

ITF OFFSHORE STANDARD COLLECTIVE AGREEMENT

1 January 2008

Application

§1

This agreement sets out the minimum standard terms and conditions applicable to all Employees serving in any offshore vessel/unit in respect of which there is in existence a Special Agreement ("the Special Agreement") made between the International Transport Workers' Federation ("the ITF") and the Owners, Managers, Employers and Contract of that Offshore Vessel/Unit ("the Owners"). This Agreement is applicable and of full force and effect whether or not the Owners have entered into individual contracts of employment with any Employee.

The Special Agreement requires the Owners (inter alia) to employ the Employees on the terms and

conditions of this Agreement, and to enter into individual contracts of employment with each Employee, which incorporate the terms and conditions of this Agreement ("the ITF Employment Contract"). The Owners have further agreed with the ITF to comply with all the terms and conditions of this Agreement.

The words "Employee", "Vessel" and "Unit", "Special Agreement", "ITF", and "Owners" when used in this Agreement shall bear the same meaning as in the Special Agreement.

§2

An Employee to whom this Agreement is applicable, in accordance with Article 1 above, shall be entitled to the wages and other benefits of this Agreement with effect from the date on which s/he is engaged or the date from which the ITF Special Agreement is effective as applicable, whether s/he has signed articles or not, until the date on which s/he signs off and/or the date until which, in accordance with this Agreement, the company is liable for the payment of wages, whether or not the ITF Employment Contract is executed between her/him and the Owners and whether or not the ship's articles are endorsed or amended to include the ITF rates of pay specified in the ITF Offshore Collective Bargaining Agreement.

Duration of Employment

§3

An Employee shall be engaged for at least 6 (six) months and may be subject to a probationary period of 3 months. The engagement of the seafarer may be extended on a continuous employment bases subject to agreement with the union.

The seafarer shall be employed on a rotation system off 1on 1 off or 2 on 1 off leave system (subject to agreement with the union) taking into account local circumstances. It's recognised that from time to time the company may require employing seafarers on short-term contracts due to sick leave or additional crew requirements.

Wages

§4

The wages of each Employee shall be calculated in accordance with this Agreement and the attached minimum wage (**Appendix A**) and the only deductions from such wages shall be proper statutory deductions as recorded in the Special Agreement and/or deductions authorised by the Employee herself/himself. The Employee shall be entitled to payment in cash in US Dollars (or in local currency, at the Employee's option) of her/his net wages after such deductions at the end of each calendar month, or any net wages not so drawn by her/him at any time when the vessel/unit is in port. Further, on the vessel's/unit's arrival in port, and, thereafter, not more frequently than every seventh day in the same country, the Employee shall be entitled to draw all or part of the net wages due to her/him in respect of the current calendar month. For the purpose of calculating wages, a calendar month shall be regarded as having 30 days.

Allotments

§5

Any Employee, if s/he so desires, shall be granted an allotment note payable at monthly intervals, of up to 80% of her/his wages after allowing for any statutory deductions.

Hours of Duty

§6

The normal working hours at sea will be 12 hours per day Monday-Sunday inclusive for all Employees. Compensation for all hours is included in the consolidated wages and the formula used is shown in (**Appendix A**).

Public Holidays

§7

For the purpose of this Agreement, the following days shall be considered as holidays at sea or in port: Christmas Day, Boxing Day, New Year's Day, Good Friday, Easter Monday, Labour Day (1 May), Spring Bank Holiday and Summer Bank Holiday, or such public holidays as are agreed upon, having regard to the nationality of the majority of the crew members, and detailed in the Special Agreement between the Company and the ITF accompanying this Collective Agreement. If a holiday falls on a Saturday or Sunday the following Monday is observed as a holiday.

Overtime and Watchkeeping

§8

Overtime over and above these normal working hours will be paid at the overtime rate stipulated in (**Appendix A**). On vessels/units with UMS/class where continuous watchkeeping in the engine room is not carried out, the engineers (except the Chief Engineer on vessels/units with 3 or more engineers) shall be paid an extra 1/5 of the hourly rate for each hour UMS-watch when the vessel/unit is under way, i.e. not anchored, moored or grounded. (In these cases the allowance shall be an extra 1.5 of the hourly rate.)

§8a

Any break during the work period of less than one hour shall be counted as working time.

§8b

Overtime shall be recorded individually and in duplicate either by the Master and/or supervisor. Such record shall be handed to the Employee for approval every fortnight or at shorter intervals. Both copies are to be signed by the Master and/or supervisor as well as by the Employee. In the case of disagreement over the correctness of the record a reservation regarding the hours in dispute shall be entered into the record and submitted for decision to the ITF Secretariat or its representatives. Under no circumstances shall payment be withheld for such hours that the parties have agreed upon.

