

July 1, 2009

COLLECTIVE AGREEMENT

BETWEEN

CELEBRITY CRUISES INC./AZAMARA CRUISES

AND

**FEDERAZIONE ITALIANA TRASPORTI – CISL – ITF
FOREIGN FLAG DEPARTMENT Italy**



Collective Agreement between Celebrity Cruises Inc. and Federazione Italiana Trasporti – CISL – ITF, Effective July 1, 2009.

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EXHIBIT B

July 1, 2009

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COLLECTIVE AGREEMENT

This Agreement is made the first (1st) of July, 2009 and is effective from the first (1st) of July, 2009 until the 30th of June 2011.

Thereafter this Agreement will be automatically renewed on a yearly basis, unless cancelled by either of the parties with, at least, three (3) months notice prior to expiration.

Article 1 - Parties of Special Agreement

CELEBRITY CRUISES INC. and AZAMARA CRUISES (hereinafter referred to as the Company), agents of the ships on Appendix 1, as such Appendix may be amended from time to time. Appendix 1 shall be attached to the original signed Agreement only and available for review in the Crew Office aboard each vessel.

AND

FEDERAZIONE ITALIANA TRASPORTI – CISL - ITF FOREIGN FLAG DEPARTMENT Italy (hereinafter called the Union), represented by Mr. Remo Di Fiore, with its office in Rome, Via Antonio Musa no. 4 - Phone +39 06 44286316 / 7 - Fax +39 06 4402991.

This Agreement will apply to all Marine, Hotel, and Food crew personnel of above mentioned vessels hereinafter referred to as "Seafarers" (ranks/positions and wages as stated in the Wage Tables Appendix 2, 3 and 4. Wage Tables shall be attached to the original signed Agreement only and available for review in the Crew Office aboard each vessel.

Article 2 - Application of the Agreement

A) Any personnel to whom this Collective Agreement is applicable, in accordance with Article 1 above, shall be covered by the Agreement with effect from the date on which he/she is engaged, whether he/she has signed articles or not, until the date on which he/she signs-off and/or the date until which, in accordance with this Agreement, the Company is liable for the payment of wages.

B) The Seafarers who are covered by this Agreement, the Union, and the Company shall refrain from strikes, work slow downs, lockouts and similar action at sea and in ports during the length of this Agreement, during any period of negotiation for its renewal, and during any period of arbitration as required by the grievance procedures in this Agreement.

As far as the FIT-CISL ITF Foreign Flag Dept., Italy contributions refer to Appendix 6, which shall be attached to the original signed Agreement only.



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Clauses and Terms of Collective Agreement
Effective as from July 1, 2009

Article 3 – Wages

- A) The monthly wage paid to each seafarer shall be according to the Wage Tables Appendix 2, 3 and 4, which shall be attached to the original signed Agreement only and shall, after allowing for all statutory deductions and/or deductions authorized by the Seafarer, be paid to the Seafarer directly.
- B) The wages to be calculated in US dollars only. Unless otherwise prohibited by law, the Owners/Company may pay net wages by Direct Deposit or by check. The Seafarers shall receive their wages in two payments -- one payment made on the 15th of the month and the second made on or before the last day of the month -- with the amount paid each pay period being equal to one half of the Seafarer's guaranteed monthly wages minus lawful deductions. Any extra overtime compensation earned during a pay period shall be paid no later than the payday that falls on or before the 15th of the following month.

Article 4 - Wages Calculation

For the purpose of calculating wages, a calendar month shall be regarded as having thirty (30) days and every day shall be regarded as one-thirtieth (1/30) of a month. Wages are applicable commencing from the date of embarkation until the date of disembarkation (sign on the vessel and sign off the vessel). For the purpose of calculating wages for completed months, in order to be entitled to Extra Overtime Compensation at the Extra Overtime Rate, a Seafarer must have performed hours of work during that month in addition to 303 hours. For the purpose of calculating wages for a partial month, in order to be entitled to Extra Overtime Compensation at the Extra Overtime Rate for that month, a Seafarer must have performed hours of work during that partial month in addition to the prorated amount of 303 hours.

