

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “MOU”) is made as of **October 1, 2022**, between the SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, PACIFIC DISTRICT, comprised of the SAILORS’ UNION OF THE PACIFIC (“SUP”), the MARINE FIREMEN’S UNION (“MFOW”) and the SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, ATLANTIC, GULF, LAKES AND INLAND WATERS (“SIU-AGLIW”) (the “Union”), and APL MARINE SERVICES, LTD. (the “Company”).

WHEREAS, the parties hereto have a collective bargaining agreement covering ocean-going U.S.-flag vessels, effective **October 1, 2020**, as amended and supplemented from time to time by agreement and/or arbitration awards (the “Offshore Agreement”), of which the expiration date is **September 30, 2022**;

WHEREAS, the SUP and MFOW have separate collective bargaining agreements covering maintenance operations, effective **October 1, 2020**, as amended and supplemented from time to time by agreement and/or arbitration awards (the “Maintenance Agreements”), of which the expiration dates are **September 30, 2022**; and

WHEREAS, the parties desire to enter into new agreements in order to provide job security to the Union and uninterrupted operations to the Company;

NOW, THEREFORE, the parties hereto agree as follows:

1. NON-DISCRIMINATION

Amend Section 4. Non-discrimination, to read:

The Company agrees not to discriminate against any employee for Union activity. The Company and the Union are committed to and support equal employment opportunities for all employment without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws. Words in this Agreement indicating gender shall be construed to include males and females wherever appropriate.

The parties agree to work together to ensure a work environment free of sexual assault, sexual harassment, discriminatory or other harassing conduct. Unlicensed personnel will be required to have Sexual Assault and Sexual Harassment (SASH) training as mutually agreed between the Company and the Unions.

2. SAFE GEAR AND SAFE WORKING CONDITIONS

Amend Section 9. (i) Safe Gear and Safe Working Conditions, to read:

Unlicensed crew members shall adhere to the Personal Protective Equipment procedures and matrix in the APL Maritime Ltd. Safety Management System's Safety Manual. When working gear or Personal Protective Equipment is required it shall be provided by the Company.

Compliance with the Company PPE matrix shall be required aboard APL vessels. If the ship does not have the needed size/type for a crewman, their supervisor is to order the proper size/type and assure that the crewman wears as equal as possible PPE until supplied. If a crewman is awaiting the proper size/type, they should be issued a written notice that once the size/type is provided, they will be required to utilize the proper size/type. If the proper size/type is available onboard, and the crewman refuses to use, such matter will be brought to the attention of the office. If determined to present a serious safety violation, such violation may result in disciplinary action, subject to the grievance procedure.

3. QUARTERS AND EQUIPMENT FOR QUARTERS

Add the following to Section 11. Quarters and Equipment for Quarters, subsection (p):

The Company will provide a computer terminal dedicated to the use of the crew, with a personal mailbox for each crew member, for the sending and receiving of email. Personal email will be transmitted without charge. Due to different trade routes, and types of vessels and equipment, not all vessels will meet the internet connectivity requirement in the same manner.

- 1. All unlicensed personnel shall have bandwidth access to the Internet.**
- 2. All unlicensed personnel shall have the same personal Internet access.**
- 3. Internet access shall allow unlicensed personnel to, at a minimum, perform the following actions:**
 - a. Send and receive email and pictures (within Company's data and file size limitations).**
 - b. Conduct banking transactions.**
 - c. Pay bills on-line.**
 - d. Get news.**
 - e. Download documents (within Company's data and file size limitations).**
- 4. Due to bandwidth constrictions, streaming may be limited (live games, movies, television, etc.).**
- 5. No business or commercial enterprise may be operated via crew email.**
- 6. All unlicensed personnel are required to follow Company Internet policies, including all SASH prevention guidelines and policies.**
- 7. All unlicensed personnel are required to follow the Company's Internet connectivity guidelines to ensure that the vessel has enough bandwidth to accommodate all crew members.**

4. HOLIDAYS

Amend the first paragraph of Section 19. Holidays, to read:

The following days shall be recognized as holidays:

