

Valid from 1 January 2017

to 31 December 2018

MODEL AGREEMENT

FOR

**NON NORWEGIAN REGISTERED VESSELS
REGARDING WAGES AND CONDITIONS**

FOR

LITHUANIAN SEAFARERS

BETWEEN

NORWEGIAN SHIPOWNERS' ASSOCIATION

AND

**LITHUANIAN SEAMEN'S UNION
NORWEGIAN MARITIME OFFICERS' ASSOCIATION
NORWEGIAN UNION OF MARINE ENGINEERS
NORWEGIAN SEAFARERS' UNION**

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MODEL AGREEMENT FOR LITHUANIAN SEAFARERS SERVING ON NON NORWEGIAN REGISTERED VESSELS

The 31 October 2016 a meeting was held in Klaipeda, Lithuania. The following organisations were present at the meeting:

Norwegian Shipowners' Association
represented by:

Pål Tangen and
Hege Ajer Petterson

Lithuanian Seamen's Union
represented by:

Petras Bekeza,
Remigijus Kalnius and
Andrej Cernov

Norwegian Maritime Officers' Association
represented by:

Bernhard Lie-Nielsen

Norwegian Union of Marine Engineers
represented by:

Rune Johnsrud

Norwegian Seafarers' Union
represented by:

Line Heimstad

It was agreed and accepted between the above unions and The Norwegian Shipowners' Association (hereafter referred to as NSA) to revise their standard collective agreement with terms and conditions applicable to Lithuanian seafarers who are members of Lithuanian Seamen's Union, and serving on board non Norwegian registered vessels beneficially owned by Norwegian Companies. The standard agreement is enclosed as Appendix A.

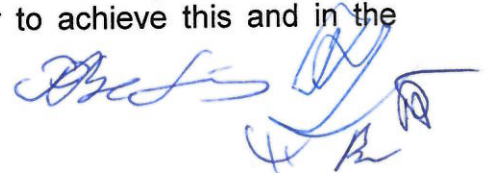
Norwegian Companies who want to make use of this Model Agreement for non Norwegian vessels, should sign a Special Agreement to this respect with the Norwegian ITF co-ordinator or subject to consultation with the ITF and then, send one copy of it to Lithuanian Seamen's Union. A copy of this Special Agreement is enclosed as Appendix B.

This agreement shall be binding with regard to Lithuanian seafarers serving on board a vessel where these terms have been applied until notice of termination or revision of this Agreement, or until the agreed period of service of the crew hired on these terms has expired. Which of these alternatives to be used shall be agreed upon in each instance.

The Company has the option to apply this CBA also for Lithuanian seafarers who are not members of LSU, provided that all articles, including Union fee are accepted by the seafarer upon signing on.

A copy of the CBA shall be available to the seafarer on board the vessel.

The parties to this agreement are aiming to have a clear understanding of each other's rights and obligations laid down in this agreement. In order to achieve this and in the



interests of all concerned, the parties have agreed to assist and support the Companies and seafarers which will make use of and be covered by this Agreement.

This Agreement shall be effective for non-Norwegian vessels from 1 January 2017 until 31 December 2018. Vessels which are already covered by another existing Collective Agreement with LSU, may request to be covered by this Model Agreement, provided the current Collective Agreement for the vessel has expired or has been terminated in accordance with procedures required for such termination.

If a request for termination is given by either of the parties, this agreement shall be considered void without any further legal consequences from the date of expiry, that is 3 months after a notice of termination is given.

Klaipeda, 31 October 2016

A blue ink signature, appearing to read 'Torbjørn', written in a cursive style.

Norwegian Shipowners' Association

A blue ink signature, appearing to read 'Dže', written in a cursive style.

Lithuanian Seamen's Union

A blue ink signature, appearing to read 'Edvald', written in a cursive style.

Norwegian Maritime Officers' Association

A large, stylized blue ink signature, appearing to read 'Andreas', written in a cursive style.

Norwegian Union of Marine Engineers

A blue ink signature, appearing to read 'Line Heimstad', written in a cursive style.

Norwegian Seafarers' Union

Appendix A**Article 1A
Engagement, Mustering and Repatriation Expenses**

This Model Agreement sets out the standard terms and conditions applicable to seafarers serving on board a vessel covered by this Model Agreement through adoption of this Model Agreement by a Special Agreement, see Appendix B. This Agreement is applicable and of full force and effect whether or not the Company has entered into individual contracts of employment with any seafarer.

The Special Agreement (Appendix B) requires the Company to employ the seafarers on the terms and conditions of this Model Agreement, and to enter into individual contracts of employment with each seafarer, incorporating the terms and conditions of the Model Agreement. The Company has further agreed with the Unions to comply with all the terms and conditions of this Model Agreement. Any deviation from this Model Agreement shall require the explicit acceptance of NSA and the Unions.

A Seafarer to whom this Model Agreement is applicable shall be covered by the Agreement with effect from the date on which he is engaged or the date from which the Special Agreement is effective as applicable, whether he has signed articles or not, until the date on which he signs off and or the date until which, in accordance with this Model Agreement, the Company is liable for the payment of wages, whether or not the Ship's Articles are endorsed or amended to include the rates of pay specified in the Model Agreement.

The seafarer will sign an agreement for a fixed period that he shall be serving on board vessels covered by this agreement. Prior to signing such agreement, the seafarer shall be interviewed and medically examined for fitness on the Company's account.

Engagement, mustering and travelling expenses from place of residence in Lithuania to the place of embarkation shall be paid by the Company. The seafarer shall be reimbursed for authenticated outlays for medical certificate, passport and visa.

After completion of service in accordance with the contract of hiring, the Company shall pay repatriation expenses from the ship to the seafarers' place of residence in Lithuania.

The shipowner shall not require an advance payment from the seafarer for the cost of repatriation at the beginning of their employment.

