

COLLECTIVE BARGAINING AGREEMENT FOR EMPLOYMENT ON BOARD SMALL-TONNAGE VESSELS ENGAGED IN INTERNATIONAL TRAFFIC

**1.2.2012 – 28.2.2014 (Finnish Seamen's Union SMU)
1.3.2012 - 31.3.2014 (Officer Unions)**

1 SCOPE

The Finnish Shipowners' Association on one side and the Finnish Shipofficers' Union, the Finnish Engineers' Association, and the Finnish Seamen's Union SMU on the other, hereby enter into the following Collective Agreement on the terms and conditions of wages and employment of the Finnish Shipofficers' Union, Finnish Engineers' Association, and Finnish Seamen's Union members on board the dry cargo, tanker, and specialty vessels of the Finnish Shipowners' Association members of less than 1,600 grt.

When accepting new vessels within the scope of this agreement, the 1947 Oslo Convention rules for measuring vessels shall be applied. If the vessel does not have a measurement log or certificate in accordance with the Oslo Convention, the size of the vessel will be assessed using the 1969 International Convention on Tonnage Measurement of Ships (London Convention) as follows:

The GT figures of the new London Convention for ro-ro vessels are multiplied by 0.25 and by 0.4 for lo-lo vessels, thus producing figures for the vessels that, on average, correspond with the GRT capacities of the old Oslo Convention. For other vessel types, the coefficients will be agreed upon case by case.

This shall not affect the application of the practices under the agreement for the sector on ships sailing under the Finnish flag on 1 March 2005, unless modifications are made to them that affect the tonnage. The parties will negotiate separately on new vessels to be included into the collective agreement sector, in accordance with Subsection 2.

2 EMPLOYMENT

2.1 General

Reliance on Employment and Economic Development Offices remains central in the employment system. The Finnish Shipowners' Association recommends that all of its members list their job positions with employment agencies. The employment agency should also be notified of vacancies, including the duration of employment, when the shipowner hires temporary labour outside of regular working hours in urgent cases.

When an employer has agreed to employ an employee, but no employment contract is concluded with the employee for reasons attributable to the employer, the employee is entitled to a similar compensation as in breaches of contract.

2.2 Contract of Employment

Primarily, open-ended contacts of employment should be concluded with employees. A fixed-term employment contract may be concluded in accordance with the provisions of Chapter 1, Section 4 of the Seafarers' Employment Contracts Act if the nature of the work, the substitution of another employee, a traineeship, or some other comparable reason so requires or if the employer has some other justified reason, relating to the operation of the company or the work to be performed, for concluding a fixed-term contract. The aim of this provision is to prevent the circumvention of the employee's protection against unilateral termination of employment and of the employee's benefits based on the duration of employment.

(Appendix 10)

2.3 Trainees

The use of trainees shall not lead to replacing permanent employees or other labour, as specified in Section 2.2.

2.4 External labour

The employment of external labour shall be resorted to only after it has been determined whether it is possible to use the vessel's own staff to perform the tasks and how the use of outside labour will affect the employment and tasks of the vessel's own staff.

3 MANNING OF SHIPS

Despite the new Decree on the Manning of Ships (1256/97) being in force, the manning tables for manning and certifications in Subsections 13, 14, and 15 of the old Decree (250/84) will be applied. In order to facilitate this, the parties will prepare model crews for different size classes of vessels using the 1969 International Convention of Tonnage Measurement of Ships. The manning tables are included in the Appendix of the Collective Agreement (Appendix 1 a).

The parties will agree upon the number and competencies of crews for newbuildings and new vessels that are to be subject to this Collective Agreement and that will be sailing under the Finnish flag. Vessel-specific manning agreements will be agreed upon ensuring that the requirements of the minimum manning certificate provided by the Finnish Transport Safety Agency (Trafi) are fulfilled. When agreeing upon manning, however, sufficient rest periods for crew members on watch must be ensured. The manning agreement must be posted on the bulletin board of the vessel.

A shipmaster can participate in keeping watch for no more than four hours a day on vessels exceeding 500 grt, and no more than 12 hours a day on vessels of less than 500 grt operating in the Baltic Sea. 500 grt corresponds with a GT value of 1,250 for lo-lo vessels and 2,000 for ro-ro vessels.

On vessels of 750 kW and above, an engineer (c.d.) must be provided for chief engineers participating in sea watch, unless otherwise agreed on board the vessel.

4 TERMS OF EMPLOYMENT

4.1 Working Hours

4.1.1 Day in port

Vessel in port for the entire day (0000 – 2400)

The daily working hours from Monday to Thursday is 8 hours. Overtime remuneration is paid for work that exceeds 8 hours. On Friday, the daily working hours are 6 hours and overtime remuneration is paid for work that exceeds 6 hours. Overtime remuneration is paid for work on Saturday and holidays.

