

Collective Agreement

Between

Cathay Pacific Airways LTD

and

CUPE Airline Division,

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01/01/2007

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Article 1 Preamble

- 1.01** This Agreement is made and entered into by and between Cathay Pacific Airways Limited, hereinafter referred to as the "Company" or the "Employer", and the Canadian Union of Public Employees, Airline Division, hereinafter referred to as the "Union".
- 1.02** The purpose of the Agreement is, in the mutual interest of the Company and the employees, to provide for the operation of the services of the Company, under the methods which will further, to the fullest extent possible, the efficiency and economy of operations, a high level of customer service with the flexibility necessary to meet customer needs, and the continuation of employment under conditions of reasonable hours, compensation and working conditions.
- 1.03** It is recognised by this Agreement to be the duty of the Company, the Union and the employees to co-operate fully, both individually and collectively, for the advancement of this purpose.
- 1.04** The parties agree that they will discourage any practice which imposes restrictions on the efficient, flexible and competitive operation of the business or that have a negative impact on customer service.
- 1.05** Where a masculine reference is used in this Agreement it shall be deemed to include the equivalent feminine reference.

Article 2 Union Recognition

- 2.01 The Company recognizes the Union as the sole bargaining agent for all Cabin Personnel employed by Cathay Pacific and based in Canada, in accordance with the certification issued by the Canada Industrial Relations Board under the provisions of the Canada Industrial Relations Code, unless directed otherwise by the Board from time to time. It is agreed that instructors, supervisors and those above the rank of instructor and supervisor are excluded.
- 2.02 This Agreement shall not apply to any individual on initial induction training.
- 2.03 The Company agrees to deduct from the wages of each employee in the bargaining unit, the following regular monthly dues: 1.5% of total gross earnings.
- 2.04 The above dues deductions are set out for informational purposes only, Union dues may change from time to time and the Employer agrees to deduct the new amount from employee's wages after receiving notice from the Union.
- 2.05 The amount of union dues so deducted shall be remitted with a statement to the Secretary Treasurer of the Union by Mail on or before the fifteenth (15th) day of the month following the month in which the dues have been deducted. The Company will, at the time of making such remittance to the Union, specify the employees from whose pay such deductions were made and the amount of each deduction.
- 2.06 The Union shall indemnify and save harmless the Company, including its agents and employees from any and all claims or actions brought by an employee arising out of or in any way related to the deductions made in accordance with the Article.
- 2.07 The Union shall have the right to have assistance of Representatives of CUPE (Airline Division) or any other advisors when dealing with any matters arising out of this Agreement. Upon reasonable advance notice, and provided there is no disruption of work or service to customers, such representative(s), advisor(s) shall have access to the Company's Canadian premises in order to deal with any matters arising out of this Agreement.
- 2.08 The Company will determine a period of time when an officer of the Union shall be given an opportunity to address new employees at their home base.

Article 3 Management Rights

3.01 The Union 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, the Union acknowledges that it is the exclusive right of the Company to:

- a) operate and manage its affairs in as efficient and economic a manner as it sees fit;
- b) hire, retire at normal retirement age, assign, direct, promote, demote, classify, transfer, layoff and recall employees;
- c) suspend, discharge or otherwise discipline non-probationary employees for just cause;
- d) discharge a probationary employee for any reason satisfactory to the Company, in the sole discretion of the Company, whether for just cause or otherwise;
- e) 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 will 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;
- f) 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;
- g) make, enforce and alter from time to time, reasonable rules and regulations to be observed by employees including, but not limited to, rules and regulations respecting conduct, safety, customer service, security of the Company, its property and personnel; and
- h) make studies of and institute changes in jobs, job content or job assignments; discontinue, reorganise, limit, combine, substitute any operation or part thereof.