If the seafarer in accordance with provisions in this agreement is found to be in serious default of his or hers employment obligations, the shipowner may recover the cost of repatriation from the seafarers' wages or other entitlements.

**Article 1B
Company**

The term "Company" in this agreement shall be defined as the Company, which is the owner of the ship or the agent of the owner of the ship, and named as the employer in the employment contract.

Change of Employer

If the seafarer is employed by a Company which operates the vessel, the seafarer shall accept that the owners of the vessel take over as his employer for his remaining period of service (see Article 4). Provided, however;

1. That the previous employer or the new employer (the owners of the vessel) settles all accounts due to him under his original employment contract.
2. That the new employer (the owners) declares in a written statement to take over all responsibility from the previous employer. The statement shall be addressed to the manning agent, LSU and the seafarer.

The crewing agent used by the new employer (the owners) shall issue a similar written statement that he takes over as representative for the employer and assumes all responsibility towards the seafarer.

Change of Crew Agent

If the Company should make a change of crewing agency in Lithuania, the seafarer shall continue in service with the Company provided his account is settled for the period served with the first agency and provided the second agency declares in a written statement to the LSU and the seafarer that it takes on all responsibilities on behalf of the Company towards the seafarer from the first agency.

Companies who are direct employers or who use seafarers recruitment and placement services shall ensure, as far as practicable, that the standards laid down in the MLC are met including the requirement that no fees or visa costs are borne directly or indirectly, in whole or in part, by the seafarers for finding employment, the right for seafarers to inspect their employment agreements and seek advice before engagement and preventing the recruitment or placement services from using means, mechanisms or lists to prevent seafarers from gaining employment for which they are qualified.

Copy of a signed employment agreement for each seafarer and a copy of this CBA shall be available on board.

Article 2 Wages

The seafarer's wages are set out in the attached Wage Scale. The only legal deduction are these recorded in the Model Agreement or the Special Agreement or such deductions authorised by the seafarer himself. The wages are stipulated in USD, and the seafarer's account is kept in USD.

Seafarers are entitled to seniority bonus after 12, 24, 36 and 60 months of service on board, ref. Notes to the wage scale, Appendix C.

Wages accrues from the day the seafarer commences service on board. If he has to travel from Lithuania in order to take up service on board, basic wages accrues from the day of departure from Lithuania to the day the seafarer commences service on board the ship. Wages accrues up to and including the day after the seafarer signs off the ship.

Each month he is on board, the seafarer is entitled to payment of 100 % of his basic and overtime wages remaining after legal deductions have been made. Pay disbursed on board may be paid in cash in the currency of the country in which the port is situated, if the currency is a convertible currency.

Any seafarer, if he so desires, shall at monthly intervals be allowed an allotment note, payable at monthly intervals, up to 100 per cent of his Total Guarantee Wages (see wage scale), after allowing for any statutory deductions. However, the seafarer is entitled to his accumulated leave pay when signing off/completion of service on board.

Neither the Company nor their representatives in Lithuania will be responsible for the retention of personal income tax demanded by Lithuanian law.

Article 3 Board and Lodging

The seafarer is entitled to free board and lodging during service on board. If board and lodging is not provided on board, the Company shall defray the cost of satisfactory board and lodging ashore.

The free board and lodging on board the vessel should include:

- a) sufficient food of good quality
- b) accommodation of adequate size and standard
- c) one mattress and at least one pillow, three blankets, two sheets one pillow-case and two towels. The sheets, pillow-case and towels shall be changed at least once a week
- d) necessary cutlery and crockery
- e) laundry facilities
- f) recreational facilities in accordance with ILO Recommendation no 138 (1970)

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

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

Article 4 Duration of Service

The seafarer signs on for a period of 6 months or for a shorter or longer period if agreed in the employment contract. His employment shall be automatically terminated upon the terms of this Agreement at the first arrival of the ship in port after expiration of that period, specified in his employment contract unless the Company operate a permanent employment system. The cost of repatriation shall be on the Company's account.

For newly recruited seafarers the first 3 months of service with the Company is considered a probationary period during which the Company or the seafarer may terminate the contract by giving 14 days written notice. Termination of contract by the

Company in the probation period, will not be entitled the seafarer to termination pay, see article 5, but to free repatriation.

Travelling expenses on the Company's account shall not include the Seafarer's baggage in excess of normal allowed weight by the air carrier. Excess baggage shall be at the seafarer's expense.

Article 5 Termination of Service

- a) A Seafarer may terminate his employment by giving one month's notice of termination to the Company or the Master of the ship, either in writing or verbally in the presence of a witness. Repatriation expenses will be to the seafarers account.

The Company may, however, consider special request of early termination of the contract of employment based on compassionate grounds, such as in cases of the death or serious illness of spouse, children or parents. The repatriation costs will be to the seafarer's account, but the Company will on request from the Union share or cover such expenses.

- b) In the event of sale, laying-up, or lengthy stay in a repair yard, the Company may terminate the service. The seafarer is then entitled to pay up to and including the day of signing-off plus two (2) month's basic wages and repatriation to the seafarers place of residence in Lithuania on the Company's account.

In case of ship loss the seafarer is entitled to pay up to and including the day of signing-off plus two (2) month's basic wages and repatriation to the seafarers place of residence in Lithuania on the Company's account. He shall be entitled to an additional compensation for up to one (1) month's basic wage provided he is unemployed for thirty (30) days from date of repatriation.