Article 5 - Hours of Duty and Pay Rules

- A) **Marine Personnel**
- 1) **Marine Officers –**
- a) The Marine Officers listed in this paragraph are salaried with fully integrated and totally consolidated wages for all hours worked, including irregular working hours, work on Saturdays, Sundays and on Public Holidays, leave (vacation) pay and all overtime. The Marine Officers are the Master, Staff Captain, Chief Engineer, Chief Officer, Chief Electrician, Staff Chief Engineer, Second Officer, Second Engineer, First Electrician, Air Conditioning Engineer, Third Engineer, Sanitation Engineer, and Second Electrician. Monthly Total Compensation, stated in the Wage Table (Appendix 2 attached to the original signed Agreement) is pay for all hours worked, including irregular working hours, work on Saturdays, Sundays and on Public Holidays, leave (vacation) pay and all overtime.



b) In exceptional circumstances, the Company may require a Seafarer to return to work earlier than scheduled or to extend a Seafarer's service prior to his/her vacation leave. This practice will be used when other reasonable alternatives are not available. The circumstances include: illness of Key Personnel on board and any matter that could affect the safe operation of the Ship or its ability to operate. Necessary overlap in accordance with the Company SQM-policy will be taken during a Seafarer's vacation leave.

2) **Deck/Engine Ratings –**

a) For Deck and Engine Personnel, Monthly Total Guaranteed Pay (column six of the Wage Table of Appendix 2 and 3) includes Basic Pay (for forty-four [44] ordinary work hours per week) (column one), Initial Overtime Compensation for work between forty-four (44) and fifty-six (56) hours per week (i.e. Monday to Sunday and Public Holidays)(column two), Monthly Subsistence Allowance (column four), and Monthly vacation compensation (column five), and Monthly Supplemental Overtime Compensation for an additional sixty-point-six two (60.62) guaranteed overtime hours per month (column three). The total of monthly guaranteed pay is in return for 303.10 hours of work per month. Any ordered overtime work in addition thereto shall be paid, upon notification by the seafarer, according to the extra overtime rate as set forth in column nine (9) of the Wage Table in Appendix 2 and 3 attached to the original signed Agreement only.

b) In exceptional circumstances, the Company may require a Seafarer to return to work earlier than scheduled or to extend a Seafarer's service prior to his/her vacation leave. This practice will be used when other reasonable alternatives are not available. The circumstances include: illness of Key Personnel on board and any matter that could affect the safe operation of the Ship or its ability to operate. Necessary overlap in accordance with the Company SQM-policy will be taken during a Seafarer's vacation leave.

3) **Riding Crew –**

Riding Crew are composed of a select group of one hundred to nine hundred highly skilled Marine Officers and Marine Ratings who travel from ship to ship to complete unique and particular projects. Riding Crew are an addition to the normal ship crew. The Company requires these Seafarers to return to work earlier and/or to extend their contracted service period more often than what is required of them when they are in other Marine Officers and Marine Ratings positions. In all other ways, the hours of duty and pay rules for regular Marine Officers and Marine Ratings apply equally to Marine Officer and Marine Ratings Riding Crew, respectively.

B) **Food and Hotel (Catering) Personnel –**

Catering Personnel covered by this Agreement are divided into four (4) Groups as indicated in Appendix 4 – which is attached to the original signed Agreement only.



- 1) **Group A:**
Group A is not covered by the work hour limitation and shall not be entitled to any overtime pay.

- 2) **Group B:**
 - (a) The Total Monthly Guaranteed Pay for this group (see column five (5) of the Pay Scale) includes Basic Pay for a forty (40) hour ordinary work week (see column two (2) of the Pay Scale), compensation for work between forty (40) and fifty-six (56) hours per week (see column three (3) of Pay Scale) and sixty point sixty-two (60.62) guaranteed overtime hours per month (see column four (4) of Pay Scale). Total Monthly Guaranteed Pay is in return for 303.10 hours of work per month.

 - (b) Any ordered overtime work in addition thereto shall be paid according to the extra overtime rate as set forth in column eight (8) of the Wage Table, upon notification by the seafarer.

- 3) **Group C:**
 - (a) For this group, the Total Monthly Guaranteed Pay includes compensation for irregular working hours, work on Saturdays, Sundays, Public Holidays, and Leave Pay. Total Monthly Guaranteed Pay equals column five (5) of the Pay Scale and includes Monthly Basic Pay for a forty (40) hour ordinary work week (see column two (2) of the Pay Scale), compensation for work between forty (40) and fifty-six (56) hours per week (see column three (3) of the Pay Scale), and sixty point sixty-two (60.62) guaranteed overtime hours per month (see column four (4) of Pay Scale). Total Monthly Guaranteed Pay is in return for 303.10 hours of work per month.

