

AGREEMENT BETWEEN:

SEASPAN MARINE CORPORATION

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,

LOCAL 115

MAY 1, 2011 - APRIL 30, 2014

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AGREEMENT BETWEEN:

SEASPAN MARINE CORPORATION

(hereinafter called the "Company")

PARTY OF THE FIRST PART

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter called the "Union")

PARTY OF THE SECOND PART

WITNESSETH: that the parties hereto agree as follows:

ARTICLE 1: OBJECTS

1.01 The objects of this Agreement are to maintain a harmonious relationship between the Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise, to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement.

ARTICLE 2: DURATION

2.01 This Agreement shall be dated May 1, **2011** and shall be in full force and effect up to and including April 30, **2014**. This Agreement shall continue in full force and effect from year to year thereafter subject to the right of either party to this Agreement within three (3) months immediately preceding the date April 30, **2014** or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the termination or a renewal or revision of the Collective Agreement or a new Collective Agreement.

2.02 Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union gives notice to the Company of its intention to strike, or the Company gives notice to the Union of its intention to lockout, or the parties conclude a renewal or revision of the Collective Agreement or a new Collective Agreement.

ARTICLE 3: DEFINITION OF EMPLOYEE

3.01 In this Agreement "employee" means a person who is employed by the Company as a barge loader, as a barge crane operator or as a barge assistant head loader aboard the barges "SEASPAN FORESTER", "SEASPAN PHOENIX", SEASPAN HARVESTER", "SEASPAN SURVIVOR" **and the "HERCULES III"**.

ARTICLE 4: BARGAINING AGENCY AND HIRING

- 4.01 The Company recognizes the Union as the sole collective bargaining agent for each employee as that term is defined in Article 3 of this Agreement.
- 4.02 This Agreement shall be binding on the Company and the Union and on each employee. Where the Company's business or a part thereof is sold, leased or transferred and such sale, lease or transfer affects any employee covered by this Agreement, then this Agreement shall be binding on any such purchaser, lessee or transferee to the same extent as if it had been signed by him.
- 4.03 Each employee covered by this Agreement shall as a condition of employment and/or continued employment, be and remain or become and remain a Union member in good standing for the duration of this Agreement. Should an employee at any time cease to be a member in good standing of the Union, the Company shall upon notification from the Union discharge such employee forthwith.
- 4.04 Each employee shall sign the proper authorization form which authorizes the Company to deduct dues, initiation fees and assessments from the employee's pay.
- 4.05 The Company shall deduct from each employee, an amount equal to the monthly Union dues. All dues, fees and assessments so deducted shall be remitted to the Union not later than the fifteenth (15th) day of the month following together with a list showing the amount deducted for each employee. ***The Company agrees that upon receiving a written request from the Union that the fees and dues shall be sent electronically in a format acceptable to the Union if possible.***
- 4.06 When the Company requires additional employees, it shall contact laid-off employees, if any, who still retain their seniority rights under Article 7 of this Agreement. If there are no laid-off employees, or if none of them are available, then the Company shall inform the Union Dispatch Office at Burnaby of its new employee requirements.
- 4.07 Hiring or re-hiring of employees for sickness relief, bereavement relief and other mutually agreed circumstances to be on a seven (7) day basis for which the employee shall be paid twenty-five percent (25%) of monthly rate specified in Schedule "A" of this Agreement. Pension benefits shall be remitted on the same basis as above.
- 4.08 The Union shall have at least forty-eight (48) hours' notice between Monday 8:00 a.m. and Friday 5:00 p.m. to complete the dispatch.
- 4.09 When competent log barge crane operators or loaders are not available in the Dispatch Office of the Union at Burnaby, the Company may obtain operators elsewhere. Employees hired elsewhere shall have thirty (30) days in which to make application for membership in the Union or be replaced.
- 4.10 When employees are being hired, the Company shall be the sole judge of the employees' ability or qualifications as log barge crane operators or loaders.
- 4.11 ***In view of the requirement for the Company to conform to the Employment Equity Act the Company and the Union affirm their intent to further the aims of employment equity in the workplace. The Parties agree to consult and through mutual agreement***

address practices and conditions to fulfill all government guidelines and regulations in this respect.

ARTICLE 5: EMPLOYEE RIGHTS AND RESPONSIBILITIES

- 5.01 There shall be no strike, lockout or stoppage of work while the provisions of this Agreement are in effect.
- 5.02 The Company shall only discharge an employee for proper cause. If an employee on the seniority list feels that he has been improperly discharged, he shall have the right of Grievance and/or Arbitration under the terms of this Agreement.

ARTICLE 6: GRIEVANCE PROCEDURE

- 6.01 Should a dispute arise between the Company and an employee or the Union as an entity regarding the interpretation, application, operation, or any alleged violation of this Agreement, including any question as to whether any matter is arbitrable, it shall be resolved in the following procedural manner:
- (a) The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Company within thirty (30) calendar days.
 - (b) Should a solution not reached by step (a), then a Business Representative of the Union, accompanied by the employee if the employee or Business Representative so wish, shall discuss the matter with the Company. If a solution is reached, this shall be final.
- 6.02 If the procedures set forth in (a) and (b) above do not result in a solution being reached within seven (7) days of the first discussion between a Business Representative of the Union and a representative of the Company, or within such further period as the Company and the Union agree to in writing, the dispute shall be referred to an Arbitration Board:
- (a) The parties shall have ten (10) days to agree on a single arbitrator. Failing such agreement, an arbitrator shall be selected, by lot, from the following list:

Mark Brown
David McPhillips
Brian Foley
 - (b) The parties to the arbitration recognize that the authority of the arbitrator is set out in the Canada Labour Relations Code and nothing in their agreement shall be fetter than authority. In no case will an arbitrator have authority or alter this collective agreement.
 - (c) The parties shall equally share the costs of the arbitrator.
 - (d) The decision of the arbitration shall be final and binding. The arbitrator shall have the powers granted to him under the Canada Labour Code, but shall not have the power to amend any provision of the collective agreement.

