



COLLECTIVE AGREEMENT

BETWEEN

CATHAY PACIFIC AIRWAYS LTD.

AND

THE AIRCREW OFFICERS' ASSOCIATION – CANADA

Effective 1st May 2012 to 30th April 2015

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1 PREAMBLE

1.1 General

- 1.1.1 This Agreement is made and entered into in Canada by and between Cathay Pacific Airways Limited, hereinafter referred to as the “Company” or the “Employer”, and the Aircrew Officers’ Association – Canada, hereinafter referred to as the “Association”.
- 1.1.2 The purpose of the Agreement is, in the mutual interest of the Company and the Officers, to provide for the safe, efficient and economic operation of the services of the Company, while providing a high level of customer service in an environment of harmonious labour relations. The Parties agree that they shall discourage any practice which is not consistent with this objective.
- 1.1.3 It is recognized by this Agreement to be the duty of the Company, the Association and the Officers to co-operate fully, both individually and collectively, for the advancement of this purpose.
- 1.1.4 Where a masculine reference is used in this Agreement it shall be deemed to include the equivalent feminine reference. Any reference to the singular shall also pertain to the plural where appropriate.
- 1.1.5 Where this Agreement refers to Company Policy, such Policy shall be amendable in a reasonable fashion by the Company from time to time.
- 1.1.6 If any Company Policy conflicts with the terms of this Agreement, the terms of this Agreement shall prevail.

1.2 Recognition

- 1.2.1 The Company recognizes the Association as the sole bargaining agent for all pilots (Officers) employed by the Company in Canada, in accordance with the certification issued on 30th June 2010 by the Canada Industrial Relations Board under the provisions of the *Canada Labour Code*. Only Officers who are Permanently Based in Canada shall be considered to be employed by the Company in Canada.
- 1.2.2 The Company agrees to deduct from the wages of each Officer the following regular monthly dues: 1.25% of monthly basic Salary.
- 1.2.3 The above dues deductions are set out for informational purposes only. Association dues may change from time to time and the Company agrees to deduct the new amount from the Officer’s wages after receiving written notice from the Association.
- 1.2.4 The amount of dues so deducted from wages, accompanied by a statement of deductions from each Officer, shall be remitted by the Company to the Association not later than thirty (30) calendar days following the pay period in which the deductions were made.

1.2.5 The Association shall indemnify and save harmless the Company, including its agents and employees, from any and all claims or actions brought by an Officer arising out of or in any way related to the deductions of monthly dues made in accordance with this Section.

1.3 Management Rights

1.3.1 The express provisions of this Agreement constitute the only limitations upon the Company's rights.

1.3.2 The Association recognizes that the management of the Company and direction of the working forces are fixed exclusively in the Company. Without restricting the generality of the foregoing, and subject to this Agreement and any relevant statutory provisions, the Association acknowledges that it is the exclusive right of the Company to:

1.3.2.1 hire, retire at normal retirement age, assign, direct, promote, classify, transfer, layoff and recall Officers;

1.3.2.2 suspend, demote, discharge or otherwise discipline non-probationary Officers for just cause;

1.3.2.3 determine the nature and kind of businesses to be conducted by the Company; the services to be rendered and the method by which such services shall be rendered; the kinds and locations of equipment; the type of customer service to be provided; the control of materials and goods; and the methods, processes and techniques of work;

1.3.2.4 determine the schedules of operations, the number of flights, the number of personnel to be employed, the number of personnel and classifications on any given flight, the number of hours to be worked and the standards of performance of work;

1.3.2.5 make, enforce and alter from time to time, reasonable rules, procedures and regulations to be observed by Officers including, but not limited to, rules and regulations respecting conduct, safety, customer service, security of the Company, its property and personnel, and Operations Manuals; and

1.3.2.6 make studies of and institute changes in jobs, job content or job assignments; discontinue, reorganize, limit, combine, substitute any operation or part thereof.

1.4 Application of Law

1.4.1 Reference herein to any statute or statutory provision shall include any statute or statutory provision which amends or replaces it, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute or statutory provision.

1.4.2 This Agreement shall in all cases and all respects be interpreted in accordance with the *Canada Labour Code* and all other applicable Federal Canadian employment legislation.

1.5 Duration and Renewal

1.5.1 This Agreement shall become effective on 1st May 2012 and shall continue in full force and effect until 30th April 2015 unless extended in accordance with the provisions of Section 1.5.2.

1.5.2 Following the expiry date, this Agreement shall renew itself without change for a further twelve (12) months, unless written notice of intent to renegotiate this Agreement is served by either Party in accordance with the provisions of Section 1.5.3.

1.5.3 Notice of intent to renegotiate this Agreement must be served no less than ninety (90) days prior to the expiry date. In the event that notice is given of intent to renegotiate, this Agreement shall remain in effect until the relevant provisions of the *Canada Labour Code* are met.

1.6 Strike/Lockout

1.6.1 The Association agrees that during the life of this Agreement it shall not be involved in, and shall not directly or indirectly sanction or authorize, any slowdown, work to rule, stoppage of work, refusal to perform work, or strike, and no Officer shall be involved in such action. The Company agrees during the life of this Agreement that it shall not sanction or authorize any lockout of an Officer.

1.6.2 Upon the expiry of this Agreement, the Association and the Company agree that there shall be no strike or lockout without all requirements of the *Canada Labour Code* having been met.

2 SCOPE

2.1 General

2.1.1 Other than as mutually agreed between the Company and the Association, an Officer shall not be required to operate as a crew member other than when the crew consists entirely of Officers listed on the Aircrew Seniority List and or Company Flight Operations Management personnel.

2.2 Flying

2.2.1 All flying of Company passenger and freighter aircraft on any flights, including extra sectors and charters, shall be performed only by Officers whose names are listed on the Aircrew Seniority List and or Company Flight Operations Management personnel.

For the purposes of this Section, the definition of a Company passenger or freighter aircraft is a widebodied (twin aisled or greater) aircraft that is owned and operated, or dry leased and operated, by the Company under its Air Operator's Certificate.

2.3 Exceeding Check and Training Capabilities

2.3.1 Notwithstanding Sections 2.1 and 2.2, in the event that new types of aircraft are procured, or the Company's existing aircraft fleet is expanded at a rate that in the sole opinion of the Company exceeds the capabilities of the Company's Check and Training Section to qualify sufficient Officers listed on the Aircrew Seniority List to operate said aircraft in a commercially viable time frame, Aircrew with special qualifications may be contracted from outside the Company on a temporary basis for the purpose of qualifying sufficient Officers as stated.

2.4 Flying Training for a Third Party

2.4.1 Notwithstanding Sections 2.1 and 2.2, the Company may undertake flying training on Company aircraft on behalf of a third party. In such circumstances, a normal full crew complement of Officers whose names are listed on the Aircrew Seniority List and or Company Flight Operations Management personnel shall be rostered to operate such flights; the third party trainee(s) being additional to the normal full crew complement.

2.5 Pilots Professional Flying

2.5.1 An Officer shall serve the Company by operating any aircraft as defined in the Company's Air Operator's Certificate in any part of the world and on any of the routes served by the Company, including the operation of special or chartered flights as required by the Company, and perform such other duties in the air and or on the ground that relate to the Company's flight operations.

2.5.2 Any duty performed by an Officer outside of the provisions of Section 2.5.1 requires the mutual agreement of the Company and the Association, and such agreement by the Association shall not be unreasonably withheld. If such duty proposed by the Company involves operating an aircraft of an associated company or other airline, an ongoing risk assessment of the flying standards and safety of the associated company or other airline shall be required for the duration of such duty, and such risk assessment shall be shared with the Officer and the Association.

2.5.3 An Officer is responsible for ensuring that he returns to Home Base after taking Vacation, or scheduled days off, in sufficient time to ensure that he is adequately rested before undertaking his next scheduled duty. An Officer holding a confirmed booking on a scheduled service due to arrive at his Home Base in sufficient time to meet the requirements of this Section and who is denied boarding after completing all required check-in procedures shall be considered as having complied with this condition. For the avoidance of doubt, an ID50 ticket with a confirmed reservation on a scheduled service shall be considered to be a confirmed booking.

2.6 Company Designated Check and Training Officer

- 2.6.1 In accordance with Section 2.5 and subject to mutual agreement between the Company and the designated Check and Training Officer, the Company may require such Officer to serve in a Check and Training capacity with any associated company or other airline, and the Officer shall serve such associated company or other airline save that the Company will remain responsible to the Officer for such payments as he may be entitled to in respect of his service, whether rendered to the Company or to any associated company or other airline. The Salary, allowances, benefits and entitlements for such Officer shall be in accordance with the provisions of this Agreement.
- 2.6.2 The Company may require a designated Check and Training Officer to serve in a Check and Training capacity while the Company undertakes third party training either in Company aircraft or in approved simulators. The Salary, allowances, benefits and entitlements for such Officer shall be in accordance with the provisions of this Agreement.

2.7 Medically Unfit for Flight Duties

- 2.7.1 An Officer who is unfit to exercise the privileges of their Aircrew Licence for medical reasons may be assigned ground duties in Canada that relate to the Company's flight operations in accordance with the recommendations of the Company's Aviation Medicine specialists and subject to the provisions of the *Canadian Human Rights Act*. Salary, allowances, benefits and non-rostering entitlements shall be in accordance with the terms of this Agreement. Subject to mutual agreement of the Company and the Officer, ground duties may be assigned in Hong Kong. An Officer who accepts a ground duty assignment in Hong Kong, shall be positioned to Hong Kong. Hotel accommodation, per diem allowances and the ability to reunite with immediate family, in accordance with Section 11.2, shall be provided throughout the assignment. At the completion of the ground duty assignment, the Officer shall be positioned in accordance with Section 12.3 back to his Home Base.

2.8 Other Employment and Business Activities

- 2.8.1 Prior to engaging in any business activity or undertaking any employment with another employer which may detrimentally affect an Officer's employment with the Company or result in a conflict of interest, an Officer shall disclose the business activity or other employment to the Company and seek the Company's written consent. Where there is no detrimental effect or conflict of interest, consent to engage in such business activity or other employment shall not be unreasonably withheld.

3 PROBATION

- 3.1.1 An Officer shall be engaged on probation for the first twelve (12) months from the commencement date of his employment with the Company, inclusive of service with the Company or its crewing subsidiaries.
- 3.1.2 Upon completion of the probationary period stipulated in Section 3.1.1, an Officer shall receive written confirmation of:
 - 3.1.2.1 his satisfactory completion of probation; or,
 - 3.1.2.2 his probationary period being extended for a specific period, stating reasons for this extension; or,
 - 3.1.2.3 the termination of his employment.
- 3.1.3 The Company, in its sole discretion, retains the right to dismiss, discipline or release an Officer on probation for any reason satisfactory to the Company, whether for just cause or otherwise, provided such right is not exercised in a manner which is arbitrary, discriminatory, or in bad faith.
- 3.1.4 The provisions of Section 24 Grievances and Section 26 Arbitration shall not be applicable to an Officer during his probationary period, except under limited circumstances in accordance with the *Canada Labour Code*.

4 TECHNOLOGICAL CHANGE

- 4.1.1 The Company agrees to abide by the provisions of the *Canada Labour Code* with respect to Technological Change.

5 GENERAL

5.1 Copy of the Agreement

- 5.1.1 The Company shall provide each Officer with a copy of this Agreement within sixty (60) days of the signing of the Agreement, in a format mutually agreed between the Company and the Association. The cost of producing the document shall be shared equally by the Company and the Association.

5.2 Database Information

- 5.2.1 The Company shall supply to the Association, upon request, on a semi-annual basis, the name, address, phone number and e-mail contact details, in electronic form for all Officers employed by the Company in Canada. Unlisted phone numbers shall be so noted.

- 5.2.2 The Company shall supply to the Association, upon request, on a semi-annual basis the current Aircrew Seniority List, rank and position of all Officers employed by the Company in Canada.
- 5.2.3 When an Officer commences employment with the Company in Canada, the Company shall provide the information detailed in Sections 5.2.1 and 5.2.2 pertaining to that Officer.
- 5.2.4 The Company shall advise the Association when an Officer is no longer employed by the Company in Canada.

5.3 Association / Company Records

- 5.3.1 The Company and the Association shall maintain a record of all Letters of Agreement, Letters of Understanding, Letters of Intent, or other such documents agreed to by the parties during contract negotiations. These Letters of Agreement, Letters of Understanding, Letters of Intent, or other such documents shall constitute part of the Agreement between the parties.
- 5.3.2 Letters of Agreement, Letters of Understanding, Letters of Intent, or other such documents may be added to or deleted from the record during the term of the Agreement by mutual agreement between the Company and the Association. Any such document added to the record shall also form part of the Agreement provided it is dated and bears the authorized signatures of both parties. Any such document deleted from the record must be noted as cancelled, dated and signed by both parties.
- 5.3.3 Unless cancelled or otherwise specified in the document, all documents in the record in accordance with Sections 5.3.1 and 5.3.2 shall remain in full force and effect in accordance with Section 1.5 Duration and Renewal.
- 5.3.4 The Company agrees to distribute all amendments and clarifications to this Agreement to all Officers within thirty (30) calendar days of their respective signing dates, in a format agreed to between the Company and the Association.

5.4 Rostered Time for Association Duties

- 5.4.1 The Company shall make available to the Association three (3) credited Office Days per month for the conduct of Association/Company business.
- 5.4.2 The days in Section 5.4.1 may be accumulated to a maximum of ten (10) days.
- 5.4.3 The Association shall provide to the Company, in writing, the name(s) of General Committee member(s) to be rostered for Office Days. These written requests shall be provided prior to the first day of the month preceding the requested month.

- 5.4.4 Office Days shall be rostered according to the Company's requirements, with due regard for the Association's request(s). The Association acknowledges that rostering of Office Days may affect rostering requests.
- 5.4.5 Office Days shall not be rostered during an Officer's Vacation, upgrade, conversion training, long term sick leave, unpaid leave or during Canadian General Holidays or the Christmas/New Year Embargo Period.
- 5.4.6 Office Days shall be rostered such that they do not generate EFP on the published roster.
- 5.4.7 Any unscheduled/ad-hoc Office Days requested on short notice for General Committee members who represent Officers during Investigation, Discipline/Dismissal, Technical Competency, Grievance or Arbitration proceedings will first be deducted from any accumulated days as described in Section 5.4.2. In the event the Office Day bank has been exhausted, the Company may consider requests for additional Office Days.
- 5.4.8 Office Days for negotiations associated with provisions in this Agreement or for special projects requested by the Company shall be subject to separate agreement between the Association and the Company on a case by case basis.

6 SENIORITY AND PROMOTION

6.1 The Aircrew Seniority List

- 6.1.1 The Aircrew Seniority List as of 1st May 2012 is attached to this Agreement as Schedule 4.
- 6.1.2 An Officer joining the Company shall be assigned a Seniority Number on the Aircrew Seniority List in chronological order according to his date of joining as an Officer. Where Officers have the same date of joining, such Officers shall be assigned consecutive seniority numbers in random order.
- 6.1.3 An Officer shall be removed from the Aircrew Seniority List on the day following the last day of his employment with the Company.

6.2 Promotion

- 6.2.1 A First Officer may decline to undertake a Command upgrade course.
- 6.2.2 Selection:
 - 6.2.2.1 Selection of an Officer for promotion to a higher rank shall be in seniority order, subject to a Selection Panel recommendation. Such recommendation shall not be unreasonably withheld for any eligible Officer.

