to their employment required by the Company, to the Captain and/or the Chief-Engineer.

In the event a dispatched employee is refused for employment upon arriving at the vessel, and that the said refusal is as a result of an error by the Company in placing a call for a replacement, the member shall be reimbursed all transportation costs to and from the vessel and living expenses in accordance with articles 16 and 17 as long as they are supported by the receipts described in 16.05. The employee shall also receive one day's basic pay less the expenses reimbursed in accordance with 16.08.

5.09 The right of any employee to employment with the Company shall be conditional upon the employee having successfully passed the health examinations required by the Company. These health examinations must be undergone every two (2) years at a medical clinic duly recognized by the Company or with a physician designated by the Company. In all circumstances, the recognized medical clinic of the designated physician must analyse the contents of the Company health forms previously completed by the physician selected by the employee applying for employment.

The right to employment of every employee within the Company is also conditional to the possession of a valid medical fitness certificate in accordance with Transport Canada standards, a certificate which will be at the employee's expense.



The costs of the medical examinations required by the Company (other than those required by Transport Canada) in order to obtain and maintain a valid medical examination certificate shall be paid by the Company or reimbursed to the employee upon presentation of supporting documents.

Notwithstanding the above paragraphs, passing the medical examinations and possessing a valid medical certificate in accordance with Transport Canada standards does not constitute a consent or an indisputable acceptance that the member's health state permits him to fill the tasks related to his job. Consequently, the Company may, at any time, cause the employee to be medically examined at the Company's expense and the right to have a job within the Company is conditional upon the results of that examination.

5.10 The Company may, at its complete discretion as it deems appropriate, without prejudice of precedent, hire personnel or candidates referred by the Union and who have a medical fitness certificate issued by a third party.

5.11 The Union agrees that the Company has the exclusive right to direct the crew, determine qualifications, hire, promote, transfer, lay off, suspend or discharge employees for just cause subject to the procedures governing the Disciplinary Code.

5.12 Employees must comply with all lawful orders from their superiors and refusal by any employee to work as directed may be grounds for the measures contained in the Disciplinary Code which may include dismissal.

5.13 Where an employee terminates his employment with the Company, he shall provide his superior with a minimum of forty-eight (48) hours written notice. Such notice shall be in duplicate so that the employee can retain a signed copy from his superior.

5.14 The forty-eight (48) hour notice described in 5.13 shall be waived where there has been a death or other emergency in the immediate family of the employee.



5.15 If the Company, the Captain or Chief Engineer decides to lay-off an employee, other than when the ship lays up, twenty-four (24) hours' written notice shall be given to the employee affected, stating thereon the reason for such lay-off.

5.16 It is recognized that, considering the nature of the maritime industry, employees are hired and called upon only when there is work available and that they may work for other employers when they are laid off by the Company. As a result, employees are regularly laid off and recalled to work in the normal course of employment.

Employees shall be given a seventy-two (72) hours advance notice to return to the vessel, except in exceptional circumstances. Should such circumstances occur, a relief employee shall be called upon to replace those employees who could not be reached on shorter notice.

Should the recall to work be given with less than seventy-two (72) hours notice, the employee may refuse to return to work without prejudice, but he will not be able to take advantage of his seniority privilege before the thirty (30) day period that follows,

Advance notice of recall to work shall be given by telephone, Should there be no answer, the Company shall immediately send a written letter or electronic correspondence, the employee must acknowledge receipt of said correspondence and confirm his return to work aboard the vessel within forty-eight (48) hours from the time the correspondence is sent.

 Company	 Union
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It shall be the responsibility of the employee to ensure the Company has the right address and the right telephone number.

5.17 As a condition of employment and maintenance of employment, an employee must be able to prove that his personal file does not include any restrictions preventing him from having access to any foreign port.

At all times, the Company may require that an employee provide a certificate of negativity issued by the Canadian Royal Mounted Police entitled "Canadian Police Certificate for Visa Applicants, Foreign Travel and Foreign Work Permits" or any similar certificate, the cost of such certificate being borne by the employee.

The employee undertakes to advise the Company of any situation which could restrict his access to a foreign port failing which he may be subject to disciplinary measures in accordance with the Disciplinary Code which may include discharge.

The Company will provide permanent employees, who are refused access to foreign ports, with an unpaid leave of absence for a maximum period of nine (9) months in order to obtain a certificate granting right of entry to these foreign ports.

5.18 The Company is not required to keep in its employ an employee whose personal file contains some restrictions denying him access to a foreign port.

All direct costs arising from an employee's failure to meet the necessary requirements so that he may have access to a foreign port will be at the employee's expense and will be deducted from the employee's pay. Direct costs include travel expenses incurred for the employee's return and for the employee's replacement as well as fees paid to agents or local authorities as a result of this situation

ARTICLE 6. GRIEVANCE PROCEDURE

6.01 Subject to the provisions of 5.11 and 9.05, any employee who is refused employment, discharged, suspended, laid-off or transferred from his employment has the right to file a grievance with the Company through the Union within five (5) days of its occurrence subject to the procedure outlined herein.

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

6.03 Upon receipt of the employee's grievance, the Ship's delegate shall assist in the grievance procedure. He shall not be subject to discipline for assisting the griever in the grievance procedure, provided such assistance does not interfere with the operating of the ship.

6.04 The Captain or Chief Engineer shall acknowledge receipt and reply to the grievance by completing and returning to the griever a duly completed Standard Grievance Form within five (5) days of receipt of the grievance.

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

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



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

6.08 The Union shall also have the right to submit a grievance in writing to the Company on behalf of all the Union members, or a group or category thereof within thirty (30) days of the occurrence giving rise to the grievance. In the instance mentioned above, the Company shall reply to the grievance as per clause 6.07 above.

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

6.10 The Company shall also have the right to submit a grievance in writing to the Union should the Union breach one or several provisions included in this Collective Agreement. The grievance shall be submitted in writing to the Union within thirty (30) days of the occurrence or knowledge of the occurrence giving rise to the grievance.

From the date of receipt of the grievance, the Union shall have thirty (30) days in which to reply in writing to the grievance.

Upon expiry of the time limit or within ten (10) days of the receipt of the reply, the Company may refer the grievance to arbitration by advising the Union in writing.

ARTICLE 7. ARBITRATION

7.01 Any grievance involving the interpretation or alleged violation of any provisions of this Agreement which has not been settled to the satisfaction of the Company and the Union by conference or negotiation, may be submitted to arbitration. Matters involving any request for a modification of this Agreement or which are not covered by this Agreement shall not be subject to arbitration.



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

7.03 In the event the arbitration board is vacated by reason of death, incapacity or resignation, or for any other reason, the provisions of 7.02 shall apply.

7.04 A statement of the dispute or question to be arbitrated shall be submitted by both parties, either Jointly or separately, to the arbitrator within fifteen (15) days of his appointment. The arbitration board shall convene within twenty (20) days following the appointment of the arbitrator unless otherwise mutually agreed by the parties, and the arbitrator shall render its decision as soon thereafter as possible.

7.05 The decision of the board shall be limited to the grievance or question contained in the statement or statements submitted to it by the parties. The decision of the arbitration board shall not change, add to, vary or disregard any conditions of this Agreement. The decisions of the arbitrator which are made under the authority of this Arbitration Article shall be final and binding upon the Company, the Union and all persons concerned.

7.06 The expenses, fees and costs of the arbitrator shall be shared 50%-50% by the Company and the Union.

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ARTICLE 8. UNION OFFICERS BOARDING VESSELS

8.01 The Company agrees to issue passes to a Union representative for the purpose of consulting with its members aboard vessels of ~~the~~ Company covered by this Agreement. Representatives of the Union shall be allowed on board vessels at principal loading and unloading ports as well as in the St-Lawrence and the Welland Canal. Such representatives shall have the right to engage in negotiation with the Company representative in respect of any dispute or grievance, but shall not have the right to interfere in any way with the operations of the vessel.

8.02 The Union agrees to submit to the Company the name and relevant particulars of the Union representatives authorized by the Union to act as its representatives provided that the Company issues a Pass to each such representative enabling him to board the Kathryn Spirit in port for the purpose herein provided. This authorization shall be conditional upon the Company receiving from the representative a waiver duly signed by the representative, and in a form satisfactory to the Company, of any claim for any damage resulting from any accident or injury in or about Company property. In the event ~~the~~ Union withdraws such privilege from the designated Union representative, the Union will undertake to notify the Company to revoke such pass.

8.03 The Union representative shall not violate any provision of this Collective Agreement or interfere with ~~the~~ Officers aboard the ship or retard the work of the vessels, subject to ~~penalty~~ of revocation of the Pass granted herein. Any such revocation shall be subject to the Grievance Procedure.