- 6.03 The parties may, upon mutual agreement, refer any outstanding grievance to the Canadian Joint Grievance Panel process as outlined in Schedule "A" that is attached to and forms part of, this Agreement. The Panel decision shall be final and binding on the Parties. The Panel shall not have the authority to change this Agreement or to alter, modify or amend any of its provisions. However, the panel shall have the authority to dispense of a grievance by any arrangement that is deemed just and equitable. It is further agreed that in the event the Panel is unable to render a majority decision that the grieving party may refer the matter to a Schedule II Hearing under the Panel process, refer the matter back to the arbitration process as outlined above in this Article or, withdraw the grievance.
- 6.04 Any discharged employee may, within seventy-two (72) hours of his discharge, in writing, require the Company to give him the reasons for his discharge, and the Company will give such reasons to him in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge of such an employee, only the reasons so set forth in writing shall constitute cause.

ARTICLE 7: SENIORITY

- 7.01 The Company shall at least once every year, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company. The Company shall forward to the Union a copy of each list on the date of its posting. No employee shall be placed on the seniority list until he has been employed for one hundred and eighty (180) calendar days at which time his date of employment will be backdated for seniority list purposes. The seniority list will be in accordance with Company seniority. "Any employee who wishes to dispute the correctness of the seniority list shall do so not later than sixty (60) days from the date of posting, otherwise the list shall be deemed correct".
- 7.02 When an employee accepts an appointment as a Head Log Barge Loader or a shore position, he shall accumulate seniority for a six (6) month period and then his seniority shall remain dormant until such time as he returns to the bargaining unit. If the employee returns from his non-bargaining unit position after six (6) months, he can only take the junior position, having the right to exercise seniority at postings or layoff.
- 7.03 When a permanent vacancy occurs on a Log Barge, it shall be posted and eligible employees will be given twenty-one (21) days in which to apply. Final selection shall be made within thirty (30) days of posting, on the basis of ability, qualifications, and seniority. Abilities and qualifications being equal, seniority shall apply.
- The Company may temporarily assign an employee to fill this vacant position, during the thirty day (30) posting period.
- 7.04 The Company shall continue the practice of mailing all new job postings to the employee's home address.
- 7.05 When new Loaders are hired, there shall be a probationary period of 180 days worked within a 2 year period. After 90 days there shall be a review by the loading crew and the Company to evaluate the Loader's progress. If the Loader is to continue, there will be another similar review prior to the end of the 180 day probationary period, at which time the decision to retain the Loader or not will be made. There may be up to an additional 60 day probationary period if required.

- 7.06 At any time during the probationary period, a new Loader may be elevated to a full position or dismissed.
- 7.07 A laid-off employee shall retain his seniority and recall rights with the Company for twenty-four (24) months after the date of layoff.
- 7.08 The Company shall re-hire laid-off employees according to their seniority and the principle of last man off, first man on, shall prevail. The Company shall make personal contact with laid-off employees.
- 7.09 If a laid-off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee's service with the Company by reason of such layoff.
- 7.10 Employees are allowed two refusals before recall rights are deemed abandoned.

ARTICLE 8: LAYOFF NOTICE AND SEVERANCE PAY

- 8.01 Layoff Notice: An employee shall be given two (2) weeks' notice of layoff or two (2) weeks' pay in lieu of notice.
- 8.02 An employee with a minimum of six (6) months' service with the Company who is laid off shall be paid two (2) weeks' layoff pay, two (2) weeks from the date of layoff. If the period of layoff is less than two (2) weeks, then the employee shall be considered still on the payroll of the Company and no layoff shall have deemed to have occurred.
- 8.03 An employee with a minimum of one (1) year's service with the Company who is laid off shall be paid four (4) weeks' layoff pay, four (4) weeks from the date of layoff. If the period of layoff is less than four (4) weeks, but more than two (2) weeks then the employee shall be considered still on the payroll of the Company and shall have two (2) weeks' credit in case of any subsequent layoff.
- 8.04 An employee shall be entitled to layoff pay as defined above during each calendar year (i.e. January 1st to December 31st).
- 8.05 An employee shall not be entitled to layoff pay during a strike or lockout between the Company and the Union.
- 8.06 Layoff pay shall be based on the employee's regular monthly salary at the date of layoff.
- 8.07 Upon layoff, cash equivalent of earned time off will be paid out, pro-rated to reflect partial earned time off if necessary.
- 8.08 Severance Pay: In the event of amalgamation, sale or loss of any of the log barges referred to in this Agreement, automation or technological change causing an employee permanent loss of employment with the Company and such employee has a minimum of two (2) years' service he shall be entitled to severance pay as follows:
- (a) During the first four (4th) years of service - four (4) weeks' pay.
 - (b) During the fifth (5th) and succeeding years of service - one (1) additional week's pay to a maximum of twenty-six (26) weeks.