§8c

Offshore vessels'/units' crews shall not be required or induced to carry out cargo handling and other work traditionally or historically done by dock workers without the prior agreement of the ITF dockers' union concerned and provided that the individual Employees volunteer to carry out such duties, for which they shall be adequately compensated.

§8d

Compensation for such work performed during the normal working week, as specified in Article §6, shall be by the payment of the premium overtime rate (weekend and holiday hourly overtime rate as specified in the wage scale contained in Appendix A. for each hour or part of an hour that such work is performed, in addition to the basic pay. Any such work performed outside the normal working week will be

compensated at triple the premium overtime rate (weekend and holiday hourly overtime rate as specified in the wage scale contained in (**Appendix A**) for each hour or part of an hour that such work is performed.

§9

Any additional hours worked during an emergency directly affecting the immediate safety of the vessel/unit, its passengers, crew and all other persons on board, of which the Master shall be the sole judge, or for safety drills, or work required to give assistance to other vessels/units or persons in immediate peril shall not count for overtime payment, unless it is work which the vessel's/unit's owner has contracted for a commission basis.

Sea-watch system

§10

Watchkeeping at sea shall be organised on a sea-watch system. Whilst watchkeeping at sea, the officer of the navigational watch shall be assisted by at least one posted lookout and at no time, especially during periods of darkness, shall solo watchkeeping be undertaken. Watchkeeping in port shall be at the discretion of the Master. The provisions of the 1978 STCW Convention, as amended, will apply.

Rest periods

§11

Each Employee shall have at least 10 (ten) hours off duty in each period of 24 (twenty-four) hours and 77 (seventy-seven) hours in any 7 (seven) day period. The 10 (ten) hours of rest may be broken into no more than two periods, one of which shall consist of at least 6 (six) consecutive hours off duty. The interval between consecutive periods of rest shall not exceed 14 (fourteen) hours. This period of 24 hours shall begin at the time an Employee starts work immediately after having had a period of at least 6 consecutive hours off duty.

Musters, fire-fighting and lifeboat drills, along with other drills prescribed by national laws, national regulations and by international instruments shall be conducted in a manner that minimises the disturbance of rest periods and does not induce fatigue. The allocation of periods of responsibility on UMS ships where continuous watchkeeping in the engine room is not carried out shall also be conducted in a manner that minimises the disturbance of rest periods and does not induce fatigue. An adequate compensatory rest period shall be given if the normal period of rest is disturbed by call-outs.

Manning

§12

The vessel/unit shall be competently and adequately manned so as to ensure its safe operation and the maintenance of a sea-watch system.

Shorthand Manning

§13

When a shortage occurs for whatever reasons and the complement falls short of the agreed manning, consolidated wages of the shortage category shall be paid to the affected members of the concerned department. Such shortage however shall be made up before the vessel/unit leaves the next port of call or by helicopter crew change if applicable. This provision shall not affect any overtime paid in accordance with Articles 6 and 8.

Medical Attention

§14

An Employee who is discharged owing to sickness or injury shall be entitled to medical attention (including hospitalisation) at the Owners' expense for as long as such attention is required. The Owner shall be liable to defray the expense of medical care and maintenance until the sick or injured person has been cured or until the sickness or incapacity has been declared to be of a permanent character. The Owner shall conclude appropriate insurance to cover itself fully against the aforesaid contingencies.

Sick Pay
§15

When an Employee is landed at any port because of sickness or injury, her/his wages shall continue until s/he has been repatriated at the Owners' expense or has arrived at her/his home or place of her/his original engagement, whichever place is more convenient for the Employee. Thereafter s/he shall be entitled to sick pay at a rate equivalent to her/his basic wages and subsistence allowance while s/he remains sick or injured up to a maximum of 130 days after repatriation. However, in the case of injury sickpay shall be paid until the injured Employee has been cured or until the incapacity has been declared to be of a permanent character. Proof of her/his continued entitlement to sick pay shall be by submission of satisfactory medical certificates. The Employee shall be paid all accrued wages plus an advance of her/his sick pay for the estimated number of days certified by a doctor for whom s/he is expected to be sick or injured. After being certified fit for work, the Employee should be given the first available job opportunity.

Annual Paid Leave
§16

Annual paid leave is accumulated at a rate of 6 days per month served, or pro rata, and is consolidated into the monthly pay see scale attached in (**Appendix A**).

Relief Scale
§17

A relief system of 1 on 1 off or 2on 1 off is applicable subject to agreement by both parties. It is acknowledged that a tour of duty will not normally exceed eight (8) weeks, but may be extended to a maximum of twelve weeks duty on board the vessel subject to agreement between the union and the company.

