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EFFECTIVE DATE

January 1, 2004 — December 31, 2006

COLLECTIVE AGREEMENT

BETWEEN: CANADIAN MERCHANT SERVICE GUILD

(hereinafter referred to as "The Guild")

AND: HARBOUR CRUISES LTD.

(hereinafter called the "Employer")

WHEREAS an Agreement has been reached between Harbour Cruises Ltd. and the Canadian Merchant Service Guild on behalf of the Officers in the Company's service with reference to wages and working conditions of said Officers:

THEREFORE this Agreement witnesseth that the Parties hereto mutually covenant and agree to and with each other as follows:

PREAMBLE

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

It is also the intent of this Agreement to ensure to the utmost extent possible, the safety and physical welfare of the Officers.

It is recognized the Company's business is hospitality and tourism. The Company strives to deliver the utmost in customer satisfaction through service. It is the responsibility of the Officers covered by this Collective Agreement to fulfill this objective.

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

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

RECOGNITION

1.1 The Company recognizes the Guild as the sole bargaining agent for all Officers employed on vessels

owned and/or operated by the Company.

- 1.2 The Company will employ as Officers only members of the Guild in good standing.
- 1.3 Membership in the Guild shall be a condition of employment.
- 1.4 The Company recognizes the Guild as a source of supply for all Officers covered by this Collective Agreement and may request same from the Office of the Guild.
- 1.5 Effective from the signing of this Agreement, the Company shall deduct, from the last pay period in each month, from the wages due and payable to each Officer coming within the scope of this Agreement, an amount equal to the uniform monthly membership fees and assessments. These deductions shall be forwarded to the Guild, to the attention of the Secretary/Treasurer, in Coquitlam, BC, within sixty (60) days, together with a list in duplicate, showing the month and names of the Officers to whom said deductions are to be credited.
- 1.6 The Company agrees that the only vessels covered by a Union Agreement which is recognized by the Canada Labour Code or the British Columbia Labour Code will be utilized to perform work. It is understood that exceptions may occur where such vessels are unavailable for, or unsuited to, a specific job.
- 1.7 Where a vessel covered by this Agreement is sold to another Company or individual, satisfactory proof of such sale shall be provided to the Guild. For greater clarity, the Parties agree that vessels described above are listed in Appendix "B", and the Parties recognize that the list may be altered from time to time. Additions to the Company's fleet of existing vessels shall be covered by the Agreement.
- 1.8 An apprentice Engineer may join the Guild and pay the applicable dues to obtain status on the Hiring Hall Board.

HOURS of WORK

- 2.1
 1. Hours of work shall be designated so that the Officers work up to twelve (12) hours in any calendar day.
 2. a) Work up to forty (40) hours and five (5) consecutive days per week wherever possible. However, when a regular Officer has not yet worked a minimum of thirty-seven (37) hours in the week, he shall have the option of working a makeup shift on one (1) of the five (5) working days or on the sixth (6th) day. If this causes the Officer to work more than forty (40) hours or a sixth (6th) consecutive day, the excess hour(s) shall be paid out at straight time rates. This makeup shift will be assigned to regular Officers by seniority, and only after the other regular Officers have reached their pre-makeup shift hours for the week.
 - b) Makeup shift opportunities will apply to regular and non-regular Officers.