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

Article 4 Definitions

- 4.01 **AGREEMENT** means the Collective Agreement, Letters of Understanding, and Letters of Interpretation negotiated between the Company and the Union including amendments or interpretationsthereto and covered by letters or written amendments signed by the UNION and the COMPANY.
- 4.02 **ANNUAL LEAVE – VACATION** means the period from January 1st to December 31st inclusive.
- 4.03 **COMPANY** means Cathay Pacific Airways Limited.
- 4.04 **G-DAYS (GUARANTEED DAY OFF)** means, as per current CAD regulations, a period of thirty-four (34) hours, including two local nights, commencing from the time an employee ceases duty at the employee's home base. Except with the permission of the employee, G-Days will not be moved or rescheduled. Any G-Day lost as a result of circumstances beyond control of the Company or employee (i.e. flight delay due mechanical or weather problem) will *be* added above the days off scheduled prior to the next scheduled annual leave. There will be 3 G-days per month.
- 4.05 **MONTH** means a complete calendar month for all purposes of the Agreement including pay and flight-time limitations.

Article 5 Classifications

- 5.01 In general, Cabin Personnel are responsible for performing and assisting in the performance of all on-route cabin service to passengers and ground service to delayed or cancelled passengers, station duties relative to the flight and necessary customs, immigration and health procedures as required by the Company. It is the responsibility of all cabin personnel to apply these services for the safety, welfare, comfort and enjoyment of passengers.
- 5.02 All employees covered by this Agreement currently operate within the following classifications:
- In-flight Service Manager (ISM)
 - Senior Purser (SP)
 - Purser (FP)
 - Bar and Cabin Attendant (BC)

Article 6 Rates of Pay

6.01 Rates of Pay/Grid	Band 1	Band 2
Inflight Service Manager (ISM)	<u>\$41.70</u>	<u>\$72.10</u>
Senior Purser (SP)	<u>\$34.84</u>	<u>\$60.08</u>
Purser (FP)	<u>\$27.92</u>	<u>\$47.97</u>
Bar and Cabin Attendant (BC)	<u>\$23.14</u>	<u>\$39.60</u>
Probationary	<u>\$22.12</u>	<u>\$37.83</u>

Effective January 1, 2008 all rates to be increased by 2%

Effective January 1, 2009 all rates to be increased by 2.5%

Effective January 1, 2010 all rates to be increased by 2.5%

- 6.02 Inclusive Rates.** It is recognised and agreed that the above-noted rates are inclusive of any and all payments for services performed.
- 6.03 Daily Pay.** All rostered duties, which are not related to flight operations, will be calculated at 5.5 hours per day paid at the employee's regular level of pay.
- 6.04** Except for the additional hours caused by swapped flights, all hours worked beyond one hundred and twenty (120) per month will be at Band II rate.
- 6.05 Call Out Pay.** For each report for duty, employees are guaranteed either a minimum of (3) hours pay at their regular level of pay, or pay for all hours worked at their regular level of pay, whichever is greater.
- 6.06 Reclassification.** A crewmember may be upgraded or downgraded and will be advised of such a move as soon as practicable. The Company will use reasonable efforts to arrange for an adequate number of employees in each classification in order to mitigate the necessity for upgrading or downgrading.
- 6.07 Ground Duties (During Flight Delay or Disruption).** An employee who has reported for Operating Duty and is requested to perform service to customers while on the ground will be paid for all time performing ground duties, or for three (3) hours at his regular level of pay, whichever is greater.
- 6.08 Pay Cheques** Effective January 12, 2007, employees will be paid every other Friday, with payment 14 days in arrears. Payment will be effected by direct deposit by the Company through automated payroll distribution to any recognized financial institution within the territorial limits of Canada.
- 6.09** Where an employee is available for duty for a full month, he shall receive a minimum monthly guarantee of seventy-five (75) LDH. The minimum monthly guarantee will not apply where an employee is sick, injured or otherwise absent during any portion of the month.
- 6.10** Where a crewmember swaps below the minimum guarantee hours, the minimum monthly guarantee will not apply.