 - (b) Any ordered overtime work in addition thereto shall be paid, upon notification by the seafarer, according to the extra overtime rate as set forth in the column eight (8) of Pay Scale.

 - (c) The Total Monthly Guaranteed Pay received by Seafarers in this Group shall be made up of Gratuities, Commissions and/or Service Fees provided by passengers. The Company is obliged to charge passengers a Service Fee or advise passengers of a suggested gratuity guideline in USD per day. The Company shall suggest a gratuity guideline of at least 15% per beverage for the Bar service. In recognition that other Seafarers often assist in the performance of services, any Gratuities, Commissions or Service Fees paid to any Seafarer by passengers or collected by the Company for the Seafarers, shall be shared with other such Seafarers who assist with any of the services. The Company shall determine the Gratuities/Service Fees sharing requirements at its sole discretion and such requirements shall be mandatory. Gratuity/Service Fee sharing requirements shall be published and available to the Seafarers in the Crew Office. The Company shall also set requirements for the timing and payment of Gratuities/Services Fees to the Seafarers at its sole discretion. These requirements will also be available for



review by the Seafarer in the Crew Office. The Union must be informed regarding the sharing requirements and any changes thereto.

(d) If in any month, minimum total income earned is below the amount of Total Monthly Guaranteed Pay, upon notification and proper accounting the Seafarer will be paid a supplement equal to the difference between the salary and service money received and the guaranteed amount. A proper accounting shall be considered an itemization from the Seafarer including the total number of passengers in the Seafarer's assigned stations for the period in question and the total amount of Gratuities/Service Fees collected from each passenger. An accounting form will be made available to the Seafarer upon request. Any claim from a Seafarer that his or her earned income fell below the Monthly Total Guarantee must be made in writing within thirty (30) days after the month in question or no additional pay will be due.

(4) **Group D**

(a) For this group, the Total Monthly Guaranteed Pay equals column five (5) of the Pay Scale and includes Basic Pay for a forty (40) hour ordinary work week (see column two (2) of the Pay Scale), compensation for work between forty (40) and fifty-six (56) hours per week (see column three (3) of the Pay Scale) and sixty point sixty-two (60.62) guaranteed overtime hours per month (see column four (4) of the Pay Scale). Total Monthly Guaranteed Pay is in return for 303.10 hours of work per month.

(b) Any ordered overtime work in addition thereto shall be paid according to the extra overtime rate as set forth in column eight (8) of the Wage Table.

Article 6 - Hours Of Rest

Each Seafarer shall have at least ten (10) hours off duty in any twenty-four (24) hours and seventy-seven (77) in any seven (7) day period. Hours of rest may be divided into no more period than two (2) periods, one (1) of which shall be at least six (6) consecutive hours off duty and the interval between consecutive periods of rest shall not exceed fourteen hours (14). The period of 24 hours shall begin at the time a Seafarer starts work immediately after having had a period of at least six (6) consecutive hours off duty.

Article 7 - Overtime

For eligible Seafarers, any hours worked in excess of the guaranteed overtime hours shall be paid for by overtime according to the rate in column eight (8) of the Wage Tables attached to the original signed Agreement. The Company will record overtime worked for each Seafarer. The Seafarer shall review and sign the overtime records at the end of each pay period with their supervisor.



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Article 8 - Service in Case of Emergency

Any hours necessary in case of emergency, directly affecting the immediate safety of the vessel, passengers and crew, of which the Master shall be the sole judge, or for safety or boat drills, or work required to give assistance to other vessels or persons in immediate peril shall be recognized neither as ordinary nor as extra hours and shall not count for overtime payment of any kind.

Article 9 - Service in Warlike Operations Area

- A) During the assignment, a seafarer shall be given full information if the Ship expects to enter into a warlike operations area in the Ship's trading pattern and shall have the right not to proceed to such warlike operations area, in which event, he/she shall be repatriated at Company's cost with benefits accrued until the date of return to the port of engagement.
- B) Where a ship enters into an area where warlike operations take place, the seafarer will be paid a bonus amounting to double the basic wage for the duration of this ship's stay in such area subject to a minimum of five (5) days pay. Similarly, the compensation for death or disability shall be doubled in the event the death or disability occurs during the transit.
- C) The existence and location of a "warlike operations area" shall be as agreed by the parties.
- D) A Seafarer shall have the right to accept or decline the assignment without risking losing his/her employment or suffering any other detrimental effects.
- E) Where a ship enters an area designated as a "High Risk Area", each Seafarer covered by the Agreement shall receive a bonus equal to 100% of the basic wage as indicated on the Wage Table annexed to the Agreement for each day the ship transits the area. Similarly, the compensation for disability and death shall be doubled in the event the death or disability occurs during the transit.
- F) A "High Risk Area" shall be as agreed by the parties.

