
From: Maurice Baker [mailto:M.Baker@interorient.com]
Sent: Sunday, December 15, 2019 17:33
To: *All Vessels
Subject: FW: Overtime, Correct calculations, Correct handling

Dear all our Captains
Good evening to all of you

We continue to be under pressure to explain why our vessels need so much overtime, much more than the number of hours agreed in the Crewing Contracts.

Furthermore, many hours are given without good credible explanation and for standard onboard duties only.

Earlier, our ex Group Fleet Personnel Manager sent you the email under. A few vessels have positively reacted to it, and we thank our Captains their efforts in this respect, however, not all Captain have done so.

We need to do more in order to improve this extraordinary cost please.

Meantime, please take a note of the following action plan:

1. Marewatch should not be used to log overtime hours. As per STCW, all drills are recorded as working hours. However, CBA clearly defines that emergency drills will not be considered for overtime. This takes care of around ten (10) hours per crew per month.
2. Drills to be carried out on weekdays during working hours
3. Sundays to be given off, unless vessel is in port
4. Correct regular working hours to be used as per CBA. Pls check this as we noted irregularities in recording CBA working hours in Marewatch.
5. Overtime sheets are to be monitored on weekly basis. Requests for additional Overtime, if required, should be sent to the TSI for approval before its given.

6. Final overtime sheets are to be sent to TSI for approval prior finalizing for accounts purpose. Extra Overtime recorded without TSI approvals will be removed.
7. As a safety net, the office accounts should not finalize payroll with excess overtime unless they have an approval email from the technical team.
8. This email will also be sent to the Manning Offices in order to address this issue from their end and prior crew joining the vessels.

We suggest you hold a meeting with all crew in order to discuss this change.

We look forward to continue working with you.

Captain Maurice Baker
Managing Director

From: Tony Loizou
Sent: Friday, November 8, 2019 08:44
To: *All Vessels <Fleet@interorient.com>
Subject: FW: Overtime, Correct calculations, Correct handling

Dear Captains, Chief Engineers,

The question of how overtime hours are being calculated and thereafter paid in the fleet has been raised recently. As overtime can quickly give rise to substantial costs it is essential that i) we are all clear on how to calculate overtime ii) we all understand when overtime should be paid and iii) the overtime is properly controlled and is planned/used effectively and iv) the need for additional overtime to be worked above guaranteed levels has been approved by those in charge of, and answerable to Owners for, the budget – ie your technical support team ashore, eg Technical Superintendent and/or Fleet Manager.

We will detail some basic points. For those that are aware of same already, it is no harm to refresh and herein follows:

- i) Keeping records of work/rest hours to ensure compliance with ILO/STCW regulations is a separate subject. The matter of rest hours compliance is not related to what are overtime hours and what are not. The reason to raise this here is that we hear of cases where software being used to calculate work/rest hours compliance is also assumed to provide overtime hours, or cases where work/rest hours are manually being used to somehow provide overtime hours;
- ii) The guiding documentation with respect to overtime hours is the vessel's CBA – Collective Bargaining Agreement – or if your vessel is not under a CBA then perhaps under a General Terms agreement. In this crew agreement it will be clearly detailed what are “normal” working hours, when these hours occur, when overtime hours occur, when are public holidays, what tasks such as cargo handling may incur overtime

payments despite not being overtime, and what are the guaranteed overtime hours, for example;