Regular working hours during a day in port occur between 06.00 and 18.00, in accordance with Section 5 of the Seaman's Working Hours Act. Work between the hours of 18.00 and 06.00 is always considered overtime, subject to overtime remuneration.

If an employee wishes to be on shore leave on a regular working day between Monday and Friday between the hours of 06.00 and 18.00 in order to take care of personal matters and this is agreed upon with the employer, one personal day is deducted for a full day of shore leave or half a personal day is deducted for half a working day.

4.1.2 Days at sea and days of arrival and departure

Regular working hours for all weekdays is no more than 8 hours and 56 hours for a calendar week. In addition, the daily working hours included in guaranteed wage are no more than 10 hours during a 24-hour period and 65 hours a week.

4.1.3 Estimated time of departure of a vessel

The time of departure of a vessel shall be notified on a notice board or display located near the shore gangway, if possible at least four hours before the estimated time of departure. However, this provision shall not apply to vessels that operate a scheduled service.

4.1.4 Part-time employment

Part-time employment relating to partial retirement and partial retirement due to incapacity for work under the seafarers' pension act (*Merimieseläkelaki* 1290/2006) and the partial child care leave and partial parental leave under the Seafarers' Employment Contracts Act shall be implemented in accordance with Appendix 3.

If regulatory or contract-based solutions that improve benefits for part-time employees are implemented while this agreement is in force, the improvements shall also be applied to the part-time employees included in this section.

Receiving part-time disability pension does not necessarily mean that an employee is not able to work on vessels due to health issues. The parties recommend that the employer together with the employee attempts to examine the possibility of arranging part-time

employment for the duration of the part-time disability. Part-time employment Appendix (Appendix 9)

4.1.5 Division of the regular working hours of catering staff

Unless otherwise specified in this agreement, daily working hours for an employee that is part of catering staff cannot be divided into more than two parts.

4.1.6 Fire, rescue and other safety drills

In addition to fulfilling separate regulatory requirements on fire, rescue and other safety drills, an effort shall be made to carry them out with minimum impact on daily work routines and employee rest time and ensuring that they will not result in fatigue.

4.2 Overtime

For work performed outside regular working hours, overtime remuneration is paid in accordance with Appendix 1.

If working hours during a calendar week exceed 65 hours and overtime remuneration has not been paid in accordance with the daily working hours provision, overtime remuneration is paid in accordance with Appendix 1.

Working hours application note (See: Appendix 2)

4.3 Working Hours Register

4.3.1 General

A register of working hours must be kept in accordance with the Seaman's Working Hours Act on board.

The employer must record the hours worked and compensation paid separately for each employee. If the employer has neglected to keep a register of working hours, the hours worked and the remuneration to which the employee is entitled will be calculated based on the employee's records.

4.3.2 Rest periods

Employees shall be allowed rest periods in accordance with the Seamen's Working Hours Act. In addition, employees must be allowed a 20-minute meal break every 6 hours when work is carried out without regular meal and lunch breaks. The meal break shall be included in the working hours.

4.4 Rotation

4.4.1 General

A register shall be kept of the rotation system. The agreed rotation system shall also be displayed in a suitable location where it can be seen by those whom it concerns.

The 1:1 (one period of work, one period of time off) or 2:1 (two periods of work, one period off) rotation system on board the vessel is adhered to by department or occupational group. However, in June – August the 1:1 rotation system will be applied. Each department and occupational group on the vessel will determine which rotation system is to be applied.

If the employer and the crew are unable to reach a consensus on the rotation system, the matter shall be resolved in negotiations between the parties to the Collective Agreement, in accordance with the negotiation procedure laid down in Section 5.

The duration of a working period shall not exceed 8 weeks, with the exception of long-distance traffic, where the duration of a working period shall not to exceed 16 weeks.

In order to implement the rotation system, 0.45 days (2:1 rotation system) or 0.8 days (1:1 rotation system) of leave for each day on board is accrued. Similarly, one (1) rotation leave day is deducted for days on leave from the accrual described above.

When paying out the accrued leave days upon termination of employment or otherwise exceptionally during employment, the guaranteed wage including seniority allowance is divided by 30, in order to determine the amount to be paid for a day off. The same formula is used to calculate compensation for other paid time off, such as sick leave, for example.

In addition, expired days off accrued based on the Annual Holidays Act can be utilised when implementing the rotation system. However, the provisions in the Seamen's Annual Holidays Act must be adhered to while so doing. One continuous period of paid holidays of no less than 30 days in duration must be included in the rotation system between June and August.

If work is done on a day of change of rotation, leave is accrued in accordance with the formulae in Appendix 2.

