

Final Agreement
to the 'CLA for SWISS ground personnel in Switzerland,
effective 1 July 2014'

Between

SEV-GATA,

VPOD,

KV Schweiz,

PUSH

Hereinafter referred to as the "unions"

And

Swiss International Air Lines AG
Postfach, 8058 Zürich-Flughafen

(„SWISS“)

1. Preamble

After SWISS' termination of the CLA 2011 with effect from 30 June 2014 union- and SWISS representatives (together "the parties") entered into negotiations on the contract subsequent to the CLA for SWISS ground personnel effective 1 January 2011 in March 2014.

In the present final agreement the parties undertake to set up binding general provisions for the new CLA for SWISS ground staff in Switzerland effective 1 July 2014.

For all items not being explicitly ruled in this final agreement, the regulations of the 'CLA for the ground personnel of SWISS, effective 1 January 2011' shall apply supplementarily. In the event of any deviation to the current collective labour agreement, CLA for the ground personnel of SWISS, effective 1 January 2011, this final agreement shall prevail.

SWISS and the unions will undertake to edit the 'CLA for the ground personnel of SWISS' effective 1 July 2014 ready for signature by 10 June 2014 and have it approved by the commissions of all parties involved by 25 June 2014 (voting procedure concluded by 25 June 2014). The new 'CLA for the ground personnel of SWISS, valid from 1 July 2014' enters into effect on 1 July 2014 (subject to the approval of all decision-making bodies), it will remain valid for an indefinite period and will have a minimum duration until 30 June 2017. From this date it may be terminated at 6 months notice, i.e. from 31 December 2016 at the earliest.

2. Weekly Working Hours

Weekly working hours amount to 42 working hours for full-time employees.

3. Vacation

Every employee shall be entitled to the following vacation each calendar year:

- until the end of the year in which their 49th birthday falls: 25 days
- from the January of the following year: 30 days

For employees under the age of 20 (deadline 1 July 2014) the salary status is applicable on the current entitlement to vacation (29 days) as specified in the 'CLA for the ground personnel of SWISS in Switzerland, effective 1 November 2011'.

4. Implementation productivity in accordance with paragraph 2/3 of this agreement

The unions take note of SWISS being entitled to and intending to establish new rules for free day regulations for shift workers before and after vacation, an issue not being subject to the CLA. This means that 25 vacation days, followed by 10 free days / weekend days will be granted equally for all groups of employees independent of the working hour model. The parties will form a parity team to implement working hour models acceptable for the employees and communicate it accordingly.

An agreement will be sought by 30 September 2014 and introduced on 1 January 2015.

5. Salary / allowances

Unless otherwise noted the following articles will be applicable from 1 January 2014.

a. Salary bands

Please refer to Annexes 1a and 1b to the CLA.

For employees having been employed with SWISS before 1 July 2014, the salary status will be applicable on the salary actually paid.

b. Salary provisions

- The individual **basic salary** (without any allowances) will be increased by 1% with retroactive effect on 1 January 2014.

- **Variable Allowances (EBM – share in the companies business success) valid from 1 January 2014:**

The current Profit Participation Plan (PPP) will be superceded and replaced by a Success Participation Plan (EBM). This will be quantified by 1.5% of the average total salary.

The EBM will be based on the following 4 parameter with the relative percentage:

- Operating Margin, percentage: 50%
- Customer Satisfaction Index, percentage: 20%
- Departure Punctuality, percentage: 20%
- Cargo Operating Margin, percentage: 10%

The target per parameter is determined by SWISS board of directors once a year and will be communicated to the associations. The total degree of the targets achieved is calculated centrally by SWISS Controlling. The different targets may be both topped or remain below target.

Payment of success participation shall be based on the following table:

Payout-Table	
Total performance	Payout in CHF
< 50%	0
50-74.99%	200
75-89.99%	300
90-99.99%	600
100-109.99%	1'000
110-124.99%	1'500
>=125%	2'000

Above allowances apply in the event of full-time employment; in part-time, unpaid leave and military service (> 30 days) the payment will be adjusted on a pro-rata basis.