New Year's Day
Martin Luther King's Birthday
Lincoln's Birthday
Presidents' Day (formerly Washington's Birthday)
Memorial Day
Juneteenth National Independence Day
Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Christmas Day

5. GOVERNMENT APPROVAL

Add the following to Section 35. Government Approval:

(c) To the extent provided by law and regulation, the parties agree that, where applicable, this collective bargaining agreement sets the terms and conditions of employment at standards no less favorable than those laid out in the Maritime Labor Convention of 2006 (MLC). The parties understand that this agreement gives effect to and is conducive to the full achievement of the general object and purpose of the provisions of Part A of the MLC, where applicable. In particular, hours of work and rest stipulated by this agreement and established by safe work practices are hereby deemed to be substantially equivalent to the MLC, or provide for reasonable exceptions that, as far as possible, follow the provisions of Standard A 2.3 of the MLC. Finally, with the understanding that the hours of work and rest standards in both in the MLC and the STCW 2010 Manila Amendments were intended in substantial part to address the problem of maritime fatigue, the Company will use its best efforts and the Union will cooperate in this effort in order to schedule work so as to minimize the loss of established mandatory overtime as otherwise required by the Agreement.

The following piracy and armed robbery-related Amendments to the Code of the MLC, 2006, relating to Regulation 2.1, shall apply:

**Standard A2.1 – Seafarers' employment agreements
Standard A2.2 – Wages
Standard B2.5.1 – Entitlement**

6. TERM OF AGREEMENT

Amend Section 36. Term of Agreement, to read:

(a) This agreement (hereinafter this "Agreement") shall continue in full force and effect until midnight, **September 30, 2024** and shall continue from year to year thereafter unless either

party hereto shall give written notice to the other of its desire to amend the Agreement or notice of its desire to terminate the Agreement, either of which shall be given at least sixty (60) days but not sooner than ninety (90) days prior to the expiration of the Agreement. Unless otherwise specifically provided herein, the Agreement with respect to all of its provisions shall become effective as of 12:01 a.m., **October 1, 2022**.

(b) Effective October 1, 2022, all wages and wage-related items shall be increased by seven and one-half percent (7.5%).

(c) Effective October 1, 2023, all wages and wage-related items shall be increased by three and one-half percent (3.5%).

Each Union shall have the right to allocate the periodic increases (above) in the form of wages and /or among the various benefit plans in each of the years in which an increase is granted.

7. TRAINING

Add the following to Section 38. Training:

The Company agrees to increase its contributions to the SUP, MFOW and SIU-AGLIW Training Funds \$0.50 per manday effective October 1, 2022; and \$0.50 per manday effective October 1, 2023.

8. OTHER TERMS AND CONDITIONS

(a) Further terms and conditions specific to each union shall be as specified in the following attachments to this MOU, all of which shall be incorporated by reference herein: Attachment 1 (applicable to the SUP only), Attachment 2 (applicable to the MFOW only), and Attachment 3 (applicable to the SIU-AGLIW only).

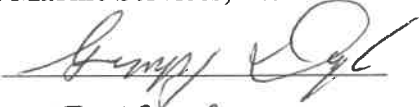
(b) Except as specifically modified herein, the terms of the Offshore Agreement and the Maintenance Agreement shall continue and remain in full force and effect.

9. RATIFICATION

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


- (i) Ratification of the MOU by the Union membership; and
- (ii) Written notification of such ratification given by the Union to the Company.

APL Marine Services, Ltd.


By: 
Title: EVP APL Maritime
Date: 31 OCT 22

Seafarers International Union of North America, Pacific District

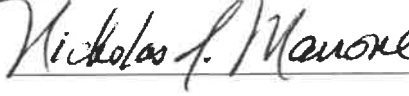
Sailors' Union of the Pacific

By: 
Title: President/Secretary-Treasurer
Date: September 30, 2022

Marine Firemen's Union

By: 
Title: President/Secretary-Treasurer
Date: September 30, 2022

Seafarers International Union of North America, AGLIW

By: 
Title: Vice President West Coast
Date: September 30, 2022

ATTACHMENT 2
to
MEMORANDUM OF UNDERSTANDING
between
APL MARINE SERVICES, LTD. and SIU-PACIFIC DISTRICT UNIONS

(Applicable to MFOW only)

1. APPENDIX A – MANNING

a. Amend Appendix A – Manning, to read:

The following Appendix is intended to set forth the types of vessels and the manning for such vessels as are now in the APL Marine Services Maritime Security Program fleet. It shall be amended from time to time as changes occur in the composition of said fleet.