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

8.05 The Company grants the Union the use of the bulletin board for the posting of notices of Union meetings, elections, ~~election~~ results, appointments and social and recreational events or other legitimate Union business. The bulletin board shall not be used by the Union or its representatives for posting and distributing brochures of a political or advertising nature.

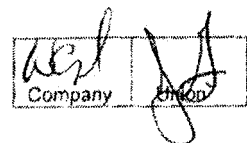
ARTICLE 9. SENIORITY

9.01 Subject to the provisions of 9.13, seniority shall mean ~~an~~ employee's length of ~~service~~ starting from the date of his hiring, that is the first day of the probationary period leading to his becoming a permanent employee, as it is defined in 9.05.

9.02 Seniority constitutes a principle which establishes preference to employees for the purposes of lay-offs, recalls, promotions, demotions, selection of watches and scheduled leaves without pay and transfers within departments when applying the provisions of 5.08.

9.03 For lay-offs, recalls, selection of watches and scheduling of scheduled leaves without pay, an ~~Employee's seniority and~~ the position held shall be the determining factors.

9.04 When applying the provisions of 5.08 for promotions, demotions, transfers within departments, the Company considers the requirements and the efficiency of the operations. Moreover, the Company takes into account the ability, the skills and the physical appropriateness of an employee to perform the normal work required. Furthermore, when ~~two~~ or more employees have evaluations comparatively equal, seniority shall be the determining factor.

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9.05 No probationary employee can be included on the permanent employee list of a vessel if he has not completed a one hundred and twenty (120) day probationary period worked in a same position for the Company. During or at the expiration of this period he can be dismissed without recourse, by himself or by the Union.

9.06 A seniority list shall be compiled by the Company and be revised at the end of each calendar year, this list must include the name and the position of ail permanent employees, the ship they are assigned to, the date of hiring which lead to the permanent status of each employee as determined in 9.01, and the last date of hiring as a permanent employee for the position filled covered by this collective agreement.

9.07 This list shall be forwarded to the Union annually within sixty (60) days of its completion

9.08 Seniority accumulates in the following instances:

a) days worked;

b) leaves granted and paid in accordance with article 35.01:

c) days not worked as a result of accident or occupational illness covered by Regulations concerning work-related accidents and professional illnesses and illnesses covered by the Contracted Group Insurance Plan for a maximum period of twenty-four (24) months.

9.09 Seniority shall be maintained but shall not accumulate in the following instances:

a) periods of lay-off during the navigation season;

b) periods of lay-off outside of the navigation season;

c) suspension imposed as per the disciplinary code.

d) an authorized absence for a maximum duration of twelve (12) months.

9.10 A permanent employee will lose his seniority and his name will be removed from the seniority list in the following cases:

a) dismissal;

b) resignation;

c) lay-off for more than twelve (12) months;

d) when the twenty-four (24) month period as per 9.08 c) is completed;

e) failure to rejoin the vessel in accordance with the provisions of 5.16.

f) failure to comply with the conditions provided in 5.17 and 5.18;

g) in accordance with the provisions of 9.12.

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9.11 It is agreed that all promotions as well as all transfers that are made on the basis of the seniority list are given for a ~~one~~ hundred and twenty (120) day probationary period of work. The purpose of this one hundred and twenty (120) day probationary period is to allow the Company a period of time to evaluate the ability of the permanent employee promoted to a higher position or transferred. If the employee remains assigned to this new position for more than the one hundred and twenty (120) day probationary period, he may keep this position and his name will ~~be~~ placed on the seniority list.

However, ~~if~~ the promotion given to an employee or ~~if~~ the transfer is not granted or if ~~the~~ employee refuses this new position during the probationary period, he has the right to return to his previous position. All employees hired to replace a newly promoted or transferred employee must be hired on a temporary basis until such time as the promotion or transfer is confirmed.

Subject to the provisions of 5.07, in the case of a temporary promotion or temporary transfer between departments due to illness or accident sustained by another permanent employee, the conditions herein above do not apply.

9.12 The Company shall encourage as much as possible the promotion of employees covered by this Collective Agreement to the positions of bridge officer or officer-engineer; such promotions shall not however infringe upon any of the provisions of ~~of~~ the Collective Agreements, if any, ~~in~~ effect between the Company and the Union representing the officers'.

A period of eighteen (18) consecutive months is granted to an employee to accept a bridge officer's position ~~or an officer-engineer's~~ position. If this *promotion* is not granted, he has *the* right to return to his *previous* position. All employees hired to replace this employee must be hired on a temporary basis until the time the promotion is granted. **However**, an employee or the employer may confirm ~~or~~ not the promoted position provided a 30-day notice is given.

However, effective on the date the promotion is accepted or the expiration of the eighteen (18) month period mentioned above, the employee will lose his seniority and his name will be removed from the seniority list.

9.13 A relief ~~employee~~ may ~~be~~ designated as a permanent employee by the Company should the position he holds become vacant, as long as he has the ability and the competencies to perform the duties, the whole being subject to the *following* provisions:

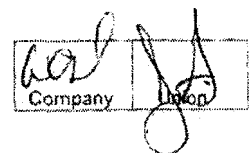
i) should the employee occupy this position for more than sixty (60) days of continuous work, the probationary ~~period~~ provided in 9.05 is reduced to ~~sixty~~ (60) days worked at this same position;

ii) should the employee hold this position for less than sixty-one (61) days ~~of~~ continuous work, ~~the~~ terms of 9.05 are then applicable.

Should this occur, seniority will accumulate as **of the first day** of hire that the employee occupied the position ~~allowing~~ him to obtain a permanent status on ~~the same vessel~~.

ARTICLE 10. VACATION PAY

10.01 An employee having accumulated less than ~~two~~ (2) full years of service with the Company shall receive vacation pay equal to four percent (4%) of his gross wages earned in accordance with 10.05.


Company Union

10.02 A permanent employee having accumulated ~~two~~ (2) years of service with the Company or up to and including five (5) full years of service shall receive vacation pay equal to five percent (5%) of his gross wages earned in accordance with 10.05.

10.03 A permanent employee having accumulated more than six (6) full years of service with the Company shall receive vacation pay equal to six percent (6%) of his gross wages earned in accordance with 10.05.

10.04 The Company agrees to pay to each employee all vacation pay that he has accumulated at the end of each pay period.

10.05 The Company agrees to recognize the seniority rights accumulated by Union members for vacation pay purposes if they are promoted to the bridge officers' or officer-engineers' bargaining unit.

10.06 For the purpose of Article 10 and for the purpose of all provisions of this collective agreement referring to the terms "year of service" or "complete year ~~of~~ service", these terms shall mean each period of ~~two~~ hundred and ten (210) days ~~of~~ work accumulated continuously or sporadically.

ARTICLE 11. GENERAL AND EMERGENCY DUTIES

11.01 In addition to the duties specifically imposed by this collective agreement, all employees shall provide their support and cooperation in order to perform the duties they are asked to execute that pertain to their positions on the vessel, and this in order to promote the maximum daily and efficient operation of the vessel on which they are assigned considering the competition and what this entails and the goal and essence of this collective agreement.

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

11.03 The Captain may, whenever he deems it advisable, require an employee to participate in a lifeboat or other emergency drills, without any additional remuneration.

11.04 Each employee shall report on board at loading and unloading ports and be available for duty not less than one (1) hour before time of sailing, as posted on the notice board, ~~or~~ as otherwise informed by the Officers in charge.

11.05 Mechanical Assistants are to assist with the taking and placing on board of engine room stores, in addition to their regular duties.

ARTICLE 12. STATUTORY HOLIDAYS

12.01 The Company agrees to recognize the following holidays:

- 1.** New Year's Day
- 2.** January 2nd
- 3.** Good Friday



4. Victoria Day
5. Canada Day
6. First Monday in August
7. Labour Day
8. Thanksgiving Day
9. Remembrance Day
10. Christmas Day
11. Boxing Day

12.02 If a holiday falls on a Saturday or a Sunday, the following Monday or Tuesday will be observed as a holiday. Employees working on these days will be paid in addition to their regular daily rate, at a rate of one and one half times the regular rate of wages for the regular hours worked that day. Employees who have been employed for less than 30 days are not entitled to be paid for a holiday that falls within their 30 first days of employment.

12.03 If any Statutory Holiday falls during an employee's approved period of unpaid leave, he will be paid a day's basic pay on the first payday following his return to work.

ARTICLE 13. CREW ACCOMMODATIONS

13.01 The Company shall ensure that all quarters assigned for the use of the employees are kept clean, tidy, lighted and ventilated insofar as it is practicable to do so. The Company and the employees shall cooperate to the fullest in keeping living quarters clean and tidy at all times. The Company agrees to fumigate all quarters whenever such fumigation is necessary to free them of vermin. Crew's quarters are to be painted when necessary. Any inspection of any crew member's cabin shall be done in the presence of the employee or the ship's delegate if the employee is absent.