Severance pay shall be based on the employee's regular rate of pay at the date of his severance.

ARTICLE 9: VACATIONS

9.01 The Company shall give each employee an annual holiday which will be allocated on the basis of seniority and based on the following entitlements:

- (a) An employee shall receive a two (2) week vacation upon completing a term of one (1) year's service as an employee and upon the completion of each year of service thereafter shall receive a two (2) week vacation. He shall receive as vacation pay for each vacation period four percent (4%) of his gross earnings for the work year immediately preceding the vacation period.
- (b) An employee shall receive a three (3) week vacation upon completing a term of three (3) years' service as an employee and upon the completion of each year of service thereafter shall receive a three (3) week vacation. He shall receive as vacation pay for each vacation period six percent (6%) of his gross earnings for the work year immediately preceding the vacation period.
- (c) An employee shall receive a four (4) week vacation upon completing a term of seven (7) years' service as an employee and upon the completion of each year of service thereafter shall receive a four (4) week vacation. He shall receive as vacation pay for each vacation period eight percent (8%) of his gross earnings for the work year immediately preceding the vacation period.
- (d) An employee shall receive a five (5) week vacation upon completing a term of fourteen (14) years' service as an employee and upon the completion of each year of service thereafter shall receive a five (5) week vacation. He shall receive as vacation pay for each vacation period ten percent (10%) of his gross earnings for the work year immediately preceding the vacation period.
- (e) An employee shall receive a six (6) week vacation upon completing a term of twenty (20) years' service as an employee and upon the completion of each year's service thereafter shall receive a six (6) week vacation. He shall receive as vacation pay for each vacation period twelve percent (12%) of his gross earnings for the work year immediately preceding the vacation period.
- (f) With respect to time off for vacations, two (2) weeks of vacation time off shall be given between June 15th and September 15th for everyone if possible. If it is not possible, preference for summer vacation shall be subject to seniority. This summer vacation time to be in addition to time off. It is expected that any other vacation time off owing will be given in the winter months when the barge is not normally as busy.
- (g) In the event an employee who is entitled to a two (2), three (3), four (4), five (5), or six (6) week annual vacation permanently leaves the employ of the Company after he had his vacation he earned for the previous service year, he shall receive four percent (4%), six percent (6%), eight percent (8%), ten percent (10%) or twelve percent (12%) as the case may be, of his gross earnings for the portion of the service year in which he ends his employment for which no vacation pay has been paid.

- (h) In the event an employee permanently leaves the employ of the Company before he is entitled to two (2) weeks' vacation, he shall receive as vacation pay four percent (4%) of the gross earnings he received while in the employ of the Company.

The entitlements of an employee under this section shall at no time be less beneficial than those he would be entitled to under the provisions of any government legislation or any order or regulations made thereunder.

- 9.02 Prior to an employee going on his vacation, the Company shall furnish the employee with a statement showing the period for which the employee is receiving his vacation pay, the total of the employee's gross earnings for the year of service for which he is receiving his vacation and how the vacation pay is calculated. i.e., on a percentage or weekly basis. An employee shall be paid all vacation pay in one payment at least one (1) day before the beginning of the annual vacation.
- 9.03 An employee's scheduled vacation period shall not be changed by the Company or the employee within the one (1) month period immediately preceding the start of the vacation period without the consent of the employee concerned.
- 9.04 Each employee shall be required to take the full annual holiday period that he is entitled to under the provisions of this Agreement.
- 9.05 On layoffs of less than 3 months, payout of vacation pay to be at employee's option.
- 9.06 The Company will post vacation schedules not later than January 31st in any given year; and further that employees are required to indicate their preference of vacation period not later than March 31st of the same year.

After March 31st no changes will then be made to the vacation schedule unless by mutual agreement and only in extraordinary circumstances.

ARTICLE 10: GENERAL HOLIDAY PAY

- 10.01 The General Holidays referred to in this Article are as follows:

New Year's Day	Canada Day	Remembrance Day
Good Friday	Labour Day	Christmas Day
Victoria Day	Thanksgiving Day	Boxing Day
Easter Monday	British Columbia Day	

Plus any other legal holiday introduced by the Government of Canada.

- 10.02 For each General Holiday above, every employee shall be entitled to:
 - (a) A normal day's pay for each such holiday to be paid on the next regular pay period, OR
 - (b) one day off with pay for each such holiday, to be taken in conjunction with his next annual vacation period, OR
 - (c) one day's normal pay for each such holiday to be taken upon cessation of employment with the Company for any reason.

The choice between (a) and (c) above to be determined by which comes sooner - cessation of work or annual vacation.

- 10.03 If a General Holiday falls in an employee's scheduled vacation period, then an extra day's pay shall be added to such an employee's vacation pay or an extra day off with pay shall be given to such an employee in conjunction with his vacation, the above to be at the option of the employee concerned.
- 10.04 Except in cases of emergency or due to circumstances clearly beyond the control of the Company, employees shall not be required to work on the three (3) day period consisting of December 24th, 25th and 26th.

Where due to the exceptions noted above employees are required to work all or any part of this three (3) day period they shall not be required to work during the three (3) day period consisting of December 31st, January 1st and 2nd.