Article 10 - Ship's Manning and Provisions

- A) The vessel shall be manned according to the international conventions concerning safety. Provisions shall be adequately sufficient during voyages. Seafarer's shall not be required to carry out dock cargo handling and other work traditionally or historically done by dock workers without the prior agreement of the ITF dockers union concerned unless ITF dockers union workers are not available and the Company's guest cannot otherwise be accommodated, and provided that the individual Seafarer who carries out such duties shall be adequately compensated.
- B) Compensation for such work performed during the normal working week, as specified in Article 5, shall be by payment of the overtime rate listed in column eight (8) of the Wage



Tables contained for each hour or part of an hour that such work is performed, instead of the basic pay rate.

Article 11 - Leave Pay

- A) **Marine Officers** shall be entitled to seven (7) days of Leave (Vacation) Pay for each month of service on board or prorata. Leave Pay for Marine Officers is always included as part of the fully integrated and totally consolidated wages and shall not be paid separately. One (1) day of Leave Pay shall be equal to one (1) day of Monthly Basic Pay and shall be included in Monthly Total Guaranteed Pay. A calendar month shall be regarded as having thirty (30) days and every day shall be regarded as one-thirtieth (1/30) of a month. Leave Pay is not accrued while traveling to and from the ships for the purpose of signing on and off for vacation. Monthly Vacation Pay is calculated as being equal to the Basic Wage divided by 25 multiplied by the number of days worked on board.

- B) **Deck and Engine Ratings and Riding Crew** shall be entitled to seven (7) days of Leave Pay for each month of service on board or prorata. One (1) day of Leave Pay shall be equal to one (1) day of Monthly Basic Pay and shall be included in Monthly Total Guaranteed Pay. A calendar month shall be regarded as having thirty (30) days and every day shall be regarded as one-thirtieth (1/30) of a month. Leave Pay is not accrued while traveling to and from the ships for the purpose of signing on and off for vacation. Monthly Vacation Pay is calculated as being equal to the Basic Wage divided by 25 multiplied by 7 days accrued per month of on-board service.

- C) **Non-gratuity earning Catering Personnel** shall be entitled to three (3) days leave pay for each month of service or prorata. A calendar month shall be regarded as having thirty (30) days and every day shall be regarded as one-thirtieth (1/30) of a month. Leave Pay shall be based on Monthly Basic Pay. Qualifying service shall count from the time a seafarer is originally signed on board (whether he/she signed the Contract or not), until the final sign-off. Accrued Leave Pay shall be paid to the seafarer at sign off at the end of his/her period of service and shall be in accordance with the amount set forth in the respective wage scale. Monthly Vacation Pay is calculated as being equal to the Basic Wage divided by 25 multiplied by 3 days accrued per month of on-board service.

- D) **Gratuity earning Catering Personnel** shall be entitled to three (3) days Leave Pay for each month of service or prorata. A calendar month shall be regarded as having thirty (30) days and every day shall be regarded as one-thirtieth (1/30) of a month. Vacation pay shall be included in the Monthly Total Guaranteed Pay which is made up of Gratuities and Service Fees. Qualifying service shall count from the time a Seafarer is originally signed on board (whether he/she signed the Contract or not), until the final sign-off.

Article 12- Sick Pay, Maintenance and Cure

- A) When a seafarer becomes sick or injured during a voyage within the service period, the Employer will pay the Seafarer Daily Sick Pay at the rate set forth in column seven (7) of the Pay Scale from such time during a voyage as the Seafarer is unable to work until such



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time as the Seafarer is fit for duty or up to a maximum of one-hundred thirty (130) days, provided satisfactory medical certificates are submitted. Sick pay shall not be provided in the event such sickness or injury is the result of the Seafarer's violation of Company rules or regulations or a known pre-existing medical condition which was not disclosed during the Pre-Employment Medical Examination.