Loss of Life
Death of an Employee in the course of employment
§18

If an Employee dies from whatever cause, including death from natural causes, whilst in the employment of the Owners, including death occurring whilst travelling to and from the vessel/unit, or as a result of marine or other similar peril, the Owners shall pay the sum of US\$ 100,000 to her/his widower/widow or children or parents and US\$ 20,000 to each dependent child up to a maximum of 4 (four) under the age of 18 subject to a maximum of 4 children. If the Employee shall leave no widower/widow the aforementioned sum of US\$ 100,000 shall be paid to the person or body empowered by law or otherwise to administer the estate of the Employee.

Any payment effected under this clause shall be without prejudice to any claim for compensation made in law

Disability
§19

- a) A Employee who suffers permanent disability as a result of an accident whilst in the employment of the Owners, regardless of fault but excluding injuries caused by an Employee's wilful act, including accidents occurring while travelling to or from the Vessel/Unit, and whose ability to work as an Employee is reduced as a result thereof, shall, in addition to her/his sick pay, be entitled to compensation according to the provisions of this Collective Agreement.
- b) The disability suffered by the Employee shall be determined by a doctor appointed by the Owners. The Owners shall provide disability compensation to the Employee in accordance with the percentage specified in the table below which is appropriate to this disability. If a doctor appointed by the Union disagrees with the assessment of the Owner's doctor, a third doctor

shall be mutually agreed between the Owners and the Union. The decision of the third Doctor shall be binding to both parties.

Degree of Disability	Rate of Compensation	
	Ratings AB & below	Officers & Ratings above AB
%	US \$	US \$
50-100	100,000	150,000
49	50,000	75,000
40	40,000	60,000
30	30,000	45,000
20	20,000	30,000
10	10,000	15,000

The compensation provided under this paragraph for 100% disability shall not exceed US\$150,000 for officers and US\$100,000 for ratings, with lesser degrees of disability compensated for pro-rata.

- c) Permanent Medical Unfitness - An Employee whose disability, in accordance with paragraph a) is assessed at 50% or more under the attached Annex shall, for the purpose of this paragraph be regarded as permanently unfit for further sea service in any capacity and be entitled to 100% compensation, i.e. US\$ 150,000 for officers and US\$ 100,000 for ratings. Furthermore, any Employee assessed at less than 50% disability under the attached Annex but certified as permanently unfit for further sea service in any capacity by the Owners' doctor, shall also be entitled to 100% compensation.
- d) Loss of Rank - An Employee whose disability, in accordance with paragraph a) does not fall within the terms of paragraph c) but who is determined by the Owners' doctor to be able to continue to serve at sea only in a lower category of employment to that in which she/he was serving at the time of the accident should be entitled to the degree of disability compensation awarded in accordance with paragraph b) enhanced by 50%.

For the purpose of this paragraph there should be three categories of employment as follows:-

Senior Officer: Master, Chief Engineer, Chief Officer, Second Engineer, Toolpusher, Driller

Junior Officer: All officer ranks other than Senior Officer as above, inc. Assistant Driller, Paramedic, Rig Mechanic and Subsea Equipment Engineer.

Ratings: All Employees other than the officers as above.

- e) Any payment effected under paragraphs a) to d) shall be without prejudice to any claim for compensation made in law, but such payments shall be deducted from any award for damages.

The Owners shall conclude appropriate insurance to cover themselves fully against the possible contingencies arising from Articles 18 and 19.

Equality §20

Each seafarer shall be entitled to work, train and live in an environment free from harassment and bullying whether sexually, racially or otherwise motivated. The company will regard breaches of this undertaking as a serious act of misconduct on the part of seafarers.

Repatriation §21

An Employee shall be entitled to repatriation at the Owners' expense either to her/his home or to the place of her/his original engagement (at the Employees' option):-

- (a) After every tour as per Article 16b;
- (b) When signing off owing to sickness or injury;
- (c) When his/her employment, is terminated, owing to discharge by the Owners;
- (d) Upon the loss, laying-up or sale of the vessel/unit;
- (e) If the vessel/unit has been arrested (whether by an Employee or not) provided the vessel/unit has remained under arrest for more than 14 days;
- (f) If the Owners have not complied with the provisions of the agreement the Employee is entitled to claim the outstanding wages and to be repatriated at the Owners expense;
- (g) On discharge according to Article 24, paragraphs b) and c) below.

Repatriation shall take place in such a manner that it meets all reasonable requirements with regard to comfort*. The Owners shall be liable for the cost of maintaining the Employee ashore until repatriation takes place.

When, during the course of a voyage, the spouse, or in the case of a single person, a parent falls dangerously ill whilst the Employee is abroad, every effort will be made to repatriate the Employee concerned as quickly as possible. The cost of repatriation will be borne by the Owners.

* Comfort is defined as hotel accommodation, three meals per day plus economy air fare.