- c) The seafarer is entitled to terminate his employment contract immediately if the vessel is certified substandard in the relation to the provisions of Chapter 1, Regulation 19, of the Safety of Life at Sea Convention (SOLAS) 1974 (Annex 4) or substandard in relation to ILO Convention no 147, 1976 Minimum Standards in Merchant Ships. In any event a ship shall also be regarded as substandard if it is not in possession of one or more of the certificates required under Chapter I Regulations 12 and 13 of SOLAS or ILO Convention 147. The seafarer is then entitled to basic wage up to and including the day of signing off, plus two (2) month's basic wage and repatriation to the seafarers place of residence in Lithuania on the Company's account.
- d) The Company may terminate the employment contract prior to the agreed period of duration, ref. Article 4, provided the seafarer is paid two (2) month's basic wages and repatriation expenses to the seafarers place of residence in Lithuania.

The Company may always terminate the contract of employment if the seafarer becomes ill or injured and has to sign off the vessel. The seafarer will then have a right to sick pay, ref. article 10, and to coverage of repatriation expenses, but no right to termination pay.

- e) A seafarer who has served the agreed contract period, ref. Article 4 will not be entitled to termination pay of two (2) month's basic wages as mentioned in point b) to d) above. A Seafarer with less than two (2) months left of the employment

contract, are entitled to payment of a proportional amount of basic wage of the remaining contract period.

A seafarer who is offered to continue in service on another vessel within one month, is not entitled to termination pay of two (2) month's basic wages.

- f) Travelling expenses on the Company's account shall not include the seafarers' baggage in excess of the normal allowed weight by the air carrier. Excess baggage shall be at the seafarers' expense.
- g) The Company or its representative may within the contract period, dismiss any seafarer immediately who is incompetent for service, neglects to meet on board at appropriate time, commits himself to disobedience, violent behaviour, abuse of narcotics and alcohol provided the Grievance Procedure, see Article 6, are complied with. The repatriation cost will be for the seafarer's account, provided he has not earned his entitlement to coverage of repatriation cost before he was dismissed.

The Seafarer may as a consequence of his gross breach of contract be held liable for any damages incurred as a result of his actions with a subsequent right for the Company to wage deduction, see Article 2.

Article 6 Grievance Procedure

Both the Company and the seafarer should consider any dispute or grievance in accordance with the grievance procedures, see Appendix F.

Article 7A Working Hours

The normal working hours is 8 hours per day Monday to Friday and 4 hours on Saturday. For those who attend sea watch, their working hours shall be 8 staggered hours per day, under the direction of the Master or his representative. The seafarers will be paid monthly wages for service on board which include a guaranteed or fixed overtime compensation as stipulated in the Wage Scale.

The guaranteed and fixed overtime compensation is stipulated on a monthly basis, see wage scale, but will be paid pro rata for part of the month.

For ratings, hourly overtime for service rendered in excess of the guaranteed eighty-five (85) hours overtime shall be paid according to the rates in the Wage Scale.

It is understood that overtime work will be performed at the direction of the Master or the Master's representative.

Watch-keeping officers on 2-watch vessels participating in such watch system are paid an extra compensation for sea-watches as stipulated in Appendix C.

It may be necessary for the deck ratings to assist in the machine room and vice versa in certain circumstances. Compensation for such alternating service carried out during the normal working hours is included in the Wage Scale.

Standard hours of work for officers are 44 hours per week and watchkeeping hours of 56 hours per week are recognised. Nevertheless, overall conditions of service for officers, including enhanced fringe benefits and fixed overtime compensation included in the basic pay, see wage scale, are provided in recognition of all additional duties required for the safe and efficient operation of the ship.

The Seafarers are entitled to 10 hours of rest during any period of 24 hours and 77 hours of rest during any period of 7 days (168 hours). The rest hours can be divided into 2 periods with one period of at least 6 hours and with no more than 14 hours between any rest hour period.

Exemption from these rules are allowed in situations of distress, emergency, boatdrill and other overriding operational conditions (see; ILO convention 180, STWC 95, EU directive 63/99)

Any additional hours worked during an emergency directly affecting the immediate safety of the ship, its passengers and crew, of which the Master shall be the sole judge, or for safety boat drill, or work required to give assistance to other ships or persons in immediate peril, shall not count for overtime payment.

Overtime compensation will not be paid for the following service even if performed past the initial 8 hours or on Sundays or public holidays:

- a. All types of emergency work for the safety of the vessel, crew and cargo
- b. Turning and relieving of watches
- c. Fire and boat drills
- d. Inspection of quarters for cleanliness
- e. Taking sights of officers
- f. Preparation of payroll.

Article 7B Manning

The ship shall be competently and adequately manned so as to ensure its safe operation and the maintenance of a three watch system whenever required, but allow the Company to implement some degree of flexibility to meet operational contingencies. However, the ship shall in no case be manned at a lower level than the vessel's safety manning certificate.

If the whole or part of a voyage is carried out with a smaller crew than was presupposed or if the number of fit members of the crew falls during the voyage, the wages thereby saved during the time the ship is at sea shall be distributed evenly among the members of the reduced group of crew. Any increased expenses by way of overtime payments for extra work at sea shall be deducted from the saved wages to be distributed. The catering personnel shall also be entitled, pursuant to corresponding rules, to share in the wages saved while the ship is in port.

Article 7C Cargo Handling

The Special Agreement to be signed for each vessel, shall provide arrangements for cargo handling and other work traditionally or historically done by dock workers, see Appendix B, art. 1 litra j.

Compensation to the crew for such work performed during normal working week shall be by the payment of the overtime rate as specified in the wage scale, for each hour or part of an hour that such work is performed, in addition to the basic wage. Any such work performed outside the normal working week will be compensated at double the overtime rate as specified in the wage scale for each hour or part of an hour that such work is performed.

Article 8 Leave and Holidays

Leave

The seafarer shall be entitled to ten - 10 - days leave, with pay per month and pro rata. Leave pay is stipulated in the Wage Scale. Subsistence allowance is included in the wage scale with USD 10- per day leave.

Holidays

Public holidays to count as in Lithuania, ref. Appendix D.