Any employee terminating their employment is entitled to variable allowances on a pro-rata temporis basis up until their departure or the event causing such termination. The definitive payout calculation shall be based on the last available and published figures. The resulting payment will be generally made in the April of the following year.

In the event of the employee's departure or of notice being served by SWISS to terminate their employment during the probationary period or of immediate dismissal the employee will not be entitled to variable allowances. Should the employee be released from their duties, irrespective of whether this is by the employee or SWISS, the employee shall not be entitled to any variable allowances for the release period.

- **Performance bonus awarded effective 1 January 2014**
Each department shall dispose of a reserve fund for performance bonuses of 0,75% of the total annual basic salary of SWISS employees subject to the CLA in Switzerland. This total sum must be completely used by the departmental manager for individual performance bonuses. The margin/guideline available for the superior will be fixed at 0 – 1.5% of the basic salary.

This bonus is awarded as one-off payment and is not considered as a salary increase. The associations will be informed of the amount and distribution of the performance bonuses paid out once a year.

c. **Pikett Compensation effective 1 July 2014**

Pikett compensation for Pikett-duty will amount to

Monday – Friday:	50 CHF / Tag
Saturday/Sunday/public holidays:	100 CHF / Tag

6. **Retirement**

- **Ordinary retirement**

Ordinary retirement shall be reached at the end of the calendar month, in which the employees have completed their 64th year of age.

The currently valid PK-contribution scale and the contribution split remain unchanged.

From now on bridging pensions will be paid only from the age of 64 (applicable for men only).

For retirements by the end of 2015 the provisions in accordance with the 'CLA for SWISS ground personnel in Switzerland, effective 1 January 2011' are optionally applicable.

- **Early retirement**

Upon the employee's request an early retirement or partial retirement is possible up to and including the age of 58. In principle application for early retirement or partial retirement must be made 6 months in advance.

Financing in all cases of early retirements, the reasons of which are not exclusively due to the employee concerned, will be effected in accordance with the social plan.

7. Protection from Termination of Employment between the Age of 55 - 58

Employees between the age of 55 to 58 will be granted protection from termination of employment. Terminations of employment due to disciplinary reasons will be excluded.

8. Nursing care of close persons or relatives

In the event of persons, urgently requiring the presence of the employee responsible for their care for health- or similar reasons, continued salary payment will be granted by SWISS until the employee has found a suitable replacement. This should normally not take more than three days for each individual case. Medical certificate are in accordance with Art. 35 of the CLA.

9. Sunday time-off supplement

Following paragraph from Art. 11.1, CLA for SWISS ground personnell in Switzerland effective Nov. 1, 2011 is being deleted and will not be replaced:

"From the 23rd Sunday in any year, on which the individual employee (male or female) is assigned work duties onwards, they are entitled to 25% compensation for the hours worked on the Sunday period of time. Such compensational rest hours must be granted within one year."

10. Communication

The parties will agree about the communications in advance and inform each other about the times and contents of such communications.

11. Court of Arbitration

Court of arbitration for disputes from this agreement is exclusively Kloten. This agreement is subject to Swiss law.

Zürich-Airport, 15 May 2014

SEV-GATA

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Philipp Hadorn

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Dominik Fischer

VPOD Luftverkehr

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Daniel Vischer

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René Zurin

KV Schweiz

.....
Benedikt Gschwind

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Caroline Schubiger

PUSH

.....
Thomas Blum

.....
Andreas Marti

Swiss International Air Lines AG

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Reto Schmid

.....
Christoph Ulrich

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Stephan Regli

Annex 1 a to the CLA for ground personnel effective 1 January 2015 – Salary *

All professional functions of SWISS's CLA ground personnel are classified in a salary model.