6.2.2.2 An Officer assessed as unsuitable for promotion to higher rank, or who has been classified as "Category D", shall at the time of such assessment or classification be informed in writing, stating the reasons for the Officer being unsuitable for promotion or being classified as "Category D".

6.2.3 First Officer to Senior First Officer:

6.2.3.1 On completion of First Officer Year 4, eligibility for promotion to Senior First Officer is dependent upon the Officer holding a valid Hong Kong Airline Transport Pilot's Licence.

6.2.3.2 An Officer selected for Command Training who has not yet attained the rank of Senior First Officer shall be promoted to Senior First Officer upon commencement of his Command training.

6.2.4 Command Training:

6.2.4.1 An Officer shall be promoted to the rank of Captain on Probation, upon satisfactory completion of the intermediate command check, and subject to a review by the Company.

6.2.4.2 A Captain on Probation shall operate a minimum number of flights of command consolidation in accordance with the Operations Manual and shall receive Captain's Salary, allowances, benefits and entitlements

6.2.4.3 Upon successful completion of this period of consolidation, a Captain on Probation shall be released for unsupervised line flying.

6.2.4.4 A Captain on Probation shall be promoted to Captain upon satisfactory completion of his final command check.

6.2.4.5 If an Officer undergoing Command training fails to attain the required Company standard, his training shall cease and he shall revert to the rank and increment held prior to the commencement of his Command Training. At this time the Officer shall be informed in writing of the reasons for the Company's decision and whether he will be considered for Command training at a later date.

6.2.5 Captain to Senior Captain:

6.2.5.1 An Officer shall serve twenty-four (24) months as a Captain, including the period as Captain on Probation, before becoming eligible for promotion to Senior Captain.

7 COMPENSATION

7.1 Salary

- 7.1.1 Salary shall be paid monthly. Salary shall be credited to an Officer's bank account in Canada, or, for US Residents only, to an Officer's bank account in the US, as nominated, in writing, by the Officer to the Company.
- 7.1.2 First Officer and Captain Salary scales are as specified in Schedule 1 of this Agreement.
- 7.1.3 Subject to Sections 7.1.5 and 7.1.7, an Officer shall receive a Salary increment as specified in Schedule 1 on the anniversary of the date of his appointment.
- 7.1.4 An Officer who upon appointment as Captain on Probation has not completed 14 years of service from the date of joining the Aircrew Seniority List shall be paid at the Captain 1 increment for one full year, following which the Officer shall be paid at the normal pay increments for Captain.
- 7.1.5 An Officer who upon completion of 14 years of service from the date of joining the Aircrew Seniority List has not been promoted to Captain on Probation shall accrue longevity by being allocated a Captain on Probation date, which shall be used for salary increment purposes only upon actual promotion to Captain on Probation. Upon completion of 17 years of service from the date of joining the Aircrew Seniority List, Section 7.1.6 applies.
- 7.1.6 An Officer who upon appointment as Captain on Probation has completed 17 years of service from the date of joining the Aircrew Seniority List shall be paid at the Senior Captain 2 increment for one full year, following which the Officer shall be paid at the normal pay increments for Senior Captain.
- 7.1.7 For the purposes of Sections 7.1.5 and 7.1.6 only, longevity shall cease to accrue in any of the following circumstances:
 - 7.1.7.1 From the date when an Officer declines or defers the earliest Command in seniority order for which the Officer is eligible; or,
 - 7.1.7.2 During any period that an Officer is assessed by the Command Selection Panel as "Category C" or "Category D"; or,
 - 7.1.7.3 When an Officer's categorization prevents the Officer from taking the earliest Command in seniority; or,
 - 7.1.7.4 During any period of continuous absence where an Officer is absent from flying duties for a period of one year or more.

7.1.8 First Officers confirmed in Year 2 or above who hold a Hong Kong Air Transport Pilot's Licence, and Senior First Officers, shall be paid an additional one half of the First Officer Year 1 to First Officer Year 2 increment. This additional payment shall cease upon an Officer's promotion to Captain on Probation.

7.2 Salary Deductions

7.2.1 The Company shall make deductions from an Officer's pay as permitted under the *Canada Labour Code* and as required by law.

7.2.2 In addition to Section 7.2.1, the Company may make deductions or recover from the Officer's pay any overpayment made to the Officer, or any outstanding debts owed to the Company, for which the Officer is personally liable, such as outstanding loans and or cost of Concessionary Travel tickets.

7.2.2.1 Where the Company determines an overpayment of wages or allowances has been made within thirty (30) days of the overpayment occurring, the Officer shall be advised that the required deduction from the Officer's pay will be taken in full from his next pay.

7.2.2.2 Any other deduction from pay as defined in Section 7.2.2 shall be limited to twenty per cent (20 %) of the Officer's pay in any one month after deductions required by law. Deductions greater than twenty per cent (20 %) require the agreement of the Officer.

7.2.3 In the event that an Officer's employment ends, for whatever reason, any monies owing to the Company by the Officer, as well as any reasonable sum for Company property not returned by the Officer to the Company, may be deducted from the Officer's final pay, or, where there is no final pay, shall become a debt owed to the Company.

7.3 Hourly Duty Pay (HDP) and Excess Flying Pay (EFP)

7.3.1 HDP and EFP shall be calculated and paid one month in arrears.

7.3.2 HDP and EFP are as specified in Schedule 2 of this Agreement.

7.4 Appointment Allowances

7.4.1 The Company may invite Officers to become Check and Training Officers. These discretionary appointments are deemed to be acting Company Management positions.

7.4.2 Officers appointed to Check and Training positions shall be paid Appointment Allowances as may be determined by the Company.

7.5 Retirement Fund Contribution

7.5.1 An Officer shall receive a retirement fund contribution of fifteen and one half per cent (15½ %) of Salary and applicable HDP paid monthly with Salary.

7.5.2 The distribution of an Officer's retirement fund contribution shall be in accordance with Section 28.1 Retirement Fund Options.

7.6 Profit Sharing Scheme

7.6.1 An Officer shall be entitled to receive an annual share of the Company's profits in accordance with Company Policy.

7.7 Reporting Pay

7.7.1 An Officer who is called out and reports for a duty on a GDO, "O" Day, or Vacation Day, shall receive a minimum credit of three (3) hours for that duty cycle, whether or not the Officer performs any work after so reporting.

8 BENEFITS

8.1 Loss of Licence Insurance

8.1.1 The Company shall insure the Officer's flying licence to a maximum of twenty four (24) months' salary, except that from the Officer's sixty-third (63rd) birthday, any benefit payable for Loss of Licence under such insurance shall decrease by one month's Salary per month so that the benefit payable thereunder shall be reduced to nil at age sixty-five (65).

8.1.2 The Company may self-insure for the purpose of Loss of Licence Insurance.

8.2 Personal Accident Insurance

8.2.1 The Company shall provide Personal Accident Insurance so that the Company shall be liable to pay compensation by reason of death of an Officer on duty in the sum equivalent to sixty (60) months' Salary of that Officer, less any amounts which are payable or are paid under the applicable workers compensation legislation.

8.2.2 For the avoidance of doubt, if the Company is liable hereunder to pay a sum referred to in Section 8.2.1, the sum so paid shall be deemed to and shall actually include the aggregate amount of compensation payable by the Company as referred to in Section 8.2.1. The sum so paid shall be in discharge and settlement in full of the Company's liability thereof.

8.2.3 Company liability as described in Section 8.2.1 shall neither be offset by any amount of benefit due from the Officer's Company retirement scheme, if applicable, including

both the Officer's and the Company's contributions, nor offset by any Salary and allowances due to the Officer.

8.2.4 The Company shall fully indemnify the Officer to the limits prescribed in this Section in all geographical areas into which the Officer is required by the Company to undertake duties.

8.2.5 Exclusions to Personal Accident Insurance are listed in Section 8.4.

8.3 Death Benefits

8.3.1 The Company shall provide insurance for the death of an Officer in the sum equivalent to sixty (60) months' salary of that Officer. However, if the death is caused by accident while on duty, death benefits are payable under the Personal Accident Insurance provisions as specified in Section 8.2, and not under Section 8.3 herein.

8.3.2 The Company shall not renew policies in such a manner that additional exclusion clauses are accepted without prior consultation with the Association.

8.3.3 Company liability as described in Section 8.3.1 shall neither be offset by any amount of benefit due from the Officer's Company retirement scheme, if applicable, including both the Officer's and the Company's contributions, nor offset by any Salary and allowances due to the Officer.

8.3.4 Exclusions to Death Benefits are listed in Section 8.4.

8.4 Exclusions for Personal Accident Insurance and Death Benefits

8.4.1 Personal Accident Insurance and Death Benefits do not cover death directly or indirectly resulting from or consequent upon:

8.4.1.1 the Officer engaging in or taking part in naval, military or air force service or operations;

8.4.1.2 suicide or attempted suicide or intentional self-inflicted injury;

8.4.1.3 the Officer being in a state of insanity;

8.4.1.4 the Officer's own criminal act;

8.4.1.5 the Officer's willful disregard for official rules and regulations;

8.4.1.6 the Officer being under the influence of alcohol or an illicit drug.

8.4.1.7 the Officer taking part in the following activities:

8.4.1.7.1 Flying outside of normal employment for commercial purposes;

- 8.4.1.7.2 Flying hang-gliders or ultra-light, micro-light and experimental aircraft;
- 8.4.1.7.3 Flying involving acrobatics, air displays, rallies, racing or competition;
- 8.4.1.7.4 Cave-diving, sky-diving, high-speed car or boat racing, rally driving.

8.5 Medical Expenses

8.5.1 An Officer shall receive medical benefits on a worldwide, twenty-four (24) hour basis, according to the principles set out below.

8.5.1.1 For an Officer who is a resident of Canada:

8.5.1.1.1 The Officer, his spouse or eligible partner, and his eligible children, shall be provided with primary health care through the provincial medical coverage in the Province of his residence. Where applicable, the costs of enrollment in a provincial medical plan shall be reimbursed by the Company.

8.5.1.1.2 The Officer, his spouse or eligible partner, and his eligible children shall be provided with supplemental medical benefits in line with the cover provided by Great West Life as in existence on 1st January 2011. However, nothing in this clause prevents the Company from choosing a suitable alternative provider, provided the benefits are substantially equivalent.

8.5.1.1.3 Where the benefits under Sections 8.5.1.1.1 and 8.5.1.1.2 are insufficient to cover the Officer on a worldwide basis, the Company shall pay any shortfall.

8.5.1.2 An Officer who is not a resident of Canada must elect one of either Section 8.5.1.2.1 or Section 8.5.1.2.2:

8.5.1.2.1 The Officer and, if applicable, his spouse or eligible partner and his eligible children, who are resident in a country that is covered by the rules of a Company sponsored medical insurance plan, may elect to be covered by such Company plan. Where the cost of such alternative Company sponsored medical insurance plan exceeds the cost of the benefits provided under Sections 8.5.1.1.1 and 8.5.1.1.2, the Company shall recover the excess from the Officer's pay. Such recovery shall be deducted from the Officer's pay on a monthly pro rata basis. The Officer shall provide proof of residency to the Company and the Company shall be the sole authority for determining whether the country of residence of such non-resident Officer and his family is acceptable for coverage by a Company sponsored medical insurance plan.

8.5.1.2.2 For a non resident Officer located in an area not covered by the rules of a Company sponsored medical insurance plan, or who elects not to be covered by a Company sponsored medical insurance plan, the Company shall reimburse the cost of purchasing suitable alternative medical insurance to cover himself and, if applicable, his spouse or eligible partner

and his eligible children, to a maximum of the amount of premium that would be paid for coverage under Sections 8.5.1.1.1 and 8.5.1.1.2. Such payment shall be made upon provision by the Officer to the Company of proof of purchase of suitable alternative medical insurance to cover himself and, if applicable, his spouse or eligible partner and his eligible children, similar to the benefits provided to an Officer in Sections 8.5.1.1.1 and 8.5.1.1.2.

8.5.1.2.3 Where the benefits provided under Sections 8.5.1.2.1 or 8.5.1.2.2 are insufficient to cover the Officer on a worldwide basis, the Company shall pay any shortfall.

8.5.2 Within ninety (90) days following ratification of this Agreement or at commencement of coverage, whichever occurs first, all Officers enrolled in a Company sponsored medical plan shall have access to information regarding their supplemental medical coverage, benefits and exclusions by means of a hard or soft copy version.

8.5.3 If an Officer is subject to an extended waiting period for a medical procedure, the Company may request that the Officer receive treatment elsewhere. Under these circumstances, all costs, including Duty Travel and accommodation, shall be paid by the Company.

8.6 Concessionary Travel

8.6.1 Officers shall be eligible for Concessionary Travel in accordance with Company Policy.

8.7 Canada Pension Plan / Employment Insurance (CPP/EI)

8.7.1 The Company shall contribute the employer's contribution for CPP/EI for each eligible Officer.

9 UNIFORMS

9.1 General

9.1.1 The Company shall provide an Officer with uniforms on loan, and shall replace them on the basis of fair wear and tear.

9.1.2 An Officer shall wear this uniform when on duty and will keep it in good condition. All uniforms shall remain the property of the Company and must be returned to the Company upon termination of employment.

9.1.3 The Company shall inform the Association when changes to the Officer's uniform style or entitlements are being considered.

9.2 Conditions of Use

- 9.2.1 Items supplied by the Company shall be replaced as required. For security reasons, old items of uniform shall be returned to the Uniform Services Section when collecting a replacement issue. If the old item is not available, authority for re-issue shall be required from the appropriate Flight Crew Relations Manager or Chief Pilot.
- 9.2.2 The complete uniform, including cap and tie, shall be worn when on duty and in public view. However, the wearing of the uniform jacket is at the discretion of the Commander/PIC. Jackets shall be fully buttoned up when worn. All Officers should be similarly attired when moving as a group. Caps need not be worn in the aircraft, and should not be worn during walk around inspections on the ramp.
- 9.2.3 An Officer should have the uniform jacket available for all flying patterns, unless he has established with the Commander/PIC that jackets are not required. An Officer may assume that jackets are not required on flights in the Northern Hemisphere between the months of April and September inclusive.
- 9.2.4 When travelling immediately prior to or post duty, uniform trousers, belt and shirt may be worn without any other items of uniform. Alternatively, the complete uniform, including cap and tie, may be worn.
- 9.2.5 Notwithstanding Section 9.2.4, uniform items are only to be worn when undertaking duties at the behest of the Company, unless specifically authorized by management.
- 9.2.6 An Officer is responsible for maintaining his uniform in a neat, clean and pressed condition. An Officer shall be entitled to uniform dry cleaning service on the same terms and at the same facility as that provided to an Officer based in Hong Kong.
- 9.2.7 An Officer shall provide at his own expense black shoes of a non-sporting design or style and black socks. Shoes should be well maintained and polished.
- 9.2.8 An Officer shall provide at his own expense a bag to carry necessary documents and equipment. Bags shall be of a dark colour with a plain design. "Sports" or "Backpack" type bags are not permitted.
- 9.2.9 Uniform items shall not be given, loaned, sold, or otherwise made available to third parties.
- 9.2.10 The Company reserves the right to charge for replacement items, if replacement is required because of negligence.
- 9.2.11 All uniform items should be returned to Uniform Services Section on completion of service with the Company.
- 9.2.12 Any media requests for photographic or other digital media of an Officer in uniform must be passed to management for approval.