- 6.11 **Training Hours** shall be calculated at 5.5 hours/training day at their applicable level of pay.
- 6.12 **Short Crew Pay.** Cabin Personnel that operate on flights with less than the normal crew complement will be paid, in addition to their regular rates of pay, an equally divided portion of the flight pay for the position(s) missing.
- 6.13 **Performance Bonus.** The Company agrees to continue to provide performance bonuses quarterly based on gross salary. The discretionary performance bonus may be paid when the Company is making a satisfactory operating profit as determined by the Company at its sole discretion. In any year when profitability is marginal or negative, the bonus may be reduced or, in extreme circumstances, not paid, either of which is in the sole discretion of the Company.
- 6.14 **RRSP.** The Company agrees to continue the current 10% RRSP quarterly contribution for each employee, based on gross earnings and any earned performance bonuses.

Article 7 Flight and Duty Time

- 7.01 Maximum Flight Time Limitations will be as determined and directed by the Civil Aviation Department of Hong Kong.
- 7.02 **Flight Time Calculation** – Line duty hours will normally commence 1½ hours before departure at home port, and 1 hour before estimated departure out port, and will continue until 15 minutes after engines off or released by the ISM. If the post duty period exceeds 29 minutes, and the ISM's report is approved, the employee will be paid LDH until released. The Company may require earlier report times for the entire crew. LDH will commence at the early report time.
- 7.03 The Company agrees to provide in-flight crew rest periods as determined by the In-flight Services Department and reported to the Civil Aviation Department of Hong Kong.
- 7.04 **Training:** Excluding Initial or Promotion Training, training will not normally exceed five (5) consecutive days. Training dates will be included in the employees' roster, with minimum legal crew rest since the last rostered duty and prior to any other duty period.
- 7.05 Minimum legal rest periods will be as determined and directed by the Civil Aviation Department of Hong Kong.
- 7.06 **Stand By Calculation:** Time already served on standby will be credited towards LDH on a one-third (1/3) basis.

Article 8 Expense Allowances and Uniforms

- 8.01** Cleaning Allowances The Company agrees to permit employees to use dry cleaning and laundry facilities in Hong Kong and Canada to clean their uniforms.
- 8.02** Outport Allowances The Company agrees to continue the current practice of providing outport allowances to employees.
- 8.03** When the operational requirements necessitate a household move, the Company shall Pay for moving expenses, in accordance with Company guidelines, for a flight attendant transferring from base to base, within Canada.
- 8.04** Transportation to and from the airport for cabin personnel called out for flights or standby duty less than three (3) hours before ETD will be paid by the Company.

Article 9 Vacation & General Holidays

9.01 ANNUAL LEAVE/VACATION Annual Leave entitlement will be as follows:

ISM	= 28 days/ year
SP	= 28 days/year
EP	= 21 days/year
BC	= 14 days/year

9.01.01 Employees who are not available for service for the entire year will have their annual leave/vacation prorated.

9.01.02 BC CATEGORY – after three (3) years of continuous service, will be entitled to twenty-one (21) days per year annual leave.

9.02 ANNUAL LEAVE – Rotation:

New employees will be assigned to the bottom of Group 1, 2 or 3 vacation rotation list for their home base, based on a lottery.

9.02.01 Group 1 will have first choice vacation for the first vacation year. **Group 2**, first choice for the second vacation year and Group 3 will have first choice for the third vacation year and then the process will be repeated.

9.02.02 Within each group each person who is at the top of that list will move to the bottom of their respective list after they have had top choice of their Group.

9.02.03 Annual Leave/Vacation Pay will be paid at the rate of 3.6 DH per day.

9.03 STATUTORY HOLIDAYS

9.03.01 The current statutory holidays are as follows:

New Year's Day	Good Friday
Easter Sunday	Victoria Day
Canada Day	Civic Day
Labour Day	Thanksgiving Day
Remembrance Day	Christmas Day
Boxing Day	

9.03.02 The following formula for payment of Statutory or General Holidays will be a calculation of 1.4 times the number of recognised statutory holidays, and will be added to flight attendants' annual leave allocation as follows:

Eg.

