

MEMORANDUM OF UNDERSTANDING

(2022 EXPRESS CLASS VESSELS)

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of December 3, 2021, between District No. 1-PCD, MEBA (herein "Union") and Marine Personnel & Provisioning, Inc. (herein "Company")

WHEREAS, the parties hereto have a collective bargaining agreement covering all licensed deck and engine officers working aboard the Express Class Vessels (Ex. Pacific Class and Lykes Motivator), as amended and supplemented from time-to-time by agreement and/or arbitration awards, including the Memorandum of Understanding made as of October 24, 2018 (herein "Agreement"), of which the expiration date has been extended through December 31, 2021; and

WHEREAS, pursuant to the Agreement, which provides for negotiations with regard to economic terms and conditions of employment for the continuation of the Agreement, the parties have met and concluded negotiations to their mutual satisfaction;

NOW THEREFORE, it is AGREED as follows:

1. DURATION OF AGREEMENT/REOPENERS

(a) The Agreement shall become effective as of 12:01 a.m., January 1, 2022 and shall continue in full force and effect until midnight, September 30, 2033, and shall continue from year-to-year thereafter unless either party hereto shall give written notice to the other of its desire to amend this New Agreement or notice of its desire to terminate the Agreement, either of which shall be given at least sixty (60) days, but no sooner than ninety (90) days, prior to the expiration or anniversary date. In the event either party serves notice to amend the New Agreement, the terms of the New Agreement in effect at the time of the notice to amend shall continue in effect until mutual agreement on the proposed amendments or an impasse has been reached. Unless otherwise specifically provided herein, the Agreement with respect to all of its provisions shall become effective as of 12:01 a.m., January 1, 2022 on all ships at sea or in port.

(b) Either party may reopen this Agreement, effective as of October 1, 2025, by giving the other party written notice at least 60 days and no more than 90 days prior to the reopen date. In the event the Agreement is reopened, the parties agree to negotiate only over the wages, benefits, and other economic terms and conditions of employment to be effective after October 1, 2025. Any unresolved issues shall be submitted to a mutually selected arbitrator in accordance with the provisions set forth in the CBA, who after conducting a hearing and receiving the evidence of the parties, shall choose either the Company's proposal or the Union's proposal. The arbitrators decision shall be final and

binding on the parties.

2. WAGES & INCREASES

(a) Effective January 1, 2022, except as otherwise provided herein, all rates of pay and wage-related items for third mates and third assistant engineers shall be increased by five percent (5.0%) as shown in the attached Appendix.

(b) Effective January 1, 2023, except as otherwise provided herein, all rates of pay and wage related items shall be increased an additional three percent (3.0%).

(c) Effective January 1, 2024, except as otherwise provided herein, all rates of pay and wage related items shall be increased an additional two percent (2.0%).

(d) Effective January 1, 2025, except as otherwise provided herein, all rates of pay and wage related items shall be increased an additional three percent (3.0%).

(e) Effective January 1, 2022, Section 7 (i) of the 1986-1990 Dry Cargo Agreement shall be modified with respect to the senior permanent or relief senior licensed personnel (Master, Chief Engineer, Chief Mate and First Assistant Engineer) aboard each vessel as follows: "In American domestic ports, when both Masters, Chief Engineers, Chief Mates, or First Assistant Engineers are required to work on the same day, both Officers shall receive contractual wages including overtime, if applicable, and all fringe benefit contributions for all such time worked.

With respect to Second and Third Mates and Assistant Engineers, if both Officers are working the same day, the Officer being relieved shall receive contractual wages including overtime, if applicable, and all fringe benefit contributions. The relieving Officer shall receive only contractual wages including overtime, if applicable. Fringe benefit contributions shall commence the calendar day after they report onboard. If the overlap period extends beyond one calendar day, both Officers shall receive all contractual wages including overtime, if applicable, and all contractual fringe benefit contributions for each additional day onboard the vessel.

(f) Effective January 1, 2024, Masters and Chief Engineers shall receive a monthly administrative bonus that is ten percent (10%) of their Base wage.

