

TABLE of CONTENTS

PREAMBLE	2
ARTICLE 1 Recognition	2
ARTICLE 2 Hours of Work	3
ARTICLE 3 Pay	4
ARTICLE 4 Manning	4
ARTICLE 5 Annual Vacation	4
ARTICLE 6 Statutory Holidays	6
ARTICLE 7 Uniforms	6
ARTICLE 8 Seniority	7
ARTICLE 9 Leave of Absence	8
ARTICLE 10 Pension Plan	9
ARTICLE 11 Benefit Plan	10
ARTICLE 12 Disputes and Appeals	11
ARTICLE 13 Strikes and Lockouts	11
ARTICLE 14 Legal Defence Insurance	12
ARTICLE 15 Medical Examinations	12
ARTICLE 16 Retroactivity	12
ARTICLE 17 Hiring Hall Fee	12
ARTICLE 18 Term	12
APPENDICES	
APPENDIX "A" Wage Rates	14
APPENDIX "B" List of Vessels	15
APPENDIX "C" Senior Master	16

Effective Date

July 1, 2003 — June 30, 2009

COLLECTIVE AGREEMENT

BETWEEN: CANADIAN MERCHANT SERVICE GUILD
(*hereinafter called the "Guild"*)

AND: WESTERN PACIFIC MARINE LIMITED
(*hereinafter called the "Employer"*)

WHEREAS an Agreement has been reached between Western Pacific Marine Limited 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.

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.

ARTICLE 1 — 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.

ARTICLE 2 — HOURS of WORK

- 2.1** Officers work a shift rotation of two (2) weeks on duty and one (1) week off duty. During the "Regular Schedule" (approximately September through June) they normally work two (2) rotations of five (5) days on duty and two (2) days off and then receive the following week off.

During the "Summer Schedule" (approximately July and August) they normally work two (2) rotations of six (6) days on duty and one (1) day off and then receive the following week off.
- 2.2** The hours of work shall be designated so that Officers work up to eight (8) hours in a ten (10) hour period.
- 2.3** Officers working beyond eight (8) hours in a ten (10) hour period shall be paid overtime

in accordance with the following:

- (a) time and one-half (1½) for the first two (2) hours in any day and then all additional hours at double time (2x).

- 2.4** Overtime shall be calculated at a minimum of one (1) hour and in one-half (½) hour increments thereafter.
- 2.5** Officers shall have the right to bank as compensatory leave any overtime or premium pay. Officers shall advise the Company if they wish to have their overtime converted to compensatory leave or paid in cash.
- 2.6** Regular Officers shall have the right to work in relief of other Regular Officers at regular time rates prior to Relief Officers being called.
- 2.7** Officers shall have the right to exchange shifts. Officers shall complete the "Exchange Shift Request" form provided by the Company and both Officers shall sign this form.

ARTICLE 3 — 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.

ARTICLE 4 — MANNING

- 4.1** The 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.

ARTICLE 5 — ANNUAL VACATION

- 5.1** An Officer shall receive fourteen (14) consecutive days annual vacation upon completion of one (1) year of service with the Company and for each succeeding year. He shall be paid for such vacation on the basis of four per cent (4%) of gross wages earned in each year.
- 5.2** An Officer shall receive twenty-one (21) consecutive days annual vacation upon completion of two (2) years of service with the Company. He shall be paid for such vacation on the basis of six per cent (6%) of gross wages earned during his second (2nd) and succeeding years of service.
- 5.3** An Officer shall receive twenty-eight (28) consecutive days annual vacation upon completion of seven (7) years of service with the Company. He shall be paid for such vacation on the basis of eight per cent (8%) of gross wages earned during his seventh (7th) and succeeding years of service.

- 5.4** An Officer shall receive thirty-five (35) consecutive days annual vacation upon completion of twelve (12) years of service with the Company. He shall be paid for such vacation on the basis of ten per cent (10%) of gross wages earned during his twelfth (12th) and succeeding years of service.
- 5.5** In all cases under Sections 5.1, 5.2, 5.3 and 5.4, above, if the Officer has worked less than a normal year and is not entitled to the full annual vacation days allowed, they shall be pro rated in accordance with the vacation pay earned.
- 5.6** Vacation pay shall be accumulated throughout the year and shall be paid to the Officer on the payday prior to his vacation.
- 5.7** The Company shall provide vacation pay information, including amount, income tax deducted, period covered and gross earnings for the period, at the same time an Officer receives his vacation pay.
- 5.8** An Officer shall be entitled to select the periods desirable to him for his vacation periods on the basis of his seniority with the Company, and his vacation periods may, at his discretion, be combined with time off, subject to the Company having the right to approve the overall vacation schedule. The Officer's request will not be unreasonably denied.
- 5.9** For the purposes of this Article, the term "gross wages" shall include all monies credited including wages, overtime, excessive hours, and previous vacation pay.
- 5.10** An Officer terminating his employment shall be paid all vacation pay due him up to the date of leaving, calculated in accordance with Sections 5.1, 5.2, 5.3 and 5.4.
- 5.11** When a statutory holiday occurs in a vacation period the provisions of Article 6 shall apply.
- 5.12** An Officer who has been laid off and is re-employed within twelve (12) months of the date of layoff shall be granted the same vacation entitlement as he possessed immediately prior to the layoff.
- 5.13** Where an Officer is scheduled or elects to retire within any given year, such an Officer shall be entitled to utilize all vacation allowances accrued during the year of retirement including the immediate preceding year should he so choose.