9.3 Carriage of Spare Uniform and Personal Effects

9.3.1 An Officer scheduled for a same day return flight shall carry sufficient spare uniform and personal effects to cope with an unscheduled overnight delay.

9.3.2 An Officer scheduled for a multi-day pattern away from Home Base shall carry sufficient spare uniform and personal effects to cope with their scheduled pattern, plus a contingency factor of two (2) days.

9.4 Miscellaneous

9.4.1 Application for reimbursement of clothing purchased at Outports shall only be approved in exceptional circumstances. These purchases must be authorized by the relevant duty manager, must be reasonable and must be supported by documentary evidence of the actual costs incurred.

10 HOURS OF WORK

10.1 Guaranteed Days Off and Statutory Holidays

10.1.1 An Officer shall receive a minimum of ninety-two (92) Guaranteed Days Off (GDOs) per year.

10.1.2 Provided an Officer receives a minimum of one hundred and one (101) GDOs per year, these GDOs shall include the General Holidays as defined in the *Canada Labour Code*. If an Officer receives fewer than one hundred and one (101) GDOs in a year, the Company shall ensure the provisions of the *Canada Labour Code* are complied with. The one hundred and one (101) GDO minimum shall be pro-rated where appropriate, in accordance with this agreement.

10.2 Flight Time Limitations

10.2.1 The Company and Officers shall be governed by the requirements of the Company's Approved Flight Time Limitations Scheme (AFTLS) which shall only be approved, varied and interpreted by the Hong Kong Civil Aviation Department (HKCAD).

10.2.2 In any Arbitration of a grievance under Section 26 Arbitration alleging a violation of Section 10.2.1, the arbitrator's jurisdiction shall not include making a determination as to the interpretation of the AFTLS, but instead shall be limited to determining the correctness of the Company's application of the AFTLS only.

10.2.3 Where the Company requests that the HKCAD approve Temporary Variations to the AFTLS, and where such variations may affect Officers, the Company shall take reasonable measures to notify the Association of such requests.

11 TRAINING

11.1 General

11.1.1 An Officer shall undertake training courses deemed necessary by the Company in its discretion, from time to time, to perform his duties in the rank and grade in which he is employed.

11.1.2 The Company shall meet the cost of aircraft type rating endorsements.

11.2 Courses of Instruction & Ground Duties in Hong Kong

11.2.1 An Officer attending courses of instruction or undertaking ground duties in Hong Kong at the behest of the Company which exceed thirty-five (35) consecutive days away from Home Base, shall, at the Officer's option, be eligible to receive either:

11.2.1.1 One return FOC CX Priority 11 Y or C ticket to Hong Kong for his spouse and, subject to the discretion of the Company, each dependent child under the age of 18. The class of travel shall be dependent on the Officer's class eligibility for Duty Travel. However in all cases such travel shall be in accordance with the Staff Travel Policy and shall be used during the period of the course or ground duties in Hong Kong; or,

11.2.1.2 Six consecutive GDOs and the Officer shall be positioned to and from his Home Base. Only one such block of GDOs is required to be Rostered for any single course or period of ground duties. This election shall be made prior to the first day of the month preceding the month in which the course commences.

11.2.2 The provisions of Section 11.2.1 do not apply to induction courses.

12 ACCOMMODATIONS AND TRANSPORT

12.1 Hotel Accommodation

12.1.1 Hotel Accommodation shall be provided for Officers at an Outport in accordance with the provisions in Ops Manual Part A. Normally, when a period of Rest at an Outport is six (6) hours or more, or covers three (3) hours or more during the period 2200 to 0800 Local time at the place where it occurs, hotel accommodation shall be provided. This period of rest shall neither include the time required for intervening post-flight and pre-flight duties nor travelling time to and from the place of accommodation. This requirement to provide accommodation may be waived if security considerations make it inadvisable.

12.2 Transport

12.2.1 Two-way transport between the airport and designated crew hotel shall be provided for Officers at an Outport in accordance with the provisions in Ops Manual Part A. If transport cannot be arranged in advance, the Officer shall be reimbursed for taxi or shuttle transport expenses.

12.3 Crew Positioning

12.3.1 On Company Aircraft:

12.3.1.1 Where an Officer is expected to operate immediately following a Crew Positioning flight, or to position after operating when the total scheduled positioning sector(s) length is six (6) hours or more and the Officer has not been provided accommodation under Section 12.1, he shall be booked and travel First Class and take precedence over all passengers except full-fare First Class passengers. Where First Class is not available on the day of travel, Business Class may be substituted.

12.3.1.2 Priority and class of travel for Crew Positioning before or after operating other than in Section 12.3.1.1 shall be as follows:

12.3.1.2.1 First Officers: 1B

12.3.1.2.2 Captains: 1B/F

12.3.2 On Other Carriers:

12.3.2.1 Business Class travel shall be provided for sectors of three (3) hours or more scheduled block time subject to:

12.3.2.1.1 An interline travel agreement enabling the Company to purchase an ID50 Business Class ticket being available; and,

12.3.2.1.2 Space being available.

12.3.2.2 Where Business Class is not available on the day of travel, or for flights of less than three (3) hours scheduled block time, Economy Class may be substituted.

12.4 Duty Travel

12.4.1 Hotel accommodation, priority and class of travel for Duty Travel shall be in accordance with Company Policy.

12.5 Airport Parking

12.5.1 The Company shall reimburse to an Officer fifty (50)% of the cost of the monthly rate for parking at the Officer's Home Base airport to a maximum reimbursement of \$50 per month.

13 ALLOWANCES

13.1 General

13.1.1 Further information and details on Allowance payments can be found in Ops Manual Part A.

13.1.2 For the purposes of Section 13 Allowances, a Stopover means a stop at a port that is not the Officer's Home Base or Preferred Port.

13.2 Overnight Allowances

13.2.1 An Officer on duty shall be paid Overnight Allowances calculated in accordance with Company Policy.

13.2.2 Overnight Allowances shall be reviewed at least annually and on any permanent or long-term change of layover hotel. These allowances are intended to cover reasonable out-of-pocket expenses.

13.2.3 Overnight Allowances comprise:

13.2.3.1 Meal Allowance

13.2.3.1.1 Payment of a Meal Allowance shall be based on scheduled or rescheduled time of arrival or departure, and shall be paid when a Stopover exceeds two (2) hours and includes any part of the periods listed below. Arrival ahead of or behind scheduled or rescheduled times shall not affect payment of the allowance.

a) Breakfast 0600-0859 Local time

b) Lunch 1200-1359 Local time

c) Dinner 1800-2159 Local time

13.2.3.1.2 In the event that a Stopover requires an Officer to remain at the airport, a meal allowance may be substituted by either the provision of an adequate meal or a meal voucher.

13.2.3.2 Laundry Allowance

13.2.3.2.1 When a roster pattern exceeds two (2) local nights, one (1) Laundry Allowance shall be paid for the third night; two (2) Laundry Allowances for the fourth night and one (1) Laundry Allowance for each succeeding night. The allowance shall be paid at the Port where the night(s) occurs.

13.2.3.3 Incidental Allowance

13.2.3.3.1 An Incidental Allowance shall be paid when a Stopover exceeds six (6) hours. For every subsequent twenty-four (24) hour period above the initial six (6) hours, an additional Incidental Allowance shall be paid.

13.2.3.3.2 If a Stopover exceeds six (6) hours during a continuous duty period an Incidental Allowance shall be paid.

13.3 Delayed Flights

13.3.1 If a flight is delayed by more than thirty (30) minutes, an Officer is entitled to a refreshment chit or reimbursement in accordance with Ops Manual Part A.

13.4 Long Term Duty (Greater than 21 Days) – Expenses and Allowances

13.4.1 An Officer staying in Company provided accommodation shall be entitled to claim the applicable published per diem allowances as follows:

13.4.1.1 Days 1 to 21: full published per diem rate as per Section 13.2, and;

13.4.1.2 From day 22 onwards: 80% of published per diem rate.

13.4.2 If the accommodation incorporates self-catering facilities, then the following rates shall apply:

13.4.2.1 Days 1 to 21: full published per diem rate as per Section 13.2, and;

13.4.2.2 From day 22 onwards: 75% of published per diem rate.

13.4.3 Advances of expenses up to amounts calculated on the per diem rates may be requested.

13.5 Baggage Loss or Damage

13.5.1 In the event of loss of, or damage to, an Officer's baggage or personal effects while on duty, and appropriate to the duty which he is performing, the Company shall provide appropriate compensatory reimbursement for such loss, to levels as it may determine, provided that such loss or damage is not attributable to the negligence or willful neglect of the Officer.

13.5.2 Unless the Company agrees otherwise, compensation shall not be payable for any loss of, or damage to, cameras, sporting gear, jewelry, watches, cash or any other items that are not deemed appropriate by the Company for the duty performed.

14 ADMINISTRATION

14.1 Administration Staff

14.1.1 Officers based in Canada shall be provided with access to administration support in Canada, Hong Kong and or online.

14.2 Staff Travel Ticketing

14.2.1 The Company shall provide to all Officers a similar process and availability as that offered to other Company employee groups in Canada for application, purchase and receipt of staff travel concessionary tickets, including FOC.

14.3 Crew Room

14.3.1 The Company shall make every attempt to provide a crew room at each Canadian base. Such area shall allow for pick-up of an Officer's intra-Company mail, internet access to Company intranet systems and a bulletin board for Company, *Canada Labour Code* and Association notices. Notices shall be courteous, non-controversial and meet the objectives of harmonious industrial relations.

15 SICKNESS / PREGNANCY / MEDICAL EXAMINATIONS

15.1 General

15.1.1 Further information and details on Section 15 can be found in Ops Manual Part A.

15.2 Notification of Unfitness for Duty

15.2.1 An Officer shall notify Crew Control by telephone immediately upon becoming aware of his unfitness for duty, and provide details of the estimated fitness date. If an Officer is unable to provide an estimated fitness date at the time of notification, he shall provide the date to Crew Control as soon as it is known.

15.2.2 When on Duty away from home base and it is not possible to telephone Crew Control, the Officer shall inform the Commander/PIC. In the absence of the Commander/PIC, or if the unfit Officer is the Commander/PIC, he shall inform the Airport Services Manager/Manager-on-Duty (ASM/MOD).

15.2.3 An Officer has a legal obligation to provide written notification to the HKCAD immediately in the case of unfitness due to injury, and after twenty (20) days of unfitness in the case of other types of illness.

15.3 Sickness Certificate

15.3.1 If an Officer anticipates he will be unfit for a period of greater than seven (7) calendar days, a Sickness Certificate written in English, or in English or French where the Certificate is issued in Canada, shall be obtained as soon as possible from a registered Medical Practitioner, registered Dentist or a registered Chinese Medicine Practitioner. The Company does not consider non-registered Medical Practitioners or Health Care providers to be recognized Medical Practitioners for the purpose of issuing a Sickness Certificate.

15.3.2 The Sickness Certificate shall state the general nature of the Officer's unfitness for flight duties and the estimated fitness date. The certificate shall be delivered without delay to Crew Administration.

15.3.3 Submission of the Sickness Certificate to Crew Administration does not constitute notification of sickness or injury to the HKCAD or Crew Control.

15.4 Injury/Illness for More Than Fourteen Days

15.4.1 For periods of sickness or injury resulting in unfitness for duty for greater than fourteen (14) days, an Officer shall ensure that the Aviation Medicine Office and the relevant Fleet FCRM is updated regularly, by telephone, fax or e-mail, of his medical status, which may include the provision of any relevant medical reports to the Aviation Medicine Office. These updates should be weekly unless an alternative arrangement has been agreed.

15.5 Continued Illness/Expiration of Sickness Certificate

15.5.1 An Officer shall notify Crew Control immediately when he becomes aware that a previously notified estimated fitness date is no longer valid, or that it is unlikely that he will be fit for duty within the period covered by the Sickness Certificate. The revised notification shall include a revised estimated fitness date. A replacement Sickness Certificate shall be obtained and submitted to Crew Administration as soon as possible.

15.5.2 If notification of continued unfitness is not received prior to the previously notified estimated fitness date or Sickness Certificate expiry date, it shall be assumed that the Officer is fit as per the estimate or Sickness Certificate expiry date.

15.6 Medical Attention While On Duty Away From Home Base

15.6.1 An Officer on duty away from his Home Base who requires medical attention should follow the procedures detailed on the Company's Flight Crew Website. Note that both the procedures and the Website may be amended by the Company from time to time.

15.7 Pregnancy

15.7.1 In addition to her obligations under Section 15.2.1, an Officer shall notify the relevant Fleet Office as soon as she becomes aware that she is pregnant and shall, at the same time, supply a medical certificate confirming her pregnancy and the estimated date of her confinement.

15.7.2 An Officer is required to notify the Hong Kong Civil Aviation Department (HKCAD) of her pregnancy.

15.7.3 After confirmation of pregnancy, an Officer is not permitted to perform flying duties until cleared by a HKCAD Approved Medical Assessor.

15.7.4 Ground and Flying Duties – General

15.7.4.1 An Officer is not permitted to perform flying duties in the first and third trimesters (i.e. from the commencement of week one (1) to the end of week thirteen (13) and from the commencement of week twenty-seven (27) to the end of week forty (40), respectively) of her pregnancy. A pregnant Officer may be cleared to fly during the second trimester in accordance with HKCAD regulations and subject to medical clearance.

15.7.4.2 The Company shall assign to an Officer who has given notice of pregnancy pursuant to Section 15.7.1, and who is not permitted to perform flying duties, or who requests such reassignment pursuant to the *Canada Labour Code*, any ground duties at her Home Base as may be available, provided that medical clearance is received to perform such duties.

15.7.4.3 A pregnant Officer who is assigned ground duties shall be rostered according to the requirements of the assigned duties. The Officer shall be expected to work a standard work pattern associated with the assigned duties. Ground duties shall attract a standard Office Day credit per day, to a maximum 84 hours per month rostered. Where there are more than 21 work days in a full month of assigned duties or where the combination of flying and assigned duties would otherwise exceed 84 credit hours, monthly credit shall be limited to a maximum of 84 hours.

15.7.4.4 In the event that appropriate ground duties are not available, an Officer in the circumstances set out in Section 15.7.4.2 shall be granted leave with pay until the commencement of her Maternity Leave in accordance with the *Canada Labour Code*.

15.7.4.5 Where appropriate ground duties are offered but not accepted by the Officer, she shall be immediately placed on unpaid leave for the duration of the period when non-flying duties were refused.

15.7.4.6 An Officer assessed as fit to fly in the second trimester shall be rostered to do so in accordance with Aviation Medicine recommendations unless she elects to perform ground duties or to take a continuous period of unpaid leave, accrued Vacation or a combination thereof.

15.7.4.7 An Officer who is assigned ground duties pursuant to Section 15.7.4.2 shall be paid her Salary, applicable HDP and Appointment Allowances in full during the period that such duties are undertaken.

15.7.5 Sick days taken related to pregnancy shall be recorded but not be counted towards the attendance policy thresholds.

15.8 Medical Certificate – Renewal

15.8.1 An Officer is required to maintain a valid Medical Certificate. Details on how medical examinations are arranged can be found in Ops Manual Part A.