13.02 The Company agrees that on all existing vessels where there are empty rooms available in the employees' quarters, that these rooms be made available to the employees when not required from time to time for shoreside personnel, cadets or Company officials. Furthermore, the Company agrees to make all reasonable efforts to ensure that any new vessels constructed according to Company plans have single room accommodations.

ARTICLE 14. OTHER CONVENIENCES

14.01 The following items shall be supplied to the employee:

a) a suitable number of clean blankets for each employee, an adequate supply of sheets, pillow cases, hand and bath towels, standard brand or generic face soap and laundry soap or detergent, to be supplied at least once a week and an adequate supply of crockery;

b) on each vessel, a washing machine, an iron and ironing board, an electric dryer where electrical capacity and space are available, space for drying clothes will be made available where space presently permits, one (1) colour T.V. set and antenna will be supplied for each recreation room or recreation area on each vessel and the necessary equipment for the purpose of making coffee in the engine room and wheelhouse of each vessel;

c) the Company agrees to pay the cost of maintenance of the appliances noted above in a) and b), necessitated by normal wear and tear;



d) crewmembers will be responsible for all damages, wilful destruction or theft of supplies, tools, appliances, other equipment or vessel cargo. The replacement cost or repair, if need be, will be deducted from the responsible employee's wages. The acts herein-before described may be subject to disciplinary measures.

14.02 The Company agrees to furnish a DVD player for the unlicensed employees. The Company **also** agrees to provide eight (8) different movies for use each month while the vessel is in operation.

14.03 The Company undertakes to make available coveralls and/or oilskins to employees in both **the** engine room and deck department who perform unusually dirty work in their departments.

14.04 The Company agrees to provide air conditioning or a portable air conditioning unit in recreation rooms.

14.05 The Company agrees to provide one (1) pair of gloves and two (2) pairs of coveralls with one (1) being lined, if necessary, to each permanent bridge and engine room employee and to replace them as needed

The clothing mentioned above is provided by the Company on the Condition that they are returned for replacement following a failure or normal wear and tear or when an employee leaves the Company. Should this not be the case its value will be deducted from the employee's pay with supporting documents for the amount of the deduction.

14.06 Effective on date of signing, permanent employees shall receive an allowance to cover the purchase of workwear including rain gear and safety boots. This allowance will be paid to each permanent employee at the end of the month of May of each year. Only CSA approved safety boots will be accepted. The wearing of safety boots is mandatory and failing to comply with this may lead to disciplinary measures. This allowance will be as follows:

Effective on date of signing: \$300.00

ARTICLE 15. MEALS, COFFEE TIME AND LUNCHESES

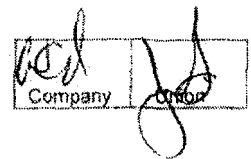
15.01 As a rule, meal hours shall be as follows:

Breakfast	from 07:30 hrs to 08:30 hrs.
Lunch	from 11:30 hrs to 12:30 hrs.
Dinner	from 17:00 hrs to 18:00 hrs.

Meal hours may be modified by the Captain, but in no case shall the indicated hours be altered by more than one half (1/2) hour in either direction, except in an emergency.

15.02 A fifteen (15) minute coffee break shall be allowed each crew member on watch, on each watch, and for crew members on day work each morning and afternoon. Such coffee breaks for day workers shall be taken at the hours of 10:00 end 15:00 when the nature of the work permits, otherwise as near as possible to those hours. For watchkeepers such coffee breaks shall be taken as near as possible to the middle of the watch, and coffee shall be available.

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

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15.04 Night lunches shall be available for crews on watch when changing watches and those called to work overtime.

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

15.06 When a vessel is not in operation and meals are not prepared and served to employees who have not been laid off and are on board ship, the Company shall pay or reimburse to each employee a meal allowance in the amount provided in 17.01, unless the Company takes other means to provide meals.

ARTICLE 16. TRANSPORTATION COSTS

16.01 The Company agrees to pay reasonable transportation costs between the ship and the employee's home airport and vice versa only under the following circumstances:

a) to go from the ship to his home airport each time the ship is laid-up and to go from his home airport to the ship each time the ship is fitted out;

b) to go from the ship to his home airport and from his home airport to the ship when the employee is entitled to leaves provided in Article 32;

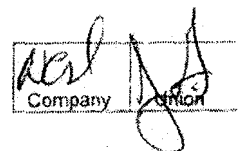
c) when an employee becomes sick or is injured, the Captain must ensure the employee gets first-aid or medical treatment as quickly as possible. Transportation costs shall be reimbursed to this employee as per 16.06 for the employee to go to the hospital or clinic and to go from the clinic or the hospital and to his home when the said employee has a work-related accident or is afflicted with an illness covered by the Group Benefit Plan and that the said accident or illness was diagnosed by a doctor. These transportation costs shall be reimbursed only if, in the doctor's opinion, the employee cannot be assigned to light duties for up to ten (10) days.

Subject to the provisions hereinafter, once an employee has received his notice from a doctor that he can return to work, he shall immediately advise the Company of his intention to return to work. The Company shall ~~take the necessary~~ measures to ensure ~~the~~ employee returns to his regular duties in the first Canadian Port excluding ~~the~~ Arctic. All transportation costs and room and board allowances shall be reimbursed by the Company.

If an employee has not had the opportunity to see a doctor, the employee shall have to be medically examined immediately on his return. If the doctor does not diagnose any sickness, the employee shall be responsible for all transportation costs and any other transportation related costs.

An employee having been replaced, ~~due to illness~~ or injury, cannot demand to be returned to his vessel if he has less than fifteen (15) consecutive working days left according to the vessel schedule when the vessel is engaged in the coasting trade in Canada or he must return to work on his vessel for a minimum period of forty-five (45) working days according to the schedule established in Article 32 when the vessel to which he is assigned is engaged in international shipping, otherwise the travel costs incurred in such circumstances must be assumed by the employee. The period described herein before is reduced to thirty (30) days when the vessel is in Canada or the United States; and

d) for any travelling by the employee during the course of his employment following a request by the Company. In the event of such travelling, the employee shall be entitled to his regular daily pay for a maximum of eight (8) hours at his basic rate, less the allowance for transportation costs payable in accordance with 16.08.

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16.02 If the employee is dismissed, suspended or if he leaves the vessel for personal reasons, the employee shall pay his own transportation costs and the Company has the right to recuperate said costs by deducting them directly from the employee's pay, if need be.

16.03 All relief employees and temporary employees (including medical reliefs) who complete their relief assignment shall be paid for transportation costs back to the employee's home airport.

16.04 For the purpose of this article, it is agreed between the Parties the employee's residence shall be located in Canada within an area no further east than Newfoundland and no further west than the westernmost tip of Lake Superior.

Any travel made outside the area described in 16.04 or any expense or allowance for travelling outside the said area shall not be reimbursed by the Company and no claim shall be made by the employee for this part of his travel.

16.05 The Company shall not pay any costs described in Articles 16 and 17 unless they are supported by the original documents.

16.06 For the purposes of this article, reasonable transportation costs are as follows:

- a) bus fare on a regular bus line;
- b) economy train fare including berth;
- c) where no public transportation is available, and only with the preauthorization of the Company, a one-way car allowance to join the ship and a one-way car allowance to return home.

The allowance per kilometre travelled will be as follows:

Effective on date of signing: \$0.40

- d) economy air fare only with the express prior authorization of the Company; and
- e) the costs of taxis or shuttle-bus services directly related with said travelling.

16.07 At all times, the Company has the authority to make the necessary arrangements for the employees' transportation. In the event the Company makes such transportation arrangements, no transportation expenses listed above and covered by the transportation arrangements made by the Company shall be subject to reimbursement. The transportation arrangements so provided shall be comfortable and school-bus types shall be avoided. Where required, time for meals shall be provided.

16.08 If the Company requires the employee to be transported under the provisions of articles 16.06(a), 16.06(b) or 16.07, and the duration of the travel exceeds four (4) hours, the employee shall receive an allowance for transportation costs equal to the base rate for all travelling time in excess of four (4) hours up to eight (8) hours at the basic rate of pay. At no time shall meal time be considered as travel time.

16.09 Whenever possible, the Company shall try to arrange for the mode of transportation taking the least amount of time while taking into account the practicality and the economy of the said mode of transportation.



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16.10 Should a vessel be delayed while under way and the employee, must find lodging for the night while awaiting the arrival of the vessel, the Company shall pay reasonable living expenses upon presentation of receipts until the arrival of the vessel or until the call is cancelled. The costs reimbursed to the employee or to the person dispatched shall be within the limits stipulated in Articles 16 and 17.

Where a vessel is delayed, the employee or the person dispatched shall receive daily remuneration at the basic rate of pay for his rating as from the date he (or she) was to report aboard the vessel.