Service in Warlike Operation Areas §22

- (a) During the vessel's/unit's operating assignment an Employee shall be given full information of the war zone inclusion in the vessel's/unit's operating pattern and shall have the right not to proceed to a warlike operation area in which event s/he shall be repatriated at Owners' cost with benefits accrued until the date of return to the port of engagement.
- (b) Where a vessel/unit enters into an area where warlike operations take place, the Employees will be paid a bonus amounting to double the basic wage for the duration of the vessel's/unit's stay in such area subject to a minimum of five days. Similarly the compensation for disability and death shall be doubled.
- (c) A warlike area will be as indicated by Lloyd's underwriters.
- (d) An Employee shall have the right to accept or decline the assignment without risk of losing his employment or suffering any other detrimental effects.

Food Accommodation, Bedding, Amenities, Etc. §23

The Owners shall provide the following for the use of each Employee whilst s/he is serving on board:-

- sufficient food of good quality and of a type conforming with the seafarer's dietary and/or religious requirements;
- accommodation of adequate size and standard - single berth.
- one mattress and at least one pillow, three blankets, two sheets, one pillow-case and two towels.
- three sheets, pillow-case and towels shall be changed at least once a week.
- necessary cutlery and crockery.
- laundry facilities.
- recreational facilities in accordance with ILO recommendations No. 138 (1970)

In addition, the Owners shall provide the galley with all items of equipment normally required for cooking purposes. All items of equipment mentioned in sub-paragraphs c) and d) above shall be of good quality.

The accommodation standards should generally meet those criteria contained in relevant ILO instruments relating to crew accommodation.

Crew's Effects
§24

When any Employee suffers total or partial loss of, or damage to, her/his personal effects due to whatever causes, either whilst serving on board the vessel/unit or travelling to and from the vessel/unit, s/he shall be entitled to recover from the Owners compensation up to a maximum of US\$3,000. The Employee shall certify that any information provided with regard to lost property is true to the best of his knowledge.

Termination of Contract
§25

- (a) An Employee may terminate his employment by giving 30 days' notice of termination to the Owners or the Master of the vessel/unit, either in writing or verbally in the presence of a witness. (See also Article 3). The employment will cease only at the end of a tour.
- (b) An Employee may refuse to enter into war like operations area as defined by Lloyd's
- (c) An Employee shall be entitled to terminate her/his employment immediately if the vessel/unit is certified unseaworthy or substandard in accordance with the provisions of Chapter I, Regulation 19* or other applicable requirements of the Safety at Life at Sea Convention (SOLAS) 1974, the Code for the Construction and Equipment of Mobile Offshore Drilling Units (1989 MODU Code), the International Conventions on Loadlines (ILC) 1966, the Standards of Training Certification and Watchkeeping Convention (STCW) 1978, the International Convention for the Prevention of Pollution from Vessel/Units 1973, as modified by the Protocol of 1978 (MARPOL) or substandard in relation to ILO Convention No. 147 (1976, Minimum Standards in Merchant Ships, as supplemented by the Protocol of 1996. In any event, a vessel/unit shall be regarded as substandard if it is not in possession of the certificates required under either applicable national laws and regulations or international instruments.
- (d) The Owners shall not be entitled to terminate the employment of an Employee prior to expiry of his period of engagement (as specified in Article 3) except only that the Owners may discharge an Employee:-
 - (i) upon the total loss of the vessel/unit, or
 - (ii) when the vessel/unit has been laid up for a continuous period of at least two months, or
 - (iii) upon the misconduct of the Employee giving rise to a lawful entitlement to dismiss, provided that in the case of dismissal for misconduct of the Employee the Owners shall, prior to dismissal, give written notice to the Employee specifying the misconduct relied upon and in the event that such notice is not given as aforesaid the dismissal shall be ineffective in terminating the employment of the Employee and the Employee shall be entitled to damages in respect of the unexpired term of her/his employment in addition to the compensation provided for in (f) below.
- (e) An Employee shall be entitled to receive compensation of "two months consolidated pay" on termination of her/his employment for any reason except where:-
 - (i) the termination is as a result of the expiry of an agreed period of service in her/his ITF Contract; or
 - (ii) the termination is as a result of notice given by the Employee as aforesaid; or
 - (iii) the Employee is lawfully and properly dismissed by the Owners as a consequence of the Employee's own misconduct.
- (f) For the purposes of this Agreement refusal by any Employee to obey an order to sail the vessel/unit shall not amount to misconduct of the Employee where: -
 - (i) the vessel/unit is unseaworthy as defined in Article 24 (c) above; or
 - (ii) for any reason it would be unlawful for the vessel to sail; or

- (iii) the Employee has a genuine grievance against the owners in relation to implementation of this agreement or her/his ITF Contact of Employment; or
- (iv) the Employee refuses to sail into warlike operations area.