- c) Officers will elect, in writing, at the beginning of the season as to whether they wish to be eligible for makeup shifts. Their decision, once made cannot be changed for the season other than in extraordinary circumstances.
- d) In the event the Officer finds working makeup shifts too onerous, he shall have the right to elect to cease being eligible for makeup shifts and that decision shall prevail for the remainder of the season.
- e) When scheduling, the Company will attempt to achieve a work week of forty (40) hours or as close to forty (40) hours as possible for each employee. Once the schedule is posted, any extra shifts which occur will be offered first to those regular Officers and then to non-regular Officers (by seniority) who have not reached the forty (40) hour work week.
- f) Subject to 2.1 2(a) to (e) inclusive, Officers working beyond twelve (12) hours on any day or for any part of work on the sixth (6th) or seventh (7th) day shall be paid overtime.
- g) The overtime rate shall be time and one-half (1½) the straight time rate, except when an Officer has invoked Article 2.1 2(a) to (e) inclusive subject to the provisions of Article 2.1 2 (a) to (e) inclusive.
- h) It is understood that a work week will be from Sunday 00001 hours to Saturday 2400 hours. Where a shift start and end time spans over two (2) calendar days (eg: start 2100 hours, end 0300 hours), the entire shift will be deemed to have been worked on the day where the majority of hours are worked. If it is an even 50/50 time split, it will be deemed to have been the day the shift started.
- i) Where such a shift is extended while the cruise is underway and the extension of hours would result in the majority of the shift's hours to fall on the other day, said shift will be deemed unchanged with respect to which day the hours will be applied as per the most current pre-sailing schedule.

2.2 All overtime rates provided in this Agreement shall accrue in one-half (½) hour increments except when Officers have elected makeup shifts under Clause 2.1 2(a) to (e) inclusive.

2.3 Officers shall be scheduled for a minimum of four (4) hours per shift. For each hour or portion thereof over four (4) hours, Officers shall be paid in one (1) hour increments.

2.4 A penalty of one-half (½) hours pay will be charged against Officers reporting late for duty.

2.5 Officers scheduled to work more than eight and one-half (8½) hours per day shall have a scheduled, unpaid, meal break of up to one and one-half (1½) hours. Where Officers do not receive at least one (1) hour for such meal break, their time shall be deemed to be continuous for pay purposes but shall not incur overtime rates. (See Letter of Understanding #2).

2.6 1. Preliminary schedules for the following fourteen (14) days shall be posted at noon every Thursday.

2. Schedule changes occurring within seven (7) days of the affected sailing will not result in a complete rescheduling however, additional trips will be assigned from the seniority list.
3. Schedule changes which affect sailing beyond seven (7) days will result in a reassignment of duties based on seniority.
- 4 Regular Officers who lose shifts as a result of schedule changes within seven (7) days can opt to have lost hours awarded to them in future shifts at Officers discretion, where practical and pursuant to Clause 2.1 2(a) to (e) inclusive.

RATES of PAY

- 3.1 Rates of Pay for all bargaining unit positions shall be as contained in Appendix "A".
- 3.2 Salary shall be paid bi-weekly.

MANNING

- 4.1 Every vessel shall carry at least one (1) person who has sufficient knowledge of the engine and mechanical equipment, to satisfy the Ministry of Transport requirements.

ANNUAL VACATION

- 5.1 Officers shall be paid vacation pay of four per cent (4%) of gross wages earned per year up to and including the second (2nd) year of consecutive service.
- 5.2 Officers shall be paid vacation pay of six percent (6%) of gross wages earned per year for the third (3rd) year of service up to and including the seventh (7th) year of consecutive service.
- 5.3 Officers shall be paid vacation pay of eight percent (8%) of gross wages earned per year for the eighth (8th) and succeeding years of consecutive service.
- 5.4 For the purpose of this clause, the term "gross pay" shall include all monies credited as a result of wages, overtime, subsistence and previous vacation pay.
- 5.5 Officers terminating their employment shall be paid all vacation pay due them up to the date of leaving, calculated in accordance with paragraphs 5.1 to 5.3 inclusive, of this clause.

STATUTORY HOLIDAYS

6.1 All Officers will be given eleven (11) Statutory Holidays with pay, namely:

New Years Day	Canada Day	Remembrance Day
Good Friday	BC Day (1 st Mon. in Aug.)	Christmas Day
Easter Monday	Labour Day	Boxing Day
Victoria Day	Thanksgiving Day	

If not possible and they are called upon to work on any of these days, they shall be paid at the rate of time and one-half (1½) the applicable rate in addition to their normal days pay.