4.4.2 1:1 Rotation of Shipmasters and Chief Engineers

The 1:1 rotation system is adhered to on board the vessel with one day on board accruing one day off. However, this is to include the annual holidays accrued in accordance with the Seamen's Annual Holidays Act in the rotation system. Contrary to what is decreed in the Seamen's Annual Holidays Act, under this Collective Agreement, shipmasters and chief engineers shall be paid increased annual holiday pay (18%), increased holiday bonus (50%) and fringe benefit for three (3) days a month.

Change of rotation days are split between the parties. Potential days off accrued in the 1:1 rotation system are compensated for annually as pay.

4.4.3 Off-duty periods beginning and ending while in port abroad

If the off-duty period of a Finnish employee begins or ends while in a port abroad, regulations in Section 7 of the Seamen's Annual Holiday Act (433/84) shall apply.

4.5 Annual holiday

Annual holiday is accrued in accordance with the Seamen's Annual Holidays Act (433/84). After employment exceeding five years with the same shipowner, the duration of annual holiday is 16 business days for a full holiday credit period.

Holiday pay shall be calculated based on multiplying the average daily wages of the employee by the number of leave days. The average daily wages are calculated by dividing the employee's guaranteed wage, including seniority allowances, with 30 and multiplying the result by 1.18.

Holiday pay comprises the guaranteed wage and potential seniority allowances. In addition, holiday pay includes so-called fixed allowances in proportion of the amounts paid during the holiday credit period.

Fringe benefits accrued over the holiday period are also compensated for in accordance with Appendix 1. Fringe benefits are also paid for Sundays, religious holidays, Independence Day, Mid-Summer Eve, May Day on May 1, Christmas Eve, and Holy Saturday. Compensation for fringe benefits is not, however, paid for days off accrued based on the rotation system.

For employment relationships of less than 14 days in duration, the meal and accommodation compensation is paid in accordance with the Seamen's Annual Holidays Act as follows:

Employment relation of 1–3 days	0.5 x meal and accommodation compensation
employment relation of 4 – 6 days	1 x meal and accommodation compensation
Employment relation of 7 – 9 days	1.5 x meal and accommodation compensation
Employment relation of 10 – 13 days	2 x meal and accommodation compensation

An employee entitled to annual holiday under the Seamen's Annual Holidays Act receives 50% of his or her holiday pay as a holiday bonus (when calculating the holiday bonus, fringe benefits are included).

Holiday bonus is paid on the same pay day as holiday pay. If annual holiday is divided, the corresponding amount of holiday bonus is paid at the start of each holiday period following the above provisions.

4.6 Wages

Upon paying wages or making corrections to them, the employer shall provide the employee with an itemisation that states the amount paid and how it was calculated.

4.6.1 Guaranteed wages

Guaranteed wage tables for the 1:1 and 2:1 rotation systems are included in Appendix 1.

4.6.2 Seniority and experience allowances

Seniority or experience allowance, which is 4% of guaranteed wages, is accrued after 3, 7, 10 and 13 years of service and, from 1 January 2002, 16 years of seamanship service (refers to the total duration of employment). On vessels registered in EU or EEA countries, or on a vessel of a foreign company that is part of the shipowner. For crew members, the seniority allowance includes all the years served as a crew member. For officers, all years served as an officer are included in the seniority allowance calculation (time served as a crew member for the same shipowner is considered officer service). Time served in coastal traffic or more extensive operation entitles the employee to seniority or experience allowances.

Regarding crew members, the parties agree upon replacing the term seniority allowance by experience allowance.

When defining the duration of the service time under this agreement, shipowners with shared management, and shipowners where one company owns no less than 51% of the other, are defined as a single shipowner.

Time during the employment relationship when the employee has been unable to perform work duties is also to be deemed time served for the purpose of seniority or experience allowances when this was caused by

1. annual holidays of other employees at the workplace;
2. military reserve exercises or extraordinary military service, if the employee has returned to work as soon as such hindrance ended;
3. an interruption referred to in Section 3, Subsection 2, Paragraph 3 of the Seamen's Annual Holiday Act;
4. a medical examination as referred to in the Occupational Health Care Act (1383/2001) or the act on seamen's medical examinations (*Laki laivaväen lääkärintarkastuksista* 1171/2010), or ordered by the employer, or as a result of any sickness or accident;
5. maternity, special maternity leave, paternity leave, or parental leave referred to in the Seafarers' Employment Contracts Act;
6. a municipal or other public elective function, or appearance as a witness in a court of law testimonial which the employee was not entitled to refuse according to the law, or refusal of which would only have been permitted for a special cause stated in the law;
7. an order issued by the authorities to prevent the spreading of a disease;
8. travel required by the work if these travel days are not otherwise counted as working days for the employee;
9. for any other reason if the employer is by law required to pay the employee remuneration for such time despite of his absence;

10. with the employer's consent, taking part in training required by the work, however so that only 30 days at a time are counted as equivalent to working days.

