

**MODEC MANAGEMENT
SERVICES PTE LTD**

**MODEC VENTURE 11
FPSO AGREEMENT 2008**

25 January 2008

CONTENTS

1. TITLE	4
2. APPLICATION	4
3. DEFINITIONS	4
4. RELATIONSHIP WITH OTHER AWARDS AND AGREEMENTS	5
5. TERM	5
6. NO EXTRA CLAIMS	5
7. AIMS AND OBJECTIVES OF THIS AGREEMENT	5
8. DISPUTE RESOLUTION PROCEDURE	6
9. CONTRACT OF EMPLOYMENT	7
9.1 Permanent Employee	7
9.2 Casual Employees	7
9.3 Employees Duties	8
9.4 Probationary Period	9
9.5 Termination of Employment	9
9.6 Summary Dismissal	9
10. REDUNDANCY	9
11. CLASSIFICATION STRUCTURE	10
12. HOURS OF WORK	10
13. ROSTER & DUTY PERIODS	11
13.1 Roster	11
13.2 Additional Days on Duty	11
13.3 Overcycle	11
14. REPORTING AND TRANSPORTATION	12
14.1 Designated Reporting Point	12
14.2 Transport to and from Reporting Point	12
14.3 Fatigue and Provision of Rest during Travel	12
14.4 Security	13
15. REMUNERATION	13
15.1 Annual Salaries	13

15.2	Higher Duty Allowance	14
15.3	Progression and Promotion	14
16.	SUPERANNUATION	15
17.	SALARY SACRIFICE	16
18.	EXPENSES	16
19.	SHORT HAND PROVISIONS	17
20.	LOSS OF CERTIFICATE OF COMPETENCY COMPENSATION	17
21.	LEAVE	20
21.1	Annual Leave	20
21.2	Long Service Leave	20
21.3	Compassionate Leave	20
21.4	Parental Leave	20
21.5	Personal Leave	20
21.6	Personal Illness or Injury	21
22.	WORKERS COMPENSATION BENEFITS	22
22.1	Workers Compensation Coverage	22
22.2	Additional Payments	23
23.	TRAINING & DEVELOPMENT, STUDY LEAVE & TRAINEES	23
23.1	Training and Development (Training Day Payment)	23
23.2	Study Leave	24
23.3	Trainees	25
24.	COUNSELLING	27
25.	AMENITIES AND ACCOMMODATION ALLOWANCE	27
26.	DAMAGE TO PERSONAL EFFECTS	28
27.	RECORDS AND ANNUAL REVIEW MEETING	28
28.	SAFETY AND PERSONEL PROTECTIVE EQUIPMENT	28
29.	DRUGS AND ALCOHOL	29
30.	DRY DOCKING ARRANGEMENTS	29

1. TITLE

This Agreement shall be known as the Modec Management Services Pte Ltd Modec Venture 11 FPSO Agreement 2008.

2. APPLICATION

This Agreement applies to and is binding upon Modec Management Services Pte Ltd (“the Company”) and upon the Australian Institute of Marine and Power Engineers (“AIMPE”), the Australian Workers Union (“AWU”), the Maritime Union of Australia (“MUA”) and the Australian Maritime Officers Union (“AMOU”) (collectively “the unions”) and employees engaged in classifications contained in sub-clauses 9.2 and 15.1 in respect to their employment in or in connection with the Floating Production Storage and Offtake (“FPSO”) facility “Modec Venture 11”. The Company and the unions are “the parties” referred to in this Agreement.

3. DEFINITIONS

AIMPE	Australian Institute of Marine and Power Engineers
AMOU	Australian Maritime Officers Union
AMSA	Australian Maritime Safety Authority
AWU	Australian Workers Union
Company	Modec Management Services Pte Ltd
Day	12 Midnight to 12 Midnight
Employee	Any person employed by the company in a classification referred to in clause 15.1.
Facility	FPSO “Modec Venture 11”
FPSO	Floating Production Storage and Offtake Facility
Home	The place at which the employee resides or any other place of residence mutually agreed upon between the Company and the employee.
Location	A place at sea where a floating production facility is usually attached to a mooring riser.
Modec	Modec Management Services Pte Ltd of 1 Maritime Square #10-22A Harbourfront Centre, SINGAPORE (099253): Registered in Australia

under the Corporations Act 2001; Australian Registered Body Number 109 283 810.

MUA Maritime Union of Australia

4. RELATIONSHIP WITH OTHER AWARDS AND AGREEMENTS

This Agreement is a stand-alone document and it is agreed expressly that no other provisions from State or Federal Awards or Agreements have any application to employees covered by this Agreement.

5. TERM

This Agreement shall operate from the 1st of January 2008 and shall remain in force until 31 December 2010. This Agreement replaces the following Agreements:

- Modec Management Services and Maritime Union of Australia Modec Venture 11 FPSO Agreement 2005.
- Modec Management Services and Australian Maritime Officers Union Modec Venture 11 FPSO Agreement 2005.
- Modec M.S./AIMPE Modec Venture 11 FPSO Enterprise Agreement 2005.
- Modec Management Services and Australian Workers' Union Modec Venture 11 FPSO Agreement 2005.

6. NO EXTRA CLAIMS

No party to this Agreement or any employees covered by this Agreement shall pursue any extra claims over and above or less than the terms of this Agreement.

7. AIMS AND OBJECTIVES OF THIS AGREEMENT

The Parties have agreed that with the implementation of the new 15 week roster system and this new Agreement, the Parties and all employees covered by this Agreement will collectively seek to achieve the following:

- Enhanced teamwork culture and environment.
- Enhanced co-operation between all team members.
- Enhanced skill development opportunities and a willingness by personnel to obtain and apply a broader range and higher level of skills, including a willingness to assist other team members to obtain and learn new skills.
- Enhanced flexibility in the way work activities are carried out.
- Enhanced flexibility in work hours beyond normal hours when required.

- Enhanced employee job satisfaction and morale.
- Improved productivity by:
 - the retention of experienced personnel.
 - the reduced need for casual employees.
 - the reduced need to train and familiarise new casual employees.
 - the reduced need for administrative time on managing new casual employees.
 - the reduced need for over cycle arrangements.
 - the new rostered leave arrangements.
 - Improved health and safety performance outcomes.
 - Employees willingness to work additional days when rostered employees unable to report for duty.