On public holidays the seafarer must perform such duties which are necessary for the safety or navigation of the ship and related work that cannot be postponed, included work in connection with the dispatch and clearance of the ship on arrival and departure, cargo handling excepted.

Compensation for such work on public holidays is included in the overtime compensation.

Article 9 Compensation for Personal Effects

In the event of accident, fire or other mishap affecting the ship and whereby the seafarer's personal effects are damaged or lost, the Company shall pay up to USD 3 000. The seafarer shall submit a signed statement specifying the items lost prior to payment of any compensation hereof.

The compensation may be reduced on account of the seafarer's own contributory negligence or circumstances otherwise.

Article 10A Medical treatment

While serving on board a sick or injured seafarer is entitled to treatment at the Company's expense.

A seafarer who is discharged owing to sickness or injury incurred before the expiry of his service period, shall be entitled to medical attention including hospitalisation at the Company's expense for up to 130 days after repatriation. If the seafarer is discharged owing to an occupational injury incurred before the expiry of his service period, he shall be entitled to medical attention including hospitalisation at the Company's expense until he has been declared fit or until the sickness or incapacity has been declared to be of a permanent character. The entitlements are subject to a verification by a physician authorised by the Norwegian authorities.

The Company is not responsible for conservative dental treatment.

In the event of sickness or injury necessitating signing off, the seafarer is entitled to travel to his place of residence in Lithuania at the Company's expense.

During the period of employment or at the time of signing off, the Company or its representative may request the seafarer to submit for a medical examination at the Company's expense.

Article 10B **Sick pay**

When a seafarer is signed off and has his employment contract terminated (ref. art 5) due to sickness or injury, he shall be entitled to sick pay at a rate of basic wage while he remains sick for up to 130 days, provided the sickness or the injury is verified by written statement from an authorised physician. However, in the case of injury, the sick pay shall be paid until the seafarer has been declared or until the incapacity has been declared of a permanent character so as to entitle the seafarer to a disability compensation in accordance with Article 12 below.

Proof of continued entitlement to sick pay shall be by submission of satisfactory medical certificates issued by a physician authorised by the Norwegian authorities.

Article 10C **Entitlement to treatment and sick pay**

It is understood that a seafarer who is signed-off by reason of sickness or injury must return to Lithuania within the usual period of travel from the date and place of disembarkation indicated in homeward bound ticket. On arrival in Lithuania, he shall report to the Company's designated physician within three (3) working days from the time of arrival for post employment medical examination, otherwise, the employer's liability shall be deemed terminated. In case, however, of failure to report due to the seafarers physical incapacity, a written notice to the Company within three (3) working days from arrival is deemed as compliance provided the incapacity is certified by the Master or an authorised physician.

Article 10D **Maternity**

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 circumstance be hazardous - at the first port of call;
- c) the seafarer shall be entitled to basic wage for the remaining period of her employment contract - maximum 100 day basic wage. If she is entitled to sick pay this pregnancy payment is excluded
- d) The contract shall be considered as terminated when the seafarer signs off but she shall be afforded priority in filling a suitable vacancy in the same or equivalent position within three years following the birth of a child such a vacancy should be available.

Article 11 Compensation for Death

In the event of death of a seafarer while employed on board or while travelling to or from the vessel, the Company will pay to his beneficiaries a compensation, including possible compensation from public social security, of USD 92 500.

It is agreed that the beneficiaries to be compensated are the following next of kin: the seafarer's spouse, children or parents in this preferential order. The names and addresses of the beneficiaries shall be declared at the time of hiring.

The Company shall pay an additional compensation to each of the seafarer's children under the age of 21 years of USD 18 500, maximum 4 children or USD 74 000.

The Company shall transport at its own expense the body to Seafarer's home where practical and at the families' request. In addition the company shall if requested pay the cost of burial expenses not exceeding USD 5,000.

Any payment effected under this article shall be without prejudice to any claim for compensation made in law, but such payment shall be deducted from any award for damages.

The Company shall take out the necessary insurance to cover the benefits mentioned above. Coverage arranged with a P&I club will meet these requirements.

Article 12A Disability compensation

If a seafarer due to no fault of his own, suffers a work related permanent disability or a work related permanent sickness (disease) while employed on board or while travelling to or from the vessel, and as a result his ability to work is reduced, the Company shall pay him a disability compensation of maximum:

Officers	USD 140 000
Ratings and Cadets	USD 107 000

If the disability should later on result in the seafarers death, the compensation to his beneficiaries shall be reduced with the amount paid out as a disability compensation.

The disability suffered by the seafarer shall be determined by a doctor authorised by the Norwegian authorities and chosen by the seafarer.

A seafarer who is disabled as a result of a work related injury, and whose permanent disability in accordance with the Lithuanian impediment scale is assessed at 50 % or more, shall for the purpose of this paragraph be regarded as permanently disabled and be entitled to 100 % compensation (USD 140 000 for officers and USD 107 000 for ratings and cadets).

A seafarer who is disabled as a result of a work related injury, and who is assessed as less than 50 % permanently disabled, but permanently unfit for further service at sea in any capacity, shall also be entitled to a 100 % compensation.

A seafarer who is permanently disabled as a result of a work related injury, there the disability does not prevent further service at sea, but only in a lower position than that in

which he was serving at the time of the injury, should be entitled to a disability compensation of 50 % of the maximum amount.

The disability compensation shall be calculated on basis of the Lithuanian schedule of disability or impediment for injuries at a percentage recommended by a doctor authorised by the Norwegian authorities.

Any payment effected under this article shall be without prejudice to any claim for compensation made in law, but such payments shall be deducted from any award for damages.

The Company shall take out the necessary insurance to cover the benefits mentioned above. Coverage arranged with a P&I Club will meet these requirements.

Article 12B **Social Security bonus**

The Company shall contribute USD 100 per month to the seafarer while serving on board, to cover a part of the payment to the Lithuanian Social Security System.