16.11 Expenses provided in this Article and in Article 17 shall be reimbursed to employees upon receipt of an appropriate claims form, with supporting documents. Expenses shall be reimbursed by cheque within a reasonable amount of time.

16.12 For the employee's travels in the normal course of his employment following a request by the Company. In the case of such travels, the employee is entitled to his daily salary up to a maximum of eight (8) hours paid at the basic rate of pay less the allowance for transportation costs in accordance with 16.08.

ARTICLE 17. ROOM AND MEAL ALLOWANCE

17.01 In the circumstances referred to in articles 5.08, 15.06, 16.06 a), 16.06 b), 16.07, 16.10 and 16.12 if required and the Company does not supply room and meals, the employee shall be reimbursed these expenses up to the following amounts:

	Breakfast	Lunch	Dinner	Room
Effective on date of signing:	\$9.00	\$13.50	\$19.50	\$85.00

17.02 Notwithstanding the maximum allowances described in 17.01, the Company may agree to cover expenses exceeding these allowances when a vessel is engaged in international shipping if these expenses are reasonable and justified, depending on the circumstances and provided they are previously authorized by the Captain, the Chief Engineer or the Company.

ARTICLE 18. SAFETY AND EQUIPMENT

18.01 The Company shall make every effort to furnish and maintain safe working gear and equipment for the protection of its employees and shall continue to make reasonable provisions and rules for their safety.

18.02 When a vessel is *canalling, berthing or letting go*, the Company agrees to use a Signalman in addition to the Winchman. The only exception to this is when mooring winches are side controlled.

18.03 On the dock when the vessel is shifting, two (2) men shall be used for handling moorings at all times, one forward and one aft. When pulling long mooring lines and stern lines, two (2) men per line shall be used.

18.04 The Company agrees to supply and maintain in good order, in accordance with Transport Canada regulations, the following safety equipment for the use of unlicensed personnel covered by this collective agreement

- a) face respirators as necessitated by the work;
- b) first-aid kits, stretchers, flashlights, fog nozzles, life rings and coston lights;
- c) hard hats which are to be carried at all times;

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d) safety glasses which must be worn obligatorily as required;

e) immersion suits that conform with the standards prescribed by Transport Canada shall be provided to all crew members;

f) ear muffs or ear plugs will be made available for all engine room employees and to employees required to operate automatic chipping hammers. It is mandatory this protective equipment be worn when required according to the circumstances;

g) fluorescent type vests shall be provided all employees working in designated areas, including cargo holds;

h) the engine room shall be supplied with a sufficient number of life-jackets, along with fire blankets and stretchers plus a first aid kit;

i) suitable protective clothing, including recognized and acceptable respiratory face masks, shall be provided when employees are required to work near hazardous chemicals;

Employees will be required to sign for the equipment described in clauses c) to f) above; should the employee fail to return such equipment at termination of employment, the employee will pay for the cost of replacement and such cost shall be deducted from the employee's wages.

18.05 All safety measures approved for the operation of a safe ship shall be adhered to at all times. The following measures shall be given particular attention to:

a) all gangways and safety nets shall be securely installed in accordance with regulations;

b) landing booms will be safely constructed and all employees will wear vest-type life jackets;

c) ladders and scaffolds shall be of adequate construction to meet regulations and installed in a safe manner. Proper safety lines shall be attached to each employee when conditions warrant such safety precautions;

d) hatches that are left open at night shall be sufficiently lighted to ensure safety;

e) when hatches are left uncovered, they must be fenced to a height of three (3) feet if the hatch coaming is less than thirty inches (30") in height;

f) non-conductor foot pads shall be supplied in front of the main electrical switchboard;

g) particular care will be taken when the ship leaves port with hatch covers open for the purpose of cleaning.

18.06 Employees required to work in cargo holds while loading and unloading operations are in progress, shall be under continuous surveillance by someone on deck.

18.07 Employees in the engine room shall not be required to work on staging or Boson's chair while the ship is under way. Crew members shall not be required to work on staging overside while the vessel is underway.

18.08 During the hours of darkness outside painting must not be performed unless a sufficient lighting system permits it.

18.09 First-aid kits, life preservers, life-jackets, portable life rafts, etc., shall not be stored away while on the run immediately prior to winter lay-up, nor shall the lifeboats be emptied of their equipment, permanently covered or securely lashed in preparation for such lay-up.

18.10 It is agreed that any safety regulations that the Company may now have in force for the safety of the vessel, crew, passengers or cargo and any further safety regulations which the Company shall put into effect in the course of this collective agreement or that have already been put in place by government organisations where vessels are operating, as well as all the safety regulations the Company may already have into effect or deems advisable to put in application shall be brought to the attention of the employees and shall be strictly adhered to by all employees. Violation of any such regulations may be subject to disciplinary measures in accordance to the Disciplinary Code and may include dismissal.

All the safety regulations relating to ports or terminals, as well as the regulations concerning customs requirements where the Company operates its vessel that are in effect or could be put in effect in ports during this collective agreement shall be brought to the attention of the employees and they undertake to adhere to them.

18.11 It is recognized that on certain ships it will be necessary for some hatches to be open while the vessel is proceeding to a loading port to undertake the necessary cleaning; however, in these circumstances due care and control must be exercised. Captains must always be aware of the safety of the employees, bearing in mind the conditions of the vessel and the weather conditions.

18.12 It is the duty of all crew members to ensure that all flammable materials are stored when not in use in the designated storage lockers which are properly identified and equipped with a fire smothering system.

18.13 No pets to be carried on board ship by any of the personnel.

ARTICLE 19. TANK, BOILER AND ENGINE CLEANING

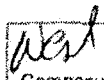

19.01 Where employees are required to enter into and to do manual cleaning work inside oil tanks, sludge tanks, and air bottles, scavenger trunks, exhaust manifolds (including exhaust ports of internal combustion engines), and the fire side of boiler surfaces, combustion chambers, boiler tubes and smoke boxes of scotch, donkey or cochrane boilers, also entering and cleaning super heaters, air heater spaces and economizer sections in water tube boilers, cleaning dirty engine room tank tops and dirty bilges where men are required to enter and work below the floor plates or gratings, cleaning of oil spills in excess of one (1) barrel resulting from mechanical failure of bunkering, they shall receive a premium equal to 0.5 the basic hourly rate for each hour worked with a minimum guarantee of two (2) hours.

All of the foregoing duties must have the prior written authorization of the Captain, Chief Engineer before work is commenced.

ARTICLE 20. WAGES

20.01 It is agreed between the parties that the wages to be paid will be those set out in in Schedule "A" and forms an integral part of this agreement.

ARTICLE 21. WORK WEEK AND OVERTIME

 Company	 Union
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21.01 The normal working hours for watch keepers will be three (3) watch system of four (4) hours on watch, and eight (8) hours off watch, **for a total of eight (8) hours worked during any one day, or day work of eight (8) hours**, at the discretion of the Captain/Chief Engineer. Any hours worked during the day will be considered overtime as described below. Each employee will be paid a daily rate per day based on the following hours worked per week. A normal work week consists of seven (7) days, Sunday to Saturday as listed below. The following lists the hours paid, and the hourly rate at which the daily rate was derived:

Monday through Friday (10 hours per day), 50 hours total. (40 hours x the Regular Hourly Rate + 10 hours x 1½ times the Regular Hourly Rate)
Saturday 8 hours (8 hours x 1½ times the Regular Hourly Rate)
Sunday (8 hours x Double the Regular Hourly Rate).
Total hours paid per week: 66 hours.

Employees joining or leaving the vessel will be paid for the actual hours worked on the day in question.

OVERTIME

Overtime is calculated on hours worked in excess of the hours listed above in 21.01. The total overtime owed to each employee will be balanced at the end of every 2nd pay period (4 weeks) and paid out through regular payroll deposits.

21.02 Each employee shall receive wages at the appropriate basic hourly wage rate for his **job classification** in accordance with the wage scale contained in article 20 hereof. The compensation applies for eight (8) hours per regular work day (Monday through Friday), whether or not he is called upon to work during the entire period, provided that he is available for work during the said eight (8) hours.

21.03 Considering that the operation of ships is of a continuous nature and that consequently, duration of work must be in excess of the regular work week, it is agreed that overtime shall be paid for such work in accordance with the following provisions.

21.04 During the navigation season, the Company agrees to make available to non-watchkeepers in the deck and engine room departments, eight (8) consecutive hours of work between the hours of 06:00 and 17:00 on Saturday and on Sunday, with the exception of statutory holidays. Such work shall be remunerated at the overtime rate.

21.05 The overtime rate is defined as being one and one-half (1 1/2) the applicable basic hourly wage rate for each job classification in accordance with the wage scale contained in Article 20.