8. DISPUTE RESOLUTION PROCEDURE

It is agreed that every endeavour will be made to settle amicably a grievance or dispute which may arise by direct co-operative negotiation. Should any grievance or dispute arise the following shall apply:

- (a) the employee will discuss the matter with the immediate supervisor and if requested may have a representative present (who is on board the facility);
- (b) if agreement is not reached at this level, the supervisor will refer the matter to the Offshore Installation Manager (OIM);
- (c) if the matter remains unresolved, the employee concerned may request via the OIM that the management of the company consider the issue with a view to it being resolved at this level
- (d) if the matter remains unresolved, the employee concerned may request an official of the relevant union to discuss the issue with the Company on behalf of the employee.
- (e) if requested by an employee, the relevant union may then confer with the company with the view to settling the grievance or dispute;
- (f) while the above procedure is being followed (the status quo should remain) and employees should continue to perform their normal duties without prejudicing the rights of either party.

If the matter is still not resolved, the matter may be referred by either the employee(s), or at the employee(s) request their representative, or the company to the Australian Industrial Relations Commission (AIRC) for conciliation and if necessary arbitration. If arbitration is necessary, the AIRC may exercise the procedural powers in relation to hearings, compulsory attendance, witnesses, evidence and submissions which are necessary to make the arbitration effective.

9. CONTRACT OF EMPLOYMENT

Employees may be employed as follows:

- For an indefinite period – as a Permanent Employee
- For a short duration or as a relief – as a Casual Employee

9.1 Permanent Employee

Permanent employees are engaged for an ongoing period without any specified end date. Employment of Permanent employees may be terminated in accordance with Clause 9.5.1 or 9.6.

9.2 Casual Employees

An employee may be engaged on a casual basis to cover a temporary absence or to supplement the existing crew on a short-term or intermittent basis. Casual employees may relieve on a temporary basis but shall not be substituted for permanent employees. Casual employees will receive a 20% casual loading.

The base day rate for casual employees shall be calculated by dividing the appropriate salary in the salary table in paragraph 9.2.1 by 365. The total rate per day worked for Casual employees shall be calculated by multiplying the casual base day rate by 2.4 (rounded to the nearest \$5).

9.2.1 Casual Employees Salaries [prior to applying 20% casual loading]

Classification Level	Casual Salaries		
	1 January 2008	1 January 2009	1 January 2010
Marine Supervisor, Maintenance Supervisor/Chief Engineer	179,528	188,505	197,930
Lead Marine Specialist/First Officer, Lead Maintenance Specialist/First Engineer, Lead Maintenance Specialist/Marine Inlec	154,953	162,701	170,836
Marine Specialist/Second Officer/Maintenance Specialist/Second Engineer, Maintenance Specialist/Marine Inlec, Production Specialist	148,543	155,970	163,769
Marine Technician/Second Officer, Maintenance Technician/Second Engineer, Maintenance Technician/Marine Electrician, Production Technician	133,052	139,705	146,690
Chief Integrated Rating, Chief Cook, Chief Caterer	120,711	126,747	133,084
Integrated Rating Level 2, Cook Level 2, Caterer Level 2	116,185	121,994	128,094
Integrated Rating Level 1, Cook Level 1, Caterer Level 1	113,742	119,429	125,401

9.2.2 Casual Employees Day Rates [inclusive of 20% casual loading]

The Casual working day rates for Casual employees are set out below. The total rate per day worked includes the 20% casual loading, payment for leave that would otherwise accrue and the total rate shall be paid for each day worked up to the day prior to leaving the facility. Payment for work that a casual employee performs on the day they leave the facility is also incorporated in the salaries and the day rates in the tables below.

Classification Level	Casual Day Rates		
	1 January 2008	1 January 2009	1 January 2010
Marine Supervisor, Maintenance Supervisor/Chief Engineer	1180	1240	1300
Lead Marine Specialist/First Officer, Lead Maintenance Specialist/First Engineer, Lead Maintenance Specialist/Marine Inlec	1020	1070	1125
Marine Specialist/Second Officer/Maintenance Specialist/Second Engineer, Maintenance Specialist/Marine Inlec, Production Specialist	975	1025	1075
Marine Technician/Second Officer, Maintenance Technician/Second Engineer, Maintenance Technician/Marine Electrician, Production Technician	875	915	965
Chief Integrated Rating, Chief Cook, Chief Caterer	795	835	875
Integrated Rating Level 2, Cook Level 2, Caterer Level 2	765	800	840
Integrated Rating Level 1, Cook Level 1, Caterer Level 1	750	785	825

9.3 Employees Duties

An employee will be required to carry out all duties relevant to the position in which the employee is employed which are within the employee’s skills, certification, competence, training and applicable legislation. The employee is entitled to refuse to carry out work that the employee considers to be unsafe.

Employees may be required from time to time to work onshore at the Company’s direction.

Any temporary assignment (from offshore) to an onshore location will be for a short term and offshore earnings and leave entitlements will be maintained. For longer-term secondment to shore positions, and only by mutual consent, separate conditions may be negotiated between the Company and the employee.

9.4 Probationary Period

A probationary employee is an employee who is engaged or employed for a probationary period for the purpose of determining the employee's suitability for permanent employment.

The employee must be advised in advance that the employment is probationary and duration of the probation shall be three by 21 day on duty swings during which time the employee's performance will be monitored. At the end of a satisfactory probationary period the employment becomes permanent. If at the end of the probation period, further assessment is required then the probationary period may be extended by up to a further three by 21 days on duty swings.

Probationary employment forms part of an employee's period of continuous service for all purposes of this Agreement.

An employee's employment may, because of unsatisfactory performance, be terminated at any point during the probationary period.

9.5 Termination of Employment

9.5.1 Permanent Employees

Employment may be terminated by the giving of one month's notice on either side, at any time, or by the payment or forfeiture of one month's salary as the case may be. When notice is given by the employer, an additional week's notice will be provided where the employee is aged 45 years or more.

9.5.2 Casual Employees

Employment may be terminated by the giving of one week's notice on either side at any time, or by the payment or forfeiture on one week's salary as the case may be.