Membership Fees, Welfare Fund, Vessel/Unit Board Safety Committee and Representation of Employees

§26

- a) Subject to national legislation, all Employees shall normally be members of either an appropriate national trade union affiliated to the ITF or of the Special Seafarers' Department of the ITF.
- b) The Owners shall pay on behalf of each Employee the Entrance and Membership fees in accordance with the terms of the relevant organisation.
- c) The Owners shall on their own behalf pay contributions to the ITF Seafarers' International Welfare Protection and Assistance Fund in accordance with the terms of the Special Agreement. Recognising the fact that the manning increases during the "active service period" the Welfare payment will be calculated at 75% of the maximum manning of the vessel/unit, including both maritime and construction crew.
- d) The Owners acknowledge the right of Employees to participate in union activities and to be protected against acts of anti-union discrimination as per ILO Convention Nos. 87 & 98.
- e) The shipowner shall facilitate the establishment of an on-board Safety and Health Committee, in accordance with the provisions contained in the ILO Code of Practice on Accident Prevention on Board Vessel/Unit at Sea and in Port, and as part of their safety-management system*. The owner shall also designate an on-board competent safety officer who shall implement the Owners' safety and health policy and programme and carry out the instructions of the Master to:
 - i. improve the crew's safety awareness.
 - ii. investigate any safety complaints brought to his/her attention and report the same to the safety and health committee and the individual, where necessary.
 - iii. investigate accidents and make the appropriate recommendations to prevent the recurrence of such accidents;
 - iv. carry out safety and health inspections; and
 - v. monitor and carry out the on-board safety training of Employees.
- f) The Owners acknowledge the right of the ITF to appoint or have elected by and from the crew a safety representative(s). The safety representative will have access to information, assistance and advice provided, where necessary, by the safety committee, the owner and the ITF. The safety representative shall:
 - (i) have access to all parts of the Vessel/Unit.
 - (ii) be able to participate in the investigation of accidents and near accidents;
 - (iii) have access to all the necessary documentation, including investigation reports, past minutes of the safety and health committee etc.
 - (iv) receive appropriate training; and
 - (v) not be subject to dismissal or other prejudicial measures for carrying out functions assigned to the role of safety representative and be entitled to the same protection as the liaison representative.

Personal Protective Equipment - General Personal Protective Equipment

§27

Every person engaged in the operations and every other person who may be exposed to the risk of injury, poisoning or disease arising from the operations should, where necessary, be provided with and should wear:

- (a) a suitable safety helmet constructed to an appropriate standard

- (b) overalls
- (c) waterproof, reinforced, safety boots
- (d) depending on the risk, sufficient and suitable protective clothing and equipment, including, but not limited to:
- (e) respiratory protective equipment; eye protectors; hearing protection; gloves; welding aprons; safety harnesses, ropes and attachments; buoyancy aids; and survival suits;
- (f) sufficient and suitable protective outer clothing for use by any person who, by reason of the nature of his/her work, is required to continue working in the open air during cold or hot weather, rain, snow, sleet, hail, spray, high winds or hot, humid conditions.
- (g) personal protective equipment should be used on an individual basis and not passed to another person without first being cleaned, serviced and maintained.
- (h) The space provided for personal safety equipment should be such as not to contaminate accommodation or other storage. Personal protective equipment should be suitable for the purpose and to the required standard, having regard of the nature of the work.
- (i) Where there is a relevant certificate of approval or a national standard or there is an equivalent international standard, personal protective equipment should be to that standard.

Breach of Agreement

§28

If the Owners breach the terms of this Agreement the ITF, for itself or acting on behalf of the Employees, and/or any Employee, shall be entitled to take such measures against the Owners as may be deemed necessary to obtain redress.

Maternity

§29

In the event that a crew member becomes pregnant during the period of employment:

- a. the seafarer shall advise the master as soon as the pregnancy is confirmed;
- b. the company will repatriate the seafarer as soon as reasonably possible but in no case later than the 26th week of pregnancy; and where the nature of the vessel's operations could in the circumstances be hazardous – at the first port of call.
- c. The seafarer shall be entitled to two months compensation in accordance with Article 25.
- d. The seafarer shall be afforded priority in filling a suitable vacancy in the same or equivalent position within three years following the birth of a child should such vacancy be available.

Misconduct

§30

A company may terminate the employment of a seafarer following an act of misconduct or incompetence which gives rise to a lawful entitlement to dismissal, provided that the company shall, where possible, prior to dismissal, give written notice to the seafarer specifying the misconduct or incompetence which has been the cause of the dismissal.