ARTICLE 6 — STATUTORY HOLIDAYS

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

Years Day	ay (1 st Monday in August)
Friday	ksgiving Day
r Monday	embrance Day
ia Day	mas Day
da Day	g Day
ur Day	

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

- 6.2 The rate of pay for work on a statutory holiday is time and one half the straight time hourly rate in addition to their normal days pay.
- 6.3 When an Officer works on a statutory holiday he shall be granted an alternate calendar day off.
- 6.4 For each statutory holiday not worked or for each alternate day off in place of a statutory holiday worked, an employee shall be granted his regular pay for that day as if he worked.
- 6.5 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.

ARTICLE 7 — UNIFORMS

- 7.1 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.
- 7.2 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 or may enter into a cleaning contract with a local cleaner.
- 7.3 All reimbursed and loaned items shall remain Company property and are to be returned upon cessation of employment with the Company.
- 7.4 New Officers will be reimbursed for uniforms after completing thirty (30) days of work. A day is defined as one shift.

- 7.5** The Company shall provide each Officer on request a M.O.T. approved or U-VIC style floater coat. The Company shall issue the coats and will replace them when necessary. An Officer who requests in lieu anti-exposure coveralls, shall have the first one hundred twenty dollars (\$120.00) paid by the Company and shall reimburse the Company the difference. Where the Officer leaves the employ of the Company before acquiring six (6) months service, the cost of the floater coat or the monies advanced will be deducted from his final pay. New Officers are not covered on their first (1st) tour of duty.

ARTICLE 8 — SENIORITY

- 8.1** Seniority list(s) of all Employees shall be drawn up indicating Company service.
- 8.2** There shall be two (2) categories of seniority, one being Regular employees and the other being Relief employees.
- 8.3** A Regular Officer shall acquire seniority as of the date of his/her employment with the Company as an Officer upon completion of six (6) months of work in that category.
- A Relief Officer shall acquire seniority based on the number of days worked upon completion of sixty (60) days of work.
- 8.4** Officers shall have the right to be promoted on the basis of their seniority subject to qualifications, experience and ability being sufficient to do the job.
A Regular employee may revert to a vacant Relief position and they shall retain their original seniority date.
- 8.5** Employees who are hired on a Relief basis shall be allocated work in a fair and impartial manner according to their seniority.
- 8.6** In cases of layoff or recall service seniority shall be the determining factor.
- 8.7** Re-alignment of positions due to layoff shall be in accordance with the sequence set out below subject to qualifications, experience and ability being sufficient to do the job.
- (a) number of Masters retained in accordance with the Master's seniority,
 - (b) displaced Master's are then transferred to the First Mates list in accordance with their service seniority and the number of Mates retained in accordance with their service seniority.

- 8.8** An Officer who has been laid off will retain his/her seniority and the right to be recalled for a period up to twelve (12) months from the date of layoff. Laid off Regular Officers will be recalled first. An Officer who is given reasonable notice and fails to report for work upon recall is subject to discharge from service. Reasonable notice shall be not less than twenty-one (21) days by Double Registered Mail.
- 8.9** An Officer shall lose all seniority when:
- (a) he/she resigns,
 - (b) is discharged from the Company for just cause, or
 - (c) in the case of Relief officers who decline four (4) work assignments in a twelve (12) month period.
- 8.10** An Officer who takes other employment while on leave, within the marine industry, shall lose his/her seniority with the Company as a result of his own actions.