21.06 Subject to the provisions of 12.02, concerning statutory holidays, the overtime rate, as defined in 21.05 shall be paid for all work performed by an employee outside his regular work day as defined under 21.01 as well as outside the regular working hours determined in 22.01, 22.03 and 22.08, and for any work performed on Saturday and Sunday,

Overtime shall be paid provided the employee has obtained prior written authorization from the Captain or the Chief Engineer that he must work outside his regular working hours and that it has been approved by the director of operations or a Company representative, in accordance with the policies in effect.

When an employee works within his regular working hours during the week, he shall always be remunerated at the basic rate of pay regardless of the number of hours of work already worked outside of his regular hours; bonuses provided in this collective agreement for certain duties or for certain events however remain payable.

21.07 a) An employee assigned to overtime work during the week and/or on weekends which ceases before the expiration of one (1) hour, shall nevertheless be paid for one (1) hour's overtime. Thereafter, each additional period of one-half (1/2) hour shall entitle the employee to one-half (1/2) hour at ~~the~~ overtime rate.

b) After having completed the first hour of work when recalled to work, the portion of the work performed by an employee during each hour of work following this same recall shall be remunerated as follows:

i) 1 minute to 30 minutes: thirty (30) minutes

ii) more than 30 minutes: one (1) complete hour

c) a change of date taking place during a recall shall be interpreted as a new recall to work commencing with the new day as this expression is defined in 21.09.

21.08 When an employee has performed work outside his regular hours of work and is again called upon to work outside his regular hours of work, without having benefited from at least two (2) hours between the end and the beginning of the two (2) periods of work, he shall be paid from the beginning of the first period through the end of the subsequent period of work.

21.09 For the purpose of calculating overtime pay, a "day" shall refer in all cases to the period from midnight to midnight.

21.10 Overtime payment shall not be duplicated for any hour of work, i.e., there shall be no pyramiding of overtime.

21.11 An employee who is not on regular duty when called for overtime work shall be allowed as a general practice thirty (30) minutes in which to dress without pay. However, the Union recognizes that under special circumstances the Captain may not be able to comply with this practice.

21.12 The order for overtime work shall be authorized by the Captain or Chief-Engineer, or the director of operations or a Company representative, in accordance with the policies in effect. Once the work has been completed, the employee must get his work sheet approved by the Captain or the Chief-Engineer. Should the Captain or the Chief-Engineer reject the work done in overtime, he must do so in writing to the employee. In the case of a dispute, the matter shall immediately enter the Grievance Procedure.

When exceptional circumstances make it impossible to obtain the authorization herein before referred to, before completing the overtime work, they can be obtained later, but as soon as possible.

21.13 The Company agrees to supply overtime books or sheets for the purpose of keeping a record of overtime worked. Where the Company fails to supply the said overtime books or sheets employees' overtime claims shall be considered as valid on any form of paper.

21.14 Overtime shall be divided as equally as may be reasonably practicable among the employees who normally perform the work.

ARTICLE 22. HOURS OF WORK

22.01 The regular hours of work for all employees assigned to standard watches (i.e. watchkeepers) shall be eight (8) hours during each calendar day on a three (3) watch system, so that four (4) hours on watch shall be followed by eight (8) hours off watch.

When the Captain or the Chief Engineer deem it appropriate, he can break watches while a vessel is in port, anchored or not otherwise underway.

When watches are so broken and "day work" is undertaken, then hours of work **shall** be eight (8) consecutive hours between 06:00 hrs. and 17:00 hrs.

No ~~employee~~ shall be called upon to work more than eight (8) hours during any calendar day without payment of overtime, taking into consideration watches he has stood before "day work" commenced or which he **will** stand after "day work" has been completed.

22.02 On the first day of the vessel's first voyage, watchkeepers are entitled to choose their watch according to their seniority.

22.03 The regular hours of work for non-watchkeeper\$ in the Deck and Engine Room Departments shall be any eight (8) consecutive hours in a period of eleven (11) hours from 06:00 hrs. to 17:00 hrs.

Nun-watchkeepers **are** those employees who are not assigned to standard watches. They include the following classifications: Boatswains, Ordinary Seamen, Able Seamen, Mechanical Assistants and all other employees who have not been assigned to standard watches excluding members of the Stewards Department who are covered by 22.07.

22.04 With prior approval from the Captain or the Chief-Engineer, such approval not being withheld without reasonable ~~cause~~, an employee may make arrangements with other employees to exchange work shifts in order to go ashore when the vessel is at anchor, in port or going through locks. Such changes must be without additional cost to the Company or will be assumed by the employee responsible.

22.05 When the vessel is in port and operations permit it *and it does not involve extra costs for the* Company, the Captain or the Chief Engineer may authorize a leave without pay for a *determined* period of time to an employee **who** has previously made the request.

22.06 When employees of the Deck Department are required to **do** spray painting, they shall be "knocked off" thirty (30) minutes early to clean up. Coveralls and respirators **will** be supplied by the Company.

22.07 *Regular hours of work for the chief woks, second cooks, night cooks, messmen and porters who are* not considered watchkeepers shall be eight (8) hours per calendar day in a lapse of twelve (12) hours following the Captain's decision. The Company must post a work **schedule** on all vessels so that each member of the stewards' department may be aware of his hours of work.

22.08 When required by the Captain or the Chief Engineer, an employee does not receive one (1) full unbroken hour in which to eat a meal and **he** has one-half (1/2) unbroken hour to eat his **meal**, he shall **be** paid **in compensation a premium equal to one-and-one half (1 1/2) times his basic hourly rate** for this half-hour.

Should **an** employee not receive one half (1/2) an unbroken hour in which to eat a meal, he shall be paid as a compensation, a premium equal to double (2) time his basic hourly rate.

22.09 Watchkeeping employees shall perform only necessary work between the hours of 17:00 and 06:00 on weekdays. Necessary **work** may include the following:

- a) Navigation duties, including the keeping of watches.

- b) Docking, undocking, handling of mooring lines, preparing for loading and unloading of the vessel including ballasting and deballasting.
- c) Battening down, opening up and closing of hatches, securing the vessel in preparation for the voyage.
- d) Washing down the deck immediately after loading and unloading of cargo.
- e) Cleaning of cargo holds if it is necessary to avoid delay to *the* immediate loading of cargo and/or water ballast.
- f) Sanitary work, which shall include cleaning the wheelhouse, wheelhouse windows and mopping out wheelhouse, also include sweeping and general cleaning of quarters, washrooms, hallways, recreation rooms and messrooms, burning and/or other required methods of garbage disposal. It is understood that any of the above mentioned sanitary work may be performed on Sunday only if it cannot wait until the following regular work day.
- g) Taking on board fuel and stores required for the continuous operations of the vessel.
- h) Sweeping, mopping, wiping and cleaning floor plates in the engine room including the exterior of main and auxiliary engines.

"Necessary work" shall not include scraping, chipping, painting or soogeeing. Watchkeeping employees required to perform work not described in 22.09 (a) to (h), shall be paid at the overtime rate.

22.10 Should a watchkeeper not report for work at the beginning of his shift, the one on duty for the previous watch shall remain on duty until such time as a replacement is found. The delinquent employee may then work additional time until such time as each has worked his regular eight (8) hours of work during the day. If, under the circumstances, overtime must be paid, the overtime will be deducted from the delinquent employee's salary.

Should a vessel be short a watchkeeper, the two (2) other watchkeepers shall work six (6) hours shifts until such time as a suitable replacement is found. Should the vessel sail short one (1) more watchkeepers, the Captain or Chief-Engineer may promote a crew member to this position, on a temporary basis, so as to reestablish the three (3) watch system.

22.11 When a vessel sails without full complement of day workers, the wages of the absent members will be divided equally among the remaining dayworkers in that Department.

22.12 Should a watchkeeper at sea be promoted in order to replace an injured, ill or absent employee, he will receive the difference in salary for the duration of the replacement.

22.13 When an employee is off watch or has completed his hours of work, such employee may ask the Captain or the Chief Engineer for permission to go ashore while the ship is in port. Such requests may be refused for safety reasons or operational requirements.

The Captain or the Chief Engineer who is asked permission may take up to thirty (30) minutes to ascertain whether or not the employee will be required to remain on board.

An employee who is required to remain on board, after the decision has been made, shall be paid for all hours he is required to remain on board, after the thirty (30) minute delay, at the appropriate hourly rate.

It is understood that if an employee is required to remain on board due to reasons that involve the safety of the vessel or the crew or the vessel's operations, no standby pay shall apply.

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ARTICLE 23. STEWARD'S DEPARTMENT

23.01 Routine duties for members of the Stewards Department include the supervision, preparation and serving of the regular meals, the preparation of night lunches, the cleaning and maintaining of the quarters of the licensed personnel and of all dining and messrooms, galley, pantries, storerooms, linen rooms, all departmental equipment, as well as the routine cleaning of the refrigerated spaces. On vessels where there is no porter, the Chief Cook and Second Cook are not required to maintain rooms.