It is intended to cover vessels by type or by department, as the case may be, not including “ships of a radically different design or characteristics” referred to Section 3 (b).

The manning scales deleted from the 1969 through **2022** Agreements shall apply if a vessel falling in these categories is placed into operation.

MARITIME SECURITY PROGRAM FLEET

MV APL GULF EXPRESS
MV CMA CGM DAKAR
MV CMA CGM HERODOTE
MV PRESIDENT CLEVELAND
MV PRESIDENT EISENHOWER
MV PRESIDENT KENNEDY
MV PRESIDENT F.D. ROOSEVELT
MV PRESIDENT TRUMAN
MV PRESIDENT WILSON

Engine Department	Offshore Trade
Electrician/Refrigerating Engineer/Junior Engineer (ERJ)	1
Refrigerating Engineer/Electrician/Junior Engineer (REJ)	1
Day Junior Engineer/Utility (DJU)	1
<hr/> Total	<hr/> 3

If the vessels operate with licensed engineer watchstanders, the unlicensed engine department shall also operate with watchstanders. If the vessels operate without licensed engineer watchstanders, the unlicensed engine department shall also operate without watchstanders.

The Electrician/Refrigerating Engineer/Junior Engineer (ERJ) and the Refrigerating Engineer/Electrician/Junior Engineer (REJ) shall receive a USCG Certificate of Discharge to Merchant Mariner as QMED – Electrician/Refrigerating Engineer.

The Day Junior Engineer/Utility shall receive a USCG Certificate of Discharge to Merchant Mariner as QMED – Junior Engineer.

2. SHIPPING RULES

- a. Amend the date in the opening paragraph, to read:

JOINT SHIPPING RULES

THIS AGREEMENT is entered into as of **October 1, 2022**, between the MARINE FIREMEN'S UNION (hereinafter called the "MFOW"), and APL MARINE SERVICES, LTD. (hereinafter called the "Employer" or "Company").

- b. Amend dates in Section 39, to read:

Section 39 – Definition of Seniority Preference Groups

CLASS "A" Seniority Classification shall be possessed by every employee who on **October 1, 2022** had seniority under the previous contract provisions by reason of having had four or more years of qualifying employment, and who has not lost such Seniority Classification as herein provided.

CLASS "B" Seniority Classification shall be possessed by every registrant who on **October 1, 2022** had less than four years, but more than two years of qualifying employment, has not lost his seniority as herein provided or has not subsequently been advanced to Class "A".

CLASS "C" Seniority Classification shall be possessed by every registrant who on **October 1, 2022** had more than 30 days, but less than two years of qualifying employment, has not lost his seniority as herein provided or has not subsequently achieved a higher Seniority Classification.

NO DOWNGRADING OF SENIORITY WITHOUT CAUSE: No person who, at the date of adoption of these Joint Shipping Rules, holds a Class "A", "B" or "C" Seniority Classification shall be downgraded in classification as a result of any provision of these Joint Shipping Rules without cause.

c. Amend dates in Section 59, to read:

Section 59 – Union Security – Maintenance of Membership

Every employee who, on **October 1, 2022**, is a member of the Union shall, as a condition of employment and of retention of contractual rights under the Agreement and these Joint Shipping Rules, maintain his membership in the Union as provided herein:

Every person who is an employee on **October 1, 2022**, or who thereafter becomes an employee shall, as a condition of continued employment, become a member of the Union on or after the 31st day of employment or **November 1, 2022**, whichever last occurs, and shall remain a member of the Union for the duration of the current Agreement and any lawful extension thereof.