ARTICLE 9 — LEAVE of ABSENCE

- 9.1** Any Officer desiring leave of absence for any reason other than those set out in Sections 9.3, 9.4 and 9.5 of this Article must obtain authorization in writing from the Company, and the Company and the Guild must mutually agree in writing to the granting of such leave and it will not be unreasonably denied.
- 9.2** Where any Officer is granted leave of absence under this Article for a period of longer than thirty (30) calendar days, the Company agrees to notify the Guild as to the circumstances for granting of such period of leave.
- 9.3**
- (a) The Company will grant leave of absence to officers suffering injury or illness, when on Weekly Indemnity, LTD or WCB, subject to a medical certificate if required by the Employer.
 - (b) Where an Officer on a Worker's Compensation Board claim is medically determined by the WCB to be unable to return to the employ of the Company and evaluation or re-training for alternate employment under the WCB Vocational Rehabilitation Phase has commenced, the employment relationship between the Officer and the Company is ended. The foregoing shall apply providing the medical determination is not in dispute and/or after fifty-two (52) weeks on claim.
- 9.4** An Officer shall be entitled to compassionate leave of up to three (3) days to attend urgent domestic affairs. Leave of more than three (3) days may be taken, subject to Company approval, if the circumstances warrant.

- 9.5** An Officer who is required to be available for Jury Duty, Coroner's Jury Duty, Coroner's Witness, or Crown Witness will be granted leave without pay.

Where an Officer represents the Employer in a court action, he will be paid while on such duty. Such pay shall be offset where an Officer's pay is remunerated by a third party, eg: when acting as a witness. The pay will be such as to maintain the Officer's monthly basic rate. Leave banks will be frozen during this time.

- 9.6** Bereavement leave is provided in accordance with the provisions of the British Columbia Employment Standards Act, excepting that the entitlement shall be four (4) calendar days pay, and immediate family means, in respect of any Officer, the spouse, parents, children, sisters, brothers, father-in-law and mother-in-law of the Officer, and includes any relative permanently residing in the Officer's household or with whom the Officer resides.
- 9.7** 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 off shore with an Employer engaged in foreign 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.

ARTICLE 10 — PENSION PLAN

- 10.1** The Employer will contribute monthly to the Officer's Self Directed Registered Retirement Savings Plan (SDRRSP) a total of five and one-half per cent (5½%) of each Officer's monthly gross rate of pay actually paid to the Officer each month. Officers for whom the five and one-half per cent (5½% contribution is made will contribute concurrently by payroll deduction five and one half per cent (5½%) on their own behalf.
- 10.2** All contributions referred to under Section 10.1 above are exclusive of any contributions required for the Canada Pension Plan.
- 10.3** The Company will forward to the Financial Institution of the Officer's choice the monthly contribution showing all contributions made on behalf of the Officer on the payroll that month.
- 10.4** Where a Company is remiss in forwarding pension contributions it shall be responsible for its contributions and any lost interest for any period beyond thirty (30) days.
- 10.5** Registered Retirement Savings Plan contributions shall commence as of the first (1st)

day of employment.

ARTICLE 11 — BENEFIT PLAN

- 11.1** The Company has the option of providing a medical plan that is equal to or exceeds the benefits of the CMC/GUILD plan in effect July 1st, 2005 or the Company may participate in the Guild plan according to the following.
- 11.2** The Company shall pay to the Guild a monthly contribution of seven hundred eighty-eight dollars (\$788.00) until October 1, 2005 and then shall pay eight hundred twenty-six dollars (\$826.00) or such higher rates as may be in effect with CMC for each eligible Employee in its employ in lieu of providing a Health Benefit Plan including but not limited to Life Insurance, Accidental Death and Dismemberment, Weekly Indemnity, Extended Health Care, Long Term Disability and Dental Coverage.
- 11.3** The Guild shall provide a Health Benefit Plan for all eligible Employees utilizing all of the contributions received under Section 11.2 above.
- 11.4** An Employee must be actively at work in order to be eligible for contributions to be made on his behalf, except as provided otherwise in this Article.
- 11.5** Contributions will be prorated for those Employees who are eligible and who are employed for a part month.
- 11.6** All eligible Employees will have contributions made for them on completion of ninety (90) days continuous employment.
- 11.7** Employees absent due to disability, temporary layoff or leave of absence on the date they would normally become eligible shall be eligible for contributions from their date of return to active full-time employment.
- 11.8** Contributions will commence immediately for any eligible Employee who returns to active full-time employment within six (6) months of the date of his leaving employment. If an Employee does not return to active full-time employment within the six (6) month period, he will be considered a new employee and will be subject to the completion of ninety (90) days continuous employment. Where an Employee retains recall rights under Section 8.8, he shall not be subject to the waiting period on return to work.
- 11.9** When an Employee is on Weekly Indemnity or WCB benefits for up to fifty-two (52) weeks, the Employer will pay the full contribution under Section 11.2 above, and the BC Medical Plan Premium. An Employee who is put on layoff when on these benefits will continue to have these premiums paid by the Company.