3. MEBA PENSION PLAN

(a) The Company agrees to remain a party to, and shall continue in full force and effect, through and including September 30, 2034 (which period includes the one-year extension period described below), the MEBA Pension Trust ("Pension Trust") and its respective Trust Indentures heretofore established, (including the Money Purchase

Plan), conditioned on the continued approval by the Internal Revenue Service on the subjects of tax qualification and tax deductibility. In the event this Agreement is extended pursuant to Section 1, above, it is agreed that the MEBA Pension Trust and its respective Trust Indentures (including the Money Purchase Plan) shall continue in force and effect for twelve (12) months past the expiration of the extended Agreement. All existing benefits under the Defined Benefit Pension Plan (“Pension Plan”), except as agreed to herein or as hereafter modified by the parties, shall be continued in effect for the life of the Trust Indentures, and shall be funded as set forth below. The Company agrees with respect to the Plan, the Company’s obligation from January 1, 2022 through and including September 30, 2034 (which period includes the one year extension period described above), shall be the amount actuarially determined by the Pension Plan’s actuary to be necessary to maintain the agreed upon benefits and full funding of the Pension Plan, as established by the Trustees.

(b) Effective January 1, 2022, the 11.7% of W-2 Compensation to fund the Pension Plan shall be achieved by the Company contributing directly 11.7% of the W-2 Compensation.

(c) Effective January 1, 2022, the Money Purchase Benefit (MPB) shall be paid on the basis of nine percent (9.0%) of the Officer’s base wages, no Feinberg.

(d) Effective January 1, 2023, the Money Purchase Benefit (MPB) shall be paid on the basis of twelve percent (12.0%) of the Officer’s base wages, no Feinberg.

(e) Effective January 1, 2024, the Money Purchase Benefit (MPB) shall be paid on the basis of thirteen percent (13.0%) of the Officer’s base wages, no Feinberg.

(f) Effective January 1, 2025, the Money Purchase Benefit (MPB) shall be paid on the basis of fifteen percent (15.0%) of the Officer’s base wages, no Feinberg.

4. MEBA MEDICAL PLAN

(a) The parties agree to continue in force and effect to and including September 30, 2034, the MEBA Medical and Benefits Plan and its respective Trust Indentures heretofore established, and as amended herein, conditioned on the continued approval by the Internal Revenue Service on the subject of tax deductions only. In the event the Agreement is extended pursuant to Section 1 herein, it is agreed that the MEBA Medical and Benefits Plan and its respective Trust Indentures shall continue in force and effect for twelve (12) months past the expiration date of the extended Agreement.

(b) Effective January 1, 2022, the rate of contribution to the Medical Plan shall be \$64.17 per man per day, plus Feinberg (after reallocation) as shown in the attached Appendix.

(c) Effective January 1, 2022, the rate of contribution for Drug Testing shall be \$0.75 per man per day, no Feinberg through December 31, 2025.

(d) Effective January 1, 2023, and again on January 1, 2024, the rate of contribution to the Medical Plan shall be increased by the percentage increase in the medical care services component of the Consumer Price Index (United States City Average for Urban Wage Earners and Clerical Workers (CPI-W) or its agreed upon successor) during the most recent previous twelve month period (Oct. – Oct.) for which such index has been calculated by the Bureau of Labor Statistics of the U.S. Department of Labor.

(e) In addition to the contribution amounts set forth in this Section 3, commencing January 1, 2023, the Company shall, for the duration of the Agreement, pay \$3.00 per man, per day, no Feinberg, to the MEBA Medical Plan, which amount shall be separately accounted for and designated as "Future Retirees' Contributions Account." The Future Retirees' Contributions Account ("FRCA") shall be activated, i.e., used for paying retiree medical benefits, when the aggregate amount of such Account reaches an appropriate level of funding, as determined by the MEBA Medical Plan's Board of Trustees in its discretion. All other rules and regulations regarding the administration and operation of such account shall also be determined by the Medical Plan's Board of Trustees in its discretion.

(f) Effective January 1, 2025, the rate of contribution to the Medical Plan shall be increased by an additional \$0.50 per man per day, plus Feinberg and this new rate shall then be further increased by the percentage increase in the medical care services component of the CPI-W as stated in (c) directly above.

5. MEBA TRAINING PLAN

(a) The parties agree to continue in force and effect to and including September 30, 2034, the MEBA Training Plan and its respective Trust Indentures heretofore established, and as amended herein, conditioned on the continued approval by the Internal Revenue Service on the subject of tax deductions only. In the event the Agreement is extended pursuant to Section 1 herein, it is agreed that the MEBA Training Plan and its respective Trust Indentures shall continue in force and effect for twelve (12) months past the expiration date of the extended Agreement.