- B) With respect to Maintenance, the Company shall provide the seafarer with living accommodations during the period of treatment and convalescence, or in the discretion of the Company, provide a stipulated flat rate of maintenance without requiring proof of expenses of USD \$10 per day to defray living expenses until the sick or injured seafarer has reached maximum medical cure or until the sickness or incapacity has been declared to be of a permanent, chronic or incurable character. In the event a Seafarer produces an itemization with supporting receipts of his or her individual room and board expenses of the same nature as the Seafarer received on board the vessel, the Company shall pay the amount provided in the itemization, but in no case higher than UDS \$25 per day. Maintenance pay shall not be provided in the event the sickness or injury is the result of the Seafarer's violation of Company rules or regulations or a known pre-existing medical condition which was not disclosed during the Pre-Employment Medical Examination.
- C) With respect to Cure, the Employer shall be liable to defray the expenses of medical care until the sick or injured seafarer has reached maximum medical cure or until the sickness or incapacity has been declared to be of a permanent, chronic, or incurable character. Cure shall not be provided in the event such sickness or injury is the result of the Seafarer's violation of Company rules or regulations or a known pre-existing medical condition which was not disclosed during the Pre-Employment Medical Examination. Cure is limited to illnesses or injuries that arise during the Seafarer's service of the vessel. The Seafarer shall not be considered in the service of the vessel during a period of medical leave and any medical condition unrelated to the original condition that arises during the medical leave, but did not arise during the Seafarer's service on the vessel shall not be covered
- D) Insurance and medical coverage will be under and in accordance with protection and indemnity insurance coverage provided on cruise vessels, not including dental expenses or optical services expenses. .
- E) The Company is entered with an International Group Protection and Indemnity Club or other insurance companies guaranteeing the usual seafarers coverage. If the Seafarer is covered by a national insurance scheme, expenses shall first be reimbursed by the national insurance scheme and then by the Company, provided that this provision does not modify the Company's obligation set forth in the paragraphs above. This also applies in cases where the Seafarer has had the opportunity to become a member of a national insurance scheme at the time when the Seafarer entered into the Employment Agreement or later on. If the Seafarer elects to treat with a provider not in the Company network, national health insurance scheme, or other Government-sponsored health plan, the Company's sole obligation in that case is to pay the lesser of the Company network rate, the national health insurance scheme rate, or other Government rate.



Article 13 - Conditions Regarding Maintenance and Cure

All payments related to maintenance or cure shall be subject to the following conditions:

- A) The Seafarer shall comply with the instructions of the Company or their Agents at the port where he/she is landed, subject to medical approval and
- B) The Seafarer shall report his/her arrival at his/her own home or original place of engagement whichever is appropriate to the Company or their Agents as soon as possible after repatriation.

Article 14 - Compensation for Loss of Life

- A) If a Seafarer dies as a result of an accident or from natural causes while in the employment of the Vessel, including accidents occurring whilst traveling to/or from the Vessel at the request of the Company or their Agents, or as a result of marine peril (but excluding death occurring from the Seafarer's own willful act of misconduct or violation of any ship's rules or regulations, including drug or alcohol use, or a known pre-existing condition that was not disclosed on the Pre-Employment Medical Examination) the Company shall pay the sum of USD sixty-thousand (60,000) to his/her designated beneficiary(ies) as further detailed below and USD fifteen thousand (15,000) to each child under the age of twenty-one (21) with a maximum of four (4) children.
- B) Any payment under this Article shall be without prejudice to any claim for compensation in law, but all (100%) of such payments made under this Agreement shall be deducted from any award, settlement or recovery for damages received in connection with any claim or lawsuit arising out of the incident giving rise or in any way related to the death of a Seafarer.
- C) Every Seafarer shall name, in his/her employment contract, a beneficiary(s) to receive the above stated death benefits. Such beneficiary(s) shall be, jointly or severally, his/her spouse (civil or common law) parents or child(ren), who shall receive the death benefits in the proportion specified by the Seafarer.
- D) In the event of a dispute respecting the entitlement of a Seafarer or his/her beneficiary(s) to compensation under this Article, or respecting the amount of such compensation, the Company and Union shall select an impartial person of good standing to decide the issue, and his/her decisions shall be final. The fee, if any, of the impartial person shall be borne equally by the Company and the Seafarer or his/her beneficiary(s). The compensation specified herein shall be the exclusive and maximum liability of the Company in respect of death due to any cause in respect of which the Company is not responsible.
- E) Should a Seafarer die during his/her period of service, his/her body shall be repatriated as directed by next of kin under the law of the Seafarer's country of residence.