9.6 Summary Dismissal

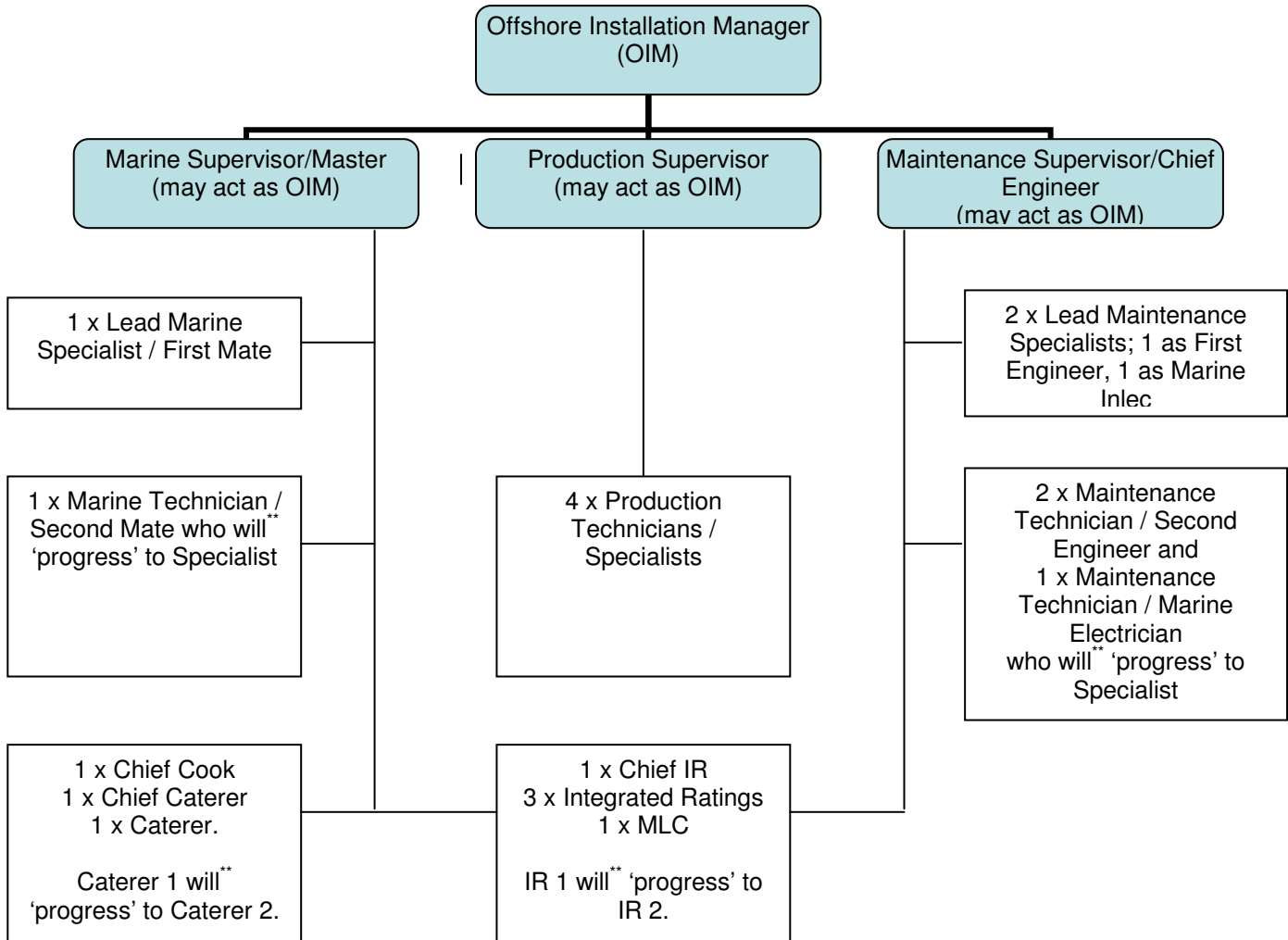
If an employee is guilty of serious misconduct or refuses to obey a lawful order, employment may be terminated without notice. Remuneration will only be payable to the time of the summary dismissal.

10. REDUNDANCY

As employees subject to this Agreement will be working a 15 week work cycle comprised of 6 weeks on duty and 9 weeks off duty, by means of a variety of rosters, ie 3:3:3:6 or 3:4:3:5. The parties have agreed that should an employee be terminated due to the employee's position being made redundant, no additional payments of any kind will be made over and above the payments due to the employee under the terms of this Agreement.

11. CLASSIFICATION STRUCTURE

The Classification Structure for Modec Venture 11 and the Establishment numbers of each classification (covered by this agreement) are set out below:-



NOTES

- will** progress subject to clause 15.3.1
- The IR/Storeman shall report to the Maintenance Supervisor/Chief Engineer.
- The Campaign Maintenance Team as well as any third-party Contractors will report to the Maintenance Supervisor and work as directed under his/her professional responsibility.
- The number of catering/cooking personnel shall vary according to the vessel POB in accordance with the following table:

Persons On Board	No Of Catering Personnel
0-20	2
21-30	3
31-45	4

12. HOURS OF WORK

The hours of work will normally be 12 hours per day inclusive of breaks.

Employees should not normally work any more than 12 hours in any one-day. On occasions there may be a requirement to work in excess of these hours where there is a facility safety emergency, a pressing operational requirement or other exceptional circumstance.

All employees should be aware of their obligations (under the Petroleum and Submerged Lands Act) towards maintaining a safe working environment and in particular the need to avoid working excessive hours, which will limit the "pressing operational requirement or exceptional circumstance", referred to above.

13. ROSTER & DUTY PERIODS

13.1 Roster

Employees, other than casual employees, employed subject to the terms of this agreement will work a 15-week roster consisting of two periods of three weeks on duty and nine weeks off duty taken as two periods off duty of 3 weeks and 6 weeks or alternatively two periods off duty of 4 weeks and 5 weeks. The employee will be advised as to which particular roster the employee will be required to work by their line Supervisor, i.e. either 3:3:3:6 or 3:4:3:5.

Casual employees will be advised prior to engagement the expected duration of their engagement which will not exceed 3 continuous weeks except by agreement.

The on duty period commences the day the employee joins the facility. The off duty period commences the day the employee leaves the facility. Recognition for work performed by an employee on the employee's swing off day is included in the salary and the package of employment conditions.

13.2 Additional Days on Duty

In the event that an employee's rostered relief does not make the crew change, the employee will be required to remain on the facility if so requested until such time as the employee can be relieved unless extenuating circumstances exist which prevent the employee from remaining on duty.

13.3 Overcycle

When an employee is required to return to the facility earlier than required by the roster, or the employee is required to remain on the facility at the conclusion of the employee's on duty roster period, the employee will be paid an additional 2.5 days pay for up to 5 additional days duty and thereafter an additional 4 days pay for each subsequent day of duty.

When an employee is recalled to work during the employee's off duty period and the employee returns home prior to commencing their normal rostered duty, the employee will be paid overcycle payment for the days worked and for the days spent travelling to and from the facility.