In the event of the dismissal of a seafarer in accordance with this clause, the company shall be entitled to recover from that seafarer's balance of wages the costs involved with repatriating the seafarer together with such costs incurred by the company as are directly attributable to the seafarers proven misconduct. Such costs do not, however, include the costs of providing a replacement for the dismissed seafarer.

For the purpose of this Agreement, refusal by any seafarer to obey an order to sail the ship shall not amount to misconduct of the seafarer where:

- a. the ship is un-seaworthy or otherwise substandard as defined in Clause 18.3 (e);
- b. for any reason it would be unlawful for the ship to sail;
- c. the seafarer has a genuine grievance against the company in relation to the implementation of this Agreement and has complied in full with the terms of the company's grievance procedure; or the seafarer refuses to sail into a warlike area.

Insurance Cover

§31

The Company shall conclude appropriate insurance to cover themselves fully against the possible contingencies arising from the Articles of this Agreement.

ITF Definition of an Offshore Unit

§32

For the purpose of defining a “Mobile Offshore Unit” (MOU) /vessel covered by this agreement and in line with ITF Offshore Continental Shelf/Flag State Jurisdiction Policy (**Appendix B**) and the application of the Offshore Collective Bargaining Agreement (OCBA) ‘maritime offshore mobile unit/vessel’ means;

A mobile offshore unit /vessel which may be involved in any single activity or combination of activities such as:

Production

Drilling

Accommodation

Construction

Maintenance (including stimulation and maintenance of wells)

Lift operations

Pipe-laying

Emergency preparedness/contingency including fire fighting

Vessels and units: used for single well production systems, and diving.

Mobile offshore unit/vessel also means when operating in the offshore oil and gas industry as:

Supply vessels

Stand-by Vessels

Anchor handling Vessels

Seismic Survey Vessels

FPSO

ITF Continental Shelf/Flag State Jurisdiction Policy

§33

The Company and the Unions signatory to the “ITF Special Agreement” in connection with this Collective Bargaining Agreement accept that from time to time the MOU’s covered by the CBA will transfer from region to region within the global oil and gas industry, in this regard both parties recognise the existence of the ITF Continental Shelf/Flag State Jurisdiction Policy (CSFSJP attached in Appendix B) covers all aspects of the offshore oil and gas industry, including all offshore maritime support, drilling, ROV, diving, accommodation, FPSO, construction, pipelaying and seismic survey vessels.

The Company shall seek agreement with the Signatory Union’s about the vessels transfer between offshore regions and seek approval for any changes in the agreement required under the CSFSJP. Where there is no “ITF Approved Agreement” the current CBA shall remain in place.

APPENDIX A (1)

ITF Minimum Wage Scale for Crews on MOU's								
RANK	Scale	Basic Monthly (US\$)	Hourly OT Weekdays 1/135th monthly	Effective 1 January 2008				
				Sats & Suns and Public holidays 1/75th of monthly	Leave Pay	Total Monthly	W/day Overtime	Sat/Sun
1. Master	2	2014	1293	2793	483	\$6,583	\$15	\$27
2. Chief Engineer	1.800	1813	1164	2513	435	\$5,925	\$13	\$24
Toolpusher	1.800	1813	1164	2513	435	\$5,925	\$13	\$24
3. Chief Navigating Officer	1.570	1581	1015	2192	379	\$5,168	\$12	\$21
Driller	1.570	1581	1015	2192	379	\$5,168	\$12	\$21
4. 2nd Navigating Officer	1.350	1359	873	1885	326	\$4,443	\$10	\$18
Medic / Safety Co-ord	1.350	1359	873	1885	326	\$4,443	\$10	\$18
DP Operator	1.350	1359	873	1885	326	\$4,443	\$10	\$18
5. 3rd Navigating Officer	1.275	1284	824	1780	308	\$4,197	\$10	\$17
6. 1st Engineer Officer	1.570	1581	1015	2192	379	\$5,168	\$12	\$21
Technical Supervisor	1.570	1581	1015	2192	379	\$5,168	\$12	\$21
7. 2nd Engineer Officer	1.350	1359	873	1885	326	\$4,443	\$10	\$18
Senior Technician	1.350	1359	873	1885	326	\$4,443	\$10	\$18
8. 3rd Engineer Officer	1.275	1284	824	1780	308	\$4,197	\$10	\$17
Technician, Hydraulic	1.275	1284	824	1780	308	\$4,197	\$10	\$17
Technician, Mechanical	1.275	1284	824	1780	308	\$4,197	\$10	\$17
Technician, Electrical	1.275	1284	824	1780	308	\$4,197	\$10	\$17
Subsea Equip Engineer	1.275	1284	824	1780	308	\$4,197	\$10	\$17
Assistant Driller	1.275	1284	824	1780	308	\$4,197	\$10	\$17
9. Radio Electron Officer	1.350	1359	873	1885	326	\$4,443	\$10	\$18
Elec. Engineer Officer	1.350	1359	873	1885	326	\$4,443	\$10	\$18
Chief Steward	1.350	1359	873	1885	326	\$4,443	\$10	\$18
10. Electrician	1.200	1208	776	1676	290	\$3,950	\$9	\$16
11. Derrickman	1.150	1158	743	1606	278	\$3,785	\$9	\$15
12. Bosun	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Crane Operator	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Deck Forman	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Rig Supervisor	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Welder	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Carpenter / Plumber	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Fitter / Mechanic	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Chief Cook	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Roughnecks	1.120	1128	724	1564	271	\$3,686	\$8	\$15
Storekeeper	1.120	1128	724	1564	271	\$3,686	\$8	\$15
13. Bosun's Mate	1.040	1047	672	1452	251	\$3,423	\$8	\$14
Quartermaster	1.040	1047	672	1452	251	\$3,423	\$8	\$14
Assistant Electrician	1.040	1047	672	1452	251	\$3,423	\$8	\$14
14. Able Seamen	1.000	1007	646	1396	242	\$3,291	\$7	\$13
Rigger	1.000	1007	646	1396	242	\$3,291	\$7	\$13
2nd Cook	1.000	1007	646	1396	242	\$3,291	\$7	\$13
Motorman/Oiler	1.000	1007	646	1396	242	\$3,291	\$7	\$13
15. Catering Service Pers*	0.744	749	481	1039	180	\$2,449	\$6	\$10
16. OS	0.744	749	481	1039	180	\$2,449	\$6	\$10
17. Junior Rating ***	0.599	603	387	836	145	\$1,972	\$4	\$8