11 recognized statutory holidays x 1.4	= 15 days/year
ISM	= 28 days/year + 15 = 43 days/year
SP	= 28 days/year + 15 = 43 days/year
FP	= 21 days/year + 15 = 36 days/year
BC	= 14 days/year + 15 = 29 days/year
BC 4 th year	= 21 days/year + 15 = 36 days/year

9.03.03 Statutory holiday pay will be paid at the rate of 3.6 LDH per day.

Article 10 Sick Leave

- 10.01** Sick leave will be paid at 3.6 hours for each day rostered for duty, but not for originally scheduled days off. If an employee's illness carries on into a month with no published roster, an employee will be paid for five days out of every seven days at 3.6 hours per day.

Article 11 Leave of Absence

- 11.01** PERSONAL LEAVE: Where the operational requirements permit, an employee who submits a written request may be granted a personal leave of absence without pay for up to three (3) months. The request must indicate the reason for the leave, and normally should be submitted 6 weeks prior to the start of the relative Roster month. Requests with less than 6 weeks notice will be accommodated only provided minimal Roster changes are required.
- 11.02** UNION BUSINESS: Where the operational requirements permit, an employee shall be granted a leave of absence without pay account Union Business for a period of time greater than thirty (30) days and up to one (1) year on written request from the Union.
- 11.03** MATERNITY LEAVE: Maternity and Parental leave will be granted in accordance with the current Company policies and at no time shall be less than that specified by the Canada Labour Code.
- 11.04** BEREAVEMENT LEAVE: All employees shall be granted three (3) consecutive days with pay when there is a serious illness, serious injury or death of a member of the immediate *family*. "Immediate Family" is as defined in the Canada Labour Code and a copy of that definition will be posted on the employee bulletin board.
- 11.04.01** Up to an additional two days with pay may be granted where travel outside of North America is required.
- 11.05** Compassionate Care Leave: Compassionate Care Leave will be granted in accordance with the provisions and subject to the requirements of proof of the Canada Labour Code.
- 11.06** EXTENSION: A leave of absence may be extended by the Company on receipt of a written request from the employee or, in the case of leave of absence account Union business, from the Union.
- 11.07** SENIORITY: An employee shall retain and accrue seniority while on leave of absence.
- 11.08** REINSTATEMENT An employee shall be reinstated in accordance with his seniority at his Base at the termination of a leave of absence.
- 11.09** JURY DUTY: Cabin Crew who *serve* on jury duty, who appear in court as a result of being subpoenaed, or who are subpoenaed to appear as a witness, shall be granted a leave of absence without pay for performing such duties.

Article 12 Probation

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- 12.01** An employee shall serve a probationary period of six (6) months duration commencing with the first day after completion of his initial induction training. Notwithstanding the above, the Company and the Union may agree to extend the Probationary period by up to three (3) months.
- 12.02** During the probationary period, a probationary employee may be dismissed for any reasons satisfactory to the Company and in the Company's sole discretion, whether for just cause or otherwise.
- 12.03** A probationary employee shall have access to the procedure outlined in Article 15 – Discipline and Discharge – for the purpose of grieving disciplinary action taken. Notwithstanding the foregoing, any grievance with respect to the dismissal of a probationary employee will be subject to Article 12.02.

Article 13 Medical Review Procedure

- 13.01** Where the Company Medical Services Officer or Company designated physician makes a declaration regarding the fitness for flight duty of any Cabin Crew member, the Cabin Crew member may initiate the medical review procedure within fifteen (15) calendar days of receiving the medical report by giving the Company (the Cabin Crew Manager, Canada) written notification of his intention to do so.
- 13.02** This procedure shall be expedited by all parties to the extent possible.

Step I

- 13.03** The Cabin Crew member will select a general medical practitioner to undertake an examination on the same basis as that performed by the Company Medical Officer or Company designated physician, within fifteen (15) days of the one carried out by the latter. The fifteen (15) day period may be extended by mutual agreement between the Company and the Cabin Crew member, if the attending physician is not available at that date. The Cabin Crew member must pay the costs of this examination. The results of this examination will be submitted in writing to the Company Medical Officer while the Cabin Crew member's physician will be informed of the results of the examination by the Company's Medical Officer.
- 13.04** If the two physicians are in agreement, their decision will be final and binding and not subject to appeal, grievance or arbitration.