Provided that these provisions do not apply where such work is by mutual arrangement (approved by the OIM) between employees, or where crew change is not possible due to the facility being off the riser due to weather conditions.

14. REPORTING AND TRANSPORTATION

14.1 Designated Reporting Point

Each employee will be designated a reporting point by Modec Management Services which will be the regional/commercial airport nearest the employee's home. All employees are required to present themselves at the designated reporting point at the time notified by Modec Management Services, and in a state of readiness to commence work upon arrival at the facility. Failure to make a crew change without a valid reason may lead to the employee's dismissal. If an employee is unable to make a crew change, the employee shall immediately advise the nominated company representative.

14.2 Transport to and from Reporting Point

An employee will be reimbursed for either:

14.2.1 One taxi fare to the airport from home and vice versa for the purposes of travelling to or from the vessel, upon production of a receipt, or

14.2.2 One mileage claim at the rate of 67c per kilometre (or at the Australian Taxation Office rate whichever is higher) up to a maximum of what it would have cost the Company if the employee had taken a taxi to the airport from his home and vice versa for the purposes of travelling to and from the designated reporting point, upon production of a claim.

Where the vehicle is returned to the employee's place of residence, then the kilometres for the return journey will be counted but the amount claimed for the round journey cannot exceed the cost of the taxi fare provided in 14.2.1.

14.3 Fatigue and Provision of Rest during Travel

Having regard to any fatigue before a journey commenced and the total travel time, a fatigued employee who has to wait for four hours

or more for a connecting flight whilst travelling between a facility and their home may pay for hotel accommodation where available on the basis of one per room and if reasonable the company will reimburse such cost.

14.4 Security

Employees proceeding to and returning from the facility may be required to undergo a baggage search.

15. REMUNERATION

15.1 Annual Salaries

The salaries set out in the table below are all inclusive and include compensation for living and working in an offshore environment. The salaries comprehend all conditions under which work is performed including shiftwork and hours worked in excess of 12 in any one day. These salaries are effective from the first complete pay-period commencing on or after the date at the top of the relevant column.

The salaries outlined below are also inclusive of an amount (\$6,975.00 – 2008, \$7,234.00 – 2009 and \$7,690.00 – 2010) for each employee to obtain Family Health Insurance.

Classification Level	1 January 2008	1 January 2009	1 January 2010
Marine Supervisor, Maintenance Supervisor/Chief Engineer	165,087	173,341	182,008
Lead Marine Specialist/First Officer, Lead Maintenance Specialist/First Engineer, Lead Maintenance Specialist/Marine Inlec	142,488	149,613	157,093
Marine Specialist/Second Officer/Maintenance Specialist/Second Engineer, Maintenance Specialist/Marine Inlec, Production Specialist	136,594	143,424	150,595
Marine Technician/Second Officer, Maintenance Technician/Second Engineer, Maintenance Technician/Marine Electrician, Production Technician	122,349	128,466	134,890
Chief Integrated Rating, Chief Cook, Chief Caterer,	111,001	116,551	122,378
Integrated Rating Level 2, Cook Level 2, Caterer Level 2	106,839	112,181	117,790
Integrated Rating Level 1, Cook Level 1, Caterer Level 1	104,592	109,822	115,313

A day rate is calculated by dividing the Annual Salary by 365.

Salaries will be paid monthly (annual salary divided by 12) on the 15th of each month or next working day thereafter.

15.2 Higher Duty Allowance

15.2.1 Where an employee is required to undertake a higher duty assignment for a complete day, the employee shall be paid a daily allowance, which is calculated at 2.5 times the daily salary differential between the two positions, for Acting Up in the higher position:

15.2.2 Where an employee is required to perform the duties of the OIM the employee will be paid at a rate that takes into account the current OIM salary, the extra responsibilities of the position and their experience.

15.3 Progression and Promotion

15.3.1 Progression

(a) Modec Management Services will give each employee time during duty hours to ensure the employee completes all safety-critical CBTAs during the probationary period.

(b) Progression from Technician to Specialist:

At, or any time after, three months employment and if the employee has completed all of the safety Critical CBTAs, a Technician will progress immediately to Specialist if he/she:-

- possesses a Class 2 Marine Engineer Certificate of Competency and has either (i) 12 months, in aggregate, FPSO employment or (ii) 24 months, in aggregate, Tanker or Gas-Carrier employment; OR
- possesses an Instrument qualification and has either (i) 12 months, in aggregate, FPSO employment or (ii) 24 months, in aggregate, Drilling Rig, Drilling Vessel, Tanker, Gas-Carrier or Hydro-carbons industry equivalent experience; OR
- possesses an Unrestricted Chief Mate Certificate and has either (i) 12 months, in aggregate, FPSO employment or (ii) 24 months, in aggregate, Tanker or Gas-Carrier employment; OR
- possesses suitable production qualification [e.g. PMA-02] and has either (i) an aggregate of 12 months employment on FPSOs; or (ii) 24 months, in aggregate, experience on shore based hydrocarbon process equipment.

(c) Progression from IR1/Steward 1/Cook 1 to IR2/Steward2/Cook2:

At, or any time after, three months employment and if the employee has completed all of the safety Critical CBTAs, an IR1/Steward1/Cook1 will progress immediately to IR2/Steward2/Cook2 if he/she has either (i) 12 months, in aggregate, FPSO employment or (ii) 24 months, in aggregate, Tanker or Gas-Carrier employment.

15.3.2 Promotion to Chief Integrated Rating, Chief Cook, Chief Steward, Lead Specialist, or Promotion to Supervisor

Chief Integrating Rating, Chief Cook and Chief Stewards shall be selected and appointed by Modec Management Services.

Lead Engineering [First Engineer or First Electrical Officer] Specialists shall be selected and appointed by Modec Management Services.

The Lead Marine Specialist (First Mate) shall be selected and appointed by Modec Management Services.

Supervisors shall be selected and appointed by Modec Management Services.

16. SUPERANNUATION

Modec Management Services shall contribute the equivalent of 14% of each employee's annual salary or day rate as superannuation contributions into a complying superannuation scheme nominated by the employee, and the employee will make at least a 5% contribution.

Employees may salary sacrifice the employee 5% contribution. Individual employees may elect to salary sacrifice a greater percentage of their salary if they wish. Any salary sacrifice arrangements will not alter the employee's prescribed salary in sub clause 15.1 for other purposes of this Agreement.