15.9 Medical Records

15.9.1 Clinical information, other than that of a general nature, obtained by, or as a result of, a medical examination shall be strictly confidential, and may only be divulged to an Aviation Medicine Doctor, except with the written permission of the Officer.

16 SICK LEAVE

16.1 General

16.1.1 For the purposes of complying with Section 10.1 only, every seven (7) consecutive days of Sick Leave will be deemed to include two (2) Guaranteed Days Off.

16.1.2 Prior to any reduction in Salary, the Company may assign any outstanding Vacation which has been accrued by the Officer.

16.1.3 Nothing in Section 16 Sick Leave shall detract from an Officer's rights under the *Canadian Human Rights Act*.

16.2 Entitlement

16.2.1 An Officer shall be entitled to one hundred and twenty six (126) days of Sick Leave in any three hundred and sixty five (365) day period, inclusive of his entitlement under federal law. During this period the Officer shall be paid his applicable Salary, allowances and benefits.

16.2.2 Following the period in Section 16.2.1, the Company may, at its discretion, which shall be exercised reasonably, place the Officer on fifty percent (50%) of Salary for a further period of one hundred and twenty six (126) calendar days. During this period, the following shall apply:

16.2.2.1 Appointment Allowances shall not be paid.

16.2.2.2 All other benefits and entitlements shall continue to apply. Salary related benefits shall be based on the reduced Salary.

16.2.3 Following the period in Section 16.2.2 the Company may, at its discretion, which shall be exercised reasonably, place the Officer on leave without pay for a further period of one (1) year or other such longer period as the Company may determine. During this period, access to Concessionary Travel, Loss of Licence, Medical Benefits and Death Benefits shall continue to apply, but all other benefits and entitlements shall cease.

16.3 Exclusions to Sick Leave

16.3.1 An Officer shall make reasonable efforts to ensure his return to service in as timely a manner as possible during a period of illness or injury and shall not qualify for Sick Leave if he refuses, without reasonable excuse, to attend for examination by a recognized medical practitioner or if he does not comply with Section 15.4 of this Agreement.

17 VACATION AND LEAVES

17.1 Vacation

17.1.1 First Officers and Captains shall be entitled to forty two (42) calendar days' Vacation per year, inclusive of Saturdays, Sundays and General Holidays. General Holidays shall be further dealt with in accordance with Section 10.1.

17.1.2 The administration of the leave system shall be in accordance with the relevant Company Policy and subject to the exigencies of Company operations.

17.1.3 Vacation shall be taken annually unless the exigencies of Company operations demand otherwise, in which case, unused days shall be carried over to and utilized in the next Leave Year.

17.1.4 A list of available Vacation slots for the forthcoming Leave Year shall be published as far as possible in advance but may be subject to alteration if the exigencies of Company operations so require.

17.1.5 An Officer leaving the Company shall be paid an amount equal to Salary and relevant allowances in respect of any Vacation entitlement accrued and outstanding. Any Vacation taken but not yet accrued shall be deducted from an Officer's final pay, or, where there is no final pay, shall become a debt owed to the Company.

17.2 Bereavement Leave

17.2.1 An Officer shall be granted three (3) consecutive days off (plus up to two (2) additional days off when traveling overseas by air) when there is a death of a family member. Family member is defined as the Officer's:

17.2.1.1 spouse or common-law partner (including same sex partner);

17.2.1.2 father and mother and the spouse or common-law partner of the father or mother;

17.2.1.3 child(ren) and the child(ren) of the Officer's spouse or common-law partner;

17.2.1.4 grandchild(ren);

17.2.1.5 brothers and sisters;

17.2.1.6 grandfather and grandmother;

17.2.1.7 father and mother of the spouse or common-law partner of the Officer and the spouse or common-law partner of the father or mother, and;

17.2.1.8 any relative of the Officer who resides permanently with the Officer or with whom the Officer permanently resides.

17.2.2 If the Bereavement Leave granted in this Section occurs during an Officer's Vacation, the period of Bereavement Leave shall not count as Vacation.

17.3 Leave for Compassionate Reasons

17.3.1 An Officer may request leave for compassionate reasons beyond those set out in Section 17.2.1. Such requests shall be subject to Company discretion, which shall not be unreasonably withheld, and, if granted, shall be deducted from an Officer's Vacation entitlement.

17.3.2 In the event of serious illness of an Officer's immediate family member, upon request, an Officer may be granted leave at the discretion of the Company, which shall not be unreasonably withheld. Where available, Vacation shall be granted; where Vacation is unavailable, unpaid leave shall be granted. Each case shall be considered on its own merits. An immediate family member is defined as an Officer's spouse or common law partner, an Officer's or his spouse's or common law partner's child(ren), and an Officer's or his spouse's or common law partner's parents.

17.4 Compassionate Care Leave

17.4.1 An Officer shall be entitled to unpaid Compassionate Care Leave in accordance with the provisions of the *Canada Labour Code*.

17.5 Return of an Officer on Duty

17.5.1 The Company shall return to his Home Base or other appropriate on-line port, with a minimum of delay and at the Company's cost, any Officer who is away from home on duty when an immediate family member falls seriously ill, suffers a serious accident or dies.

17.5.2 Such return shall be provided on the Company's aircraft wherever practicable or on other carriers at the Company's discretion.

17.6 Maternity Leave

17.6.1 An Officer is entitled to take Maternity Leave in accordance with the provisions of the *Canada Labour Code*.

17.6.2 An Officer is entitled to and shall be granted an unpaid leave of absence from employment of up to seventeen (17) weeks, which leave may begin not earlier than eleven (11) weeks prior to the estimated date of her confinement and end not later than seventeen (17) weeks following the actual date of her confinement. Except as provided in Section 17.6.4, Maternity Leave is unpaid.

17.6.3 An Officer shall provide the Company a minimum of six (6) weeks' notice prior to the commencement of Maternity Leave. The Officer shall also notify the Company of the anticipated duration of Maternity Leave and shall reconfirm the return to duty date not less than six (6) weeks prior to returning to duty.

17.6.4 An Officer is entitled to a period of up to ten (10) weeks' pay during her Maternity Leave. The pay rate shall be equivalent to six sevenths (6/7th) of the Officer's Salary and Appointment Allowances in the month preceding the date upon which notice of her pregnancy was given to the Company. This payment shall commence no earlier than four (4) weeks prior to the estimated date of confinement and no later than the actual date of confinement, and shall end no later than the end of the Maternity Leave period selected by the Officer.

17.6.5 Continuation of Benefits

17.6.5.1 An Officer on Maternity Leave may continue to use Concessionary Travel, including her entitlement to FOC travel, subject to normal medical requirements.

17.6.5.2 Company Medical Schemes and Death Benefit coverage shall continue to apply during Maternity Leave.

17.6.6 Sick Leave entitlements available in accordance with Section 16.2 shall not be paid during Maternity Leave.

17.6.7 After completing Maternity Leave, an Officer shall be entitled to two (2) weeks of paid study leave comprised of ten (10) study days credited at a standard Office Day credit, and four (4) GDO's, prior to commencement of flight training.

17.7 Parental Leave

17.7.1 An Officer shall be entitled to unpaid Parental Leave in accordance with the provisions of the *Canada Labour Code*.

17.7.2 An Officer shall provide the Company a minimum of six (6) weeks' notice prior to the commencement of Parental Leave. The Officer shall also notify the Company of the anticipated duration of Parental Leave and shall reconfirm the return to duty date not less than six (6) weeks prior to returning to duty.

17.8 Jury / Witness Duty

17.8.1 An Officer required to perform jury duty, appear for jury duty, or appear as a subpoenaed witness (provided the Officer is not personally connected to the case), shall continue to be paid his Salary and applicable appointment allowances, provided that all monies received from the court for such service, excluding payment for meals, lodging, transportation, and parking, shall be turned over to the Company.

17.9 Voluntary Leave Without Pay

17.9.1 The Company, at its discretion, may approve requests for voluntary leave without pay in accordance with Company Policy.

17.10 Leaves of Absence for Members of the Reserve Force

17.10.1 An Officer shall be entitled to unpaid Leaves of Absence for Members of the Reserve Force in accordance with the provisions of the *Canada Labour Code*.

18 MISSING / INTERNMENT / HIJACKING

18.1 Internment / Capture / Hijacking / POW

18.1.1 Any Officer who, while engaged in operations at the behest of the Company, is interned, captured, hijacked, held as a hostage or prisoner of war shall continue to be paid all Salary, benefits and allowances during the period that he is unable to resume work.

18.2 Missing

18.2.1 In the event of the disappearance of an Officer while engaged in operations at the behest of the Company all Salary, benefits and allowances shall continue to be paid

until the Officer's death is established in fact; or for a period of two (2) years, whichever occurs sooner.

19 LEGAL

19.1 Responsibility of the Company for Indemnification of Legal Claims and Expenses

19.1.1 The Company agrees to defend, fully indemnify, and hold harmless, an Officer and his estate in any legal proceedings arising from the performance of his duties.

19.1.2 If an Officer in the course of his employment incurs any liability because of the death of, or injury to, any person, including passengers or fellow employees, or because of any damage to property, whether it be the property of the Company or otherwise, the Officer shall not be under any liability to make any payment by way of damages, indemnity, or contribution to the Company in respect of said death, injury, or damage to the property aforesaid.

19.2 Employment Records

19.2.1 The Company's Employment Records are maintained in two files for each Officer, one containing Operational/Training Records and the other containing Personnel Records. These Records may be in paper, electronic, active or archived files.

19.2.2 All Employment Records kept by or on behalf of the Company pertaining to an Officer shall, at the Officer's request, be made available for his examination. When reasonable notice has been given, access to Records shall be granted during office hours at the location where the Records are kept, in the presence of a representative of Company management.

19.2.3 The Officer has the right to prepare a written response to any Record in his files. If the Officer chooses to respond to any Record, the response shall be kept in his files together with the Record to which it refers.

19.2.4 The Company shall comply with the requirements of the Personal Information Protection and Electronic Documents Act (PIPEDA) of Canada and any other applicable legislation. It is acknowledged that information may be required to be released under the provisions of foreign legislation and in such cases where the foreign legislation does not prohibit disclosure to the Officer, the Officer shall be informed of such disclosure and the contents of such information shall be made available to the Officer.

19.3 Company Access to Records

19.3.1 Managers, when required to do so in the course of their duties, may access an Officer's Employment Records.

19.3.2 Check and Training Officers, when required to do so in the course of their duties, may access an Officer's Operational/Training Records.

19.4 Cessation of Employment – Retention and Destruction of Employment Records

19.4.1 The Hong Kong Air Navigation Order (1995) requires that Operational/Training Records be retained for a minimum of two (2) years after an Officer ceases to operate aircraft for the Company. Personnel Records shall be retained for seven (7) years after an Officer ceases to operate aircraft for the Company, or other such longer period as required by law.

19.5 Removal of Disciplinary Materials

19.5.1 Disciplinary material not related to Technical Competency shall be removed from an Officer's file(s), upon his request, after two (2) years, provided there have been no further occurrences during the two (2) year period. For the avoidance of doubt, disciplinary events linked by a period of less than two (2) years shall remain active. Inactive material shall be deemed inadmissible as evidence in any disciplinary proceedings.

20 BASINGS

20.1 Aircraft Type Change in a Home Base

20.1.1 Where Company services continue in a Home Base, but the frequency of an aircraft type serving that Home Base is partially or wholly replaced by a different type, the Company may offer in seniority order type transfers to Officers who are already established in that Home Base. Where there are insufficient volunteers for these type transfers then the type transfers shall be imposed in reverse seniority order to Officers who are already established in that Home Base.

20.1.2 Type transfers offered to or imposed on Officers in accordance with Section 20.1.1 shall not be advertised or available for bid by any other Officers on the Aircrew Seniority List.

20.2 Reduction or Closure of a Home Base

20.2.1 Prior to any Company initiated reduction in manning levels in Canada, except for those reductions that are a result of normal attrition (e.g. retirements, Officers returning to Hong Kong, resignations, etc.), the Company shall provide to the Association, a minimum of ninety (90) days notice of any such reduction. The Company shall consult with the Association with regard to said reductions and shall agree to discuss possible alternative actions.

20.2.2 In the event of reduction in manning levels at, or the closure of a Home Base, affected Officers shall be given the opportunity in seniority order of relocating to

another Home Base within the Base Area, subject to a position being available regardless of aircraft type, or to Hong Kong. Relocation to another Home Base or to Hong Kong shall be at the Company's expense subject to the terms and conditions for relocation as provided for in Section 20.4

20.2.3 Company initiated relocation to Hong Kong shall be in reverse order of seniority.

20.3 First Officer Relocations for Command Training

20.3.1 A First Officer permanently relocating to Hong Kong to undertake Command training or relocating to a Home Base following upgrade shall be provided with relocation assistance in accordance with the provisions contained in Section 20.4, provided the move takes place during the period commencing ninety (90) days prior to the scheduled commencement of the course and ending ninety (90) days following the completion of the course. Under exceptional circumstances, and at the Company's discretion, the time period for this benefit may be expanded.

20.4 Company Paid Relocations

20.4.1 For relocations in accordance with Sections 20.2 or 20.3, the Company shall pay the cost of relocating the Officer and his family to his new Base Area or Home Base. Removal expenses shall be calculated on the basis such that for every completed year of service with the Company and or Veta, USAB, OABL and NZBL, the Company shall pay the cost of packing/unpacking and transporting 128 cubic feet of household effects. The maximum cost borne by the Company shall be the cost of packing/unpacking and shipping a 20' x 8' x 8' container, door to door.

20.5 Permanent Hong Kong Base

20.5.1 An Officer who takes a permanent Hong Kong base shall be entitled to the relevant benefits provided in the Veta Conditions of Service. Expatriate benefits shall apply to eligible Officers.

20.6 Temporary Base Appointments

20.6.1 In accordance with Company policy, an Officer may apply to be temporarily based in a port other than his Home Base.

20.7 Permanent Base Appointments

20.7.1 An Officer may apply to change his Home Base in accordance with LOU Number 1 Permanent Basings.

21 LAYOFF AND RECALL

21.1 General

21.1.1 In the case of Layoff of pilots due to lack of work, an Officer shall be considered homogeneously with all Officers listed on the Company Common Redundancy Lists. Layoff shall apply in reverse order of seniority, i.e., on a last-in first-out basis.

21.1.2 An Officer shall be advised of his impending layoff as far in advance as possible.

21.1.3 An Officer shall receive a Layoff Benefit of six (6) months' Salary which shall be inclusive of any entitlement to payment in lieu of notice of termination in accordance with Section 27 (Cessation of Employment) and any other benefit due under the *Canada Labour Code*.

21.2 Operating Out of Position

21.2.1 An Officer who is required to operate in a lesser capacity than that for which he is qualified, shall retain his original rank; i.e., he shall not be demoted.

21.3 Recall

21.3.1 When the Company commences Recall of Officers who have been laid off under Section 21.1, an Officer being recalled shall be given the option to return to employment in his previous Aircrew category and he shall be deemed to have retained his accrued seniority during the Layoff period.

21.3.2 The sequence of Recall shall be the reverse of the Officers' layoff sequence.

21.3.3 The Offer of Recall to an Officer must be accepted or declined within one (1) month of the offer being made by the Company, and the Officer must be available to report for duty within four (4) months of the offer being made by the Company.