- i. To explain and clarify point ii) further. Let us take an LSUMF CBA which is applicable on some of the vessels in copy here. In that CBA normal working hours shall not exceed 8 hours per day, Monday to Friday. In other words, 40 hours per week, worked from Monday to Friday, are NOT overtime but normal hours. If a seafarer works 45 hours Monday to Friday, then the 5 additional hours are overtime;
 - ii. This also then means that any hours on Saturday and Sunday are overtime hours. Example – the seafarer works 9 hours per day Monday to Friday, 8 hours on each Saturday, and 4 hours on each Sunday, for a full month where there are four weekends and no Public Holidays. In total his overtime hours are therefore $((4 \times 5 \text{ days}) = 20 \text{ days} \times 1\text{h}) + (4 \text{ days} \times 8\text{h}) + (4 \text{ days} \times 4\text{h}) = 68\text{h}$;
- iii) In the CBA there will be what are called “Guaranteed Overtime Hours” applicable to Ratings. In the case of the LSUMF agreement, those Guaranteed Hours are 103h per month. The 103h is to be paid to the rating subject to the following comments you will note here. He then gets paid for every additional hour of overtime worked above the 103h, if any. However, here we must make an important clarification – the meaning of “Guaranteed Overtime” and the obligations of both the Employer and the Seafarer with respect to this overtime. The Employer is OBLIGED to find the seafarer a minimum of 103h overtime work per month. What is sometimes misunderstood is that the Seafarer is OBLIGED to work it. In simple terms, if the Employer cannot or does not provide the opportunity for the Seafarer to work the 103h overtime in a month the Seafarer will still receive wages for that 103h overtime. HOWEVER if the Seafarer refuses to work the overtime found up to 103h without justification for his actions then the Employer is NOT obliged to pay any hours not worked. It is a “two way” street – it is designed to be balanced and fair in both directions;
- iv) Other CBA’s and General Terms may have other requirements, other levels of Guaranteed Overtime, for example within AMOSUP 85 hours per month instead of 103, for example normal hours being 44h a week including Saturday 4h instead of 40h given earlier. It is essential that you are aware of the *specific terms applicable to your vessel* and apply those terms when calculating overtime, ie you do not rely on calculations coming from any Work & Rest software that you may have on board. As said – Work/Rest hours calculations are not to be confused with Overtime hours calculations;
- v) There is an obligation within most CBA’s and General Terms to maintain an individual record of Overtime hours per seafarer and the Seafarer should have access to same to allow him to sign his agreement to the hours shown. This may well be in the form of his payslip. Again, we must stress - this record of Overtime hours is not necessarily a record of work/rest hours unless the work/rest hours records kept either by hard copy or via software, include and take into account the terms of the applicable CBA, ie normal working hours and days, guaranteed hours, public holidays etc all of which mentioned above to ALSO produce an overtime figure separate to Work/Rest hours;
- vi) We are in the process of clarifying whether the Marewatch software where already used on board for Work/Rest hour control may be able to assist in providing Overtime figures also noting that it can be configured for Guaranteed hours, normal working days/hours, Public Holidays etc. but until it is 100% confirmed that it can be used if properly configured, it should not be relied upon/used for giving Overtime Hours but for Work/Rest hour requirements only.

So, In summary of the above:

- Work/Rest hours calculations are different to Normal hours/Overtime hours calculations;

- Any overtime above the Guaranteed amount must be approved by your responsible Technical team ashore and they will contact you to discuss how and at what level they want to handle this;
- The guiding requirements of what/when are Normal Hours and what/when are Overtime Hours are shown within the Crew Agreement/CBA applicable to your vessel and this must be consulted in calculating same;
- The Employer (through the on-board control of the Master and Chief Engineer) is obliged to find the Seafarer the minimum Guaranteed hours of overtime work per month and the Seafarer is obliged to work those overtime hours and if they refuse, they are not to be paid for the hours refused but it is then essential that records are kept showing how many hours were refused and that the seafarer has made a choice not to work them. It can also be a matter for disciplinary control if a seafarer repeatedly refuses reasonable overtime up to the Guaranteed level as it is implied within the CBA that this should be worked.

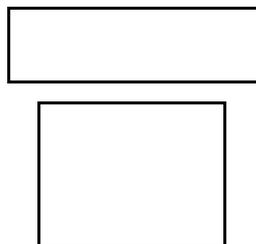
I hope that this clarifies any misunderstandings that may have existed on said subject matter otherwise please feel free to revert on same. In any case, please confirm safe receipt, discuss with your senior team on board and ensure passed to the next senior team as part of handover notes.

Brgds

Tony Loizou

Group Fleet Personnel Manager
Interorient Marine Services Ltd.

| | |
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| Tel | +357 25 840440 |
| Mob | +357 97 623367 |
| Office | 142 Franklin Roosevelt, Limassol, Cyprus 3011 |
| Mail | P.O. Box 51309, Limassol, Cyprus 3504 |
| www | interorientshipmanagement.com |



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