Modec Management Services' superannuation contribution provides for the employee to obtain, at their cost "death and disability" and "salary continuance" insurance cover appropriate to their circumstances.

The Modec Services superannuation contributions shall continue to be paid during periods when an employee is in receipt of workers compensation payments and when the employee is absent on paid leave of any kind.

Modec Management Services will forward all Company and employee superannuation contributions to the agreed funds on a monthly basis.

Modec Management Services will enable each employee (regardless of the mode of their employment) to make additional contributions, into an accumulation section of the Fund, via "salary-sacrifice" on the following basis:

- the company shall not incur additional cost (other than administration) as a result of this sub-clause; and
- the employee may "salary-sacrifice" up to maximum amount permitted by Tax Office of his/her personal pre-tax income; and
- the employee may alter his/her personal "salary-sacrifice" arrangements only once each year; and
- these arrangements may be terminated by Modec Management Services, or the employee should the Taxation Act, or Rulings pursuant to it, be altered as regards "salary-sacrifice" arrangements generally.

17. SALARY SACRIFICE

Modec Management Services will review salary packaging options during the term of this Agreement. Any salary packaging arrangements must be simple, comply with taxation legislation and not result in any additional costs to Modec Management Services.

18. EXPENSES

Modec Management Services shall reimburse an employee for expenses, including meals reasonably incurred for travel on company business, for expenses reasonably incurred on attendance at approved training courses, for expenses reasonably incurred on travel to and from the employee's home and the facilities and for expenses where travel is delayed and accommodation and/or meals are required. The provision of or re-imburement of reasonable meals by the company does not include alcohol.

In respect of other reasonable expenses associated with the performance of duties as requested by the company, the employee shall be reimbursed. Examples of such expenses include, but are not limited to:

- Medical vaccinations including at employee's choice inoculation against infectious diseases they may be exposed to by working with waste/sewage systems such as Hepatitis A & B and Fluvax
- Refrigeration ticket registration
- Maritime Security Identification Card
- Passport renewal
- Costs associated with company-approved training
- Revalidation costs and AMSA fees
- Medical certificates
- Medical examinations [required by Statute or the company], and related x-rays, pathology

As well as the matters described above, this clause shall apply to reimbursement of reasonable legal costs incurred by the employee

(including costs of reasonable personal legal representation separate from that engaged in the interests of the Company) in defending any proceedings brought against the employee or fines imposed on the employee by any court, tribunal or other competent authority investigating or prosecuting for any actual or alleged breach of any statute or statutory obligation, including without limitation any maritime or port regulations or any applicable environmental legislation, which proceedings or fines relate to the employment duties performed by the employee at the facilities or the instructions given by the Company to the employee at the facilities, unless the authority conducting the enquiry or proceedings finds that such enquiry or proceedings have been occasioned by the wilful default or wilful misconduct of the employee.

19. SHORT HAND PROVISIONS

Where the facility is required to continue operations with less than the normal establishment manning/ complement in any department, work shall continue and normal operations be maintained on the understanding that members of the complement required to perform the duties of the absentee shall receive the salary of the absentee during the period of short handedness. The payment of shorthand money shall not apply, however, where the short handedness results from the granting of leave to an employee on compassionate grounds or where a temporary short handedness occurs as a result of the termination of employment due to misconduct.

It is mutually agreed that the facility will not be required to operate in contravention of the provisions of the Navigation Act, nor the health and safety regulations made under the Petroleum (Submerged Lands) Act.

20. LOSS OF CERTIFICATE OF COMPETENCY COMPENSATION

(a) An employee who is unable to carry out the duties required by Modec Management Services because the employee has been refused revalidation of the employee's certificate of competency by the appropriate authority because of failure on examination to comply with the medical requirements prescribed by the Navigation Act 1912 or any Regulations or Orders made there under and has failed to satisfy the appropriate authority that the employee can, notwithstanding their inability to comply with such medical requirements, satisfactorily perform the duties appropriate to the certificate in question or any certificate then held and who:

- is found by further independent medical examination to be permanently unable to carry out the required duties and to revalidate a certificate of competency; or
- is found by further independent medical examination to comply with the medical requirements and/or to be capable of carrying out the required duties but is still unable to satisfy the appropriate authority or revalidate his/her certificate;

shall be entitled to compensation in the manner and on the conditions herein prescribed.

- (b) Subject to clauses (c), (d) and (e) hereof, an employee to whom sub-clause (a) applies shall be entitled to receive on the termination of his/her employment under this Agreement, a payment at the employee's current salary or, where the individual has been on higher serving rate(s) for at least 12 continuous months immediately prior to commencing study, the serving rate appropriate to his/her then age in accordance with the following table:

<u>Age</u>	<u>Number of month's salary</u>
Under 30	24months
30 but less than 35	21 months
35 but less than 40	18 months
40 but less than 45	15 months
45 but less than 50	12 months
50 but less than 55	9 months
55 but less than 60	6 months

Board of Administrators

- (c) This Loss of Certificate Compensation Scheme shall be administered by a Board of Administrators composed of one representative of the employee and one representative of Modec Management Services and a Chairman, appointed by the parties. This Board shall decide in each and every case the application of this compensation for Loss of Certificate Scheme and the extent of any benefits applicable. This Board shall meet as required. Should a representative decide that a meeting is necessary, then the Chairman is to be informed and he/she shall then convene such a meeting. This Board shall not have the power to alter any provision of this Loss of Certificate Compensation Scheme.
- (d) Where an employee suffers an illness or injury entitling the employee to any compensation, damages or other benefits (called "benefits") from their employer and/or any third party under any applicable legislation (whether Federal or State) and/or at common law and/or equity and/or under any contract, deed or other arrangement but not including any superannuation pension or like deed scheme or arrangement and such benefits include a component referable to loss of earnings, then the value of that component shall be deducted from the amount payable to the employee under sub-clause (b) hereof. This Board of Administrators shall value the amount of any such component so to be taken into account.