ARTICLE 11: WAGES

- 11.01 The Company shall remunerate an employee at the wage rate applicable to the job classification that such an employee is employed in. The job classifications and applicable wage rates shall be those agreed upon and set out in Schedule "A", attached hereto, and forming part of this Agreement.
- 11.02 In addition to the basic, one per month pay periods, a mid-month advance will be available to all employees if they so desire.
- 11.03 Time sheets to be turned in at the end of the month, and premium pay will be paid on the following month's cheque.
- 11.04 The Company will issue to each employee a separate or detachable itemized statement with each monthly pay showing the amount of base pay owing. The statement shall also show the total wages for the pay period and the total deductions therefrom.

ARTICLE 12: TRANSPORTATION AND ACCOMMODATION

- 12.01 The Company shall arrange for, and assume all cost of, the transportation of employees from their home port to work locations and return.
- 12.02 When an employee is performing his normal duties, either working, traveling or laying over, in connection with a log barge, the Company shall provide such an employee with accommodation. If there is an attending tug present at a work location then such accommodation and meals shall be provided aboard it and if there is no attending tug present at a work location then such accommodation and meals shall be provided at a logging camp or other suitable place.

This section shall not apply to an employee who is working on repair and maintenance in home port.

- 12.03 Each employee will receive a trip meal allowance of seventy dollars (\$70.00) cash, per twenty-four (24) hour period, with which he will purchase his own restaurant meals. Entitlement is renewable in half-day increments (i.e. \$35.00 per 12 hours) beyond the first twenty-four (24) period. This is not applicable to an employee who is working on repair

and maintenance in home port (i.e., does not apply to dockside lunches). Nor is it applicable (beyond the first 24 hours) to extended tug travel and/or weather bound situations where meals are provided on the tug or in the camp. Employees reporting for a non-dump will receive a half-day payment.

When a vessel is dumping and reloading in the same location, i.e., Howe Sound, Port Alberni, Quatsino Inlet, Prince Rupert, the crew shall only be paid the seventy-dollar (\$70.00) twenty-four hour meal allowance.

When employees are working in the United States of America, all meal allowances shall be paid in U.S. dollars.

- 12.04 Accommodation in hotels/logging camps to be single man rooms when available.
- 12.05 Employee vehicles can be used on Company business only if authorized by the Company.
- 12.06 When an employee's vehicle is used on Company business, the employee will be reimbursed on the basis of **forty-eight cents (\$0.48)** per kilometer. ***Should the Company amend its corporate mileage policy, any changes would automatically apply.***
- 12.07 The Company agrees to reimburse the employee for the difference between standard rate and business rate insurance to those employees requested by the Company to use their vehicles on Company business.
- 12.08 An employee shall arrange with the Company for adequate insurance coverage before using his motor vehicle on Company business.
- 12.09 It shall not be a violation of this Agreement for an employee to refuse to use his motor vehicle on Company business.
- 12.10 Employees will be compensated for the use of a motor vehicle on a trip at the flat rate of thirty dollars (\$30.00) per call-out.

This shall not apply to call-outs for dockside maintenance and repair.

This section is to be subject to understanding between the crew and the management of the Company.

ARTICLE 13: WELFARE, PENSION PLAN AND ACCIDENT INSURANCE

- 13.01 Welfare: The BC Marine Industry Employee Health Benefit Plan coverage in force as of May 1, **2011** will continue to apply to employees covered by this Agreement, for the duration of the new Agreement. The administrator of this Benefit Plan shall be D.A. Townley and Associates Ltd.

In summary, the following are the levels of Benefit coverages of the Plan.

B.C. Medical Plan (MSP)			
Life Insurance	-		\$105,000.00
A.D. & D.	-		Same as Life Insurance
Weekly Indemnity	-		65% (52 weeks (1,1,7) max. \$950.00 week)

Long Term Disability	-	66-2/3% of first \$2,250.00 of monthly salary, plus 40% of next \$3,000.00 of monthly salary, plus 30% of next \$3,000.00 of monthly salary(maximum (max. \$4,500.00 month)
Dental - Plan A	-	100% > \$2000 max per calendar year
- Plan B	-	50%
- Plan C	-	50% (\$2,500.00 lifetime maximum)
Extended Health Benefits	-	\$100 deductible
		i.e. Vision Care - \$200.00
		Hearing Aids - \$500.00

Employees who are laid off shall have the option of maintaining benefit coverage as outlined in the BC Marine Industry Employee Health Benefit Plan for a period of two (2) months commencing the first of the month following the date of layoff with the cost shared equally (50/50) between the Company and the employee.

A copy of the plan/policy shall be given to each employee, the Union and form part of the collective agreement.

Any rebate of Employment Insurance premiums shall continue to be applied to offset the Company's cost of the Welfare Plan improvements.

13.02 Travel Accident: The Company will carry and pay for \$200,000.00 travel insurance for each employee. Such coverage shall be for:

- (a) public and private transportation
- (b) portal to portal transportation

13.03 ***Effective March 1st, 2011, all Welfare premiums for all benefits including Long Term Disability will be paid totally by the Company to a maximum of \$1265.00 per month. If the cost of the Welfare premiums exceeds this amount the cost will be shared between the employer and employee on a 50/50 cost share basis.***

Any rebate of **Employment Insurance** premiums shall continue to be applied to offset the Company's cost of the Welfare Plan improvements.