6.2 Officers shall be paid for the Statutory holiday if they work twenty-four (24) hours in the preceding pay period or, work the day prior to and the day after the Statutory Holiday.

UNIFORMS

7.1 If the Company requires an Officer to wear a uniform, the Company shall reimburse the Officer up to three hundred fifty dollars (\$350.00) to purchase a uniform which shall consist of black dress pants, white epaulet shirt, black tie, and suitable black footwear and such other items as approved by the Company.

7.2 If the Company requires an Officer to wear a cap, cap badges, crests, braids and buttons, the Company will loan such items to the Officer.

7.3 Engineers on all vessels shall be issued coveralls, and coveralls will be issued to all Deck Officers performing Engineer duties.

7.4 Officers shall be responsible for cleaning of uniforms and coveralls. The Company will reimburse all cleaning costs on presentation of receipts from the cleaning firm.

7.5 All reimbursed and loaned items shall remain Company property and are to be returned upon cessation of employment with the Company.

7.6 New Officers will be reimbursed for uniforms after completing forty (40) days of work in the May 1st to October 1st season.

SENIORITY

8.1 1. **Definitions:**

a) ***Regular Officer...***

Is an employee who will be fully available for the May 1st to October 1st season, and who will work all vessels/positions qualified for.

b) ***Non-Regular Officer...***

Is an employee who is not available for the full season, has full-time employment with another Employer, or will only work certain positions or on certain vessels.

c) ***Officers...***

Where the contract only specifies "Officers", it is deemed to mean both Regular and Non-Regular Officers.

- 8.2 A seniority list of all Officers shall be drawn up indicating Company service.
- 8.3 This list shall have two (2) parts, first is the Regular Officers and the second part being those Officers who are Non-Regular.
- 8.4 Seniority lists will be posted in the wheelhouse of each vessel by May 15th, and shall be re-posted whenever a change is effected.
- 8.5 An Officer shall acquire seniority as of the date of his/her employment with the Company.
- 8.6 An Officer shall acquire Regular Officer status provided he/she works a minimum of one hundred fifty (150) hours in the May 1st to October 1st season and meets the criteria of a Regular Officer as defined.
- 8.7 An Officer's seniority date for the Regular Officer's seniority list shall be the date upon which he/she achieved one hundred fifty (150) hours in the May 1st to October 1st qualifying season.
- 8.8 A Regular Officer who does not make himself available by May 1st for the period May 1st to September 30th, may be dropped to the non-regular part of the seniority list relative to their first (1st) day of hire.
- 8.9 A Non-Regular Officer who refuses to accept work in an unreasonable and/or repetitive fashion or, takes a leave of absence between May 1st and October 1st inclusive or, declines work for non-health related or compassionate reasons shall lose his seniority position and go to the bottom of the non-regular seniority list.
- 8.10 Any Officer who is unavailable for work in an unreasonable and/or repetitive fashion because he/she has taken other employment within the marine industry shall lose his/her seniority with the Company as a result of his own actions.
- 8.11 Officers who are hired on a non-regular basis during the season shall be allocated work in a fair and impartial manner in a seniority sequence.
- 8.12 Provided qualifications, experience and ability are sufficient to do the job, promotions shall be made on the basis of seniority. Regular Officers shall be deemed senior to Non-Regular Officers regardless of original date of hire.

- 8.13 In the case of layoff or recall, seniority with the Company as an Officer shall be the determining factor, providing qualifications, experience and ability are sufficient to do the job. Regular Officers shall be deemed senior to Non-Regular Officers regardless of original date of hire.
- 8.14 Any Officer shall lose all seniority if he/she resigns, or is discharged from the Company for just cause.