(b) Effective January 1, 2022, the contribution made to the MEBA Training Plan shall be \$14.50 per man per day, plus Feinberg as shown in the attached Appendix.

(c) Commencing January 1, 2023 and continuing every January 1, thereafter through and including January 1, 2025, the contribution made to the MEBA Training Plan shall increase \$1.00 per man per day, plus Feinberg.

(d) Effective January 1, 2022, Section 15 of the June 15, 1990 Memorandum of Understanding will be amended to the following:

“The Company may request Licensed Officers to participate in Company conducted training, conferences or seminars up to ten (10) days per year. Licensed Officers shall be paid transportation, lodging, wages (\$175.00 dollars per day) and reasonable receipted expenses when attending training sessions, conferences or seminars.”

6. JOINT EMPLOYMENT COMMITTEE

(a) The parties agree to continue in force and effect to and including September 30, 2034, the MEBA Joint Employment Committee (JEC) and its respective rules and regulations heretofore established. In the event that the Agreement is extended pursuant to Section 1 herein, it is agreed that the MEBA Joint Employment Committee and its respective rules and regulations shall continue in force and effect for twelve (12) months past the expiration date of the extended Agreement.

(b) Effective January 1, 2022, the rate of contribution to the JEC shall be \$7.50 per man per day, plus Feinberg as shown in the attached Appendix.

(c) Commencing January 1, 2023 and continuing every January 1, thereafter through and including January 1, 2025, the contribution made to the JEC shall increase \$0.50 per man per day, plus Feinberg.

7. AMERICAN MARITIME CONGRESS

(a) The parties agree to continue in force and effect to and including September 30, 2034, the American Maritime Congress (AMC) and its respective Trust Indentures heretofore established. In the event that the Agreement is extended pursuant to Section 1 herein, it is agreed that the AMC and its respective Trust Indentures shall continue in force and effect for twelve (12) months past the expiration date of the extended Agreement.

(b) The contribution made to the AMC is \$2.50 per man per day, plus Feinberg as shown in the attached Appendix.

8. VACATION PLAN

(a) The parties agree to continue in force and effect to and including September 30, 2034, the Agreement and Declaration of Trust establishing the MEBA Vacation Plan. In the event that the Agreement is extended, pursuant to Section 1 herein, it is agreed that the MEBA Vacation Plan and its respective Trust Indentures shall continue in force and effect for twelve (12) months past the anniversary date of the extended Agreement.

(b) Effective January 1, 2024, Second and Third Mates and Assistant Engineers shall earn twenty-seven (27) days of vacation for every 30 days employed.

9. HOLIDAYS

Juneteenth shall be a recognized holiday beginning in calendar year 2023.

10. DUTY WATCH – STAND BY TIME

Effective July 1, 2023, at sea and in foreign ports, the Assistant Engineers assigned to stand by per Section 47(f) of the 1986-1990 Dry Cargo Agreement shall be compensated for each hour of such stand by duty at the Premium/Penalty rate of pay including weekends and holidays. There shall be no pyramiding of the duty watch payment on top of any overtime payments. If the stand by duty engineer is on overtime, there shall be no stand by duty rate payable for those hours paid at the overtime rate.

11. TRANSPORTATION

(a) All domestic air travel shall be one level above basic economy class up to Economy Plus (or equivalent depending upon airline), not to include Business Class or similar. The company shall book Officer domestic travel to be that of Economy Plus or equivalent, provided the fare does not exceed the cost of the economy fare by more than \$100.00 dollars. If the Company does not provide Economy Plus fare, up to \$100.00 shall be reimbursed to the member for upgrades of their choosing with proper receipt.

(b) If a Senior Officer chooses to rent a car for travel and accepts cash in lieu of transportation as set forth in Section 29 (g) of the 1986-1990 Dry Cargo Agreement, the Officer shall receive an amount of cash equal to the full cost of economy class air transportation between the (2) ports. If the cost of the rental car is more expensive than the cost of the economy class air transportation, the Senior Officer shall be reimbursed up to \$100.00 above the cost of the air transportation with receipts provided.