The Company reserves the right to review the BC Marine Industry Plan to compare and consider other alternative Benefit Plans. The Company agrees to maintain all current Welfare coverages as a minimum, any changes to Benefit Plan carriers must be by mutual agreement. When a mutually agreed-to benefit plan carrier is selected, this paragraph will cease to be in effect.

13.04 Pension: The Company shall contribute eight and a half percent (8½%) of each employee's basic monthly rate to the Operating Engineers' Pension Plan on a monthly basis.

For compliance purposes and administration of the Pension Plan, the Union reserves the right to convert monthly contributions to hourly contributions.

- 13.05 Voluntary Pension Contributions: Once each calendar quarter (i.e., March 31, June 30, September 30 and December 31), Loaders may request payroll to submit all or part of their banked overtime as a lump sum voluntary contribution to the Company's Royal Trust Group RRSP Plan.

Loaders to be responsible for monitoring their own Revenue Canada contribution limits and keeping Payroll informed.

- 13.06 Retirement Benefit Plan: The Company shall contribute to the Retirement Benefit Plan at a rate that equals one percent (1%) of the employee's basic pay. These funds shall be sent to the B C Marine Industry Benefit Plan on a monthly basis. (Note: an employee must have been on the Marine Industry Benefit Plan for two (2) consecutive years, preceding his retirement.

ARTICLE 14: CREWS AND TRIPS

- 14.01 Posted employees shall be set-up as permanent crew units and shall be assigned to a specific log barge. The crew shall be kept intact except for lay-off, barge damage or barge tie-up.

If a barge is damaged, or is going to be tied-up for more than seven (7) days, the company may temporarily assign the employee to a relief position. This relief position shall not be for a period of more than twelve (12) consecutive months.

If a posted employee has been assigned a relief position under this clause for the full twelve (12) month period, the employee shall lose his original posting and have the right to exercise his seniority on the junior posted position, subject to having the necessary abilities and qualifications.

(This process is to be determined and monitored by the Employee/Operations Committee.)

- 14.02 In addition to Article 14.01, the Company may hire Relief employees. Employees hired in this position shall only be hired for holiday relief, illness or accident relief, extra crewing on a Log Barge or temporary relief, while the posting process is being completed.
- 14.03 A barge is considered to be in operation from the time of departure to a loading point, until discharged at a delivery point (intent is Gulf Islands/Howe Sound dumping grounds).
- 14.04 A "trip" for purposes of this Agreement shall be defined as the loading or the partial loading of a log barge and the dumping (or unloading) of such load or partial load, and all travelling involved. A "trip" shall also include all layovers.
- 14.05 Each crew while on a trip shall be made up of not less than four (4) employees or three (3) employees and a head loader. Each crew while on a trip shall have at least four (4) qualified employees or three (3) qualified employees and a qualified head loader directly assigned to crane and/or loader operator duties.
- 14.06 When required to travel by air, only reputable airlines or air charter companies will be used. When travelling from airport to airport, Vancouver to Port Hardy, Vancouver to Sandspit, etc., the aircraft will have the following minimum standards:

- (a) Twin engine, turboprop, pressurized, IFR equipped. The aircraft must be certified to a service ceiling of 25,000 feet. It must be capable of maintaining this altitude with a flight crew of 2, 5 passengers and their luggage and sufficient fuel on board to meet Transport Canada requirements and IFR reserves. The cabin pressurization system must be able to maintain a minimum cabin pressure equivalent altitude of 10,000 feet and cabin heaters must be able to maintain a minimum of 20° C cabin temperature at altitudes up to and including 25,000 feet for the duration of the flight. If requested by the loading crew, the flight crew must be willing and able to demonstrate these capabilities at the time of request. If the aircraft is a Beechcraft King Air 200, it shall be equipped with a spar strap or alternatively be inspected in accordance with Transport Canada regulations. On trips exceeding 200 nautical miles the aircraft will, if practical, be equipped with reclining seats for all passengers.
- (b) The flight crew will consist of 2 pilots, with the following minimum qualifications. The captain will be Commercial Pilots Licensed certified with 1500 hr. TT, 1000 hr. multi, 500 hr. IFR, and 50 hr. on type. The FO will be CPL certified multi IFR certified with 15 hrs. minimum on type.
- (c) When travelling between airport and loading or unloading sites, and it is impossible to use aircraft and crew with the above specifications, local twin or single engine, float or wheel equipped, fixed or rotary wing aircraft may be used. Any employee(s) safety concerns will be dealt with in accordance with Section 128 of the Canada Labour Code.
- (d) Employer agrees that upon request from the Union, it will instruct Carrier to supply the following information confirming it meets the above criteria of being a reputable carrier:
- Air Operator Certificate
 - Canadian Transportation Agency License
 - Certificate of Insurance
 - Aircraft's Certification of Airworthiness
 - Registration with WCB

ARTICLE 15: HOURS OF WORK

15.01 It is agreed that the working schedule for posted employees shall be four (4) weeks on and two (2) weeks off, free and clear of duty.

15.02 Employees hired for relief work shall receive two (2) weeks off with pay or two (2) weeks' pay in lieu of time off for each four (4) weeks worked.

The company and the employees will make every effort to provide relief employees with a four (4) week on and two (2) off schedule.

(Any issue in this regard shall be referred to the employee/ operations committee for resolution).