LEAVE of ABSENCE

- 9.1 The Company will grant a leave of absence to Officers suffering injury or illness, subject to a medical certificate if required by the Employer.
- 9.2 An Officer shall be entitled to compassionate leave of up to three (3) days to attend to urgent domestic affairs. Leave of more than three (3) days may be taken subject to Company approval, if circumstances warrant.
- 9.3 An Officer who is required to be available for Jury Duty, Coroner's Jury Duty, Coroner's Witness or Crown Witness shall be granted leave without pay.
- 9.4 Where an Officer represents the Company in a court action or is required to be available on behalf of the Company, the Officer will be paid while on such duty, provided such court action is not occasioned by the Officer's private affairs.
- 9.5 Bereavement leave is provided in accordance with the provisions of Sec. 53 of the BC Employment Standards Act and immediate family means, in respect of any Officer, the spouse, children, sister, brother, parent, mother-in-law, father-in-law or grand parent of the Officer, and includes any relative permanently residing in the Officer's household or with whom the Officer resides.
- 9.6 When an Officer on leave of absence takes employment with another Company within the Marine Industry, he shall be deemed to have terminated employment with the Company.
- 9.7 Notwithstanding Clause 9.6 above, upon application from an Officer, the Company with the Guild's concurrence, may grant a leave of absence of up to two (2) years to an Officer who desires to work offshore with an employer engaged in foreign going shipping. Such an Officer's seniority shall remain dormant from the time the leave is granted and until the Officer returns to the employ of the Company.

DISPUTES and APPEALS

- 10.1 All disputes and appeals arising out of this Agreement, which cannot be settled directly between the Company and the Officers, or the Company and the Guild, within ten (10) days, shall be handled in accordance with the following procedure.

- 10.2 The Party desiring to arbitrate under this procedure shall notify the other Party in writing of the particulars of the matter in dispute.
- 10.3 The Party receiving such notice shall, within five (5) days thereafter, meet with the Party desiring to arbitrate and they shall agree upon a single arbitrator who will decide the issue or issues in dispute.
- 10.4 Should the Parties fail to agree upon a single arbitrator, they shall request the Labour Relations Board of British Columbia to appoint an arbitrator.
- 10.5 The arbitrator, being thus appointed, shall sit, hear the Parties, settle the terms of the question or questions to be arbitrated, and make his award within ten (10) days from the date of his appointment, providing the time may be extended by mutual consent of the Parties. The arbitrator shall deliver his award in writing to each Party concerned, and the award shall be final and binding on both Parties and they shall carry it out forthwith.
- 10.6 Any expense in connection with the appointment of the arbitrator shall be equally divided between the Parties.
- 10.7 Each Party hereto shall respectively assume any expense in connection with the attendance of their representative at the sittings of the arbitrator.

STRIKES and LOCKOUTS

- 11.1 There shall be no strikes, lockouts, tie-ups, slowdowns or stoppage of work for any cause whatsoever during the life of this Agreement. It is the intent of the Company and the Guild that all controversies, regardless of their nature, shall be settled amicably and harmoniously under the terms of this Agreement.
- 11.2 Refusal to pass through a picket line which has not been found to be illegal shall not be construed as a violation of this Agreement.
- 11.3 The Company agrees not to discriminate against any member of the Guild for his activities on behalf of, or membership in, the Guild.

LEGAL DEFENCE INSURANCE

- 12.1 The Company will pay to the Guild the sum of thirty dollars (\$30.00) per Officer employed, per month, to cover the cost of Legal Defence Insurance for the Officers.

MEDICAL EXAMINATIONS

- 13.1 It is agreed and understood that it shall be the prerogative of the Company to require that all Masters and Officers covered by this Agreement undergo a medical examination once per year, by a Company Doctor, and at the Company's expense.
- 13.2 Where the Company refuses to employ an Officer, or discharges an Officer for medical reasons, the question of that Officer's fitness for full sea duties in the category in which he is to be employed may be referred to a competent medical authority acceptable to the Company, the Guild and the Officer concerned, for determination acceptable to the Company, the Guild and the Officer concerned.