All SWISS employees subject to this CLA will be assigned to one of four function levels. Each of these function levels is placed within a salary band.

Classification criteria for function levels

For each function / position following documents must be provided:

- Comprehensive job description (form on the intranet)
- Miscellaneous additional demands to be complied with (additional functions)

These basic documents will be compiled by the superior of the employee concerned. Each function will be classified in one of the four function levels by the employee's immediate superior in collaboration with Human Resources:

- Specialist
- Expert
- Advanced Expert
- Senior Expert

The classification in the corresponding function level will be effected in accordance with the minimum demands determined for each level. Such minimum demands will be published on the intranet and made available to the social partners.

The function-related assignments are regulated in Annex 1b of this CLA and will be ratified in the wage negotiations between SWISS and the unions annually.

Each function existing in SWISS' CLA is assigned one, maximum two of the function levels by using the above mentioned criteria. In the case of one function including two levels, the employees concerned may develop from one level to the next. Following demands for such a development must be met:

- Compliance with the corresponding minimum-demands
- One free position, assigned to the corresponding level (number guidelines)

* Up to here Annex 1 of the CLA 2011 is applicable and remains unchanged

Salary bands

SWISS' salaries consist of:

- A basic salary
- A local allowance for employees (as specified in the CLA) working in Zurich and Geneva
- Function- and qualification-based allowances
- Variable allowances

From 1 January 2015 the corresponding **basic monthly salary** (gross in CHF) shall amount to:

Salary band	Minimum	Maximum
A	3'600	4'300
B	3'800	4'950
C	4'300	5'550
D	4'950	6'400
E	5'700	7'150
F	6'400	8'500

Assignment of function levels to the corresponding salary bands

Function level	Specialist	Expert	Advanced Expert	Senior Expert
Salary band	A, B oder C	B, C oder D	C, D oder E	D, E oder F

The salary band marked in bold type represents the standard salary. Deviations from the standard must be understandable and justified.

The assignment of function levels to salary bands in the various departments is determined according to internal and external comparable data and market values (Swiss labour market). Such data are also provided in Annex 1b.

Criteria and procedure in the case of salary development within one band

Salary increases shall be discussed with the employee's immediate superior in collaboration with the corresponding HR consultant and shall be requested by submitting the corresponding form to the decision-makers specified thereon. Should the request be rejected an escalation may be further referred to the next higher superior.

Salary increases may be effected within the salary band concerned and any decisions to do so are based on following criteria:

- An important modification of the function (min. 30% of the duties changed), change of function, career development or
- Very good performance over a longer period of time, commitment, specialist experience or
- In exceptional cases: retention

There shall be no automatic salary increases. Seniority of age may be taken into account, but may not serve as the prime criteria for any salary classifications or salary increase. In all

cases the cost development within the personnel budget must be taken into account.

Before applying following points must be observed:

- SWISS-wide comparison with regard to area of responsibility, complexity of duties and tasks and, if applicable leadership and responsibility within:
 - o The same function, the same function level and salary band
 - o With similar functions in the same function level and salary band
 - o Of each department / each team
- Previous salary measures and the reasons
- Any expectations, placed in a salary increase (both by the employee and/or the superior)
- Analysis of the EAT (Employee Appraisal Talk):
 - o Very good performance over a longer period of time
 - o Agreement on the performance with the immediate superior and HR
- Current economic situation of SWISS

Swiss International Air Lines AG

Reto Schmid
Head of Human Resources

Christoph Ulrich
Head of Compensation &
Labour Agreements

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Annex 1 b to the CLA for the ground personnell effective 1 January 2015 – Function level and classification of salary bands

Function-related classifications are regulated as follows and will be ratified during the annual salary negotiations between SWISS and the unions. First assignment of the positions for function levels and salary bands will be made by mid 2015 and published.

Business Unit Code	Position	Function level	Salary band
<i>Example: TM</i>	<i>Cabin Engineer</i>	<i>Specialist</i>	<i>B</i>

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