- 11.10** Any rebate of EI premiums shall continue to be retained by the Employer to offset contributions.
- 11.11** The Employer will continue to pay one hundred per cent (100%) of the premium of the BC Medical Services Plan.

ARTICLE 12 — DISPUTES and APPEALS

- 12.1** 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.
- 12.2** The Party desiring to arbitrate under this procedure shall notify the other Party in writing of the particulars of the matter in dispute.
- 12.3** 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.
- 12.4** Should the Parties fail to agree upon a single Arbitrator they shall request the Labour Relations Board of British Columbia to appoint an Arbitrator.
- 12.5** 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.
- 12.6** Any expense in connection with the appointment of the Arbitrator shall be equally divided between the Parties.
- 12.7** Each Party hereto shall respectively assume any expense in connection with the attendance of their Representative at the sitting of the Arbitrator.

ARTICLE 13 — STRIKES and LOCKOUTS

- 13.1** 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.

13.2 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.

13.3 The Company agrees not to discriminate against any member of the Guild for his activities on behalf of, or membership in, the Guild.

ARTICLE 14 — LEGAL DEFENCE INSURANCE

14.1 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.

ARTICLE 15 — MEDICAL EXAMINATIONS

15.1 All licensed Officers shall undergo a Transport Canada Medical exam as required under the Canada Shipping Act regulations. The medical exam expense shall be reimbursed by the Company. The onus shall be on the employee to ensure he is not in default of the same.

Should the Company require the employee to undergo an additional medical, it shall be at the Company's expense and at the Company's designated Doctor.

15.2 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.

ARTICLE 16 — RETROACTIVITY

16.1 Effective July 1st, 2005, full retroactivity to be paid on all monetary items in this Agreement.

ARTICLE 17 — HIRING HALL FEE

17.1 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.

ARTICLE 18 — TERM

18.1 This Agreement shall be for a term of four (4) years with an effective date of July 1st, 2005 to June 30th, 2009. Either Party may give notice after March 31st, 2009 to enter into collective bargaining for a new Collective Agreement.

**WITNESSED on BEHALF of
WESTERN PACIFIC MARINE LTD.**

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

<i>Clarke — President</i>	<i>Wingsnes — Secretary Treasurer</i>
<i>McColino — Manager, Labour Relations</i>	<i>Wagelier — Business Agent</i>

Witnessed at Vancouver, BC	this 2nd day of	August, 2005
-----------------------------------	-----------------------------------	---------------------

APPENDIX "A"
WAGE RATES

Effective: July 1, 2005 — 2.25% Increase

Position	Hourly	One-Half (½) Rate	Double Time (2x)
MASTER	\$27.12	\$40.68	\$54.24
MATES	\$24.65	\$36.98	\$49.30

Effective: July 1, 2006 — 2.5% Increase

Position	Hourly	One-Half (½) Rate	Double Time (2x)
MASTER	\$27.80	\$41.70	\$55.60
MATES	\$25.27	\$37.91	\$50.54

Effective: July 1, 2007 — 2.5% Increase

Position	Hourly	One-Half (½) Rate	Double Time (2x)
MASTER	\$28.50	\$42.75	\$57.00
MATES	\$25.90	\$38.85	\$51.80

Effective: July 1, 2008 — 2.5% Increase

Position	Hourly	One-Half (½) Rate	Double Time (2x)
MASTER	\$29.21	\$43.82	\$58.42
MATES	\$26.55	\$39.83	\$53.10

APPENDIX "B"
LIST of VESSELS

"MV Centurion VII"

APPENDIX "C"
"SENIOR MASTER"

This letter will confirm the understanding reached between Western Pacific Marine Ltd. and the Canadian Merchant Service Guild with respect to the position of "Senior Master".

It is agreed the "Senior Master" shall receive an allowance of two hundred fifty dollars (\$250.00) per month as compensation for those administrative duties required in this position.

The Parties agree this position is considered an essential service and further agree that this position is specifically excluded from the provisions of Article 8 of this Collective Agreement.

The Canadian Merchant Service Guild recognizes the unique responsibilities of the position of "Senior Master" and his responsibilities to the Company.

**SUBMITTED on BEHALF of
WESTERN PACIFIC MARINE LTD.**

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

<i>Clarke — President</i>	<i>Wingsnes — Secretary Treasurer</i>
<i>Colino — Manager, Labour Relations</i>	<i>Belger — Business Agent</i>

Dated at Vancouver, BC	this 2nd day of	August, 2005
-------------------------------	-----------------------------------	---------------------