15.03 It is agreed that the working schedule for employees who are "posted" to a Log Barge that is primarily loading "heli wood" and/or "loose logs", the working schedule shall be three (3)

weeks on and two (2) weeks off. (It is agreed that when the extra employee is not required, because of this schedule, he may be utilized elsewhere for relief purposes.)

In the event, "heli wood" and/or "loose logs" loads are reduced or eliminated, the employees shall be returned to a four (4) weeks on and two (2) weeks off, schedule.

15.04 The Head Loader/Assistant shall keep a daily record of the number of hours an employee, works, travels, stand-bys, call-outs or lays over in a day and shall submit the total number of hours to the company at the end of each month. ***If an employee disputes the daily record of hours he must produce supporting documentation within 60 days from the end of the two month period.***

15.05 An employee shall be credited with the actual number of hours worked.

15.06 For each working cycle, an employee will be credited with **eight (8)** hours on his first day off and **eight (8)** hours on his last day off (i.e., **sixteen [16]** hours in total per two [2] earned day off period).

15.07 Standing by for Non-Dump: When the Company specifically requests an employee to standby for a non-dump, the employee shall be credited with four (4) hours standby time. This clause shall not exempt the other crew members from being available for a non-dump should they be required.

15.08 Reporting for Non-Dump: When an employee is required to report for a non-dump, he shall be credited hour for hour for each hour worked, with a minimum of eight (8) hours. When the employee is required to report for a non-dump, the standby credit would not be applicable as well.

15.09 Travel: An employee will be credited with all travel time and standby time.

For the purpose of this Agreement, travel shall be defined as the employee actually being in transit in some form of transportation, i.e. car, boat, plane, and shall include time spent standing by in a depot or terminal awaiting such transportation.

15.10 If an employee is on extended lay-over for a calendar day he shall be credited with twenty-four (24) hours for that calendar day for purposes of calculating hours worked.

15.11 Call-Out: If an employee is called out during his rest period, he shall receive a minimum credit of two (2) hours and subsequent time credited in one-half (1/2) hour increments.

15.12 Tug Travel - After all normal means of transportation have been exhausted, the Company may transport employee(s) by tug.

When an employee is required to travel by tug, as directed by the Head Loader/Second Loader, the employee shall be paid a premium (of his hourly rate of pay), in the following manner:

(a) Before Loading Barge:

hour for hour at his hourly rate of pay to a maximum of twelve (12) hours within a twenty-four (24) hour period.

(b) After Loading Barge:

the twenty-four (24) hour period shall start again and the employee(s) shall be paid hour for hour at his hourly rate of pay to a maximum of twelve (12) hours within the twenty-four (24) hour period.

(c) Split-Load Loading:

the twenty-four (24) hour period shall start again and the employee(s) shall be paid hour for hour at his hourly rate of pay to a maximum of twelve (12) hours within the twenty-four (24) hour period.

15.13 Monthly hours shall be calculated on a two (2) month basis, and any hours in excess of three hundred twenty-two (322) in a two (2) month period shall be credited at time and one-half (1-1/2x) and shall be taken by the employee in time off free and clear of duty. Such excess hours shall continue to be calculated in his annual hours as per Article 15, Section 15.14. An employee may at his discretion combine this time off with his annual vacation period, subject to the Company having the right to approve the overall vacation schedule.

If an employee has excess hours in the two (2) month period the excess hours shall be divided by eight (8) to arrive at the number of days free and clear of duty:

e.g. 80 hours divided by 8 = 10 days
84 hours divided by 8 = 10 days
85 hours divided by 8 = 11 days

15.14 An employee called in on his two (2) weeks off, to load a barge, shall be paid forty (40) hours per trip at his hourly rate of pay, but shall not be credited hours. ***When an employee is on a call in (overtime trip), that employee shall be entitled to tug travel when applicable.***

15.15 If an employee's total hours worked in any calendar year exceeds two thousand and eighty (2080), minus annual vacation hours and General Holiday hours, as required by the Canada Labour Standards Code, he shall be paid double time for all hours worked which exceed that figure.

15.16 Payment or banking of hours as provided for in Article 15.13, Article 16, and Article 17.02(a) and (b) shall be at the employee's option, subject to the following:

(a) Overtime bank preference to be arranged by letter from employee and would not change again until notified by employee.

(b) At June 30th and December 31st of each year, hours banked for the preceding six (6) month period shall be converted to days (as per formula contained in Article 15, Section 11) and taken as time off in the following six (6) month period. At the end of this following six (6) month period, any days not taken as time off shall be paid out in cash.

(c) Days off referred to in this section shall only be taken at a time mutually agreed between the employee and the Company, consistent with the efficient operation of the business. Employees shall not request such accumulated time during the months of June to September inclusive.

15.17 Medical Examinations

- (a) The company shall have the right to have all employees medically examined for fitness and any employee found medically unfit for service will not be employed. All such medical examinations shall be at the Company's expense.**
- (b) Where the Company refuses to employ and/or discharges the employee for medical reasons the employee may be examined by an independent third party doctor acceptable to all Parties for final medical fitness determination (at the employer's expense) to perform his duties.**

ARTICLE 16: PREMIUM PAY

16.01 An employee(s) who performs the duties listed below shall receive for such work, a premium rate of pay. The premium rate of pay shall be calculated at time and one quarter (1-1/4x) of the hourly rate of pay.