4.6.3 The shipmaster's wages

The wages of the shipmaster is an all-inclusive payment that includes the 4-hour officer watch and other necessary working time.

If the Finnish Shipofficers' Association finds evidence of wages well below acceptable standards or some other grievance in the employment contract between the shipowner and the Shipmaster, negotiations between the parties must be initiated.

If the parties agree that the wages are below standard or that the grievance is founded, the employers' association will take action to rectify the problem with the relevant shipowner without delay.

If the Shipmaster pilots the vessel in waters where a maritime or inland water pilot is generally used, compensation will be paid as agreed by the shipowner and shipmaster.

4.6.4 Chief engineer's wages (E0 or similar and vessels with manned engine rooms)

All work exceeding 10 hours within a 24-hour period is subject to overtime remuneration.

4.6.5 Unmanned engine room

Some vessels are operated with unmanned engine rooms. When the vessel's engine room is operated unmanned, the engineering officers have an on-call duty of 8 hours, which corresponds with an 8-hour working day on Saturdays and holidays. No compensation is paid for being on call.

4.6.6 Chief engineers' classification and inspection allowance

- a. Chief engineers having been granted by a classification society a right to issue specified classifications on machinery are paid compensation for the classifications performed by them in accordance with Appendix 1 per machine/device and the machine log.
- b. Chief engineers having been granted by the Finnish Transport Safety Agency (Trafi) a right to perform handheld fire extinguisher inspections are paid compensation for the inspections they complete, in accordance with Appendix 1, per extinguisher and the machine log.

4.6.7 Non-commissioned officers

A person who is qualified as a non-commissioned officer and who is performing NCO duties is paid an increase of 10% of his guaranteed wages, or the minimum stated in Appendix 1.

If the shipmaster has to participate in the watch of a non-commissioned officer, in addition to his or her watch specified in this agreement, while a non-commissioned officer is

performing other duties, the shipmaster is paid compensation for this according to Appendix 1 for each hour or part thereof.

Compensation is paid for being on call on vessels that have non-commissioned officers and the chief engineer handles over one half of the on-call hours in a calendar week. In this instance, 30% of the overtime compensation is paid for the second half of the week for being on call.

4.6.8 Stop turn

When one of the officers is ordered to remain on board the vessel for loading/unloading in port, compensation is paid per stop turn on working days and Sundays in accordance with Appendix 1.

The time between Saturday afternoon and Monday morning includes two stop turns, and two consecutive holidays include four stop turns.

When the vessel is in port for a so-called long weekend, the time between Friday night and Monday morning includes four stop turns, two of which are considered working day turns and two holiday stop turns. On vessels in operation, one officer must be available if necessary.

If the person on stop turn is working overtime throughout the stop turn shift, no stop turn compensation is paid. Stop turn compensation is also not paid if the person on stop turn is ordered to remain on board due to the provisions in Section 10 of the Seamen's Working Hours Act.

If the vessel arrives at port two hours prior to the start of regular working hours or leaves port later than two hours after regular working hours, the employer shall also pay stop turn compensation for the exceeding time.

4.6.9 Cargo handling compensation

Cargo handling is work not considered traditional work associated with making a ship seaworthy. Cargo handling also includes transferring, supporting, securing or detaching cargo in the cargo bays while the vessel is in port.

If the ship's crew exceptionally participates in actual cargo handling or connecting refrigerated containers on board the ship, additional compensation amounting to 1/164 of guaranteed wages is paid for each hour.

When the crew of a ro-ro ship exceptionally participates in actual cargo handling, securing and/or detaching or connecting refrigerated containers on board the ship, additional compensation amounting to 1/164 of guaranteed wages is paid for each hour.

All hours associated with cargo handling must be logged separately in the working hours register.

The crews on vessels belonging to Finnish Shipowners' Association members can, in special circumstances, engage in the aforementioned cargo handling work that is

traditionally done by stevedores. A precondition for this is that with the employees' consent, the principles have been agreed upon in advance with the unions that represent them.

4.6.10 Ocean allowance and tanker and special vessel allowance

When a vessel is engaged in ocean traffic, the guaranteed wages are increased by 3%. Ocean traffic refers to operation outside of the following areas: 11° W longitude, 30° N latitude and 45° E longitude.

When a vessel operates exclusively between ports in North and/or South America and within the area limited to 30° W longitude, 60° S latitude and 170° W longitude, the guaranteed wages are increased by 7%, instead of the 3% referred to in Section 1.

The shipmaster of a vessel operating between ports in the ocean area referred to in Section 1 is paid a 20% increase on guaranteed wages for the time spent on board.

A chief engineer on board a vessel operating between ports in the ocean area referred to in Section 1 is paid a 10% increase on guaranteed wages for the time spent on board.