23.02 With respect to the cleaning and maintaining of washroom and toilet facilities of the licensed personnel, the work day shall be scheduled by the Chief Cook so that members of the Steward's Department will perform this work during periods when they are not actively engaged in the preparation of food.

23.03 Two (2) hours' overtime work will be allowed to one member of the Steward's Department each time the walk-in refrigerating spaces are defrosted and cleaned, in addition to the employee's regular working hours, provided such work is approved in advance by the Captain, Chief Engineer or Officer in charge.

23.04 The members of the stewards' department are paid their specific overtime rate for any work done over and above their scheduled eight (8) hours of work as long this work has been authorized in writing by the Captain, the Chief Engineer or the officer in charge.

23.05 (a) When persons other than crewmembers, crewmember's families, pilots, Union Representatives and Company officials are lawfully carried aboard, the Company agrees to pay the following bonuses:

- i) Effective on date of signing: \$10.90 per passenger per day
- ii) Effective January 10, 2010 \$11.20 per passenger per day

(b) These bonuses must be distributed equally among the members of the Steward's Department.



(c) In order to claim the above amounts, a receipt showing the passenger's name, the date of his coming on board and bearing the Captain's signature must be submitted to the Company.


(d) The bonus described in 23.05a) is invariable regardless of the number of passengers aboard

23.06 The Company agrees to supply aprons to all members of the Steward's Department. If uniforms are required aboard any vessel, the Company shall supply them, and these shall be laundered at the Company's expense.

23.07 The clothing mentioned herein-above will be provided without cost by the Company and is conditional upon it being returned to be changed following a break or due to normal wear and tear or when the employee leaves the Company, failing which the Company will deduct the cost from the employee's pay.

23.08 The Chief Cook, the Second Cook and the Porter if one is on board shall be required to wear Whites. Consequently, the Company shall pay them at the end of the season, an allowance of one hundred and fifty-five dollars (\$155.00). Effective January 10, 2010, this allowance shall be increased by \$5.00 per year. These clothes shall be laundered at the Company's expense. The allowance provided above shall be paid only to employees having worked two hundred and ten (210) days for the Company during the calendar year. Employees having accumulated less than two hundred and ten (210) days of work but at least one hundred (100) shall be entitled to an allowance of sixty-five dollars (\$65.00) payable at the same time.

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ARTICLE 24. PAYMENT OF WAGES

24.01 Each employee will be paid in full, wages and vacation pay by way of direct deposit into the employee's bank account bi-weekly on every second (other) Thursday for the preceding two calendar weeks. On every other Thursday employees will receive compensation for the prior ~~two~~ (2) weeks of work, but not including the week of the payroll deposit. Timesheets will be submitted every Monday prior to the payroll date to the office in order to process payroll on a timely basis. It is each employee's responsibility to update the Company's Head Office of any changes such as address, phone number, bank information etc. Void cheques shall be provided in order to transmit payroll via direct deposit.

24.02 This article may be modified in all or in part by mutual agreement between the parties.

ARTICLE 25. SAILING TIME

25.01 A sailing board shall be posted adjacent to the gangway immediately upon the arrival of the vessel in port. The time and date of sailing, together with destination if known, shall be placed upon the board. Where the sailing time is tentative it shall be so stated, and the expected sailing time shall be posted as soon as possible.

25.02 if an employee misses a vessel due to the fact it sailed before the posted sailing time, he shall notify the Captain by radio telephone within ~~two~~ (2) hours of the original posted sailing time of his intention to rejoin the vessel at the first point where it can be boarded. In this instance, he shall be reinstated and he shall be reimbursed his transportation costs. Such shall not constitute a break in service.

25.03 If an employee misses a vessel due to circumstances beyond his control, he shall be reinstated provided he promptly notifies the Captain of the vessel or the Company Office of his intention to rejoin the vessel at the first point where it can be boarded. In this instance, transportation costs shall be borne by the employee.

ARTICLE 26. MARINE DISASTER

26.01 An employee covered by this Collective Agreement, who suffers loss of clothing or their personal effects because of a marine disaster while employed by the Company, shall be compensated, for such loss, up to a maximum of three thousand dollars (\$3,000.00).

26.02 An employee or his estate making a claim under this Article shall submit reasonable proof to the Company of the actual value of the loss suffered. Such proof shall be a signed affidavit listing the individual items and values claimed.

ARTICLE 27. OFFICER CADETS

27.01 Where in accordance with Government training programs, officer cadets are articulated on the Kathryn Spirit, it is agreed that a maximum of two (2) officer cadets shall be carried on any one vessel.

27.02 Where an officer cadet is assigned to a watch, he shall be in addition to the regular watchkeeper and in no event shall he be considered a substitute or replacement.

27.03 On no account shall an officer cadet replace an unlicensed crewmember in performing overtime work; in the event officer cadets perform such work, the overtime payment applicable shall be paid to the unlicensed personnel who would otherwise have performed the work.

	
Company	Union

27.04 While they are assigned to a vessel, cadets shall pay the monthly Union dues, as they are paid by Union members.

ARTICLE 28. SCHEDULE OF WORK AND LAY DAYS

28.01 Employees will be granted scheduled time off without pay for each day worked. Each employee will work on a rotation schedule of two (2) months work, with one (1) month off. Every effort will be made on behalf of the Company to ensure that the employees are relieved and returned back to work according to the scheduled work rotation as closely as possible. Five (5) days on either side of the scheduled relief date is to be considered reasonable by the Company.

ARTICLE 29. DISCRIMINATION

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

ARTICLE 30. FAMILY VISITATION

30.01 An Employee who has completed one (1) full year of service with the Company, may make arrangements to have his spouse (or common law spouse) accompany him on board for a period of up to, but no more than, fifteen (15) days once each calendar year provided the Employee's accommodations are suitable (i.e., single room). This privilege will only be granted on voyages in Canadian waters excluding the Arctic.

30.02 Requests for such visitation shall be made in writing a minimum of thirty (30) days in advance and shall be granted on a first come first served basis. Only one (1) unlicensed employee at a time can take advantage of these arrangements.



30.03 The employee's spouse (or common law spouse) shall not interfere in any way with the operation of the vessel and shall sign a waiver releasing the Company, its administrators and directors of all liability for any mishap that may happen while he (or she) is aboard the vessel. The employees must also sign such a document releasing the Company, its administrators and directors of any responsibility in this regard. The employee concerned is responsible for the upkeep of his room while his (her) spouse is aboard.

30.04 Subject to the prior approval of the Captain or Chief Engineer, which shall not be unreasonably withheld, an employee may while the vessel is in port, bring his (her) spouse and children aboard for a visit, with the exception of children under twelve (12) years of age. Prior to their coming on board, the persons concerned as well as the employee must sign a waiver releasing the Company, its administrators and directors of all liability. This privilege will only be granted for the voyages made in Canadian waters, with the exception of the Arctic.

30.05 The visits described in this Article shall in no way result in any extra remuneration by the Company.

ARTICLE 31. LAUNCH SERVICE

31.01 Subject to government and harbour laws and regulations, those of terminals and the provisions as herein provided, where employees have been continuously on board a vessel for a period of twelve (12) consecutive hours commencing from the time that a vessel anchors or otherwise becomes stationary away from the dock upon when the vessel is engaged in the coasting trade, the Captain, after the expiration of such period and upon the request of not less than three (3) employees, shall provide, where available, at the Company's expense, launch

 Company	 Union
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service for such employees to travel to and from the shore; such launch service shall be not more than twice every twenty-four (24) hours and shall be subject to the Captain's discretion with respect to weather and working conditions on board the vessel. During periods when the majority of the crew has been laid off, the three (3) employee requisite shall not apply.

31.02 Subject to government and harbour laws and regulations, those of terminals and the provisions as herein provided, where employees have been continuously on board a vessel for a period of twenty-four (24) consecutive hours commencing from the time that a vessel anchors or otherwise becomes stationary away from the dock of a foreign port, after the expiration of forty-eight (48) hours, the Captain, upon the request of not less than three (3) employees, shall provide where available, at the Company's expense, launch service for such employees to travel to and from the shore; such launch service shall provide one round trip every twenty-four (24) hours and shall be subject to the Captain's discretion with respect to weather and working conditions on board the vessel. During periods when the majority of the crew has been laid off, the three (3) employee requisite shall not apply.

ARTICLE 32. RELIEVING FOR MEALS

32.01 If, when the vessel is in port and the 12 to 4 watch is required to remain on board to relieve the 4 to 8 watch for supper, they shall receive a minimum payment of one (1) hour's overtime for each meal in addition to their regular basic wages.