The Board in determining the entitlement to benefit and the amount of any payment under sub-clause (b) shall take into account all relevant circumstances provided however that this Board shall not take into account:

- resignation benefits including withdrawal benefits;
 - benefits for total and permanent incapacity;
 - benefits for retirement on age grounds including early retirement; or
 - benefits covering the foregoing concepts however defined; under any superannuation, pension or like scheme.
- (e) An employee shall not be entitled to the benefit of sub-clause (b) hereof where:
- (i) The employee dies;
 - (ii) The employee's failure to comply with the prescribed medical requirement arises from anyone of the following:
 - self-inflicted or self-induced illness or injury; or
 - an illness or injury suffered whilst he/she is voluntarily involved in or in connection with any activity for financial reward or gain or which unnecessarily subjects him/her to risk of injury and which activity is substantially unrelated to his/her employment under the Offshore Award, Floating Production Facilities Award 2000 or this agreement;
- or
- (iii) He/she is offered reasonably suitable alternative employment provided however that this Board may in any such case notwithstanding that it decides that such employment has been offered and that it has been accepted by the employee defer for a period of twelve months from the date of acceptance of the employment any question of entitlement to compensation under this Scheme. If, after discussion with his/her employer, the employee decides that

the alternative employment offered is not reasonably suitable, the matter shall be referred to this Board for resolution.

- (f) An employee shall not be entitled to receive the benefits under this clause more than once.
- (g) For the purposes of this sub-clause: -

'Employee' shall mean and include a person currently employed under this Agreement other than an employee engaged in a casual capacity only.

'Illness or injury' shall include but not be limited to a disease, disability, disorder or incapacity.

21. LEAVE

21.1 Annual Leave

Employees, other than casual employees, are entitled to four (4) weeks annual leave per annum. The fifteen (15) week roster set out in this Agreement includes the four weeks annual leave and includes consideration for public holidays, intervals of leave, time spent travelling in off duty time and work undertaken on an employee's swing day off.

21.2 Long Service Leave

The parties agree that with the implementation of the fifteen (15) week roster, employee's entitlement to long service leave is fully provided for within the fifteen (15) week roster.

21.3 Compassionate Leave

Compassionate Leave is available to employees in connection with the serious illness/injury or death of a close family member (including biological/adopted/step/foster-relative, spouse or de facto spouse). The period of leave shall be determined taking into account the compassionate circumstances surrounding the request for leave.

At the discretion of Modec Management Services, compassionate leave may also be granted in other circumstances.

21.4 Parental Leave

Parental leave shall be available to employees on the basis of:

- Employees who are the primary care givers and with at least twelve (12) months continuous service with Modec Management Services will be entitled to the payment of six (6) weeks paid parental or adoption leave at their normal salary rate. In the event that a partner of an employee who is the nominal primary care giver is unable to care for the child due to serious illness or death, the employee shall be entitled to up to six (6) weeks paid leave from the time of the birth.
- Employees who are not the primary care giver and with at least twelve (12) months continuous service with Modec, shall at the time of birth or adoption of a child/children will be entitled to one (1) weeks paid leave if rostered on duty at such time.

The provisions of Parental Leave as per the Workplace Relations Act 1996 are incorporated into the terms of this agreement.

21.5 Personal Leave

Each employee, who is a member of or eligible to be a member of the Australian Workers Union, is entitled to 10 days paid personal

leave for each year of service where they are unable to attend for work due to illness or injury. Personal leave accrues on a pro rata basis though out the year. A medical certificate or, where a medical certificate cannot be provided, a statutory declaration, may be required to qualify for paid personal leave.

- 21.5.1 Personal leave accrues whilst an employee is on paid leave but will not accrue during periods of unpaid leave (including parental leave) or when an employee is absent from work while receiving workers compensation or Income Protection Insurance payments for a period exceeding 2 weeks.
- 21.5.2 An employee is not entitled to paid personal leave when receiving workers compensation or Salary Continuance Insurance payments.
- 21.5.3 Should an employee be unable to report for mobilisation as scheduled due to ill health or injury, they must personally notify the Company's Operations Office in Perth at least twenty four (24) hours prior to the day on which they are scheduled to report for work.
- 21.5.4 The unused portions of the entitlement to paid sick leave in any one year shall accumulate from year to year and subject to this clause may be claimed by the employee if the absence by reason of personal illness or injury exceeds the period for which entitlement has accrued during the year at the time of absence.
- 21.5.5 An employee who suffers personal illness or injury during a period of annual leave may apply and be granted paid sick leave in place of paid annual leave, provided such application is supported by a medical certificate.

In any year of service an employee may use up to 10 days of their personal leave entitlement to provide care or support to a member of their immediate family or household who requires care or support because of personal ill health or injury or because of an unexpected emergency affecting the member. A medical certificate or statutory declaration may be required to support the leave application.

21.6 Personal Illness or Injury

- 21.6.1 An employee who is a member or eligible to be a member of the Australian Institute of Marine and Power Engineers, Australian Maritime Officers Union or the Maritime Union of Australia, shall be entitled to:
 - (i) the provisions of Sections 127 to 132B of the Navigation Act as if those provisions formed part of this Agreement; and
 - (ii) the following provisions of this sub clause when the employee is unable to commence a duty period due to either illness or an accident that occurred whilst the employee was on leave.

- 21.6.2 The entitlements provided by this sub clause shall be based on the following conditions:
- (i) The benefits shall commence from the time that an employee is unable to commence a duty period due to either illness or an accident that occurred whilst the employee was on leave.
 - (ii) For the purposes of this clause a “scheduled on-duty period” means the Leave Swing under which an employee was engaged at the time of the illness or accident.
 - (iii) The benefits provided to an employee by this clause shall be limited to a maximum of 10 weeks in the first year of service and 12 weeks in each subsequent year of service, regardless of the number of accidents or illnesses suffered by the employee in any year of service.
 - (iv) For the purposes of this clause, “year of service” shall be calculated from each employee’s commencement date with the employer. From the commencement date of this Agreement, each employee will be entitled to claim the appropriate maximum entitlement up until the commencement of their next “year of service”, provided the maximum entitlement does not exceed the period of time between the date of this Agreement and the commencement of their next year of service. When an employee has less than 10 or 12 weeks before the commencement of their next year of service, their maximum entitlement will be the remaining period of the current year of service.
 - (v) The maximum entitlements prescribed in this clause do not accumulate from year to year.
 - (vi) An employee will be paid 75% of the employee’s normal salary for any period of absence covered by the provisions of this clause.
 - (vii) The entitlements under this clause shall cease to apply when the employee is certified as fit to resume duty by a qualified medical practitioner or upon reaching the maximum limit of the entitlements as prescribed in paragraph (iii) above, whichever is sooner.
 - (viii) No medical expenses are payable by the employer.

22. WORKERS COMPENSATION BENEFITS

22.1 Workers Compensation Coverage

The parties expressly agree that regardless of any issue about the application of the Seafarers Rehabilitation and Compensation Act, 1992 (SR&C Act), the employer will continue to provide equivalent benefits to employees as if that Act had full effect.