RETROACTIVITY

- 14.1 There shall be full retroactivity to January 1, 2004 for all Officers.

EDUCATION and UPGRADING

- 15.1 An Officer shall be granted leave without pay to take courses at the request of the Company. The Company shall bear the full costs of the course, including tuition fees and course books where required, travel and parking expenses where applicable. Fees are to be paid by the Company when due. Periodic upgrades or re-validation of any MED or First Aid requirement shall be considered required for those Officers employed solely by Harbour Cruises who have acquired seniority in accordance with Clause 8.6.

HIRING HALL FEE

- 16.1 The Company shall pay monthly to the Guild the agreed Hiring Hall Fee of one dollar (\$1.00) per Officer per day worked for each day the Officer is employed.

LIABILITY INSURANCE

- 17.1 The Company confirms that all Officers are covered to the full extent of the Company's Liability Insurance for marine occurrences in the course of their duties. The intent is to prevent separate actions against Officers by allowing the Company to represent a single and unified defence against Third Party claims.

TERMINATION

18.1 This Agreement shall be for a term of three (3) years with an effective date of **January 1st, 2004 to December 31st, 2006.**

**SIGNED on BEHALF of
HARBOUR CRUISES LTD.**

**SIGNED on BEHALF of the
CANADIAN MERCHANT SERVICE GUILD**

<i>Graham Clarke — President</i>	<i>Arnold Vingsnes — Secretary Treasurer</i>
<i>Marco Iucolino — Manger, Labour Relations</i>	<i>Edd Langelier — Business Agent</i>

Dated at Vancouver, BC	this	day of	June, 2005
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APPENDIX "A"

WAGE RATES

Effective January 1, 2004 — 1.5%	
Group	Rate
Master	\$32.25
Chief Engineer	\$30.62
First Mate	\$27.88
Second Mate	\$26.49

Effective January 1, 2005 — 2.25%	
Group	Rate
Master	\$32.98
Chief Engineer	\$31.31
First Mate	\$28.51
Second Mate	\$27.09

Effective January 1, 2006 — 2.5%	
Group	Rate
Master	\$33.80
Chief Engineer	\$32.09
First Mate	\$29.22
Second Mate	\$27.77

APPENDIX "B"

LIST of VESSELS

Britannia

Constitution

Harbour Princess

Spirit of Yalis

LETTER of UNDERSTANDING #1

The Company and the Guild agree to negotiate the hours of work on behalf of the Officers covered by this Agreement, should the need arise, due to the implementation of new and/or different scheduling and/or specific runs.

**SIGNED on BEHALF of
HARBOUR CRUISES LTD.**

**SIGNED on BEHALF of the
CANADIAN MERCHANT SERVICE
GUILD**

<i>Graham Clarke — President</i>	<i>Arnold Vingsnes — Secretary Treasurer</i>
<i>Marco Iucolino — Manager, Labour Relations</i>	<i>Edd Langelier — Business Agent</i>

Dated at Vancouver, BC	this	day of	May, 2005
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LETTER of UNDERSTANDING #2

The Canadian Merchant Service Guild agrees to expand the maximum one and one-half (1 ½) hour unpaid meal break up to two (2) hours when scheduling Officers to work both the Indian Arm Lunch Cruise and a Sunset Dinner Cruise only.

**SIGNED on BEHALF of
HARBOUR CRUISES LTD.**

**SIGNED on BEHALF of the
CANADIAN MERCHANT SERVICE GUILD**

<i>Graham Clarke — President</i>	<i>Arnold Vingsnes — Secretary Treasurer</i>
<i>Marco Iucolino — Manager, Labour Relations</i>	<i>Edd Langelier — Business Agent</i>

Dated at Vancouver, BC	this	day of	May, 2005
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