The aforementioned allowances are calculated using the 0 table for guaranteed wages and are added to monthly earnings. The allowance is paid when an employee travels to the vessel from Finland and returns from the vessel to Finland; from the beginning of the day on which he/she departs till the end of the day on which he/she returns.

The aforementioned allowance is paid for all vessels that are regularly in liner traffic to overseas ports for the entire work period. However, the allowance is paid for a maximum of 20 days for a time period in which the vessel is not in operation due to repairs or other reasons.

For other vessels operating to overseas ports, the allowance is paid from the day on which the vessel leaves the last loading or unloading port in the European traffic area and heads to a port in the ocean area, and until the day the vessel arrives at the first loading or unloading port in the European traffic area and no more than 20 days after this.

If, however, a vessel described above makes two or more continuous trips in overseas traffic, the allowance is paid as above also for the time in port after returning from the first trip. In this regard, repair and unrigging ports are comparable to loading and unloading ports.

The increased allowance is paid from the day on which the vessel is within the abovementioned traffic area and begins to load for a port outside that area till the day on which the vessel departs the last port within this area.

An allowance amounting to 10% of the guaranteed wages is paid to employees working on a tanker or a specialty vessel transporting fuel oil, lubricating oil or crude oil and/or similar cargo, compressed, liquid or liquefied gases, flammable liquids, substances that may self-ignite and create flammable gases when in contact with water, organic peroxides, acidic substances, toxic substances, pollutants or other substances.

When in port, the allowance is paid for no more than 20 days after arriving in port. However, the allowance is always paid for when the vessel is fully or partially loaded and has to remain in port and/or roadstead.

4.6.11 Catering allowance

If guests or visitors are temporarily transported on a small-tonnage vessel, the shipowner will pay the cook steward compensation in accordance with Appendix 1 per day, if the transport of passengers or visitors has caused additional work. The catering allowance is not paid for family members of the crew.

4.6.12 Temporary meal guests

When meals are served on a temporary basis and with the consent of the shipowner/shipmaster, the cook steward is paid compensation in accordance with Appendix 1 per person and day, regardless of the number of meals served. This allowance is not paid for pilots, customs officers, security guards or family members of the crew.

4.6.13 Temporary positions (change of work assignment)

When an employee has temporarily been in a position higher than his/her regular work assignment, the employee is to be compensated in leave days in accordance with the rotation system based on the wages for the position in which the leave was earned.

4.6.14 Wages of missing crewman

If the number of employees is reduced during the voyage, an amount equal to the savings in wages is to be distributed among the remaining crew for the time the vessel is at sea. The increase in the workload of individual crew members is to be considered in the distribution, however only if no overtime remuneration was paid for the work in accordance to the relevant provisions.

This provision is also to be followed when the vessel was undermanned at the beginning of the voyage.

4.6.15 Fringe benefits

In the instances where sufficient room and board cannot be arranged for the crew on board the vessel, similar benefits must be arranged on land, or reasonable compensation equal to the value of these benefits is to be paid. The amount of compensation is to meet or exceed the standards of the general travel expense reimbursement policies of the Finnish Government.

4.6.16 War risk zone allowance

If the vessel operates in a war risk zone or an area designated as presenting such a risk, the provisions of the War Risk Zone Agreement are to be followed. (Appendix 13)

4.6.17 Trainee instruction allowance

If a trainee is working on the vessel, a crew member must be assigned to provide instructions to the trainee. In addition to regular wages, the crew member is to be compensated in accordance with the wages appendix for each 24-hour period instructions were provided.

4.6.18 Wages at end of employment

When an employment relationship ends, the last wage payable shall be at the employee's disposal or withdrawable without delay but at the latest on the sixth (6) working day after the end of the employment. In exceptional cases, when the wage is not clear, for example, because all the information needed for calculating the amount of the wage component are not available at the end of employment, the last wages shall be at the employee's disposal or withdrawable at the latest on the tenth (10) working day after the end of the employment.

4.6.19 Definition of full wages

Full wages, as indicated in the Seafarer's Employment Contracts Act or other similar acts refer to the guaranteed wages stated in this Collective Agreement and other allowances and reimbursements.

4.6.20 Training and degree allowances of officers

Training allowance

A separate training allowance is paid to sea captain and engineering students who attend classes or have a degree from a polytechnic and have obtained a deck watchkeeping officer or a watchkeeping engineer qualification. The amount of the allowance is stated in the wage table.

This allowance does not expire if the deck watchkeeping officer or watchkeeping engineer obtains a higher qualification.

The allowance is paid both for the time spent working and the time on leave.

Degree allowance

Navigation officers (I) and marine engineers (I) who have completed sea captain or engineering degrees at a polytechnic are paid a separate degree allowance monthly. The amount of the allowance is stated in the wage table.

The allowance is not paid to the shipmaster, the chief engineer or the chief navigation officer.

The allowance is paid both for the time spent working and the time on leave.