21.3.4 In order to facilitate an orderly Recall an Officer shall be responsible for keeping the Company advised of his contact details, including his current address and phone number.

21.3.5 If an Officer declines an offer of Recall, he shall not be offered another Recall until he advises the Flight Crew Recruitment Manager, in writing, of his desire to recommence employment with the Company. In such case, the Officer shall be offered the next available position and offers of Recall to more junior Officers or offers of employment to prospective Officers shall not be rescinded to accommodate the Officer.

21.3.6 An Officer who has not accepted an offer of Recall for two (2) years from the date of the first offer of Recall shall forfeit his right to Recall provided under this Section. Such Officer shall be deemed to have resigned.

21.3.7 The recalled Officer's Home Base and aircraft type shall be subject to Company requirements, and his terms of employment shall be subject to the prevailing terms and conditions at the Officer's offered Home Base at the time of recall.

22 AIRCRAFT ACCIDENT OR SERIOUS INCIDENT INVESTIGATIONS

22.1 General

22.1.1 Information relating to the general conduct of an aircraft Accident or Serious Incident investigation is documented in Ops Manual Part A.

22.2 Association Notification

22.2.1 The Company and wherever possible, the Officer, shall notify the Association as soon as practicable of any aircraft Accident or Serious Incident, as defined in Ops Manual Part A, that involves an Officer. The Association shall furnish current contact methods and telephone numbers to the Company for the appropriate Association personnel to be notified in this circumstance.

22.3 Association Consultation / Medical Exam

22.3.1 Notwithstanding the requirements and procedures as to the submission of Safety Reports following an occurrence, in cases involving an aircraft Accident or Serious Incident, an Officer shall not be required to commit himself further either orally or in writing to officials of the Company for a period of twenty-four (24) hours following the occurrence unless the following conditions have been met:

22.3.1.1 The Officer has had the opportunity to consult with the Association, such consultation need not be in person; and,

22.3.1.2 The Officer has been afforded the opportunity to be given a medical examination and the medical practitioner considers the Officer medically fit to participate in the investigation.

22.3.2 The Association shall make every effort to provide the consultation stipulated in Section 22.3.1.1 without delay.

22.4 Holding Out of Service

22.4.1 Where an Officer is involved in an Accident or Serious Incident related to the operation of an aircraft while on duty, and where the Company deems necessary, it may elect to hold the Officer out of service pending the outcome of any investigations into such Accident or Serious Incident undertaken by the Company, the relevant investigating authority, or both.

22.4.2 In order to hold an Officer out of service under Section 22.4.1, the Officer shall be so notified by the Chief Pilot or his designate. Such notification shall be provided to the Officer in writing including the reason that this holding out of service is due to the pending investigations, and the Association shall be advised of such notification.

22.4.3 Where an Officer is held out of service pursuant to Section 22.4.1, it shall be with pay and benefits and he shall be notified of the requirements to remain contactable and available to the Company.

22.5 Officer Participation in an Investigation

22.5.1 Where an Officer is requested or required by the Company or an appropriate government agency to participate in an aircraft Accident or Serious Incident investigation involving Company aircraft he shall continue to receive his Salary, applicable allowances and benefits. The Company shall provide confirmed Duty Travel on Company aircraft, and or interline travel as appropriate, to ensure that the Officer is present at the time requested for his participation.

23 DISCIPLINE/DISMISSAL

23.1 General Principles

23.1.1 All disciplinary / dismissal procedures and actions shall:

23.1.1.1 Be for just and proper cause.

23.1.1.2 Follow due process and allow each party a fair and adequate opportunity to present their case.

23.1.1.3 Follow the principles of common sense and natural justice.

23.1.2 Nothing in Section 23 Discipline/Dismissal shall preclude a Chief Pilot or his designate from having a discussion with, or counseling an Officer when a minor offence has been committed. There shall be no formal record kept of such discussion or counseling.

23.1.3 Missed Duties shall be dealt with in accordance with Company Policy, however nothing shall limit an Officer's rights under Section 23.6 Internal Appeal Procedure, Section 23.7 Exoneration and Section 23.8 Dispute Resolution.

23.1.4 Other than in the case of Missed Duties, in the event of any alleged offence by an Officer that in the opinion of the Company may result in any disciplinary action, the Company shall:

23.1.4.1 Notify the Officer in writing of the precise charges related to the offense within the time limits prescribed in Section 23 Discipline/Dismissal.

- 23.1.4.2 Consider each alleged offence on its own merits as well as the principles of progressive discipline.
- 23.1.4.3 Ensure that all reasonable measures are taken or allowed in order to establish the facts of the matter before recollections fade.
- 23.1.5 The Company shall strive at all times to accord fair and equitable treatment to all Officers.
- 23.1.6 It is the intention of the Company to adhere to all timelines in Section 23 Discipline/Dismissal, ensuring matters are dealt with in a timely and effective manner. There may however, be occasions when these timelines need to be extended. Such extensions shall be entirely at the Company's reasonable discretion. Failure by the Company to meet any stated timelines shall not invalidate any part of the process.
- 23.1.7 Any reference to days shall exclude Saturdays, Sundays and public holidays in Hong Kong and Canada.
- 23.1.8 All references to notifications being issued in writing shall include notification being made by email to the Officer's Company email address.

23.2 Right of Representation

- 23.2.1 Before commencement of any disciplinary procedure which may result in disciplinary action of a written warning or greater, the Officer shall be informed of his right to representation.
- 23.2.2 For the purposes of Section 23 Discipline/Dismissal, an Officer shall have the right to appoint the General Secretary, Assistant General Secretary or a member of the General Committee of the Association as a representative. By mutual agreement between the Company and the Association the representative may be another employee of the Company or the Association.
- 23.2.3 The nominated representative, if any, shall be allowed to accompany the Officer on Company premises.
- 23.2.4 A disciplinary hearing shall not be held without the presence of the Officer's representative, if any. However the lack of availability of a specific representative should not delay any part of the disciplinary process.
- 23.2.5 Upon being informed of his right to representation in accordance with Section 23.2.1, if an Officer has declined to appoint a representative he shall notify the Association in writing. Such decision may be revoked by the Officer at any time.

23.3 Preliminary Investigation

23.3.1 Prior to any Disciplinary Hearing being convened, the Company shall first conduct a Preliminary Investigation and be satisfied that there is a case to answer.

23.3.2 A member of the Flight Operations Management team shall be nominated by the Chief Pilot to act as the Investigating Manager to conduct Preliminary Investigations.

23.3.3 As part of the Preliminary Investigation the Company should, except in exceptional circumstances, contact the Officer concerned, inform him in general terms of the nature of the Preliminary Investigation and give him the opportunity to explain his actions or involvement in the event in question. At this stage the Officer has the right to involve a representative as defined in Section 23.2. The Preliminary Investigation shall take place as soon as practicable from when the Company becomes aware of an alleged offence.

23.3.4 Once it has been established that there is a case to answer, the Officer, and his nominated representative, if any, shall be notified of this in writing within three (3) days and the procedures outlined in Section 23.4, shall be followed. Such written notification shall include the details by which the officer shall be contactable and available to the company.

23.3.5 Where the Preliminary Investigation concludes that the Officer has no case to answer, the Officer, and his nominated representative, if any, shall be immediately informed of this decision in writing and his Personnel Records shall be cleared of all the allegations or complaints that gave rise to this Preliminary Investigation.

23.4 Disciplinary Hearing

23.4.1 If the Preliminary Investigation determines that there is a case to answer, a disciplinary hearing shall, subject to rostering constraints, be convened within ten (10) days of the Officer being notified of the Preliminary Investigation decision.

23.4.2 The Company shall notify the Officer, and his nominated representative, if any, in writing with the details of the disciplinary hearing. The written disciplinary hearing notice shall state:

23.4.2.1 The precise charge(s) against the Officer; and

23.4.2.2 The date, time and the place where the disciplinary hearing shall be held; and

23.4.2.3 Where applicable, that the Officer shall be held out of service.

23.4.3 Where in the Company's view the disciplinary hearing is being unreasonably delayed by the Officer, the Company may decide to proceed with the disciplinary hearing in the Officer's absence.

23.4.4 Holding out of service

23.4.4.1 Where it has been determined that there is a case to answer and where the Company considers appropriate, the Company may hold the Officer out of service until the results of the disciplinary hearing are determined.

23.4.4.2 Where an Officer is held out of service it shall be with pay and he shall be notified of the requirements to remain contactable and available to the Company.

23.4.5 The disciplinary hearing shall be held in Hong Kong, or, at the Company's discretion, at the Officer's Home Base.

23.4.6 An Officer shall be given time free from Duty to accommodate attendance at hearings. Where the hearing is held in Hong Kong not in conjunction with the Officer's rostered duties, the Company shall provide transportation and accommodation in accordance with the Duty Travel Policy from his Home Base to Hong Kong and return. For any relevant representative or witness who is an employee of the Company, where applicable the Company may provide Duty Travel and accommodation from their Home Base to Hong Kong and return if that representative or witness cannot attend the disciplinary hearing in conjunction with his regular rostered duties. The requirement to provide such travel shall be determined on a case by case basis and shall not be unreasonably withheld by the Company.

23.4.7 The Company and the Officer shall exchange a copy of all relevant documents on which they intend to rely, no later than three (3) days prior to the commencement of the disciplinary hearing.

23.4.8 The disciplinary hearing shall be conducted by the Chief Pilot or his appointed designate. The Investigating Manager and the Officer and or his appointed representative, if any, may present any relevant supporting facts and material to the disciplinary hearing.

23.4.9 The Company may adjourn the disciplinary proceedings if it appears necessary or desirable to do so, including for the purpose of the Company or the Officer gathering further information. The Officer and his nominated representative, if any, shall be informed of the period of any adjournment. If further information is gathered, the Parties shall be allowed a reasonable period of time to consider the new information prior to the reconvening of the disciplinary proceedings.

23.4.10 The Company shall notify the Officer, and his nominated representative, if any, in writing of the final decision of the hearing within five (5) days of the decision being reached. Where disciplinary action is determined such notice shall include the Officer's right of appeal in accordance with Section 23.6.

23.4.11 Any disciplinary action shall be effective from the date of the disciplinary hearing's decision regardless of any pending appeal.

23.5 Disciplinary Action

23.5.1 Where, following a disciplinary hearing, the Company establishes that the Officer has committed a disciplinary offence, the following disciplinary action may be taken:

23.5.1.1 **Written Warning** - The written warning shall:

- i) set out the nature of the offence committed;
- ii) inform the Officer that further misconduct is liable to result in further disciplinary action under this procedure; and
- iii) specify that the warning shall remain on file for twenty-four (24) months.

23.5.1.2 **Final Written Warning** - Where a more serious disciplinary offence has been committed, or where an Officer commits a further disciplinary offence while a written warning exists on file, a final written warning may be given. Such a final written warning shall:

- i) set out the nature of the offence committed;
- ii) inform the Officer that further misconduct may result in further disciplinary action up to and including his dismissal; and
- iii) notwithstanding Section 19.5.1, specify that the warning shall remain on file for thirty-six (36) months.

23.5.1.2.1 A final written warning may also include one or more of the following:

- i) suspension without pay; or
- ii) demotion; or
- iii) other discipline, short of dismissal that the Company deems appropriate.

23.5.1.3 **Dismissal** - Where the Officer has committed a very serious disciplinary offence or further acts of misconduct, his employment may be terminated.

23.6 Internal Appeal Procedure

23.6.1 An Officer, or his nominated representative, if any, at his request, may initiate an internal appeal if the Officer is not satisfied with the decision of the disciplinary hearing.

23.6.2 Any appeal shall be submitted in writing to the General Manager Flying within ten (10) days of receiving the disciplinary hearing's decision.

23.6.3 Any appeal must state the specific grounds for the appeal and whether the Officer is appealing against the finding that he committed the alleged act and or against the level of disciplinary action imposed.

23.6.4 Appeal hearings shall be conducted by a General Manager or his designate.

23.6.5 Subject to rostering constraints, appeal hearings shall be held within ten (10) days of the Company receiving the appeal letter in accordance with Section 23.6.2.

23.6.6 The General Manager, or his designate, shall consider representations made by the Officer, the Officer's representative, if any, and those of the Chief Pilot or his designate who conducted the disciplinary hearing and imposed the disciplinary action.

23.6.7 The General Manager, or his designate, hearing the appeal shall decide on the basis of both sets of representations, whether to uphold the disciplinary action, exonerate the Officer or render such other intermediate decision as he considers just and equitable.

23.6.8 The General Manager, or his designate, shall notify the Officer and his nominated representative, if any, in writing within ten (10) days of the appeal hearing to confirm the decision. This decision shall be final and there shall be no further right of internal appeal.

23.7 Exoneration

23.7.1 If at any time through the processes in Section 23 an Officer is exonerated, all references to the alleged offence shall be deleted from the Officer's Personnel Record. Where any disciplinary action included suspension without pay, an adjustment shall be made to provide a reimbursement to the Officer for such loss of pay.

23.8 Dispute Resolution

23.8.1 Where the procedures outlined in Section 23.6 have been exhausted, the Association may initiate the Arbitration procedure in accordance with Section 26 Arbitration within twenty (20) days of the final Company decision. In all cases the requirements of the *Canada Labour Code* shall be complied with.

24 GRIEVANCE

24.1 General Principles

24.1.1 Section 24 Grievances shall not be used to initiate grievances regarding an Officer's technical capability.

24.1.2 All grievance procedures and actions shall:

- 24.1.2.1 Follow due process and allow each party a fair and adequate opportunity to present their case.
 - 24.1.2.2 Follow the principles of common sense and natural justice.
 - 24.1.2.3 Be conducted in a timely and expeditious manner.
- 24.1.3 Grievance procedures may be initiated by the Association on its own or on behalf of:
- 24.1.3.1 An individual Officer, or
 - 24.1.3.2 A group of, or all of, its members.
- 24.1.4 The Grievor and the Company may by mutual agreement in writing, elect to waive or combine any or all steps in Section 24 Grievances.
- 24.1.5 Any reference to days shall be exclusive of Saturdays, Sundays and public holidays in Hong Kong and Canada.
- 24.1.6 All references to notifications being issued in writing shall include notification being made by email to the Officer's Company email address.
- 24.1.7 It is the intention of the Company and the Association that the timelines stipulated in Section 24 Grievances for submission of grievances, holding of hearings and rendering of decisions shall normally be adhered to in order to ensure that matters are dealt with in a timely and effective manner. There may however, be occasions when these timelines need to be extended. Agreement to such extensions shall not be unreasonably withheld.
- 24.1.8 Grievance Hearings and Grievance Appeal Hearings shall be held in Hong Kong, or where appropriate, at the Company's discretion, the Officer's Home Base.
- 24.1.9 An Officer shall be given time free from Duty to accommodate attendance at hearings. Where the hearing is held in Hong Kong not in conjunction with the Officers rostered duties, the Company shall provide transportation and accommodation in accordance with the Duty Travel Policy from his Home Base to Hong Kong and return. For any relevant representative or witness who is an employee of the Company, where applicable the Company may provide Duty Travel and accommodation from their Home Base to Hong Kong and return if that representative or witness cannot attend the grievance hearings in conjunction with his regular rostered duties. The requirement to provide such travel shall be determined on a case-by-case basis and shall not be unreasonably withheld by the Company.