32.02 The 12 to 4 watchkeepers shall complete their normal watch at all times while the vessel is in port, anchored or not otherwise underway. Likewise, the 4 to 8 watchkeepers shall not be required to commence their watch before 16:00 hrs. and shall normally be granted one-half (1/2) hour to eat on Company time.

ARTICLE 33. MANNING SCALE

33.01 It is agreed between the parties that the unlicensed manning scale of the Kathryn Spirit shall be the Same as is described in Schedule "B" and forms an integral part of this agreement.

ARTICLE 34. SUCCESSOR RIGHTS AND OBLIGATIONS


34.01 The Company agrees not to lease or charter any vessel which it has sold and which was previously manned by employees subject to this Collective Agreements, unless:

- a) prior to the sale, the purchaser agreed in writing to recognize the Union as the exclusive bargaining agent for the unlicensed personnel aboard the said vessel and to apply the terms of this Collective Agreement; or
- b) the vessel is leased or chartered without an unlicensed crew; of
- c) the parties agree otherwise,
- d) the Company agrees when selling a vessel that the Union will be notified of such a sale.

ARTICLE 35. COMPASSIONATE LEAVE

35.01 All permanent employees having worked during sixty (60) consecutive days for the Company will be entitled to the following leave upon the death of a member of his immediate family:

- a) spouse, common law spouse, child: maximum of Seven (7) days paid at the basic hourly rate.

 Company	 Union
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b) father, mother, brother, sister: maximum of three(3) days paid at the basic hourly rate.

c) brother-in-law, sister-in-law, and parents-in-law: maximum of three (3) days paid at the basic hourly rate.

35.02 An employee shall be entitled to receive from the Company a reasonable leave of absence from his employment without pay in the event of either illness or injury to himself or a member of his immediate family, that is his spouse, common law spouse, brother, sister, child, parents, parents-in-law or grand-parents.

35.03 An employee may request maternity or paternity leave without pay at least six (6) weeks prior to the expected date of the birth of his child and shall be authorized to take unpaid leave according to the legislation in effect.

35.04 For all claims under this article, the employee must advise the Captain prior to his leaving and which must be supported by proper evidence or documentation of facts giving him the right to the leave(s) described in 35.01, either by a medical certificate or death certificate upon returning to the vessel, otherwise the employee forfeits his right to employment with the Company.

35.05 The leave days taken in accordance with this article must not modify the vacation schedule of the employee in accordance with Article 28, and the employee must conform to this at all times.

35.06 The paid special leave mentioned in this article cannot be granted if it coincides with the days off or vacation stipulated in this collective agreement or during a lay off of the employee.

ARTICLE 36. DISCIPLINE CODE

36.01 The discipline code and the rules governing an employee's discipline files are attached to this agreement as Schedule "C" and form an integral part of this agreement. Employees may be subjected to one of the measures contained herein when circumstances so warrant and they agree that the disciplinary measures described in the code may be determined by the Company, the Captain, the Chief Engineer of the vessel acting therefore as a representative of the Company.



ARTICLE 37. DIRTY WORK

37.01 The Company agrees to pay to all employees called upon to clean out holds in which bulk cargoes of cement in bulk, clinker, sulphur or pitch have been carried, will be paid in addition to their regular wages, a premium of seventy-five dollars (\$75.00) per cleanout for the duration of this Collective Agreement.

ARTICLE 38. SEVERANCE PAY

38.01 Permanent employees who are laid off, due to shortage of work, shall retain recall rights to their own vessel for up to twelve (12) months from the date of lay off. Should they not be recalled during this time, they shall be considered as having been severed and the Company shall pay each permanent employee two (2) days basic pay for each full year of service.

38.02 Where permanent employees are displaced due to automation, mechanization, permanent reduction in the number of employees or the sale or re-flagging of the vessel on which they were employed, the following rules shall apply:

 Company	 Union
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a) permanent employees with less than ~~two~~ (2) years seniority with the Company shall be entitled to severance pay equal to five (5) day's basic pay for each full year of service with the Company effective the termination date;

b) permanent employees with two (2) full years of service or more shall be entitled to permanent placement, by seniority, on other vessels within the same Company as vacancies occur provided they are qualified to perform the work;

c) the right to placement on other Company vessels shall remain in effect for twelve (12) months after ~~the~~ original job was terminated, after which time, those who were not placed shall receive severance in accordance with **Article 42.02(a) above**;

d) should a permanent employee receive an offer for a permanent placement, within the twelve (12) month period prescribed, and refuses the assignment, that employee will be considered to have self-terminated and no severance pay shall be forthcoming.

ARTICLE 39. DURATION OF AGREEMENT *

39.01 This Collective Agreement shall become effective as from January 10th, 2009, unless otherwise noted herein, and shall ~~continue~~ in full force and effect until January 9th, 2011, inclusive, and thereafter from year to year unless or until either party serves written notice on the other party to the contrary at least one hundred and twenty (120) days prior to January 9th, 2011, or one hundred and twenty (12) days prior to January 9th of any subsequent year.

ARTICLE 40. EMPLOYMENT EQUITY

40.01 The parties agree to adopt and follow the terms and conditions provided by the Canada Employment and immigration Commission, in the planning and implementation of an Employment Equity Plan that will enhance the opportunities for designated groups of individuals as designated by the Federal Employment Equity Act.

ARTICLE 41. HARASSMENT

41.01 Copies of ~~the~~ Labour Standards bulletin #11 entitled "Sexual Harassment", produced by Labour Canada, shall be placed in a conspicuous location on board all Company vessels both in French and English.

ARTICLE 42. DRUG AND ALCOHOL POLICY

42.01 The Union and the employees recognize that the Company has a complete and detailed policy in effect designed to ~~eliminate the risks~~ relating to weakened faculties following the consumption ~~of~~ drugs and alcohol in order to transact business in a safe manner with regard to all persons, their belongings and the environment. They further recognize that the **provisions** of this policy and its application may be modified from time to time.

42.02 The Company agrees to put at the disposal of the employees a copy of this policy, as well as any update, on board the vessel in an appropriate place and to provide a copy of this policy to ~~the~~ Union as well as any update,

ARTICLE 43. INTERPRETATION

43.01 The parties agree that the English version of **this** Collective Agreement is the official version.

43.02 For **all** intents of **this** collective agreement, **the** Letters of Understanding, the Schedules as well as the explanations attached form an integral **part** of **this** Collective Agreement.

ARTICLE 44 RETROACTIVITY

44.01 Notwithstanding the provisions of 39.01, retroactivity shall be **paid** exclusively on **all wages** as well as **the** Company DPSP/Group RSP.

Signed at HAMILTON, this 19 day of May 2009

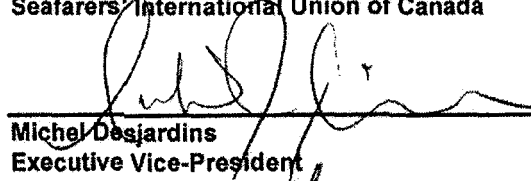
Signed at MTL, this 22 day of May 2009

McKeil Ships Limited

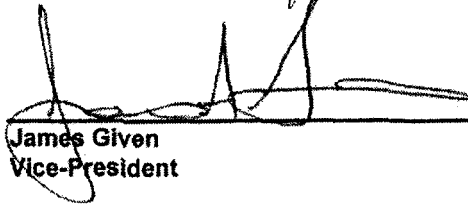
Seafarers' International Union of Canada



William Duffy
VP, Operations



Michel Desjardins
Executive Vice-President



James Given
Vice-President

SCHEDULE "B"
(Article 33.01)

NAME OF VESSEL	MANNING
Kathryn Spirit	3 AB/GP 2 OS/GP 1 M/A 1 Cook 1 Second Cook (during Arctic operations) 1 OS/GP (extra for Arctic operations)

SCHEDULE "C"
(Article 36.01)

DISCIPLINARY CODE AND DISCIPLINARY FILES

ARTICLE 1 PREAMBLE

1.01 The Parties recognize that the regulations which govern discipline and the application of disciplinary measures with regard to employees serving on the Kathryn Spirit must be consistent, coherent and understood by **all employees** working on board **the ship, the** Company and the Union. For this reason, the Parties have agreed to **adopt** the following regulations which will constitute the Disciplinary Code used by the Company.

ARTICLE 2 IMPLEMENTATION OF THE DISCIPLINARY CODE

2.01 The parties agree that the Disciplinary Code shall be used by the Company and those in authority on the Kathryn Spirit as a reference guide in the imposition of disciplinary measures on employees, when such measures are deemed appropriate. Good judgment, discretion and coherence **must** govern in the imposition of any disciplinary measures provided in this Code, in all instances.

2.02 For the purpose of 2.01, all circumstances surrounding any action, event or act for which discipline is **contemplated, shall** be considered. To **this end, all** necessary investigations should be conducted in a manner as thorough and **as** objective as possible.