NOTE****

* The consolidated monthly pay is calculated using the following formula:

Eg. Able Seamen:

		Overtime
Basic	1007	
OT Mon-Fri 86.66hrs* x Basic/135	646	7
OT Wk/end 104hrs** x Basic/75	1396	13
Annual paid leave 6 x basic/25	242	
Total Per Month	3291	
1on/1 off leave sys = Cons *6/12	1646	
2on 1 off leave sys = Cons *8/12**	2194	

Notes: * 86.66 hours represents 5 days x 4.33 wks/yr x 4 hrs/day

** 104 hrs represents 8 wk.end days at 12 hours per day + 8hrs for public hols

(ie. 8 PH's x 12 hrs/12 months = 8 hrs/month.)

*** Catering Service Personnel working in the galley assisting the Chief Cook shall be paid as 2nd Cook.**

**** The work leave system should be no less than 2on 1off**

***** Junior Rating is a rating below the age of 18 years of age.**

APPENDIX A (2)

ITF Minimum Wage Scale for Crews on MOU's								
RANK	Scale	Basic Monthly (US\$)	Hourly OT Weekdays 1/135th monthly	Effective 1 January 2009				
				Sats & Suns and Public holidays 1/75th of monthly	Leave Pay	Consolidated Monthly pay inc. OT & Compensation for annual leave		
						Total Monthly	W/day	Sat/Sun
						Overtime		
1. Master	2	2114	1357	2931	507	\$6,910	\$16	\$28
2. Chief Engineer	1.800	1903	1221	2638	457	\$6,219	\$14	\$25
Toolpusher	1.800	1903	1221	2638	457	\$6,219	\$14	\$25
3. Chief Navigating Officer	1.570	1659	1065	2301	398	\$5,424	\$12	\$22
Driller	1.570	1659	1065	2301	398	\$5,424	\$12	\$22
4. 2nd Navigating Officer	1.350	1427	916	1979	342	\$4,664	\$11	\$19
Medic / Safety Co-ord	1.350	1427	916	1979	342	\$4,664	\$11	\$19
DP Operator	1.350	1427	916	1979	342	\$4,664	\$11	\$19
5. 3rd Navigating Officer	1.275	1348	865	1869	323	\$4,405	\$10	\$18
6. 1st Engineer Officer	1.570	1659	1065	2301	398	\$5,424	\$12	\$22
Technical Supervisor	1.570	1659	1065	2301	398	\$5,424	\$12	\$22
7. 2nd Engineer Officer	1.350	1427	916	1979	342	\$4,664	\$11	\$19
Senior Technician	1.350	1427	916	1979	342	\$4,664	\$11	\$19
8. 3rd Engineer Officer	1.275	1348	865	1869	323	\$4,405	\$10	\$18
Technician, Hydraulic	1.275	1348	865	1869	323	\$4,405	\$10	\$18
Technician, Mechanical	1.275	1348	865	1869	323	\$4,405	\$10	\$18
Technician, Electrical	1.275	1348	865	1869	323	\$4,405	\$10	\$18
Subsea Equip Engineer	1.275	1348	865	1869	323	\$4,405	\$10	\$18
Assistant Driller	1.275	1348	865	1869	323	\$4,405	\$10	\$18
9. Radio Electron Officer	1.350	1427	916	1979	342	\$4,664	\$11	\$19
Elec. Engineer Officer	1.350	1427	916	1979	342	\$4,664	\$11	\$19
Chief Steward	1.350	1427	916	1979	342	\$4,664	\$11	\$19
10. Electrician	1.200	1268	814	1759	304	\$4,146	\$9	\$17
11. Derrickman	1.150	1216	780	1686	292	\$3,973	\$9	\$16
12. Bosun	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Crane Operator	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Deck Forman	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Rig Supervisor	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Welder	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Carpenter / Plumber	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Fitter / Mechanic	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Chief Cook	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Roughnecks	1.120	1184	760	1642	284	\$3,869	\$9	\$16
Storekeeper	1.120	1184	760	1642	284	\$3,869	\$9	\$16
13. Bosun's Mate	1.040	1099	706	1524	264	\$3,593	\$8	\$15
Quartermaster	1.040	1099	706	1524	264	\$3,593	\$8	\$15
Assistant Electrician	1.040	1099	706	1524	264	\$3,593	\$8	\$15
14. Able Seamen	1.000	1057	679	1466	254	\$3,455	\$8	\$14
Rigger	1.000	1057	679	1466	254	\$3,455	\$8	\$14
2nd Cook	1.000	1057	679	1466	254	\$3,455	\$8	\$14
Motorman/Oiler	1.000	1057	679	1466	254	\$3,455	\$8	\$14
15. Catering Service Pers*	0.744	786	505	1090	189	\$2,570	\$6	\$10
16. OS	0.744	786	505	1090	189	\$2,570	\$6	\$10
17. Junior Rating ***	0.599	633	406	878	152	\$2,069	\$5	\$8