24.2 Filing Process

- 24.2.1 Prior to filing a grievance an Officer or the Association must discuss their complaint with the appropriate department Manager or designate.

24.2.2 If, after completing Section 24.2.1, the Officer or the Association is not satisfied with the outcome of the initial complaint, the Association may file a grievance to the Chief Pilot within twenty (20) days of the Officer or Association reasonably having knowledge of the occurrence or the facts giving rise to the grievance.

24.2.3 The written grievance must state:

24.2.3.1 What section(s) of this Agreement has been breached;

24.2.3.2 What the Grievor has done to try and resolve the complaint; and,

24.2.3.3 The remedy sought.

24.2.4 Any such grievance shall be dealt with in accordance with the procedures as specified in Section 24.5 below.

24.2.5 Where the Company has received a Grievance in accordance with Section 24.5 and subsequently receives any further grievances for a complaint of fundamentally the same nature, the Company may delay commencing Section 24.5 in relation to the subsequent grievances until it has completed the steps in Section 24.5 in relation to the initial grievance.

24.3 Right of Representation

24.3.1 For the purposes of Section 24 Grievances, should the Grievor be an individual Officer, or group of Officers, he / they shall appoint either the General Secretary, Assistant General Secretary or a member of the General Committee of the Association as a representative. By mutual agreement between the Company and the Association the representative may be another employee of the Company or the Association.

24.3.2 The nominated representative shall be allowed to accompany the Officer(s) on Company premises.

24.3.3 A Grievance Hearing or Grievance Appeal Hearing shall not be held without the presence of the Officer(s)' representative, if any. However the lack of availability of a specific representative should not delay any part of the grievance process.

24.4 Grievor's Rights / Representatives

24.4.1 The Grievor and the Company shall be given every reasonable opportunity to review evidence, make representations, and present, examine and cross-examine witnesses.

24.4.2 Throughout these procedures, the Grievor may, together with his Association representative, if applicable, review any relevant information contained in the

Officer(s)' Records, or any document that the Company has introduced at any step of these grievance procedures.

24.4.3 On request, either party shall provide the other with a copy of any document which either party intends to introduce or rely on at any step of the grievance procedure.

24.5 **Grievance Hearing**

24.5.1 **Stage One – Grievance Hearing:** A Grievance Hearing between the Grievor and the Company shall be convened according to the following procedures:

24.5.1.1 The Association shall submit the grievance in writing to the Chief Pilot in accordance with Section 24.2.

24.5.1.2 The Chief Pilot, or his designated representative, shall hold a Grievance Hearing at an agreed time within fifteen (15) days of the submission of the grievance subject to rostering considerations and constraints.

24.5.1.3 The Chief Pilot, or his designated representative, shall render the Grievance Hearing's decision in writing to the Grievor and the Association not later than ten (10) days following the completion of the Grievance Hearing.

24.5.2 **Stage Two – Grievance Appeal Hearing:** If the Grievance Hearing decision of the Chief Pilot, or his designated representative, is not acceptable to the Grievor, a Grievance Appeal shall be heard according to the following procedure:

24.5.2.1 The Association shall submit the appeal in writing to the relevant General Manager within ten (10) days of the Grievor's receipt of the Grievance Hearing's decision.

24.5.2.2 The General Manager or his designate shall convene a Grievance Appeal Hearing within fifteen (15) days of the receipt of the Grievor's appeal, subject to rostering considerations and constraints.

24.5.2.3 The General Manager or his designate shall render his decision in writing to the Grievor and the Association not later than ten (10) days following the completion of the Grievance Appeal Hearing.

24.6 **Successful Outcome of Hearing**

24.6.1 If, as a result of any hearing herein, the decision is reached in favour of the Grievor, the Company shall restore, reimburse or otherwise act to make remedies. These actions shall be carried out as soon as is practicable.

24.7 Dispute Resolution

24.7.1 Where the procedures outlined in Section 24.5 have been exhausted, the Association may initiate the Arbitration procedure in accordance with Section 26 Arbitration within twenty (20) days of the final Company decision. In all cases the requirements of the *Canada Labour Code* shall be complied with.

25 TECHNICAL COMPETENCY

25.1 General Principles

25.1.1 The individual performance of flight crew and the maintenance of flying standards are fundamental to the continued operational effectiveness of the Company. The Pilot Performance Review Process ensures that sensible and reasonable corrective measures are made available to an Officer in an effort to restore and maintain his operational standard to a consistently acceptable level.

25.1.2 In accordance with Management Rights Section 1.3.2.4, the flying standard required of an Officer, and whether or not an Officer has achieved that standard is for the Company to determine at its sole discretion. However any sanction imposed for not achieving the required standard is subject to Section 25.1.4.

25.1.3 Selection of Officers for promotion to a higher rank is subject to a Selection Panel decision that the relevant flying standard has been achieved.

25.1.4 Any sanction as a result of a decision made in accordance with Section 25 Technical Competency shall be for just and proper cause. In this context just and proper cause means that any decision shall not be arbitrary, discriminatory, inconsistent or unreasonable.

25.1.5 All Technical Competency procedures and actions shall:

25.1.5.1 Follow due process and allow each party a fair and adequate opportunity to present their case.

25.1.5.2 Follow the principles of common sense and natural justice.

25.1.6 Any reference to days shall exclude Saturdays, Sundays and public holidays in Hong Kong and Canada.

25.1.7 All references to notifications being issued in writing shall include notification being made by email to the Officer's Company email address.

25.1.8 It is the intention of the Company to adhere to all timelines in Section 25 Technical Competency, ensuring matters are dealt with in a timely and effective manner. There may however, be occasions when these timelines need to be extended. Such

extensions shall be entirely at the Company's reasonable discretion. Failure by the Company to meet any stated timelines shall not invalidate any part of the process.

25.1.9 Any Competency Meeting and or Competency Appeal shall be held in Hong Kong, or, at the Company's discretion, at the Officer's Home Base.

25.1.10 An Officer shall be given time free from Duty to accommodate attendance at a Competency Meeting or Competency Appeal. Where the meeting or appeal is held in Hong Kong not in conjunction with the Officer's rostered duties, the Company shall provide transportation and accommodation in accordance with the Duty Travel Policy from his Home Base to Hong Kong and return. For any relevant representative who is an employee of the Company, where applicable the Company may provide Duty Travel and accommodation from their Home Base to Hong Kong and return if that representative cannot attend the Competency Meeting or Competency Appeal in conjunction with his regular rostered duties. The requirement to provide such travel shall be determined on a case by case basis and shall not be unreasonably withheld by the Company.

25.2 Right of Representation

25.2.1 Before commencement of a Competency Meeting and or Competency Appeal the Officer shall be informed of his right to representation.

25.2.2 For the purposes of Section 25 Technical Competency, an Officer shall have the right to appoint the General Secretary, Assistant General Secretary or a member of the General Committee of the Association as a representative. By mutual agreement between the Company and the Association the representative may be another employee of the Company or the Association.

25.2.3 The nominated representative shall be allowed to accompany the Officer on Company premises.

25.2.4 A Competency Meeting or Competency Appeal shall not be held without the presence of the Officer's representative, if any. However the lack of availability of a specific representative should not delay any part of the Technical Competency process.

25.2.5 Upon being informed of his right to representation in accordance with Section 25.2.1, if an Officer has declined to appoint a representative he shall notify the Association in writing. Such decision may be revoked by the Officer at any time.

25.3 Competency Meeting

25.3.1 Where an Officer is subject to the final stage of the Pilot Performance Review Process and the decision of the Review Board is that the relevant flying standard has not been achieved or maintained and no further training will be provided, the following procedure shall apply:

25.3.2 Subject to rostering constraints, the Officer shall be invited to a Competency Meeting which shall be convened within five (5) days of the decision of the Review Board.

25.3.3 The Company shall notify the Officer, and his nominated representative, if any, in writing of the date, time and the place where the Competency Meeting will be held.

25.3.4 The Competency Meeting shall be conducted by the Chief Pilot or his appointed designate.

25.3.5 The decision of the Chief Pilot following a Competency Meeting may include, but is not limited to, demotion, termination of appointment, termination of a training course or termination of employment.

25.3.6 The Company shall notify the Officer, and his nominated representative, if any, in writing of the final decision following the Competency Meeting within five (5) days of the decision being reached.

25.4 Competency Appeal

25.4.1 If an Officer feels either a Competency Meeting decision or a Selection Panel decision that the relevant flying standard has not been achieved and that no further training shall be provided at this time is arbitrary, discriminatory, inconsistent or unreasonable, the Officer, or his nominated representative, if any, at his request may initiate an appeal in accordance with the following requirements:

25.4.2 An appeal must be made in writing to GMF or his designate within ten (10) days of the Competency Meeting decision or Selection Panel decision. The appeal must state in what way(s) the Competency Meeting decision or Selection Panel decision is arbitrary, discriminatory, inconsistent or unreasonable.

25.4.3 Subject to rostering constraints, a Competency Appeal meeting shall be held within fifteen (15) days of the Company receiving the appeal letter in accordance with Section 24.4.2.

25.4.4 GMF, or his designate, shall consider representations made by the Officer or his representative.

25.4.5 The outcome of the appeal shall be communicated in writing by GMF or his designate to the Officer, and his nominated representative, if any, within ten (10) days of the Competency Appeal meeting.

25.4.6 Where the appeal finds that the Competency Meeting decision or Selection Panel decision was arbitrary, discriminatory, inconsistent or unreasonable, the Company's decision shall be revoked and the Company shall be responsible for determining the necessary training to allow the Officer the opportunity to achieve the required Technical Competency.

25.5 Dispute Resolution

25.5.1 Where the appeal procedures outlined in Section 25.4 have been exhausted, the Association may initiate the Arbitration procedure in accordance with Section 26 Arbitration.

26 ARBITRATION

26.1 Arbitration Process

26.1.1 The Association shall serve notice of intent to proceed to arbitration within twenty (20) days (excluding Saturdays, Sundays and public holidays in Hong Kong and Canada) in accordance with Section 23 Discipline/Dismissal, Section 24 Grievances and Section 25 Technical Competency. Such notice shall be submitted in writing to GMA.

26.1.2 Unless otherwise mutually agreed, Arbitrations that involve an individual Officer shall be held at the Officer's Home Base. All other Arbitrations shall be held in Vancouver.

26.1.3 The Parties agree on the following list of arbitrators that shall be used unless the parties agree otherwise:

Vancouver	Toronto
1. Chris Sullivan	1. Martin Teplitsky
2. Bob Pekeles	2. Bill Kaplan
3. Colin Taylor	3. Louisa Davie
4. John Hall	

26.1.4 By mutual agreement the parties may select one of the arbitrators listed in Section 26.1.3. If the parties are unable to agree in this selection, having considered all the listed Arbitrators, then Section 26.1.5 shall be applied.

26.1.5 The parties shall numerically cycle through the list and appoint the first arbitrator who is based in the Province where the hearing is to be held and who has available hearing dates that are within ninety (90) calendar days of the date for which the notice of intent to proceed to arbitration was issued. When establishing hearing dates it is agreed that the parties shall take into consideration each other's schedules and vacations etc. Where none of the arbitrators has an available date within ninety (90) calendar days of the notice of intent to proceed to arbitration the parties shall select the arbitrator with the first available date thereafter.

26.1.6 Once an arbitrator has been appointed to arbitrate a particular dispute, he shall be excluded from the list of arbitrators for the next arbitration in that city unless the parties agree otherwise. The subsequent selection process for an arbitrator shall commence with the next arbitrator on the list.

26.1.7 The list of arbitrators may be amended by mutual agreement. However, it is not the intent of the parties to modify the list unless an arbitrator retires, ceases to make himself available or his availability impairs the process to the point where it is no longer timely.

26.1.8 Only Company and Association representatives and witnesses may attend arbitration hearings, however legal representation is permitted.

26.2 Arbitrator's Jurisdiction

26.2.1 The arbitrator shall be appointed with jurisdiction under a mediation/arbitration model unless the parties agree otherwise.

26.2.2 The Arbitrator shall have jurisdiction to consider any matter properly submitted to him under the terms of this Agreement, including whether a matter is arbitrable or not, but shall not have the jurisdiction to alter, modify, add to, subtract from, amend or make any decision inconsistent with its terms, except in accordance with law as specified in the *Canada Labour Code* or any other applicable federal employment legislation.

26.2.3 The Arbitrator shall establish his own procedure consistent with the requirements of natural justice.

26.2.4 The Arbitrator may extend the time limits for the taking of any step in the Grievance or Arbitration procedures outlined in this Agreement, notwithstanding the expiration of such time limits, where the Arbitrator is satisfied that there are reasonable grounds for the extension and that the other party would not be unduly prejudiced by the extension.

26.2.5 The Arbitrator shall have the discretion to cure any defect of procedure, having due regard for natural justice and equity.

26.2.6 The Arbitrator shall in the case of a grievance involving the application, interpretation or alleged violation of the Agreement, have the authority to render any decision that he considers just and equitable in accordance with the *Canada Labour Code*.

26.2.7 In the case of disciplinary or dismissal outcomes, the Arbitrator shall have the authority to determine whether the disciplinary or dismissal action was for just cause, and he may uphold the Company's decision, exonerate and reinstate the grievor without loss of pay and benefits, or render such other intermediate decision as he considers just and equitable.

26.2.8 In Technical Competency cases resulting in sanction, the Arbitrator's jurisdiction to decide whether the sanction was for just and proper cause shall not include making a determination as to the correctness of the flying standard required by the Company. Instead, the Arbitrator shall determine whether the decision reached by the Company was arbitrary, discriminatory, inconsistent or unreasonable.

26.2.9 In exercising his jurisdiction, the Arbitrator shall apply relevant foreign regulations with which the Company is required to comply and which are approved by HKCAD or any other foreign regulatory body. The Arbitrator shall have no jurisdiction to determine the validity or reasonableness of any such regulation, except to the extent required to determine whether the regulation is consistent with the Agreement and applicable Federal Canadian employment legislation. If the Arbitrator finds an inconsistency between the foreign regulation and the Agreement or federal Canadian employment legislation, he shall remit the matter to the parties to allow the parties to address any issues arising from the inconsistency. If the parties are unable to agree on how to address such issues, either party may bring the matter back before the Arbitrator who may give further direction or may grant a remedy as appropriate.

26.2.10 The Arbitrator shall have the jurisdiction at any time before rendering a final decision to make any interim or interlocutory decision which he considers just and equitable. Without limiting the generality of the foregoing, he shall have the jurisdiction to make decisions regarding the rights of the parties, the interpretation of the Agreement or the reinstatement of an employee, and to reserve jurisdiction on questions of quantum of damages, remedies, interest, restitution or amounts owing.

26.2.11 The Arbitrator shall make every effort to render a decision with minimum delay in accordance with the *Canada Labour Code*.

26.2.12 The decision of the Arbitrator shall be final and binding on both the Association and the Company in accordance with the *Canada Labour Code*.

26.3 Arbitration Expenses

26.3.1 Each party shall bear the expenses of its participants and witnesses and for the preparation and presentation of its own case. The expenses and fees of the Arbitrator shall be borne equally by the parties.