4.6.21 ISPS allowance

Deck or engineering officers discharging security officer (SSO) duties are paid a separate allowance in accordance with the wage table.

4.7 Absences

6.1 50th and 60th birthdays

An employee whose employment has lasted an uninterrupted minimum of three years, shall be entitled to one extra day of paid leave for his or her 50th and 60th birthday. The same benefit may be granted to an employee who has served on board a vessel in the Finnish merchant fleet for at least ten years, provided that his/her employment has continued for an uninterrupted period of six months immediately prior to the birthday.

4.7.2 Sudden illness, funeral and employee's own wedding

In case of a sudden illness of a family member, an employee is entitled to a short temporary paid leave of a maximum of three days.

A similar leave of a maximum of two days shall also be granted to an employee for attending the funeral of a close relative and for his/her own wedding.

In the situations referred to in this section, leave shall be granted on condition that it is feasible in each case considering the nature of the tasks of the employee in question.

The term close relative means an employee's spouse or cohabiting partner, registered partner, children, spouse's or cohabiting partner's children, registered partner's children, and parents as well as the parents of an employee's spouse, cohabiting partner or registered partner, and an employee's siblings.

Cohabiting partner refers to partners who live in a shared household in a relationship resembling marriage.

4.7.3 Care of a child with a severe illness

An employee whose child has a severe illness as defined in government decision (130/85) (on the allowance for the care and rehabilitation of a child with a severe illness) has the right to be absent from work to participate in the care, rehabilitation, or care guidance of a child, as defined in the said government decision, after having agreed on the absence in advance with the employer.

4.7.4 Treatment referrals

If treatment requiring a treatment referral has been agreed upon with the employer, the employer will pay sick leave compensation for the duration of voluntary institutional care, in accordance with the Collective Agreement. (Appendix 7.2)

4.7.5 Maternity and paternity leave

An employee entitled to maternity allowance has the right to receive wages for 78 weekdays starting from the beginning of the maternity allowance period (maternity leave).

An employee on paternity leave shall be paid the difference between his wages and the paternity allowance under the Health Insurance Act for 12 days.

4.8 Travel

4.8.1 General

At the beginning of employment, the employer shall reimburse travel expenses in Finland for the journey from the place of residence to the vessel.

A substitute employee's travel expenses in Finland and abroad shall be reimbursed by the employer at the beginning and end of employment, based on the home–vessel–home principle. The homeward journey shall be made without undue delay.

4.8.2 Travel expenses and reimbursements for travel time

If an employee is ordered by the employer to travel the day before arriving at work and the travel was started prior to 21.00, this day is counted as a half day at work, and the day he/she arrives at work is considered a full day.

For travel at the shipowners expense, the employee is entitled to travel in 1st class (officers and Cook Steward) or 2nd class (crew) on trains and ships. Air travel shall take place in the tourist or economy class. If the journey takes place abroad, he or she is entitled to travel in a class that, in the circumstances, corresponds to the above-mentioned class.

Appropriate travel and meal expenses are reimbursed against receipts or in accordance with the general reimbursement policies of the Finnish Government. The aforementioned reimbursement principle can also be applied while docking or to handover inspectors of newbuildings, if meals are not served on board. Appropriate taxi expenses are reimbursed for travel between the bus or train station or airport and port, if no public transport is available or when travel takes place during a time of day when public transport is not available.

An employee who wishes to utilise the benefit of free travel home under the Seafarer's Employment Contracts Act must inform the shipowner of his/her intention of travelling home sufficiently in advance, so that a substitute can be sent to the vessel.

When the employee is travelling home by air at the shipowner's expense, he/she is entitled to take a maximum of 30 kg of luggage for personal use. The shipowner will pay any overweight charges. The charge for weight exceeding 30 kg is paid by the employee.

4.8.3 Holiday travel

An employee returning to work after an annual holiday, off-duty period or sick leave shall be entitled to reimbursement by the employer for a train, bus, ship or a reduced-price air ticket for the return journey from the place of residence in Finland to the vessel. When a reduced price is not available, the employee shall be reimbursed for an economy class air fare.

Unless otherwise provided in the Seamen's Annual Holidays Act, an employee who has made a written agreement with the shipowner to return to work after his or her annual holiday on a vessel engaged in cross-trade traffic at the shipowner's expense is entitled to a free homeward journey.

Reasonable accommodation and food expenses during the journey are reimbursed based on the invoices.

Unless the employer and an employee have made some other agreement in advance, a cargo vessel employee returning to work after an annual holiday, off-duty period or sick leave shall be reimbursed the taxi fare between the bus terminal, railway station or the airline city terminal (or airport if that is closer) in the place where the employee is returning to work and the port or the employee's home in his or her place of domicile in the following situations:

- There is no public transport connection available.
- The employee has been asked to return to the vessel at a time of day when no public transport is available.