The minimum payment for such work set out below shall be a minimum of one (1) hour and be computed thereafter in half-hour increments;

- (a) when requested to work on the employees' rest period (excluding end of load call-out);
 - (b) when requested to do welding (for the continuance of the operation);
 - (c) when requested to do dozer boat repairs;
 - (d) when requested to do pumping with pumps, other than vessel pumps;
 - (e) when requested to do grapple repairs (excluding stub lines);
 - (f) when requested to do major breakdown repairs. (as per past Seaspan practice, an employee shall be notified if a claim for premium pay is to be disallowed);
- 16.02 Head loaders or assistant head loaders shall keep up-to-date lists of repairs and maintenance required on each barge. This work is to be performed in town. The repair work or maintenance performed on a trip that appears on the list shall attract premium pay.
- 16.03 The head loader or assistant head loader will be responsible for initialing all claims for premium pay.
- 16.04 An employee receiving such premium pay has the option of receiving cash or taking equivalent time off. Upon request by the employee, such time off will be taken at the Company's discretion consistent with the efficient operation of the business. An employee shall not request such accumulated time during the months of June to September inclusive; and
- (a) the conditions listed above will be waived when layoffs due to lack of work, extended repairs, forest closures, (fire or snow), strikes or lockouts, etc. are in effect for operators not involved in productive loading operations.

ARTICLE 17: MAINTENANCE AND REPAIRS

- 17.01 All regular hours worked on in-town maintenance and repair will be counted as hours worked under Article 15 and will be paid in accordance with Article 15.
- 17.02 On in-town maintenance and repair the Company shall not call more than two (2) crew members at one time unless the job is to be completed in eight (8) hours or less, in which case the four (4) man crew may be called, provided there is adequate space for all crew members to be working at one time. Any employee who works in excess of every other day shall have those days paid or banked at the time and one-half (1-1/2) rate.
- (a) Any time worked in excess of eight (8) hours during a calendar day on in-town maintenance and repair shall be banked at double time (2x) and converted to days as per formula contained in Article 15, Section 15.13.
 - (b) When an employee is called in to work before completing his regular time off all hours worked shall be banked at time and one-half (1-1/2x) for the first eight (8) hours and at double time (2x) thereafter, and converted to days as per formula contained in Article 15, Section 15.13.
 - (c) Days banked under (a) and (b) of this Article may be combined with an employee's annual vacation or taken at some other time mutually agreed between the employee and the Company.
- 17.03 An employee required to work on in-town maintenance or repair shall be credited with a minimum of four (4) hours. An eight (8) hour rest period shall be given such employees between the completion of maintenance or repair and the commencement of maintenance and/or loading operations.
- 17.04 An employee shall be credited with a total of one (1) hour travel time to and from the barge when working on in-town maintenance and repair.

ARTICLE 18: GENERAL PROVISIONS

- 18.01 It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line which has been legally established as a result of a bona fide labour dispute between a recognized trade union and an employer with whom the picketing union has a dispute.
- 18.02 The Union may select or appoint a Shop Steward to represent the employees and the Union shall notify the Company as to the name of such Shop Steward. The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.
- 18.03 Safety regulations regarding log barges set by the Department of Transport shall be strictly adhered to by both Company and employees.
- 18.04 Tools for the repair and maintenance will be provided by the Company. These tools will remain the property of the Company. The crane operators will act in a responsible manner in the care and keeping of the tools. Tools may be charged to the employee if not returned.
- 18.05 The Company shall supply gloves and hard hats complete with suspensions at no cost to the employee. The Company will also supply and maintain coveralls at no cost to the

employee. Employees will be reimbursed for the purchase price of either work boots or rain gear, to a maximum of one hundred thirty dollars (\$130.00) per year. **An employee may elect to carry over the full allowance to the next year. In this second year the Company will grant the employee an allowance equal to two times the annual allowance. Employees are required to submit original receipts as proof of purchase within 90 days.**

- 18.06 The Company shall supply a flotation jacket to each employee once every two (2) years at no cost to the employee.
- 18.07 Business Representatives shall have access during luncheon period to the place of employment of the employees covered by this Agreement in the carrying out of their regular duties, provided they check with the office before so doing.
- 18.08 The Company will recall laid-off employees to perform customary dockside maintenance and/or repair work that is required. Payment for such work shall be at the regular straight time hourly rate.
- 18.09 Bereavement Leave is provided in accordance with the provisions of the Canada Labour Code i.e.:
- (a) Every employee is entitled to and shall be granted, in the event of the death of a member of his immediate family, bereavement leave on any of his normal working days that occur during the three (3) days immediately following the day of the death.
 - (b) Every employee who has completed three (3) consecutive months of continuous employment by the employer and is entitled to bereavement leave is entitled to such leave with pay at his regular rate of wages for his normal hours of work, and such pay shall for all purposes be deemed to be wages.
- 18.10 No employee who, prior to the date of this Agreement, was receiving more than the rate of wages as set out in the Schedule attached hereto or working less hours than stipulated in this Agreement, shall suffer a reduction of wages because of the adoption of this Agreement.

18.11 At the discretion of the head loader in consultation with the crew, a 3 hour suspension of loading may be taken between the hours of 3 am and 6 am (hours of rest).

Nothing herein contained shall preclude higher wages being paid to employees of special ability.

SIGNED THIS _____ DAY OF _____, 2012.