27 CESSATION OF EMPLOYMENT

27.1 General

27.1.1 An Officer's employment with the Company may cease through Resignation, Dismissal or Retirement.

27.1.2 Layoff and Recall shall be in accordance with Section 21.

27.2 Resignation

27.2.1 An Officer may terminate his employment at any time during the first thirty (30) days of his Probation by giving to the Company one (1) day's written notice.

27.2.2 An Officer may terminate his employment at any time during the remainder of his Probation by giving to the Company not less than seven (7) days' written notice or payment in lieu thereof.

27.2.3 An Officer may terminate his employment at any time after his Probation by giving to the Company not less than three (3) months' written notice or payment in lieu thereof.

27.3 Dismissal

27.3.1 The Company may terminate an Officer's employment at any time during Probation in accordance with Section 3 Probation.

27.3.2 The Company may terminate an Officer's employment at any time after Probation for just cause.

27.3.3 Other than in cases of dismissal due to sickness or injury, following termination of employment in accordance with Section 27.3.1 or 27.3.2, provided the termination has not been overturned in accordance with Section 26 Arbitration, the Company shall provide to the Officer:

27.3.3.1 one (1) day's salary in lieu of notice during the first thirty (30) days of Probation and seven (7) days' salary in lieu of notice during the remainder of Probation.

27.3.3.2 three (3) months' salary in lieu of notice after Probation.

27.3.3.3 Notwithstanding Section 27.3.3.1 and Section 27.3.3.2, no payment shall be provided to an Officer in the following cases of serious or significant offences involving:

27.3.3.3.1 drug or alcohol use in contravention of Company Policy. However nothing herein limits the Officer's rights under the *Canadian Human Rights Act* or authorizes discriminatory conduct;

27.3.3.3.2 theft of Company property, or damage to Company property through negligence;

27.3.3.3.3 smuggling or illicit trading which results in a criminal conviction;

27.3.3.3.4 participation in activities which significantly damage the reputation of the Company, including, but not limited to:

a) a conviction for a criminal offence in respect of which imprisonment could be imposed,

b) willfully neglecting the Company's interests; or,

c) conduct on or off duty which is prejudicial to the good name of the Company;

27.3.3.3.5 willful disobedience of a lawful and reasonable Company order, rule or Policy, or gross insubordination;

27.3.3.3.6 violence, harassment or intimidation of a co-worker, customer or third party supplier.

27.4 Retirement

27.4.1 The normal retirement age for Officers employed by the Company and who are covered by this Agreement is sixty-five (65) years of age. An Officer shall be deemed to have reached normal retirement age on the day on which the Officer reaches his sixty-fifth (65th) birthday.

27.4.2 An Officer may elect to retire at any time upon reaching his fifty-fifth (55th) birthday by providing not less than three (3) months' written notice to the Company.

28 RETIREMENT BENEFITS

28.1 Retirement Fund Options

28.1.1 Officers who are Members of the AOA Canada, National Chapter Pension Plan:

28.1.1.1 The Company and the Association acknowledge the existence of the "AOA Canada, National Chapter Pension Plan" (the "Plan"), such Plan having been constituted by a Trust Agreement dated December 18, 1996, as amended from time to time, and entered into between the Pension Board of the Plan, the party of the first part, and The Canada Trust Company, the party of the second part. It is agreed that the Pension Board of the Plan shall serve as the Plan Administrator in accordance with the terms of the Pension Benefits Standards Act, 1985 and the Income Tax Act (Canada), and all expenses of the Plan shall be paid from Plan assets.

28.1.1.2 The Company's sole obligation in relation to the Plan is to make the contributions identified in Section 28.1.1.3. Any dispute in relation to the administration of the Plan or the payment of benefits under the Plan will be between the Officer and the Pension Board of the Plan and shall not be the subject matter of a grievance. For the avoidance of any doubt, the Company is not financially or legally responsible for any aspect relating to the administration of the Plan, the costs of administering the Plan or the payment of benefits accrued by an Officer participating in the Plan.

28.1.1.3 The Company shall contribute to the Plan on behalf of an Officer who is a member of the Plan, the amount specified in Section 7.5.1.

28.1.2 Officers who are not Members of the AOA Canada, National Chapter Pension Plan:

28.1.2.1 An Officer who is not a member of the AOA Canada, National Chapter Pension Plan shall receive the retirement fund contribution specified in Section 7.5.1 in cash, or directed to an appropriate retirement scheme if requested by the Officer in writing and subject to agreement by the Company.

28.2 Retirement Concessionary Travel

28.2.1 An Officer shall be entitled to Concessionary Travel benefits in accordance with Company Retiree Travel Policy.

SCHEDULE 1 – Pay Scales

Effective 1st May 2012, salary scales shall be as follows:

Unified FO and Passenger Captain Scale:

RANK	YEAR	Annual	Monthly
First Officer	1	\$100,572	\$8,381
	2	\$102,588	\$8,549
	3	\$104,640	\$8,720
	4	\$119,796	\$9,983
Senior First Officer	1	\$142,176	\$11,848
	2	\$145,020	\$12,085
	3	\$147,924	\$12,327
	4	\$150,876	\$12,573
	5	\$153,912	\$12,826
	6	\$156,972	\$13,081
	7	\$160,116	\$13,343
	8	\$163,308	\$13,609
Captain	1	\$193,656	\$16,138
	2	\$197,532	\$16,461
Senior Captain	1	\$201,492	\$16,791
	2	\$215,748	\$17,979
	3	\$220,056	\$18,338
	4	\$224,472	\$18,706
	5	\$228,960	\$19,080
	6	\$233,532	\$19,461
	7	\$238,200	\$19,850
	8	\$242,964	\$20,247
	9	\$247,824	\$20,652
	10	\$252,780	\$21,065
	11	\$257,832	\$21,486
	12	\$262,980	\$21,915
	13	\$268,260	\$22,355
	14	\$273,612	\$22,801
	15	\$279,072	\$23,256
	16	\$284,676	\$23,723
	17	\$290,364	\$24,197

Freighter Salary Scale:

RANK	YEAR	Annual	Monthly
First Officer	1	\$93,840	\$7,820
	2	\$103,032	\$8,586
	3	\$112,536	\$9,378
	4	\$119,556	\$9,963
	5	\$126,192	\$10,516
	6	\$133,728	\$11,144
	7	\$140,940	\$11,745
	8	\$147,912	\$12,326
	9	\$148,884	\$12,407
	10	\$149,856	\$12,488
Captain	1	\$184,344	\$15,362
	2	\$188,028	\$15,669
	3	\$191,808	\$15,984
	4	\$195,648	\$16,304
	5	\$199,560	\$16,630
	6	\$207,204	\$17,267
	7	\$211,344	\$17,612
	8	\$215,568	\$17,964
	9	\$219,888	\$18,324
	10	\$224,268	\$18,689
	11	\$228,756	\$19,063
	12	\$233,340	\$19,445
	13	\$238,020	\$19,835
	14	\$242,772	\$20,231
	15	\$247,632	\$20,636
	16	\$252,588	\$21,049
	17	\$257,640	\$21,470

SCHEDULE 2 – Credit Hours, Hourly Duty Pay (HDP) and Excess Flying Pay (EFP)

Credit Hours:

For payroll purposes the Credit Hours accrued by an Officer, at the behest of Cathay Pacific Airways, shall be credited as follows, based on Home Base Local Time regardless of the departure/arrival location.

1. Flying Duty on flights with an operating crew complement of 2 crew members.	Sector Time multiplied by 1.14
2. Flying Duty on ULR flights or on flights where the FDP is Scheduled to be extended by the use of Inflight Rest, with an operating crew complement of 3 crew members.	Sector Time multiplied by 1.14
3. Flying Duty on flights where the FDP is not Scheduled to be extended by the use of Inflight Rest, with an operating crew complement of 3 crew members.	Sector Time multiplied by 1.07
4. Flying Duty on flights with an operating crew complement of 4 or more crew members.	Sector Time
5. Delivering simulator instruction, undergoing recurrent training and any other simulator Duty that is not part of the Officer's syllabus training.	Scheduled simulator hours multiplied by 1.14
6. Ground School training including simulator training that is part of the Officer's syllabus training.	3.86 hours per Duty
7. Office Duty (for non management crew), including delivering ground school instruction.	3.86 hours per Duty
8. Crew positioning	One half of the Sector Time
9. Annual Leave (Vacation)	2.0 hours per day
10. Sickness on the published roster	2.0 hours per day
11. Reserve Duty at Home Base, either on the published Roster or assigned directly in place of an O day, totaling in excess of thirty days in an Officer's Birth Year	3.86 hours per Duty during which the crew member was not called out
12. Reserve Duty, of greater than four hours' duration, while away from Home Base in accommodation provided by The Company.	3.86 hours per Duty during which the crew member was not called out
13. All Reserve Duty other than in 11. and 12 above	0 hours per Duty
14. Delivering instruction on an Authorised Examiner course (including preparation day, but excluding	4.56 hours per day

Authorised Examiner flight training workshop).	
15. Days assigned to “distance learning” defined in approved courses of syllabus training, excluding routine technical revision and administration.	3.0 hours per day
16. Study days assigned after completion of Maternity Leave	2.0 hours per day

Notes:

- a) For flying Duty “operating crew complement” does not include additional crew members required for Check or Training purposes, or additional crew members carried for other reasons.
- b) “Syllabus training” means induction, conversion, upgrade etc.
- c) For the purposes of calculating the credit hours of a given Flying Duty, Sector Time shall be the greater of the actual Sector Time and the Scheduled Sector Time for the Sector that is operated. Credit for a Duty that falls partly in one month and partly in the next is apportioned in such a way that the Duty is deemed to start at the actual start time irrespective of whether credit is paid on Scheduled Sector Time or actual Sector Time.
- d) Notwithstanding c. above, the credit hours of all crew members on Base Training flights shall be calculated using actual Sector Time.
- e) Reserve Duties that are changed to days off at the behest of an Officer, or to sickness or Leave shall not count towards the cumulative total of Reserve Duties in the Officer’s Birth Year.
- f) Where Reserve is assigned directly in place of an O day as a result of unavailability for Duty during the immediately preceding Duty Cycle, subparagraph 11. above shall not apply and the Reserve shall carry no credit.

Hourly Duty Pay:

Hourly Duty Pay shall be paid on achieved credit hours, other than those Credit Hours for which EFP is paid.

Hourly Duty Pay shall not be paid for Credit Hours accrued from Sickness on the Published Roster.

Hourly Duty Pay shall not be paid for Credit Hours over 84 in the case where an Officer is unavailable for flying duty at all times during the entire calendar month.

The rate for each hour of HDP shall be as per the table below.

HDP rates effective 1st May 2012:

Rank	Year	Monthly Hours		
		0-55.9	56-69.9	70-EFP Threshold
First Officer	1	\$8.25	\$16.49	\$24.74
	2	\$8.41	\$16.82	\$25.23
	3	\$8.58	\$17.16	\$25.74
	4	\$8.75	\$17.50	\$26.25
Senior First	1	\$9.10	\$18.20	\$27.30
	2	\$9.37	\$18.75	\$28.12
	3	\$9.65	\$19.31	\$28.96
	4	\$9.94	\$19.89	\$29.83
	5	\$10.24	\$20.48	\$30.73
	6	\$10.55	\$21.10	\$31.65
	7	\$10.76	\$21.52	\$32.29
	8	\$10.98	\$21.95	\$32.93
Captain	1	\$12.81	\$25.62	\$38.42
	2	\$13.06	\$26.13	\$39.19
Senior Captain	1	\$13.33	\$26.65	\$39.98
	2	\$14.27	\$28.54	\$42.81
	3	\$14.55	\$29.11	\$43.66
	4	\$14.85	\$29.69	\$44.54
	5	\$15.14	\$30.29	\$45.43
	6	\$15.45	\$30.89	\$46.34
	7	\$15.75	\$31.51	\$47.26
	8	\$16.07	\$32.14	\$48.21
	9	\$16.39	\$32.78	\$49.17
	10	\$16.72	\$33.44	\$50.15
	11	\$17.05	\$34.10	\$51.16
	12	\$17.39	\$34.79	\$52.18
	13	\$17.74	\$35.48	\$53.23
	14	\$18.10	\$36.19	\$54.29
	15	\$18.46	\$36.91	\$55.37
	16	\$18.83	\$37.66	\$56.48
	17	\$19.20	\$38.41	\$57.61

Excess Flying Pay (EFP):

EFP shall be paid for achieved Credit Hours in excess of a threshold of 84 Credit Hours in a calendar month.

Each hour of HDP shall be included in Excess Flying Pay calculations at the rate of 1/84 of total HDP at 84 hours. Current methodology for calculating EFP threshold remains the same.

EFP shall not be paid in the case where an Officer is unavailable for flying Duty at all times during the entire calendar month.

EFP shall not be paid for additional Duties required solely as a result of the requirement for remedial training or for extra training required due to failure of a regulatory check.

The EFP hours shall be multiplied by a factor depending on the amount of Credit Hours achieved in a calendar month.

Credit Hours EFP Factor:

Credit Hours	EFP Factor
More than 84 and up to 92	1.5
More than 92 and up to 100	2.5
More than 100	3.5

EFP shall be paid in accordance with the following formula:

$$\text{EFP (Per Hour)} = \text{EFP Factor} \times \frac{\text{Basic Monthly Salary}}{84}$$

SCHEDULE 3 – LETTERS OF UNDERSTANDING AND AGREEMENT

LETTER OF UNDERSTANDING NO. 1 (PERMANENT BASINGS)

BETWEEN

AIRCREW OFFICERS ASSOCIATION CANADA

AND

CATHAY PACIFIC AIRWAYS LIMITED

PERMANENT BASINGS

Whereas AOA Canada (The Association) and Cathay Pacific Airways Ltd. (The Company), as signatories to this Agreement, agree to the following:

1. Upon ratification of the Collective Agreement between The Association and The Company, it is agreed that the Permanent Basings provision for Association Officers shall be in accordance with the *Permanent Basings Policy Agreement 2006* (PBPA06).
2. It is understood by both parties that the Permanent Basings provision agreed to in this LOU is expected to be replaced by an agreement negotiated “globally” between the Company and the Trade Unions representing Officers on the Company’s Aircrew Seniority List. To facilitate this “global” negotiation, and in accordance with Section 49(2) of the *Canada Labour Code*, the parties hereby agree to commence renegotiation of the Permanent Basings provision during the term of the Collective Agreement. Upon ninety (90) days’ written notice by either party, or such other time as agreed by both parties, collective bargaining for the purpose of revising the Permanent Basings provision shall commence.
3. In the event that an agreement to revise the Permanent Basings provision is not reached within one hundred and twenty (120) days of commencement of collective bargaining for that purpose, or such other time as agreed by both parties, or if “global” ratification of a revised Permanent Basings provision is not achieved for any reason, the Permanent Basings provision for Association Officers shall remain as specified in paragraph 1 above.
4. In the event of an unsuccessful attempt at revising the Permanent Basings provision as detailed in paragraph 3, it is agreed that subsequent attempts to revise the Permanent Basings provision can be made by providing the notice requirements in paragraph 2.
5. For the purposes of this LOU, the Termination and Variation clauses of PBPA06 shall be replaced by paragraphs 2, 3 and 4 above.

6. The Permanent Basings provision specified in paragraph 1 shall remain in force until such time as agreement is reached to replace PBPA06 in accordance with paragraph 2 or the expiry of the Collective Agreement in accordance with Section 1.5. However, nothing in this LOU shall prohibit the Parties from reaching agreement to extend the validity of this LOU beyond the expiry date of the Collective Agreement.