Article 12C **Drug and Alcohol Test**

The seafarer shall consent to submit to drug and alcohol testing prior to the signing of contract of employment and shall also agree to submit to random testing for drugs and alcohol at any time during the period of employment when so requested by the Master or by other authority. The testing should be in accordance with guidelines from Norwegian authorities.

Article 13A **War Zone Area**

The seafarer shall be given full information of war zone's included in the ship's trading pattern and shall have the right not to proceed to a warlike zone area as defined by the Norwegian Unions, LSU and NSA in which event he shall be repatriated or given leave at the Company's expense.

Where a ship enters into a war zone area (see above), the seafarer will be paid a bonus equal to basic wage as agreed between the Unions and NSA for the duration of the ship's stay in such area, subject to a minimum for five days. However, if the vessel enters the area, leaves the area and re-enters the area within the same five days period, no particular day in the area shall be calculated to be more than one day.

A special agreement concerning indemnity is attached as Appendix E. Seafarers who are entitled to compensation in accordance with the rules in Appendix C have no entitlement in accordance with article 11 (compensation for death) and 12 (compensation for disability) in this CBA.

Article 13B **High Risk (Piracy) Zone Area**

High Risk (Piracy) Bonus will accrue and expire from the same dates as for similar agreements for seafarers concluded between NSA and the Norwegian Trade Unions.

The High Risk (Piracy) Bonus will be based on basic wages with the same percentage as agreed between NSA and the Norwegian Trade Unions.

A special agreement concerning war and piracy indemnity is attached as Appendix E. Seafarers who are entitled to compensation in accordance with the rules in Appendix E have no entitlement in accordance with articles 11 (compensation for death) and 12 (compensation for disability) in this CBA.

Article 14 Transfer of Seafarers

The Company shall have the option at their discretion of transferring seafarers from one vessel to another vessel, provided, however, that the seafarers who are transferred to another vessel shall not suffer demotion in rank or in pay and that there will not be any interruption of time for calculation of leave benefits nor increase in length of service.

Article 15 Equality

Each seafarer shall be entitled to work, train and live in the 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 seafarer.

Article 16 Deduction of Union Fee to LSU

The Company shall each month deduct from the wages of all seafarers in positions covered by this collective bargaining agreement a union due with 1 (one) percent of total monthly wage and remit same to the Lithuanian Seafarers' Union.

The union dues shall be remitted to bank account no: 9001.06.49187, Bank 1, Oslo. Iban: NO67 9001.06.49187, SWIFT code: LABANOKK

The Company shall on a quarterly basis pay the fees deducted together with a statement with names and ranks of each seafarer deducted, total amount of deductions, and the name of the vessel.

Article 17 Joint Administration (Model)

The Company shall each month contribute USD 38 per non-Nordic seafarer to the Joint Administration. This contribution replaces Union Due/Tariff Fee to the NSU, Education and Development Fund to NMOA/NUME and Administration fee to NSA.

The Company shall submit actual crew list to the Joint Administration. The crew list will be basis for the invoice of the above said contribution to the Joint Administration.

The contribution shall be paid in advance every sixth months, normally 1st January and 1st July of each calendar year, together with actual crew list. Without such crew list, the contribution will be estimated.

For part of month, the contribution will be proportional

Payment will be refunded for prepaid periods when a vessel is no longer covered by a model agreement.

The Joint Administration has:
 address: PB 2000 Vika, 0125 Oslo
 telephone: +47 22 82 58 00
 fax: +47 22 42 30 56
 email: khau@sjomannsunion.no

Bank account details:
 Bank 1 Oslo AS, PB 778 Sentrum, 0106 Oslo
 Account: 9001 11 46 391
 Iban: NO68 9001 1146 391
 SWIFT: LABANOKK

Article 18 **Other union dues and Welfare Fund**

The Company recognises the ILO convention 87 and 98 regarding right to organize collective bargaining and freedom of association. As a consequence, the Company may consider a request from the seafarers to elect a representative to maintain contact with LSU and to represent the seafarers in safety and environmental questions connected to such quality securing systems (ISM Code) that the Company has in operation.

The Special Agreement for each vessel (see Appendix B) provides that the Company will pay an annual contribution of USD 250 per position per year for special agreements to the ITF's Welfare Fund.

Article 19 **IMO Training**

The Company and the Unions agree that to enhance the efficiency of the crew and update their knowledge in the modern equipment on board ship, seafarers should be encouraged to take upgrading courses.

Article 20 **Duration of Model Agreement**

This agreement shall be effective from 1 January 2017 until 31 December 2018 and further if a request for termination is neither given by the NSA nor by the LSU and the Norwegian Maritime Unions with three (3) months written notice. A notice given by the unions, the LSU and the Norwegian Maritime Unions, should be agreed upon and signed by both the LSU and the Norwegian Maritime Unions.

If a request for termination is given by either of the parties, this agreement shall be considered void and without any further legal consequences from the date of expiry, that is 3 months after notice of termination is given.

Klaipeda 31 October 2016

Norwegian Shipowners' Association

Lithuanian Seamen's Union

Norwegian Maritime Officers' Association

Norwegian Union of Marine Engineers

Norwegian Seafarers' Union

Appendix B***Special Agreement***

This special agreement is made on 20 and is effective from 20 between

- I. **Norwegian Seafarers' Union**, Rosenkrantz' gate 15-17,
Postboks 2000 Vika, N-0125 Oslo,
TEL (+47) 22 82 58 00 FAX (+47) 22 33 66 18

Norwegian Union of Marine Engineers, Rosenkrantz' gate 15-17,
Postboks 2000 Vika, N-0125 Oslo
TEL (+47) 24 14 83 70 FAX (+47) 24 14 83 80

Norwegian Maritime Officers' Association Rosenkrantz' gate 15-17,
Postboks 2000 Vika, N-0125 Oslo,
TEL (+47) 22 00 55 00 FAX (+47) 22 00 55 01

- II. _____
Hereinafter called "the Company" whose address is

Telephone Telefax Telex

In respect of the _____ flag ship _____

Described in Schedule 1 hereto ("the Ship")

WHEREAS:

1. The Norwegian Unions are independent trade union organizations comprising fully autonomous trade union organizations in transport and individual members of the Special Seafarers Department of the ITF and the Unions are independent trade union organizations affiliated to the ITF.
2. The Company is the owner or agent/ manager of the owner of the Ship described in Schedule 1 hereto.
3. The Unions and the Company wish to regulate the conditions of employment of all seafarers (hereinafter individually referred to as a "Seafarer") serving from time to time on board the Ship.