A taxi fare is reimbursed only against a receipt or, in exceptional circumstances, some other reliable account and in accordance with Appendix 1.

If the change in accordance with the rotation system takes place at a time when an employee cannot immediately begin his or her homeward journey, the employer shall reimburse the accommodation expenses.

4.8.4 Travel to meetings

The appropriate union will pay any travel expenses of members or deputy members elected to SLPL/SKPL/SMU. (see Union Activities Section)

4.9 Clothing

4.9.1 Protective clothing

A vessel shall be equipped with a necessary amount of proper protective clothing, gloves and footwear and other personal protective gear for use by employees.

For employees working in the cargo areas of ro-ro vessels, CE labelled uniform protective overalls are provided at the employer's expense. The overalls are to be equipped with a reflective high-visibility colour.

The protective clothing the employer has provided/reserved for the employees' use shall be laundered at the employer's expense or washed during working hours. When spray painting or when cleaning containers that have contained hazardous cargo or performing other similar work, employees shall use protective masks and other protective gear provided by the employer.

4.9.2 Officers' uniforms

When the employer requires an officer (in this context, the Cook Steward is also considered an officer) to use a specific uniform, the uniform is to be paid for and maintained by the employer (one uniform annually). The uniform refers to a coat, trousers and a shirt. The shipowner provides the necessary insignia of rank or position free of charge.

4.9.3 Work clothes of catering staff

The catering staff are entitled to have the work clothes provided by the employer laundered at the employer's expense or wash the clothes during working hours. This shall also apply to the kitchen staff's own special work coats, work trousers, aprons and cook's hats.

4.10 Cleaning

The dishes and cutlery shall be washed and the dining area organised and cleaned after each mealtime. An opportunity for the washing and cleaning shall be provided during regular working hours.

Sleeping cabins and dining areas shall be cleaned and washed thoroughly once a week. These tasks are performed during regular working hours.

If the tasks referred to in this section cannot be performed during regular working hours, they shall be carried out as overtime work for statutory overtime remuneration. The said

tasks are not considered overtime work if they are performed on a Sunday or a public holiday by an employee on watch duty.

It is recommended that employees for their part promote cleanliness and comfort by making their own beds.

4.11 Insurance policies

The employer is required to insure the employees for accidents that take place during the employees' free time and sports activities aboard a vessel under the same statutory conditions that apply to occupational accident insurance. Compensatory free time and holidays under the Seamen's Annual Holiday Act are also considered free time.

The employer is also required to take out additional leisure-time insurance coverage for the crew for the indemnification of injuries deliberately caused by a third party, provided that the injured party, by his or her own act, has not decisively contributed to the incident causing the injury.

If the employer has neglected these obligations, the employer shall nevertheless be responsible for ensuring that an employee or his or her assignee receives the accident indemnity referred to above.

When an employee suffers an accident he or she must immediately notify the accident to the employer or its representative which shall on request provide the employee with a certificate of receiving the notification. After an accident has taken place, the shipmaster or the shipowner shall report the accident to the relevant insurance institution without delay.

If the shipmaster or shipowner fails to report the accident to the insurance institution in time, the shipowner is responsible for ensuring that the employee receives statutory compensation for the accident.

The illness-related benefits the employee is entitled to under¹⁾ the Seamen's Act shall also be guaranteed in the case of an accident.

In addition to these, the employer is required to take out a group life insurance policy for the employees.

4.12 Repatriation of mortal remains

The repatriation of the mortal remains of an employee who has died abroad shall be arranged and paid for by the shipowner in accordance with the Seafarers' Employment Contracts Act.

4.13 Strike/Lock-out/blockade announced in port

¹⁾ This section refers to the provisions in the Seamen's Act (423/1978) in force before the entry into force of the new Seafarers' Employment Contracts Act as from 1 August 2011.

If in at any port where a vessel arrives or is docked, a strike, a lock-out or a blockade has been legally decided on and announced, employees shall not be ordered to perform work under dispute apart from the work that is essential for equipping the vessel with food, fuel and other items that are absolutely necessary for departure from the port.

4.14 New vessels

When a shipowner commissions a new ship or acquires a used vessel from abroad, the shipowner must present accommodation plans to the signatories of the agreement.

The cabins of a vessel on order for a Finnish shipowner must be designed so that they at minimum fulfil the requirements of Subsection 5 in Section 13 of the accommodations decree (*Asuntoasetus*, 518/76).

At minimum, the wage terms in this agreement applicable to the vessel to be handed over shall apply to handover inspectors of newbuildings.

4.15 Meals

The employer is each day required to organise three meals and snacks for the employees. The food shall be nutritional, varied, tasty, sufficient in quantity, and high in quality.