(c) Effective January 1, 2022, for domestic travel, when a Senior Officer is requested by the Company to travel the day prior to the reporting date aboard the vessel, the Company shall pay the Senior Officer their daily base wage rate, exclusive of any fringe benefit contributions.

(d) The Company shall make efforts to identify vetted ground transportation providers that are able to take Officers directly from the airport to the ship and vice-versa, paid directly by the Company. These providers will also be given to Officers for personal shore leave, but at the Officers expense. The Union recognizes the Company has no control over terminal security measures that may preclude this from happening, but each party commit to the importance of providing safe and reliable transportation for the Officers.

12. MAINTENANCE AND CURE

Effective January 1, 2022, the daily maintenance rate of (\$8.00) established in Section 35 of the 1986-1990 Dry Cargo Agreement shall be increased to a daily rate of (\$50.00) payable to the mariner weekly at the conclusion of the payment of unearned wages. To be clear, under general maritime law doctrine, unearned wages are payable until the voyage ends, the date the seaman's articles expire, or the date the seaman is found fit for duty, whichever occurs first.

13. PREFERRED LIST

(a) The Company will have the right, in coordination with the Union, to maintain a preferred list of a maximum of three (3) Union members in good standing for assignment as relief First Assistant Engineer and a maximum of four (4) Union members in good standing for assignment as relief Chief Mate, provided that no permanent First Assistant Engineer or Chief Mate will be forced to take his/her vacation or a leave of absence. Relief First Assistant Engineers and Chief Mates shall be placed on the preferred list only with Company approval, if having completed previous rotary or relief assignments as assistant engineers or mates with the Company.

(b) When the Company utilizes a preferred list engineer or mate to fill a relief First Assistant Engineer or relief Chief Mate position, consideration shall be given to the officer who has been ashore for the longest period of time. If no one from the Preferred List is available, the relief assignment shall be called from the Union hiring hall in accordance with the Agreement and Union Shipping Rules.

14. PIRACY

In the case of a Seafarer who becomes captive or otherwise prevented from sailing as a result of an act of piracy or hijacking, the Seafarer's employment status and entitlements under this Agreement shall continue until the Seafarer's release and thereafter until the Seafarer is safely repatriated to his/her port of engagement or home of record and all Company contractual liabilities end. These continued entitlements shall, in particular, include the payment of full wages and other contractual fringe benefits. The Company shall also make every effort to provide captured Seafarers, with extra protection, food, welfare, medical and any other assistance deemed necessary under the circumstances.

15. INTERNET

The Company shall continue to make efforts to provide reliable internet for all Officers onboard, that shall at minimum provide bandwidth for basic email, banking, and internet chat. The Company will be reviewing options to provide increased bandwidth options that shall be available for purchase that can provide VOIP, video chat, or limited streaming.

The Company and Union shall commit to forming a Communications Committee made up of Company and Union officials and Senior Officers to discuss implementation of onboard internet.

16. WORK ATTIRE IN PORT

(a) Section 8 (c) of the 1986-1990 Dry Cargo Vessel Agreement shall be amended to read as follows:

“Licensed Officers may be required to wear Company provided work attire while in port, as the term 'in port' is defined in the Agreement, consisting of either boiler suits with zippered pockets or long sleeve shirts at the member's preference, and at no cost to the licensed Officers.”

(b) In port work attire (including cold weather and rain gear) shall be of good quality, Arc flash and flame-resistant similar to Carhartt or Red Kap brands and offered in sufficient sizes to properly fit all licensed Officers onboard both male and female. Work attire may be replaced yearly to account for normal wear and tear.

(c) New in port work attire shall be provided to each licensed Officer that reports aboard the vessel with a minimum of four (4) sets for permanent personnel and three (3) sets for rotary and relief personnel, not including cold weather and rain gear.

(d) All permanent Officers shall be provided with one set of rain gear and cold weather gear.

17. RATIFICATION AND NOTICE

This new Agreement shall be deemed to have become final and binding upon the parties hereto only upon the fulfillment of the following conditions:

- (a) Ratification of the Agreement by the membership of the Union; and
- (b) Written notification of such ratification given by the Union to the Company.

All other terms and conditions of the Agreement not specifically modified herein shall remain in full force and effect.

DISTRICT NO. 1-PCD, MEBA (AFL-CIO)

By:



Date: 12/3/2021

MARINE PERSONNEL &
PROVISIONING, INC.

By:



Date: 12/3/2021