NOW IT IS AGREED:

Article 1:

The Company undertakes as follows:

- a) to employ each Seafarer in accordance with the current terms of the ITF Standard Collective Agreement or the following ITF-Approved Agreements:

- b) to incorporate the terms and conditions of the relevant ITF Approved Agreements into the individual contract of employment of each Seafarer (and if necessary to register the Contracts with the relevant national body) and into the Ship's Articles. Any Seafarer enjoying or offered terms and conditions which taken as a whole are recognized by the ITF as more favourable to the Seafarer shall continue to enjoy or be entitled to such terms and conditions notwithstanding paragraph a) above.
- c) to conclude appropriate insurance to cover itself fully against all liabilities in the relevant ITF Approved Agreement.
- d) to furnish to the ITF forthwith copies of the Special Agreement, ITF Approved Agreements, contracts of employment (registered if necessary), Ship's Article (duly amended), crew list, manning scale and evidence of insurance cover.
- e) to pay the ITF or the appropriate affiliated union of the ITF tariff fee as stated in a separate agreement and pay to the ITF the Welfare Fund contribution as stated in schedule 2 hereto without deduction from the Seafarers salary.
- f) to keep onboard the Ship accurate records of all hours worked by Seafarers, all payment made to Seafarers, monthly payrolls and/or individual payslips of Seafarers, copies of the Special Agreement, the relevant ITF Approved Agreements and ITF Blue Certificate to be issued under Article 2 hereof and to allow each Seafarer access to these documents at all times. The time sheets, documentations of payment to seafarers, monthly payrolls and or individual pay slips of seafarers shall be kept on board for a minimum of 3 (three) years after their completion and if legal proceedings have been instituted in respect of a claim for payment for work hereunder but not limited to overtime, that has been entered or should allegedly have been entered on the documents mentioned herein, they shall be kept until the matter has been finally settled.
- g) to permit or obtain immediate permission for representatives of the ITF to board the Ship, to consult with Seafarers and to inspect and copy all documents whether the Ship is in berth or not and whether or not the Seafarer is on board the Ship.
- h) not to demand or request any Seafarer to enter into any document by which the Seafarer agrees to give up any rights to which he becomes entitled as a consequence of this agreement and the Company agrees that any such document already in existence shall be null and void and of no legal effect.
- i) not to require or induce Seafarers to carry out cargo handling and other work traditionally or historically done by dockworkers without the prior agreement of the relevant ITF Dockers' union concerned and provided that the individual Seafarers

volunteer to carry out such duties for which they shall be adequately compensated.

- j) The clause regarding breach of agreement set out in the Collective Bargaining Agreement(s) referred to above, shall be amended as follows: The Company acknowledges and accepts that the Union(s) has the right, on behalf of itself or on behalf of any Seafarer(s), to sue and/or arbitrate and/or bring and/or defend any legal action whatsoever in respect of any claim or dispute arising from Seafarer's employment or service on board the ship whether or not the Seafarer(s) has given the Union(s) any authorization.

The Company agrees that the Union(s) is entitled to receive on behalf of the Seafarer(s), all monies due and arising from the employment or service on board the ship and provide receipt for the same and hold such monies or transfer them to the Seafarer(s).

From the time the Union(s) has filed a claim due to breach of contract, the payment of any such claims can only, with effect of release, be done to the Union(s) or as authorized by the Union(s).

- k) to reimburse the ITF and/or the Unions and its affiliates all reasonable costs and expenses incurred to enforce the Company's undertakings herein.

Article 2:

The Union undertakes, provided that the ITF has received and approved copies of the documents referred to in Article 1 d) above and the fees and contributions payable under Article 1 c) above, and further provided that there are no outstanding claims of Seafarers, to issue an ITF Blue Certificate certifying that the Ship is covered by an ITF Approved Agreement provided that the property in the ITF Blue Certificate shall at all times remain in the ITF.

Article 3:

This Special Agreement and the Collective Bargaining Agreement(s) referred to above, sets out the standard terms and conditions applicable to all Seafarers serving on the ship described in Schedule 1 hereto. This Special Agreement and the Collective Bargaining Agreement(s) referred to above, is applicable and in full force whether or not the Company has entered into individual contracts of employment with any Seafarer and whether or not the Company is the Employer.

Article 4:

The Special Agreement shall remain in force for the period of twelve (12) months from the date hereon and thereafter from year to year unless terminated in accordance with Article 5 below.

Article 5:

This Special Agreement may be terminated as follows:

- a) by ITF and/or the Union immediately upon notification to the Company in the event of default by the Company of any of its undertakings herein. Upon termination, the Company shall forthwith return the ITF Blue Certificate to or to the order of the ITF.
- b) by either party of the anniversary of this Special Agreement provided that at least one month's notice of termination given.
- c) at any time by mutual agreement of the parties hereto.

Article 6:

Save in the event of proper termination, the Company undertakes that, no later than one month prior to each anniversary of this Special Agreement, it will send to the ITF the documents referred to in Article 1 d) above, and will pay the fees and contributions payable under Article 1 e) above. Upon receipt and approval of same the Union undertakes to request the ITF to renew the ITF Blue Certificate.