5 NEGOTIATION PROCEDURE

5.1 Principle of continuous negotiations

If one of the parties to this Collective Agreement wishes to amend the agreement during the contract period, a justified written proposal for it must be submitted to the other parties. The other parties must respond in writing without delay.

If the parties reach an agreement on amending the agreement, the amendments enter into force in the manner agreed on by the parties.

The above does not change the commitment to labour market harmony between the parties in accordance with the Collective Agreements Act.

5.2 Negotiation order for resolving disputes

An effort is made to primarily solve any issues pertaining to employment relationships at the workplace. Issues pertaining to a single individual are primarily resolved between the employee and his/her supervisor. The union representative and an employer representative will negotiate an issue always when requested to do so by a supervisor or employee and when an issue is a matter of principle and has wide-ranging effects.

If a dispute involving the employment relationship cannot be resolved at the workplace, the local parties prepare a written summary of the subject of the dispute. The summary will be delivered to the unions that represent them for resolution, if requested by either party.

If the dispute concerning the employment relationship is a matter of principle or involves members of several unions, all parties to this Agreement will participate in resolving the dispute.

Disputes are to be resolved without delay.

If an agreement cannot be reached, the issue can be submitted to the Labour Court for resolution. If the issue is not within the competence of the Labour Court, it may be left to a Board of Arbitration for consideration and a final decision.

5.3 Arbitration

Separate arbitrators are selected for each dispute. The Cargoship Association selects two members and the employees select two. If the issue is a matter of principle or pertains to several parties to the Agreement, the arbitrators are agreed upon separately.

The Chairman is appointed by the parties and, if no agreement can be reached on his or her appointment, the Chairman will be appointed by the National Conciliator.

6 UNION ACTIVITIES

6.1 Participation in trade union activities

If a member of the Finnish Shipofficers' Union, the Finnish Engineers' Association or the Finnish Seaman's Union is elected as a member or deputy member of the Board of the corresponding association, the employer shall, where possible without causing difficulty, grant the elected employee unpaid leave from work in order to travel to the necessary meetings, subject to the provisions below.

On a case-by-case basis, it may be agreed with the employee in question that the leave thus granted can be deducted from previously accrued leave. It is also possible to use annual leave for this purpose.

6.2 Representatives

Appropriate representatives have the right to visit vessels in professional matters. The representatives shall have a power of attorney from the Finnish Shipofficers' Union, the Finnish Engineers' Association or the Finnish Seaman's Union and they shall not disturb the crew's work.

If doubt arises concerning an employee's pay or other employment-related matters, the representative of the relevant union shall be given all information pertinent to clarifying the contested case.

6.3 Shop-floor committees / trade union branches (Only applies to SMU members)

Shop-floor committees established by members of the Finnish Seamen's Union are entitled to hold meetings at the workplace, however without disturbing work.

The appointed officials of trade union branches shall be entitled to visit vessels in matters concerning the members.

On vessels, announcements, meeting notices and bulletins of trade union branches may be posted on the bulletin board specified in the shop steward agreement.

7 TERMINATION OF AN EMPLOYMENT CONTRACT AND LAY-OFFS

Employment contracts shall be terminated and employees laid off in accordance with the specific agreements on these issues. (Appendix 4)

8 Operating model for employment and change security

The provisions of Appendix 11 are followed regarding employment and change security.

9 HEALTH CARE

The provisions laid down in the Marine Health Care Agreement are to be followed (Appendix 7).

10 ASSIGNMENT OF A VESSEL AND CHANGE OF FLAG

If the shipowner assigns a vessel to another owner or changes its flag state and if the measure leads to a situation in which the employer has grounds for the termination of employment contracts in accordance with Chapter 8, Section 3 of the Seafarers' Employment Contracts Act, the co-operation negotiations between the shipowner and their employees shall aim at an agreement on a transition period that is sufficiently long and enables the re-employment of the employees.

If the negotiations do not lead to a solution that satisfies the shipowner and the employees, the matter shall be referred to the parties to the Collective Agreement.

If one of the parties to the co-operation negotiation so requests in the above situation, the parties to the Collective Agreement may also negotiate on measures that improve the shipowner's profitability and may enable the shipowner to avoid assigning a vessel or changing its flag state.

If the vessel continues to operate on the same routes after the transfer or change of flag and if an employee continues working aboard the vessel after the assignment or change of flag, the assignor is responsible for ensuring that the employee receives during the period of notice a wage that corresponds at least to the level laid down in the Collective Agreement between the parties.

If an employee does not continue working on the vessel after the transfer or change of flag and if the transferor cannot offer the employee work corresponding to his or her occupation for the period of notice and if the employee during the period of notice begins working for a third party and is therefore no longer available to the employer/transferor, the employee is nevertheless entitled to receive his or her wages for the entire period of notice, provided that he or she has given a notification of his or her new employment before the assignor has announced any compensatory tasks.