3. WORK RULES

a. Amend the first paragraph of Section 11. Holidays, to read:

The following days shall be recognized as holidays:

- New Year's Day
- Martin Luther King's Birthday
- Lincoln's Birthday
- Presidents' Day (formerly Washington's Birthday)
- Memorial Day
- Juneteenth National Independence Day**
- Independence Day
- Labor Day
- Columbus Day
- Veterans' Day
- Thanksgiving Day
- Christmas Day

b. Update Section 12. Wages and Overtime Rates to the effective October 1, 2022 rates.

c. Update Section 15. Standby and Special Project Shipyard Personnel wage and fringe benefit rates to the effective October 1, 2022 rates.

d. Amend the date in Section 39. Welfare, subsection (k), to read:

(k) Effective **October 1, 2022**, and on each subsequent October 1st anniversary date of this Agreement, the contribution rate to the MFOW Welfare Plan for all mandays of covered employment set forth in these Work Rules 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), or its agreed upon successor, during the most recent

previous twelve month period for which such index has been calculated by the Bureau of Labor Statistics of the U.S. Department of Labor.

4. MAINTENANCE AGREEMENT

a. Amend the dates in Section 1.7, to read:

1.7 Union Security

Every employee who, on **October 1, 2022**, is a member of the Union shall, as a condition of employment, maintain his membership in the Union as provided herein.

Every person, who is an employee on **October 1, 2022**, or who thereafter becomes an employee, shall, as a condition of continued employment, become a member of the Union on or after the 31st day of employment or **November 1, 2022** — whichever last occurs — and shall remain a member of the Union for the duration of the current Collective Bargaining Agreement and any lawful extension thereof.

b. Update the wage rates in Section 4.2 Maintenance Agreement Wages to the effective October 1, 2022 rates.

c. Amend Section 4.3 Wage Increases, to read:

4.3 Wage Increases

(a) Effective October 1, 2022, wages and wage-related items shall be increased by seven and one-half percent (7.5%). Effective October 1, 2023, wages and wage-related items shall be increased by three and one-half percent (3.5%).

The Union shall have the right to allocate such increase in the form of wages and/or among the various benefit plans.

d. Amend the dates in Section 9, to read:

Section 9. Welfare

Employees represented by the MFOW and employed under the Agreement shall be covered by the same medical and dental program as provided for MFOW active seamen under the Offshore Agreement.

Effective **October 1, 2022**, and on each subsequent October 1st anniversary date of this Amended Maintenance Agreement, the rates of contribution to the MFOW Welfare Plan set forth above 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), or its agreed upon successor, during the most recent previous twelve month period for

which such index has been calculated by the Bureau of Labor Statistics of the U.S. Department of Labor.

e. Amend the date in Section 11. Sick Leave, subsection 11.1, to read:

11.1 Effective **October 1, 2022**, employees covered by this Agreement shall be entitled to a maximum of ten days' sick leave per year, provided that any absence of more than two consecutive days will be supported by a doctor's certification of illness. One day of sick leave is earned upon completion of 36 calendar days' covered employment.

f. Amend Section 12. Holidays, subsection 12.1, to read:

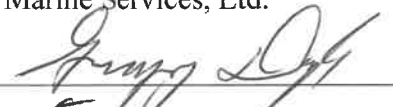
12.1 The following days shall be recognized as holidays: New Year's Day, Martin Luther King Day, Lincoln's Birthday, Presidents' Day (formerly Washington's Birthday), Memorial Day, **Juneteenth National Independence Day**, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, Christmas Day and Employee Birthdays. Any additional holidays granted by the Employer to longshoremen or seamen in U.S. Ports shall also be recognized as holidays for personnel under this Agreement.

g. Amend the dates in Section 22, to read:

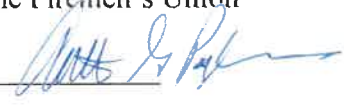
Section 22. Effective Date and Duration of Agreement

The term of this Agreement shall be from **October 1, 2022**, through and including **September 30, 2024**. It shall thereafter continue from year to year unless either party hereto shall give written notice of its desire to amend the Agreement or notice of its desire to terminate same, which notice shall be given at least sixty (60) days, but no sooner than ninety (90) days, prior to the expiration or anniversary date.