NOTE****

* The consolidated monthly pay is calculated using the following formula

Eg. Able Seamen:

Basic	1057	Overtime
OT Mon-Fri 86.66hrs* x Basic/135	679	8
OT Wk/end 104hrs** x Basic/75	1466	14
Annual paid leave 6 x basic/25	254	
Total Per Month	3455	
1on/1 off leave sys = Cons *6/12	1727	
2on 1 off leave sys = Cons *8/12**	2303	

Notes: * 86.66 hours represents 5 days x 4.33 wks/yr x 4 hrs/day

** 104 hrs represents 8 wk.end days at 12 hours per day + 8hrs for public hols

(ie. 8 PH's x 12 hrs/12 months = 8 hrs/month.)

*** Catering Service Personnel working in the galley assisting the Chief Cook shall be paid as 2nd Cook.**

**** The work leave system should be no less than 2on 1off**

***** Junior Rating is a rating below the age of 18 years of age.**

ITF Offshore Continental Shelf/Flag State Jurisdiction Policy

1. "Maritime mobile offshore units" when operating within a foreign Continental Shelf State shall be covered by the legislation, regulations and collective bargaining agreements of the National Flag State.
2. The collective bargaining conditions of the National Flag State shall at least be substantially equivalent to those existing in the Continental Shelf State and the case of Flag of Convenience units, ITF policy is applied. All "units" shall also adhere to ILO Conventions and Recommendations applicable to seafarers and ships as well as to all applicable IMO Conventions, Codes and Resolutions.
3. If the continental shelf state has issued rules and regulations with regard to employment and social and economic conditions or there is a trade union policy requiring the use of local labour no ITF affiliate shall man the "unit" until negotiations have taken place between the ITF affiliates in the National Flag State and the Continental Shelf State.
4. During the negotiations mentioned above the general rule to be observed should require that the "maritime crew" be nationals or residents of the National Flag State or the Continental Shelf State and be members of an ITF seafarer affiliate. In those instances where the "unit" is operating under a Flag of Convenience the negotiating rights lie with the unions in the country of beneficial ownership.
5. The National Flag State and the Beneficial Ownership State affiliates respectively shall have the right to be present during all negotiations between the Continental Shelf State affiliates and the owner/operator/charter of a "unit" on the subject of the manning of the "unit".
6. It is important in this context that affiliates concerned keep each other and the ITF informed of all aspects and stages of negotiations. National Flag State/Continental Shelf State affiliates shall provide the ITF with copies of all relevant legislation, regulations and policy documents.
7. At any stage of the inter-union negotiations the ITF affiliates may call on the ITF to act initially as conciliator and ultimately, as provided for in the ITF constitution, as arbitrator.
8. Every effort shall be made by National Flag State/Continental Shelf State affiliates to secure an agreement with the owners, operator, and charterer to return the unit to National Flag State affiliates under an ITF acceptable agreement.