LETTER OF UNDERSTANDING NO. 2 (ROSTERING PRACTICES)

BETWEEN

AIRCREW OFFICERS ASSOCIATION CANADA

AND

CATHAY PACIFIC AIRWAYS LIMITED

ROSTERING PRACTICES

Whereas AOA Canada (The Association) and Cathay Pacific Airways Ltd. (The Company), as signatories to this Agreement, agree to the following:

1. Upon ratification of the Collective Agreement between The Association and The Company, it is agreed that the Rostering Practices for Association Officers shall be as detailed in the Rostering Practices 2007 Policy Agreement dated 17th April 2007 ("RP07").
2. It is understood by both parties that the Rostering Practices agreed to in this LOU are expected to be replaced by an agreement negotiated "globally" between the Company and the Trade Unions representing Officers on the Company's Aircrew Seniority List. To facilitate this "global" negotiation, and in accordance with Section 49(2) of the *Canada Labour Code*, the parties hereby agree to commence renegotiation of the Rostering Practices provision during the term of the Collective Agreement. Upon ninety (90) days' written notice by either party, or such other time as agreed by both parties, collective bargaining for the purpose of revising the Rostering Practices provision shall commence.
3. In the event that an agreement to revise the Rostering Practices provision is not reached within one hundred and twenty (120) days of commencement of collective bargaining for that purpose, or such other time as agreed by both parties, or if "global" ratification of a revised Rostering Practices provision is not achieved for any reason, the Rostering Practices for Association Officers shall remain as specified in paragraph 1 above.
4. In the event of an unsuccessful attempt at revising the Rostering Practices provision as detailed in paragraph 3, it is agreed that subsequent attempts to revise the Rostering Practices provision can be made by providing the notice requirements in paragraph 2.
5. For the purposes of this LOU, the Termination and Variation clauses of RP07 shall be replaced by paragraphs 2, 3 and 4 above.
6. For the purposes of this LOU, the Rostered Time for Association Duties clause of RP07 shall be replaced by Section 5.4 of the Collective Agreement.
7. The Rostering Practices specified in paragraph 1 shall remain in force until such time as agreement is reached to replace RP07 in accordance with paragraph 2 or the expiry of the Collective Agreement in accordance with Section 1.5. However, nothing in this LOU shall prohibit the Parties from reaching agreement to extend the validity of this LOU beyond the expiry date of the Collective Agreement.

LETTER OF UNDERSTANDING NO. 3 (FREIGHTER POSITIONING)

BETWEEN

AIRCREW OFFICERS ASSOCIATION CANADA

AND

CATHAY PACIFIC AIRWAYS LIMITED

FREIGHTER POSITIONING

Whereas AOA Canada (The Association) and Cathay Pacific Airways Ltd. (The Company), as signatories to this Agreement, agree to the following:

1. Upon ratification of the Collective Agreement between The Association and The Company, it is agreed that Freighter pilots in the AOA Canada bargaining unit may Position on the Freighter aircraft unless and until the broader issue of Freighter Positioning is resolved, either locally or globally, in collective bargaining. For this purpose the parties to this agreement consider a Freighter pilot as any pilot for whom the Duty Cycle includes a Freighter aircraft operation as operating crew.
2. The Company agrees to continue to follow the guidelines contained in Notice to Crew 025/2002 dated 10 Jul 2002 (the NTC).
3. For the purposes of point 6) in the NTC, the relevant approval should be sought from the Crew Control Duty Manager.
4. The Association acknowledges that the NTC constitutes a set of guidelines only. There is nothing to prevent the freighter aircraft being used to position crew where there is an operational requirement to do so.
5. The Company agrees that should the issue of Freighter Positioning be resolved in bargaining in accordance with paragraph 1 above, or should the Company amend or replace the NTC specified in paragraph 2 above, this LOU would become null and void, and the Association would be released from the commitments contained therein and the commitments contained in the Association's letter to VPHR Canada of July 9th 2012.

LETTER OF AGREEMENT NO. 1 (GRANDFATHERED MEDICAL BENEFITS)

BETWEEN

CATHAY PACIFIC AIRWAYS LIMITED

AND

AIRCREW OFFICERS ASSOCIATION CANADA

GRANDFATHERED MEDICAL BENEFITS AGREEMENT

Whereas Cathay Pacific Airways Ltd. (the Company) and AOA Canada (the Association), as signatories to this Agreement, agree to the following:

1. This LOA will form part of the Collective Agreement between the Company and the Association.
2. The parties agree that until the ratification of the Collective Agreement, any dispute regarding this Agreement will be treated as though it is a grievance which may be referred to arbitration. The parties agree that the provisions of sections 57, 58, 59, 60, 61, 62, 63, 64 and 66 of the *Canada Labour Code* will apply in relation to any dispute regarding this Agreement.
3. The Parties agree that the following Officers shall receive grandfathered medical insurance benefits at no additional cost to them as follows:

ERN	Country of Residence	Medical Plan
102967Q	USA	CIGNA
110230Q	USA	CIGNA
112270Q	USA	CIGNA
110878Q	USA	CIGNA
650902Q	USA	CIGNA
110236Q	USA	CIGNA
110501Q	USA	CIGNA
110235Q	USA	CIGNA
111123Q	USA	CIGNA
110963Q	USA	CIGNA
103698Q	USA	CIGNA
109270Q	USA	CIGNA
110772Q	USA	CIGNA
701435Q	USA	CIGNA
700398Q	USA	CIGNA
102702Q	USA	CIGNA
111379J	USA	CIGNA
110226Q	USA	CIGNA

701127Q	Mexico	CIGNA
102436Q	Cayman Islands	CIGNA
700157Q	Bahamas	BUPA
701020Q	USA	BUPA
701204Q	Mexico	BUPA
700378Q	Hong Kong	BUPA
650727Q	Hong Kong	BUPA
650791Q	Bahamas	BUPA

4. This grandfathering shall continue until the earlier of:
- a. The Officer leaving the bargaining unit.
 - b. The Officer moving from his country of residence as listed above.

LETTER OF AGREEMENT NO. 2 (GRANDFATHERED BPP)

BETWEEN

CATHAY PACIFIC AIRWAYS LIMITED

AND

AIRCREW OFFICERS ASSOCIATION CANADA

GRANDFATHERED BYPASS PAY

Whereas Cathay Pacific Airways Ltd. (the Company) and AOA Canada (the Association), as signatories to this Agreement, agree to the following:

1. The parties intend that this LOA shall create a legal relationship that is enforceable between the parties.
2. This agreement will form part of the Collective Agreement between the Company and the Association.
3. The parties agree that any dispute regarding this agreement will be treated as though it is a grievance which may be referred to arbitration. The parties agree that the provisions of sections 57, 58, 59, 60, 61, 62, 63, 64 and 66 of the Canada Labour Code will apply in relation to any dispute regarding this Agreement.
4. The Association agrees that they will not assist in any manner (including financially or by the provision of any advice or facility) or encourage any claim for Bypass Pay (which shall include any actions, proceedings, demand or arbitration and whether contractual, tortious, statutory or otherwise) which would contradict the understanding and agreement of the parties set out below.
5. The parties to this LOA agree that the Bypass Pay provision of both CoS08 and CoS99 is to be interpreted as follows: should an Officer decline or defer a Command Training course which is offered to him either in his Home Base or in Hong Kong, he will not be eligible for Bypass Pay. It is also agreed that an Officer invoking clause 8.2 of the Permanent Basings Policy Agreement 2006 will be construed as the Officer declining to undertake a Command Training course for the purposes of the Bypass Pay clause within the CoS.
6. Notwithstanding 5. above, the parties recognise and agree that the interpretation that was applied by the Company in August 2008, which resulted in a number of based Officers being paid Bypass Pay, was reversed in July 2009 and no longer applies.
7. As of 30th June 2011, there are 7 Officers on a Canadian Base who are receiving Bypass Pay as a result of the August 2008 to July 2009 interpretation. These 7 are:

700859Q – YTO
700825Q – YTO
700653Q – YTO
700592Q – YVR
700553Q – YVR
700398Q – YVR
700832V – YVR

1. It is agreed that these 7 Officers will continue to be paid Bypass Pay (“Grandfathered BPP”) until the earlier of 31st December 2013 or when they decline or defer a Command Training course in their Home Base.
2. From 1st July 2011 and for as long as they remain eligible for Grandfathered BPP, these 7 Officers will be ignored when determining the next most senior First Officer on the Aircrew Seniority List for the purpose of entitlement to Bypass Pay, and the resulting Bypass Pay will be reallocated to other First Officers in accordance with the global Aircrew Seniority List and their CoS.

SCHEDULE 5 – Definitions

“Accident” – As defined in Ops manual Part A.

“Agreement” – The collective agreement signed between the Company and the Association.

“Aircrew Licence” – Airline Transport Pilot’s Licence or Commercial Pilot’s Licence issued by Hong Kong Civil Aviation Department.

“Aircrew Seniority List” – The list, in seniority order, of all Officers employed by the Company, Veta, USAB or NZBL.

“Air Operators Certificate (AOC)” – A certificate authorizing an operator to carry out specified commercial air operations.

“Appointment Allowance” – Monetary supplement paid to an Officer in respect of an appointment to which he has been assigned by the Company.

“Association” – The Aircrew Officers’ Association – Canada.

“Aviation Medicine” – An area of medicine specializing in aviation.

“Base Training” – Flight training required by HKCAD to obtain an aircraft type rating.

“Category C” – As defined in Operations Manual Volume 7 Part 1.

“Category D” - As defined in Operations Manual Volume 7 Part 1.

“Check and Training Officer” – Officer appointed by the company to carry out check and or training duties.

“Christmas/New Year Embargo Period” – A period of time around the Christmas/New Year period, to be notified in advance.

“Command” – Having primary responsibility for the operation of an aircraft and its crew.

“Commander/PIC” - The Captain designated by the Company responsible for the safety and operation of the aircraft during flight time.

“Command Selection Panel” – Panel of Flight Operations management pilots tasked with assessing an Officer’s suitability for Command.

“Company” – Cathay Pacific Airways Ltd.

“Concessionary Travel” – Discounted travel privileges.

“Crew Administration” – A Section of the Company’s Flight Operations department providing administrative support to Officers.

“Crew Control” – A Section of the Company’s Flight Operations department Integrated Crew Management section providing scheduling support to Officers.

“Crew member” – An Officer on the Company’s Aircrew Seniority List.

“Duty” – As defined in the Company’s Approved Flight Time Limitations Scheme.

“Duty Travel” – Any travel, aside from operating or positioning as a crew member, undertaken by an employee at the behest of the Company.

“Excess Flying Pay (EFP)” – Payment to an Officer for credit hours in excess of his monthly EFP threshold, calculated according to Schedule 2.

“Expatriate Benefits” – Benefits provided to an eligible Officer who relocates to a permanent Hong Kong Base from an overseas base

“FCRM” – Flight Crew Relations Manager.

“Flying Duty” – As defined in the Company’s Approved Flight Time Limitations Scheme.

“FDP” – Flying Duty Period as defined in the Company’s Approved Flight Time Limitations Scheme.

“FOC” – Free Of Charge Concessionary Travel ticket.

“GDO” – Guaranteed Day Off as defined in LOU 2 Rostering Practices.

“General Committee” – General Committee of the Association.

“Global” – Affecting or potentially affecting all Officers on the Company’s Aircrew Seniority List.

“GMA” – General Manager Aircrew

“GMF” – General Manager Flying

“Ground School” – Ground training in accordance with the relevant process contained within Operations Manual Volume 7 Part 1.

“HKCAD” – Hong Kong Civil Aviation Department.

“Home Base” – The port mutually agreed between the Company and an Officer from where the Officer normally starts and ends a Duty Cycle.

“Hourly Duty Pay” – Payment to an Officer for credit hours calculated according to Schedule 2.

“ID50” – Industry Discount ticket.

“In Flight Rest” – As defined in Operations Manual Part A.

“Leave Year” – As defined within the Flight Crew Annual Leave Policy in Ops Manual Part A.

“Medical Practitioner” – Qualified Doctor of Medicine.

“Missed Duties” – When an Officer either fails to report for a duty, or reports so late that he has to be replaced by another crew member, and no replacement duty is assigned.

“O” Day” – As defined in LOU 2 Rostering Practices.

“Office Days” – As defined in LOU 2 Rostering Practices.

“Office Duty” – A rostered duty which attracts the Office Duty credit.

“Officer” – Other than where explicitly stated, a pilot employed by the Company, Permanently Based in Canada.

“Operations Manuals” – All manuals published by the Company and pertaining to the flying operation.

“Ops Manual Part A” – A part of the Operations Manuals.

“Operational/Training Record” – Records related to an Officer’s technical performance which form a part of the Company’s Employment Records.

“Outport” – A port other than the Officer’s Home Base or Preferred Port.

“Permanently Based” – An Officer who has taken up a specified Home Base on a permanent basis.

“Personnel Record” – Administrative records of an Officer which form a part of the Company’s Employment Records.

“Pilot Performance Review Process” – Management committee review of an Officer’s technical performance as defined in Flight Training Management Policies and Procedures Manuals.

“Preferred Port” – The Company on-line port mutually agreed by both the Company and the Officer which is not the Officer’s Home Base but from where the Company may schedule the Officer to start and or end a Duty Cycle.

“Policy” or **“Company Policy”** – Normal policy as published by the Company, either online or in print, which may be amended in a reasonable fashion by the Company from time to time.

“Positioning or positioned” – An Officer travelling as a passenger on Company or other carrier aircraft in accordance with Section 12.3.

“Public Holiday” – As defined as “general holiday” in the *Canada Labour Code* or “statutory holiday” in the Employment Ordinance of Hong Kong, or as observed by the Company in Canada and Hong Kong.

“Reserve Duty” – As defined in the Approved Flight Time Limitation Scheme.

“Rest” – As defined in the Approved Flight Time Limitation Scheme.

“Salary” – The basic monthly Salary paid in accordance with the appropriate section of Schedule 1.

“Sector Time” - As defined in the Approved Flight Time Limitation Scheme.

“Selection Panel” – Management committee review of an Officer’s suitability for promotion as defined in the Operations Manual Volume 7 Part 1.

“Seniority Number” – An Officer’s position relative to others on the Aircrew Seniority List.

“Serious Incident” – As defined in Ops Manual Part A.

“Sickness Certificate” – A form or certificate certifying, or otherwise, the Officer’s fitness for duty as provided by a recognized medical practitioner.

“Technical Competency” – Competency related to an Officer’s ability to meet the Company’s required flying standard.

“USAB, OABL, NZBL, Veta” – Current or past subsidiaries of the Company.

IN WITNESS WHEREOF, we have signed this 29th day of October, 2012.

Signed:



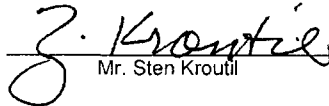
Mr. Philip Herbert

General Manager Aircrew



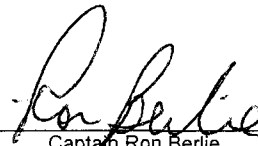
Captain Nick Budd

Chairman AOA Canada



Mr. Sten Kroutil

Vice President Human
Resources Canada



Captain Ron Berlie

Lead Negotiator AOA Canada