The provisions of the Seafarers Rehabilitation and Compensation Act 1992 and Regulations shall be applied as though they formed part of this Agreement to employees who are members or eligible to be members of:

- (i) Australian Institute of Marine and Power Engineers; or
- (ii) Australian Maritime Officers Union; or
- (iii) Maritime Union of Australia.

The provisions of the Western Australian Workers Compensation and Injury Management Act 1981 and Regulations shall apply to employees who are members or eligible to be members of the Australian Workers Union.

22.2 Additional Payments

- 22.2.1 For employees subject to the provisions of the Western Australian Workers Compensation and Injury Management Act 1981 (the Act) and who are receiving weekly payments pursuant to the Act, these employees shall be entitled to additional payments equivalent to the difference between the weekly benefit payable under the Act and 75% of their salary at the time of the incident that gave rise to the weekly payments under the Act.
- 22.2.2 The additional payments outlined in paragraph 22.2.1 shall continue subject to the employee's ongoing compliance with the provisions of the Act until:
- the employee resumes normal duties;
 - the employee receives a lump sum payment under the provisions of the Act; or
 - the expiration of a period of 5 years from the date of the incident that gave rise to the weekly payment under the Act;
- whichever occurs first.
- 22.2.3 Termination of an employee's contract of employment shall not affect the liability of the Company to pay these additional payments.

23. TRAINING & DEVELOPMENT, STUDY LEAVE & TRAINEES

23.1 Training and Development (Training Day Payment)

Employees will be required to undergo appropriate training in accordance with the business/safety needs of Modec Management Services and competency requirements of the classification. This training may take place on the facility during the on duty period or in the off duty period ashore.

For training during employees off duty period, employees will be paid their normal salary plus one additional day's pay.

23.2 Study Leave

(a) Eligible employees

An eligible employee is an employee who satisfies the "INITIAL TRAINING" requirements of Marine Orders Part 3 as an approved engineering tradesman or engineer cadet who goes ashore to study and sits for an approved course of study of Marine Engineering;

or

is an employee who satisfies the requirements of Marine Orders Part 3 for entry as a deck cadet who goes ashore to study and sit for an approved course of study to become a deck officer.

An "approved course of study" is a Certificate of Competency, including an endorsement, as prescribed by the Navigation Act or regulations made there under, conducted by the Australian Maritime College or an approved technical institution or academy.

(b) Conditions for Accessing Entitlement

The entitlements prescribed in subclause (c) shall only be payable by Modec Management Services if the following conditions are met:

- (i) an application in writing has been made by the employee and has been approved in writing by Modec Management Services;
- (ii) the employee has been in the employment of Modec Management Services for the twelve (12) months prior to commencing the period of study;
- (iii) if Modec Management Services so desires, the employee shall enter into a written undertaking that the employee will remain in its employment for a period of at least 12 months after sitting for the certificate in question. This arrangement shall not prevent Modec Management Services from terminating an employee, however an employee may only terminate their employment during this 12-month period with Modec Management Services' consent or as a result of a determination under clause 8 Dispute Resolution Procedure.
- (iv) the entitlement shall be confined to the first attempt to obtain the certificate in question; and

(v) the employee provides Modec Management Services with reasonable proof of satisfactory attendance at the course of study and examination.

(c) Entitlement:

An employee will be entitled to a period of leave from the roster for the authorised period of study, including examination periods and including holidays of up to 7 consecutive days (weekends inclusive), at 75% of the employee's salary.

(d) "Living Away From Home Allowance" -

When it is necessary for an employee to take up temporary residence away from the employee's normal place of residence to undertake the approved study, the employee will be entitled, upon production of receipts to reimbursement of living expenses, up to a maximum as outlined in the following table, for each week that the employee resides away from their normal place of residence.

	1.1.2008	1.1.2009	1.1.2010
Reimbursement Limit per week	\$500	\$525	\$550

(e) Where an application by an employee to undertake an approved course of study has been approved by Modec Management Services, and the employee is subsequently retrenched, the Employee shall be entitled to payment in accordance with sub-clause (c) above. For these purposes, the salary rate shall be that rate applicable at the date of termination.

23.3 Trainees

(a) The parties are agreed that Modec Management Services will fund the training of new-entrant Trainee Engineers [2 to commence during the life of this agreement], Deck Cadets [when the training of one is complete another will immediately commence], Production Trainees [2 to commence during the life of this agreement] and Trainee IRs [2 to commence during the life of this agreement].

- Trainee Engineers will be Engineering Tradespersons (as defined in Marine Orders Part 3), will undertake mutually-approved training to obtain the Engineer Watch keeper Certificate of Competency
- Deck Cadets and Trainee Integrated Ratings will undertake agreed training pursuant to Marine Orders Part 3; and
- Production Trainees will undertake agreed training pursuant to industry standards.

(b) subject to satisfactory performance, any such Trainee or Cadet shall be entitled to the following

- payment of all reasonable college fees/costs, all reasonable travel to attend the college.
- provision of reasonable meals & accommodation to a maximum set out in paragraph 23.2 (d); and
- payment at the rate set out in the table below; “on facility” includes production training on a facility, or ‘qualifying sea service’ [pursuant to Marine Orders Part 3] whether performed on the company’s FPSOs or whether performed on any other vessel;

	\$ per week on facility or on leave	\$ per week at college
Trainee Engineer [Trade entrant]	\$1,068	801
Deck Cadet- 1 st and 2 nd years	\$540	\$540
Deck Cadet – 3 rd year	\$626	\$626
Production Trainee	\$700	\$700
Trainee IR	\$666	\$666

Equivalent paid leave in respect of the period of training at sea; and

- during attendance (including exam/study periods) at college to complete the Engineer or Deck Watch keeper Certificate, and pre-sea training, Advanced Fire fighting, Survival, First Aid and other required short courses, payment at 75% of the on facility/on-leave rate, as set out in the final column above; and
- Deck Cadets shall, in lieu of the roster arrangements set out earlier in this agreement receive six weeks leave per annum (and pro rata for parts of a year). Leave and roster arrangements for Trainees will be agreed between the parties prior to the commencement of training.
- payment of all short course fees/costs, all reasonable travel to attend the short courses, and provision of a reasonable allowance for meals & accommodation; and
- The rates of pay above will be varied on 1 January each year by the same percentage as the increase applying generally to salary scales in this agreement.

- Modec Management Services is under no obligation to offer ongoing employment to the Trainee / Cadet once having attained their Watch keeper Certificate of Competency, the Integrated Rating Certificate or the Production competencies, but if Modec Management Services does so and the offer is accepted the period as Trainee / Cadet counts as service with the company under this agreement.