SEASPAN MARINE CORPORATION

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

SCHEDULE "A"

CLASSIFICATIONS	May 1, 2011	May 1, 2012	May 1, 2013: 2% or COLA***
Loader			
Monthly	\$8,274.00*	\$8,274.00**	\$8,439.00 (minimum)***
Hourly	\$47.83*	\$47.83**	\$48.79 (minimum)***
Assistant Head Loader			
Monthly	\$8,549.00*	\$8,549.00**	\$8,714.00 (minimum)****
Hourly	\$49.42*	\$49.42**	\$50.37 (minimum)

* ***In Year One a one-time 3% lump sum payment (based on wages paid from May 1, 2011 to and including February 29, 2012) will be made on or before March 1st, 2012.***

Employees who are not paying LTD premiums will receive the one time 3% (based on wages) payout for Year One.

Employees who turn 64 between May 1st, 2011 and April 30th, 2012 and discontinue paying LTD premiums shall be paid a prorated lump sum payment from the date they turn 64, to April 30th, 2012.

** ***In Year Two a one-time \$1,500.00 signing bonus will be paid on May 1st, 2012.***

*** ***In Year Three, effective May 1st, 2013 there will be a 2% or COLA per hour per year increase to all classifications.***

**** ***Assistant Header Loader shall receive \$275.00 (two hundred seventy-five dollars) more than the current Loader rate.***

The COLA is based on the annual Vancouver CPI increase as published by statistics Canada in the year preceding the May 1st increase.

Probationary Loader rate of sixty-five percent (65%) of Loader rate subject to a Letter of Understanding regarding the probationary period.

At the Company's option, fully trained "Floater" Loaders may be paid at the Assistant Head Loader rate.

When an employee works relieving in a higher wage position, he will be paid the higher wage during any such period, or as an alternative be paid a permanent rate higher than the rate of the relieving employee; such rate to be mutually agreeable to both parties.

For all purposes under this Agreement, an employee's base straight time hourly wage rate shall be derived by dividing his current monthly salary by one hundred and seventy-three (173).

LETTER OF UNDERSTANDING #1

BETWEEN: SEASPAN MARINE CORPORATION

AND: INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

The Company and the Union that will establish an Employee/Operations Committee to review and make recommendations regarding the operations of Log Barges to better reflect the current conditions and future requirements to sustain the economic viability of the business, while maintaining the interests of the employees and the Union.

The Committee will initially meet within sixty (60) days after ratification of this agreement and bi-monthly thereafter.

In the event an agreement at the Committee level cannot be reached, a mutually agreeable Facilitator will be appointed to assist the parties in compiling non-binding recommendations.

These recommendations will be voted on by the employees and if accepted will form a Letter of Understanding.

SIGNED THIS _____ DAY OF _____, 2012.

SEASPAN MARINE CORPORATION

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #2

BETWEEN: SEASPAN MARINE CORPORATION

AND: INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: Enabling

To enable the Company to obtain more work and/or retain work, The Parties may by mutual agreement determine, on a commercial contract-by-contract basis, to amend the terms of the Collective Agreement. This Letter of Agreement expires at the end of the Collective Agreement.

SIGNED THIS _____ DAY OF _____, 2012.

SEASPAN MARINE CORPORATION

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115**

LETTER OF UNDERSTANDING #3

BETWEEN: SEASPAN MARINE CORPORATION

AND: INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: Crewing: Third Log Barge

1. Except as specifically expressed in this Memorandum, all other terms and conditions of the Collective Agreement shall apply.
2. The pay provisions of this letter will only apply to the men hired back to run a third log barge.
3. Employees hired back will be on the payroll from the date of sailing for the third barge.
4. It is agreed that these men will only be entitled to one period of layoff pay (4 weeks), upon layoff under section 8 of the Agreement per calendar year. This will be paid on a separate cheque upon layoff.
5. The employee, who has received 4 weeks' layoff pay, may be recalled for a minimum of 2 weeks. The rehired employee will be paid as referenced in the Collective Agreement (ie 2 weeks' notice of layoff)
6. Should a dump carry over into an additional week, the employee will receive the additional week's pay and layoff notice will be considered given.
7. All insurance, pension and benefits coverage will apply as referenced in the Collective Agreement.
8. All earned time off will accrue for time worked as per the Collective Agreement and it will be at the employee's discretion when holiday pay will be paid out.

It is the intention of this Memorandum of Agreement to provide flexibility to the company, to crew a third barge, and will not disrupt other crew's schedules or holidays.

9. Employees will not be assigned to their regular barge until the entire third crew is called back or 90 days from the date of signing has expired.
10. Cancellation: This Memorandum of Agreement may be cancelled by either party upon seven (7) days' written notice. In the event of a cancellation, the parties will fulfill any outstanding obligations pursuant to this letter with respect to already approved loads.

SIGNED THIS _____ DAY OF _____, 2012.

SEASPAN MARINE CORPORATION

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #4

BETWEEN: SEASPAN MARINE CORPORATION

AND: INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

The Company and the Union agree that an employee called in on his two (2) weeks off to load and unload the SS Forester, shall be paid forty (40) hours to load and forty (40) hours to unload at his hourly rate of pay but shall not be credited hours.

SIGNED THIS _____ DAY OF _____, 2012.

SEASPAN MARINE CORPORATION

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

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