APL Marine Services, Ltd.

By: 
Title: EVP APL MARITIME
Date: 31 OCT 22

Marine Firemen's Union

By: 
Title: President/Secretary-Treasurer
Date: September 30, 2022

Letter Of Understanding

This Letter of Understanding is made as of **October 1, 2022**, between the SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA - PACIFIC DISTRICT, comprised of the SAILORS' UNION OF THE PACIFIC, the MARINE FIREMEN'S UNION and the SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA - ATLANTIC, GULF, LAKES AND INLAND WATERS, (the "Union"), and APL MARINE SERVICES, LTD. (the "Company"), known collectively as "the parties".

WHEREAS, the parties hereto hold collective bargaining agreements covering ocean-going U.S.-flag vessels, and shoreside maintenance operations effective **October 1, 2022**, as amended and supplemented from time to time by agreement, and;

WHEREAS, the parties agreed in bargaining in 2022 to implement a safety shoe reimbursement arrangement consistent with various safety provisions;

NOW, THEREFORE, the parties hereto agree as follows:

Whenever employees are required to obtain safety shoes, they shall be reimbursed by the employer. Eligibility for reimbursement for safety shoes is limited the following conditions:

1. To permanent and rotary personnel employed for a minimum of 120 days onboard the vessel or employed ashore.
2. Reimbursement shall be issued no more frequently than annually to a maximum of \$200.00.
3. Safety shoes are required to meet ANSI and ASTM safety ratings.
4. Crew members are required to submit original proof of purchase.

Agreed on October 3, 2022:

Michael Labonte
Director Labor Relations
APL Maritime LTD

Anthony Poplawski
President/Secretary-Treasurer
Marine Firemen's Union

Nicholas Marrone
Vice President West Coast
Seafarers International Union, AGLIW

Dave Connolly
President/Secretary-Treasurer
Sailors' Union of the Pacific

SIU Pacific District Pension Plan
Summary of Proposed Plan Improvements
Active Members
Effective July 1, 2022

	Monthly Benefit
<u>I--Long Service Benefit (25YQT)</u>	
(1)-Retiring at age 60 or older	\$2,645.00
(2)-Eligible for Social Security Disability, any age	\$2,645.00
(3)-Retiring between ages 55 and 60	\$2,209.35
(4)-Retiring under age 55	\$ 300.00
<u>II--Basic Service Benefit (20YQT)</u>	
(1)-Retiring at age 60 or older	\$2,116.00
(2)-Eligible for Social Security Disability, any age	\$2,116.00
(3)-Retiring between ages 55 and 60	\$1,905.95
(4)-Retiring under age 55	\$ 250.00
<u>III--Reduced Service Benefit</u>	
(1)-15YQT	\$1,190.25
(2)-16YQT	\$1,269.60
(3)-17YQT	\$1,348.95
(4)-18YQT	\$1,428.30
(5)-19YQT	\$1,507.65
<u>IV--Disability Retirement Benefit</u>	
(1)- 25YQT-retiring at age 60 or older	\$2,645.00
(2)- 25YQT- retiring at ages 55-59	\$2,209.35
(3)- 25YQT, retiring under age 55	\$ 300.00
(4)- 20YQT-24YQT, retiring at age 60 or older	\$2,116.00
(5)- 20YQT-24YQT, retiring at ages 55-59	\$1,905.95
(6)- 20YQT-24YQT, retiring under age 55	\$ 250.00
(7)- 15YQT-19YQT	\$ 187.50
(8)- 15YQT-19YQT and eligible for Soc. Sec. Dis.	\$ 218.75
(9)- 10YQT-14YQT	\$ 125.00
<u>V--Dependent Child Benefit</u>	
(1)-Per child under age 18	\$ 25.00
<u>VI--Deferred Vested Benefit per Year of Qualifying Time</u>	
(1)-200 or more Qualifying Days	\$ 79.35
(2)-125 to 200 Qualifying Days	Pro Rata
(3)-Less than 125 Qualifying	\$ 0.00