Article 7:

This Special Agreement shall be governed and construed with the Norwegian law.

Signed by:

Signed by:

The company/on behalf of the Company
who is duly authorized by the owner of the
Ship to sign on behalf

on behalf of affiliated unions
(FOC/ITF)

Date:

Place:

SCHEDULE 1

Vessel	Flag
IMO No.	Official No.
Port of reg.	Date of reg.
Reg. tonnage (gross/net)	Eng.power
Registered owner	
Beneficial owner	
Manager	
Agent	

SCHEDULE 2

Welfare fund USD 250 per position per year for special agreements

Received:
Signed:

Notes to Wages Scale

1. Seniority Bonus is given for service in the same position when employed by the same Company.
2. Seniority bonus shall be based on the current position.
3. Watchkeeping officers on 2-watch vessels participating in such watchsystem are paid an extra compensation of USD 350.
4. The Company may further, at its discretion, increase the number of guaranteed overtime hours for ratings to cover an extended use of overtime.
5. Tanker Bonus applicable on Tankers, Chemical Tankers, Gas Tankers and OBO carriers when carrying oil.
6. Social Security bonus of USD 100 per month and proportionally. ref. art. 12 B.

Total cost for a Lithuanian Able Seaman:

Calculation AB	USD
Basic wage	712
Leave pay	237
Overtime	530
Alternating service	15
Subsistence	110
Seniority	32
Tanker bonus	71
Payable wage	1707
ITF Welfare Fund	21
Wage guarantee	20
IMO requirements	33
Joint adm. fee	38
TOTAL COST	1819

Public Holidays in Lithuania:

New Year's Day

Lithuanian Independence Day (16th of February)

Restoration of Lithuanian Independence (11th of March)

Easter Sunday

Easter Monday

Labours Day (1st of May)

Mothers' Day (First Sunday of May)

Fathers' Day (First Sunday of June)

Rasos/Joniniu (24th of June)

State Holiday – Mindaugas Coronation Day (6th of July)

Assumption (15th of August)

All Saints' Day (1st of November)

Christmas Eve (24th of December)

Christmas Days (25th and 26th of December)

Appendix E

Agreement About High Risk Bonus and Compensation in case of disability or death caused by War or Piracy Attack

The parties agreed to establish an agreement regarding compensation in case of disability or death that befalls a seafarer when in service on a ship as a direct consequence of a war or piracy attack, See the chapter 15 of the Norwegian Marine Insurance Plan of 1996, version 2007.

The agreement shall cover disability or death as a direct consequence of a ship transiting an area where the parties have agreed that there exist a risk for war or piracy attack, and have established an agreement describing this area.

Article 1

The following conditions will apply regarding compensation in case of disability or death directly caused by war or piracy attack:

1. In case of injury that makes the seafarer permanently unfit for further service as a seafarer, he/she receives a compensation of USD 165 000.
2. If the seafarer dies, the surviving dependants (spouse, children or parents in this preferential order) will receive USD 165 000
3. If the seafarer is permanently unfit for further service as a seafarer (see point 1 above), and has children under the age of 21 years that are supported by him/her, or he/she dies (point 2 above) leaves behind children under the age of 21 years, each child will receive a compensation of USD 40 000

Article 2

The above mentioned compensation amounts, will be given in addition to the compensations and pensions from collective life insurance, insurance contribution or other collective or individual pension- and insurance arrangements that might exist and that cover death and injury caused by war or piracy attack. However, seafarers who are entitled to the compensation mentioned in article 1 above, are not entitled to the compensation provided for in case of death and disability in NIS or Model agreements concluded between the Norwegian Shipowners' Association, the Lithuanian and Norwegian Unions, see the NIS agreement article 10 and the Model agreement article 11 and 12 A.

Article 3

This Agreement is subject to Norwegian laws and Norwegian courts of justice

Article 4

This Agreement is effective from the 1 January 2010 and will replace all earlier collective bargaining agreements and protocols regarding war and piracy attacks that have been established between the Norwegian Shipowners' Association, the Lithuanian and Norwegian Unions for NIS and foreign flag ships for Lithuanian officers and Lithuanian ratings. This Agreement applies until further notice and can be terminated by 3 (three) months mutual notice.

Oslo 1 January 2010

Norwegian Shipowners' Association

Norwegian Maritime Officers' Association

Norwegian Union of Marine Engineers

Norwegian Seafarers' Union

Appendix F

Grievance Procedure

The Company and LSU have agreed to an amicable settlement of all disputes related to this collective bargaining agreement including disputes between their members, the shipping companies and the seafarers, see the introduction part, last paragraph.

As a result, the Company and LSU agree that the following procedures shall be followed for disputes between the shipping companies and the seafarers:

1. The Company and the seafarers shall refrain from filing any complaint before any court or office in Lithuania without having exhausted first this grievance procedure. See note a) at end of document.
2. The Company shall observe the following disciplinary actions when offended or dissatisfied with the seafarer's behaviour or performance:
 - 1) Erring seafarer shall receive a written warning from head of department, senior officer or the master. The warning issued should also ask the seafarer to explain his actions in writing within 24 hours and indicate the possible consequences for him of his actions. A notice of the warning should be entered into the ship's logbook. The receipt of warning shall be confirmed in writing by the seafarer.
 - 2) When the seafarer's written explanation is received, the master will decide if further steps shall be taken or if the case should rest. If further steps should be taken, the procedure will be:
 - a) If the master considers it necessary to terminate the contract of employment, the seafarer shall be duly informed. He will have the entitlements for termination pay and repatriation as prescribed in Article 5 c and d.
 - b) If the master consider it possible that the seafarer should be dismissed, a hearing shall be summoned before a committee consisting of the master as a chairman and two other members appointed by the master. If possible one of the other members shall be chosen amongst the officers or crew group that the seafarer has belonged to. The hearing shall take place less than 14 days after the errors or similar has happened.