24. COUNSELLING

Modec Management Services will provide to all employees an independent confidential counselling service in relation to any stress, addiction or problem including home or workplace relationships that may, if untreated, affect performance in the workplace.

25. AMENITIES AND ACCOMMODATION ALLOWANCE

(a) The facility shall be provided with DVD and video cassette “home theatre” equipment; multi-media equipment, appropriate gym equipment and a library.

(b) Communications

- Modec Management Services shall provide employees with access for private use to email (no attachments) and telephone/fax communications, where such communications are available, in the most effective manner.
- It is noted that this clause does not prevent Modec Management Services seeking to recoup the costs of such private use (ie incidental-usage should not incorporate overhead cost of providing the infrastructure). Should Modec Management Services seek to recoup a cost, which is considered unreasonable, the matter will be resolve in accordance with the dispute settlement procedures.

(c) KEEP & CABIN SHARING

Employees who are members of the establishment manning shall be provided with a single-berth cabin with en-suite bathroom: an individual may be prepared on a case by case basis to set aside this right for a time.

Where any employee shares accommodation the employee shall be entitled to the following:-

- An allowance of \$32.90 per day on each day a person shares a cabin with one other person.
- An allowance of \$42.90 per day on each day a person shares a cabin with two other persons.

- An allowance of \$52.90 per day on each day a person shares a cabin with three other persons.

These allowances are not payable to Trainees or Cadets.

26. DAMAGE TO PERSONAL EFFECTS

Where due to Fire/ Explosion/Foundering/shipwreck or due to 'ditching' of aircraft an employee sustains damage or loss to his/her equipment or personal effects, the employer shall reimburse the employee for such loss, subject to satisfactory evidence being provided as to the loss or damaged sustained.

During the course of the work, in the event an employee's clothing or spectacles are damaged or destroyed, reasonable reimbursement will be made by the company to the extent of the damage sustained up to a value of \$1,682.00. This clause does not apply when an employee is entitled to workers' compensation in respect of the damage.

27. RECORDS AND ANNUAL REVIEW MEETING

- (a) Modec Management Services shall keep or cause to be kept a record containing,
- The amount of salary and all allowances or other payments payable to each employee.
 - The employment record of each employee showing details of commencement, termination dates and date of permanent employment will be maintained for the previous two years.
 - Such records shall be open to inspection by the employee(s), and a copy of such records shall be made available to the employee's representative, if one is appointed.
- (b) It is agreed Modec Management Services, employees and the employee representative should the employees choose one, will annually monitor and review the application of this Agreement.

28. SAFETY AND PERSONEL PROTECTIVE EQUIPMENT

All protective clothing and equipment will be provided by Modec Management Services. Modec Management Services will also supply work clothing for each employee.

Employees are required to wear the protective clothing and equipment. Failure to do so may lead to the termination of employment.

It is a condition of employment that all employees comply with all the relevant Regulations, Acts and other codes of practice as well as Modec Management Services' Safety Policy as amended from time to time.

29. DRUGS AND ALCOHOL

The possession, soliciting, secreting or consumption of prohibited and illegal drugs or alcohol on the facility is prohibited.

If an employee is found to be under the influence of alcohol or unlawful drugs while on duty or whilst travelling on company business, the company's counselling and discipline procedure will be applied. Depending upon the circumstances, the employee may be dismissed.

It is an employee's responsibility to advise the OIM when using prescription or non-prescription drugs which may affect their ability to perform their duties.

30. DRY DOCKING ARRANGEMENTS

The parties agree that during any docking or lay-up, the following additional provisions will apply:-

- (a) If during the docking/lay-up the vessel maintains its own fire-alarm fire-fighting and emergency-teams in-place then employees may be accommodated on board the vessel so long as all on-board 'hotel-services' (including Galley/air-conditioning/toilets etc) are maintained and neither fumes/painting/noise are unpleasant or disturbing.
- (b) In the case of a docking/lay-up in any other circumstance then employees will not be accommodated on board the vessel, but will be provided with Hotel accommodation ashore no less than Australian 'three star' standard, on a bed & breakfast & Laundry/ironing/dry-cleaning basis with a daily allowance at least sufficient to cover other meals and incidentals.
- (c) recognising that the Occupational Health and Safety (Maritime Industry) Act 1993 does not apply whilst the vessel is handed over to control of any contractor/shipyard, and that where the work is taking place in a foreign port AMSA, as the Inspectorate, are not in a position to intervene in any safety matter, and recognising that in this circumstance the vessel's SMS/work-practices are set aside in favour of foreign workers applying whatever safety standards/rigour apply in that country/shipyard, the parties agree as follows:-

- before any Docking or Lay-up the Company will write to the employees setting out the date and location of the docking/lay-up, the scope of work the manner of utilising ship-staff and ensuring their safety on the job and the intentions regarding accommodation onboard or ashore; and
- If required the company will arrange a meeting between the employees or the employees' representative if one is appointed, and the Company to clarify any issues and reach agreement.
- that in any alleged safety-issue arising during a docking/lay-up outside of Australia will at first instance be dealt with by the Maintenance Supervisor or other Company representatives on-board but if not dealt with to the employee's satisfaction he/she shall make an immediate written protest simultaneously to the Company and the employees' representative if one is appointed, and it is agreed that until the matter is resolved between the Company and the employees' representative if one is appointed the employees will not be exposed to the alleged safety-issue.

SIGNATURES

Signed for and on behalf of Modec Management Services Pte Ltd

Signature

By _____ (insert name)

Date _____

Address _____

Authority to Sign _____

Witnessed By

Witness Name _____

Witness Address _____

Signed for and on behalf of Australian Institute Marine and Power Engineers

Signature

By _____ (insert name)

Date _____

Address _____

Authority to Sign _____

Witnessed By

Witness Name _____

Witness Address _____

Signed for and on behalf of Australian Maritime Officers Union

Signature

By _____ (insert name)

Date _____

Address _____

Authority to Sign _____

Witnessed By

Witness Name _____

Witness Address _____

Signed for and on behalf of Australian Workers' Union

Signature

By _____ (insert name)

Date _____

Address _____

Authority to Sign _____

Witnessed By

Witness Name _____

Witness Address _____

Signed for and on behalf of Maritime Union of Australia

Signature

By _____ (insert name)

Date _____

Address _____

Authority to Sign _____

Witnessed By

Witness Name _____

Witness Address _____