2.03 Without limiting the scope of **articles** 2.01 and 2.02 above, the following factors and criterias, amongst others, should **be** considered **in** deciding the appropriate disciplinary measure to be imposed to an employee:

- a) The employee's **length of service** with the Company;
- b) the employee's disciplinary record;
- c) the employee's overall performance;
- d) the effects of the employee's behaviour on the safety of **the** ship and of **its** crew;
- e) the consequences of the employee's behaviour in relation to Company policy **and** Company obligations;

 Company	 Union
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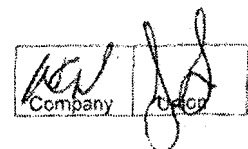
- f) the accidental or deliberate nature of the employee's behaviour;
- g) all factors outside the employee's control that may have contributed to the offence.

ARTICLE 3 DISMISSAL

3.01 The following actions, events or acts will cause immediate dismissal of an employee:

- a) Possession, consumption or the act of bringing aboard ship any non-prescribed drugs, narcotics or controlled drugs;
- b) the taking of a prescription drug by an employee not in accordance with the directions given for that particular medication;
- c) the presence in an employee's organism of illegal substances or their metabolites;
- d) acts of violence;
- e) refusal to obey lawful commands;
- f) refusal to comply with safety standards, rules and regulations contained in various Canadian laws pertaining to navigation or the refusal to comply with Company policies and directives relating to safety and the protection of the environment;
- g) positive result of illegal substance or alcohol following a screening test;
- h) theft;
- i) sabotage (including wilful destruction of Company property);
- j) absence from place of duty, thereby endangering the safety of the ship and/or any or several members of the crew;
- k) any act of gross incompetence or gross negligence, thereby endangering the safety of the ship and/or any or several crew members or resulting in damages to the vessel or to the Company property;
- l) fraud;
- m) desertion from the ship;
- n) the issuance to an employee of a third notice of disciplinary measure in accordance with Article 5 or;
- o) the issuance to an employee of a second suspension in accordance with Article 4.

3.02 The list of actions, events or acts described in 3.01 is not intended to be exhaustive and any other action, event or act having a similar degree of seriousness will also result in immediate dismissal



3.03 Any dismissal made under this Article shall be made according to the provisions of Article 6 of the disciplinary procedures.

3.04 Should an employee be dismissed in accordance with this Article, Article 16.02 of the collective agreement shall also apply.

ARTICLE 4 SUSPENSION

4.01 The commission of any of the following actions, events or acts will cause the suspension of an employee:

- a) Possession, consumption or the act of bringing alcohol aboard the vessel;
- b) Presence on board ship in a state of intoxication caused by alcohol, drugs or narcotics;
- c) Threats of violence or intimidation;
- d) Sleeping while on duty;
- e) Absence from the ship without permission;
- f) Insubordination;
- g) Dishonest conduct, or;
- h) Participation in a fight.
- i) Issuance of a second reprimand under Article 5.

4.02 For the purposes of Article 4.01(b), an employee will be considered intoxicated when so judged by the Captain or Chief Engineer. However, before imposing any disciplinary measure relating to this paragraph, a Union representative or the ship's delegate shall have the opportunity to assess the employee's condition.

4.03 The length of a suspension in accordance with this article shall be at the discretion of the Captain or the Company representative; however, such suspension shall not be for less than one (1) month; no holidays or time off provided in this collective agreement shall be considered in the calculation of the period of suspension.

4.04 When an employee is suspended by virtue of this Article, Sub-article 16.02 of this Collective Agreement shall be applied in its entirety.

4.05 Any suspension imposed under this Article shall be imposed in accordance with the provisions of Article 6 relating to the disciplinary procedures.

4.06 The list of actions, events or acts described in 4.01 is not intended to be exhaustive and any action, event or act having a similar degree of seriousness will also result in suspension.

ARTICLE 5 REPRIMAND

5.01 The commission of any of the following actions, events or acts will result in a reprimand:

- a) Abusive language towards anyone;

- b) Incompetence;
- c) Absence from the designated position;
- d) Tardiness;
- e) Negligence;
- f) Failure to comply with the various Canadian Laws regulating navigation and shipping or Company policies or regulations relating to safety;
- g) Lack of cooperation with the Captain, the Chief Engineer, employees or other crewmembers or a persistent negative attitude by the employee in accomplishing his work;
- h) Sexual harassment towards any person;
- i) Failure to rejoin the vessel.

5.02 Reprimands under this Article shall be given in writing, in accordance with the provisions of Article 6 of the disciplinary procedures.

5.03 The list of actions, events or acts described in 5.01 is not intended to be exhaustive and any other action, event or act having a similar degree of seriousness will also result in a reprimand.

ARTICLE 6 DISCIPLINARY PROCEDURE

6.01 Any disciplinary measure taken under Articles 3, 4 and 5 of this disciplinary code shall be subject to a written notice to be given to the employee concerned within ten (10) days of the action, event or act giving rise to such measure, on the form prepared for such purpose, the contents of which shall include the information and instructions described on the form 1 attached herewith. Failure by the Company to deliver the Disciplinary Notice referred to above within the required time limit, shall nullify the Disciplinary Notice which may not thereafter be invoked in any subsequent disciplinary action or any arbitration proceeding provided in the collective agreement. Copy of all notices given by virtue of this Disciplinary Code shall be forwarded to the Union, The absence of any information on the Disciplinary Notice shall not invalidate said Notice



6.02 To impose any disciplinary measure under this Disciplinary Code, the Captain or Chief Engineer must meet with the employee concerned and this employee shall have the right to be accompanied by a witness

6.03 All disciplinary notices given under Article 5 shall describe the improvements in conduct required of the employee concerned.

6.04 Prior to dismissing an employee under Article 3.01n) and 3.01o), the final Disciplinary Notice giving rise to a dismissal shall indicate the dates of the two (2) previous Disciplinary Notices or of the previous suspension being part of the employee's Disciplinary File.

6.05 All Disciplinary Notices shall be placed in the employee's file and remain there.

6.06 Under this Article, upon written request, an employee can have removed from his personnel file a Disciplinary Notice imposed on him, provided twenty-four (24) months have passed since the imposition of this

	
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LETTER OF UNDERSTANDING NO. ■

BETWEEN

McKEIL SHIPS LIMITED

AND

SEAFARERS' INTERNATIONAL UNION OF CANADA

Group Insurance Plan

The Company shall provide and maintain for each employee that meets eligibility, a Group Insurance Plan which includes but is not limited to: medication, dental, hospitalization and wage insurance for short term disability. The cost shall be paid by the Company. Each eligible employee shall be issued copies of the Plan text and benefits.

Group RSP/DPSP

The Company shall provide and maintain for each employee that meets eligibility, a Group RRSP/DPSP. Each eligible employee shall be issued copies of the plan text and benefits.

Signed at Hamilton, this 19 day of May 2009

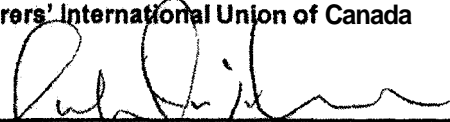
Signed at Mt., this 22 day of May 2009

McKeil Ships Limited




William Duffy
VP, Operations

Seafarers' International Union of Canada



Michel Desjardins
Executive Vice-President



James Given
Vice-President

LETTER OF UNDERSTANDING NO. 2

BETWEEN

McKEIL SHIPS LIMITED

AND

SEAFARERS' INTERNATIONAL UNION OF CANADA

SHORTAGE OF QUALIFIED SEAFARERS

The parties hereby recognize that there is presently a Canadian and worldwide shortage of qualified seamanship. Having considered the existing shortage, the Company, at its option, may request through the Union's hiring hall, qualified and certified seafarers. For services that the hiring halls may provide, the Company shall contribute the following to the Seafarers' Hiring Hall:

Effective January 10, 2009, the Company shall pay to the Union the annual fee of \$2500.00. If more than 5 crew members are supplied in a given year, an additional \$500.00 is to be paid for each person accepted by the Company.

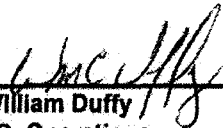
Effective January 10, 2010, the Company shall pay to the Union the annual fee of \$3000.00. If more than 5 crew members are supplied in a given year, an additional \$500.00 is to be paid for each person accepted by the Company.

Signed at Amurco, this 19 day of May 2009

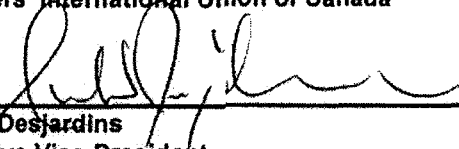
Signed at MTL, this 22 day of May 2009

McKeil Ships Limited

Seafarers' International Union of Canada



William Duffy
VP, Operations



Michel Desjardins
Executive Vice-President



James Given
Vice-President