The master/chairman shall question the seafarer and any witness who might be able to provide information in the case. The remaining members of the committee and the seafarer himself may ask questions to the witnesses, through the master/chairman or directly as the master/chairman decides. The submitted statements from the seafarer and the witnesses shall be entered into a special protocol. A standard protocol which may be utilised is attached as Appendix 1.

The statement shall be read out to those who have submitted them. If the master/chairman makes a decision in the matter, he shall state the grounds for such decision, and the decision shall be entered in the protocol.

The members of the committee shall by their signature certify the accuracy of the entered statements. The seafarer is entitled to a copy of the protocol. A notice of the protocol and the hearing should be entered into the ship's logbook.

c) When the hearing is concluded, the master shall decide as soon as possible if the seafarer should be dismissed (Article 5e) be given notice of termination (Article 5c) or if the case should rest without further steps for the time being.

If the master decides to dismiss the seafarer, the seafarer shall be informed immediately of the decision. The decision may be included in the protocol from the hearing and should be entered into the ship's logbook.

A seafarer who has been dismissed should be given the information in writing. A standard form which may be used for such information is enclosed as Appendix 2. He will have no entitlements to termination pay or repatriation, see article 5e.

If the master decides to give the seafarer notice of termination, the seafarer shall be duly informed and receive the entitlements indicated in Article 5 c and d.

d) In special cases the committee may be appointed by the Company or the Company's representative and the hearing will take place ashore if considered necessary in order to best elucidate the factual basis for dismissal.

If the company has not established its own complaint procedure, the following procedure shall be used:

On board Complaint Procedure

1. With reference to the ILO Maritime Labour Convention (ILO MLC), regulation 5.1.5, the following on board complaint procedure has been established for expeditious handling of seafarer complaints alleging breaches of the requirements of the ILO MLC.

A Seafarer making use of this procedure shall not be victimized for filing a complaint and he/she will also have the option to seek redress through whatever legal means that the seafarer may consider appropriate.

This procedure seeks to resolve complaints at the lowest level possible.

The Seafarer has the right to be accompanied or represented during the complaint procedure, and to safeguard against any kind of victimization for filing complaints.

The Seafarer will receive a copy of this complaint procedure. To submit a complaint, the Seafarer may contact:

On board (position and/or name):

In the flag state (name and address):

In his country of residence (name and address):

To be advised and assisted on their complaint.

2. A Seafarer who considers himself aggrieved shall make his complaint(s) in accordance with the following procedures:

- a. A written complaint shall be communicated to head of the Department of the Seafarer lodging the complaint or to the Seafarer's Superior Officer to resolve the matter within prescribed time limits appropriate to the seriousness of the issues involved.
- b. If the head of the Department or the Superior Officer cannot resolve the complaint to the satisfaction of the Seafarer, the latter may refer it to the Master, who should handle the matter personally.
- c. A meeting may be held with the Seafarer and the Master, Superior Officer or another representative for the employer to discuss and settle the complaint.
- d. All complaints and the decisions on them should be recorded and a copy provided to the Seafarers concerned.
- e. If a complaint cannot be resolved on board, the matter should be referred ashore to the Employer/Shipowner, who should be given an appropriate time limit for resolving the matter, where appropriate, in consultation with the Seafarer concerned or any person the Seafarer may appoint as his/her representative.
- f. A Seafarer who wishes to appeal a settlement/non-settlement of the complaint, should consult his/her national union or the union that may be co-party to the collective bargaining agreement applicable for his /her employment. The union(s) shall, before advising an appeal to be filed, request the Employer's/Shipowner's view or the opinion of the Employer Association that is party to the collective bargaining agreement before an appeal is made to the relevant authorities or a court of justice.

* * * * *

Appendix F-1***Standard Form to be used for Board Hearings***

In the year of the day of

a hearing was conducted on board

M/V

or at the shipping company's office in

The location of the vessel was
(to be filled out when hearing is conducted on board)

The chairman of the board was:

Captain/crew manager..... who chaired the hearing

The other people appointed as board members were:

position name

" "

The hearing was conducted in connection with:

.....

(Short description of alleged infringement of rules/reason why dismissal is being considered, preferably citing the specific regulations which it is alleged were violated)

The following appeared to make a statement:

1.....

(Statement by the seafarer to whom the hearing relates, preferably in that person's own words)

2.....

(Statement by any witness/witnesses preferably in the latter's own words)

(Anyone on the vessel, with the exception of the board members, may be a witness, including the person alleged to have been victim of the seafarer's misbehaviour)

The statements were read aloud to the people who made them.

The matter was then considered by the captain/crew manager who decided

..... (name)

is to be dismissed

..... (name)

is summoned and informed of the decision

Any remarks by the dismissed seafarer:

Record of hearing read aloud and approved

.....captain/crew manager

Other members of the board

.....

name/position

name/position

1 copy for the seafarer

1 copy for the vessel

1 copy for the company/agent

Notice of Dismissal

Name of seafarer:

You are hereby dismissed from your employment on

..... (name of vessel)

with immediate effect and will sign off200.....

in (name of port)

A copy of the record of the conducted hearing is enclosed.

Your account with

(name of the company)

will be settled as per date of signing off

Place:Date

Signature

(Master, company or their representatives)

I confirm to have received above dismissal

Place:Date

Signature

Signature of Seafarer

1 copy for the seafarer

1 copy for the vessel

1 copy for the company/agency

Norwegian Seafarers' Union,

P.O. Box 2000 Vika, 0125 OSLO, Norway.

Tel: +47 22 82 58 00, Fax +47 22 42 30 56 +47 22 33 66 18

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Tel: + 47 22 00 55 00 Fax: + 47 22 00 55 01

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