Step II

- 13.05** If, in the opinion of either physician, the results of the examinations are inconclusive or conflicting in nature, the Cabin Crew member may request that the two physicians appoint, within fifteen (15) days, a disinterested medical specialist to undertake a further examination.

- 13.06** In the event the medical specialist cannot be agreed upon by both parties, the College of Physicians will be asked to recommend one or more medical specialists, sufficient that both the Company Medical Officer and the Cabin Crew member's physician may reach an agreement on the selection of the medical specialist.
- 13.07** The decision of the medical specialist, based on the results of the examination, will be conclusive of the issue and not be subject to appeal, grievance or arbitration.
- 13.08** The above fifteen (15) day time limit is exclusive of statutory holidays and may be extended by mutual written agreement. It is agreed that the specialist may request that the respective physicians provide the documentation required to proceed with the medical examination.
- 13.09** The fees of the medical specialist will be shared equally between the Company and the Cabin Crew member.
- 13.10** If the Cabin Crew member originally declared unfit for flight duty by the Company Medical Officer is subsequently declared fit for flight duty under this procedure, the following will apply:
- 13.11** If the specialist declares the Cabin Crew member fit for flight duty, he will be reinstated in accordance with his seniority.
- 13.12** Compensation: The Cabin Crew member will receive retroactive compensation based on the amount he would have earned had he been employed since he was initially declared fit for flight duty by his medical examiner, less all compensation received from any other source. If the out of service period is more than one month, compensation would be calculated as an average for the last full three months preceding the disability period.
- 13.13** If the Cabin Crew member originally declared unfit for flight duty by the Company Medical Officer is subsequently declared unfit for duty under this procedure, he will be treated as having been unfit for duty since the initial medical report.
- 13.14** If the Cabin Crew member originally declared fit for flight duty by the Company Medical Officer is subsequently declared fit for duty under this procedure, the Cabin Crew member, after receiving return-to-work notice by registered mail at his last known address, will have seventy-two (72) hours to return to work or otherwise be considered to have resigned.
- 13.15** If a Cabin Crew member originally declared fit for flight duty by the Company Medical Officer is subsequently declared unfit for duty under this procedure, he will be treated as having been unfit for duty since the initial medical report.

Article 14 Grievance Procedure

14.01 The purpose of this Article is to provide an orderly method for the settlement of a grievance alleging the violation of a specific provision of this Agreement. Such a grievance shall be presented and processed in accordance with the steps, time limits and conditions set forth herein.

Step 1 It is understood that an employee has no grievance until he has first given his supervisor a reasonable opportunity to settle the matter. The matter shall be discussed with the employee's immediate supervisor within fourteen (14) days of the circumstances giving rise to it. Any matter not presented within fourteen (14) days shall be forfeited by the aggrieved party.

Step 2 If the matter is not settled as provided for above, the employee may grieve and this employee or a Union Officer may submit this written grievance to the Cabin Crew Manager, Canada or her designate, within fourteen (14) days of Step 1. The grievance must be signed by the employee or the Union Officer and shall identify the nature of the grievance, the specific provisions of the Agreement which are alleged to have been violated and the remedy sought. The Cabin Crew Manager, Canada, or her designate, will deliver her decision in writing within seven (7) days following the day on which the grievance was presented.

Step 3 If the grievance is not settled at Step 2, the employee may, within fourteen (14) days following the receipt of the Cabin Crew Manager, Canada's written answer, submit the written grievance to the Cabin Crew Manager, Canada. A meeting may then be held between the Manager Cabin Crew Relations, the Cabin Crew Manager, Canada, the Union Officer, or his designate, and the grievor. The meeting shall be held within ten (10) days of the receipt of the grievance at step 3. The Company's answer to the grievance shall be given in writing within ten (10) days following the date of this meeting.

14.02 Each member of management mentioned above may appoint a designate to act in her absence.

14.03 Policy Grievance

A policy grievance shall be defined as a dispute involving a question of application or interpretation of any Article of this Agreement which arises directly between the Company and the Union. It shall be submitted at Step 3 within fourteen (14) days following the circumstances giving rise to the grievance. The provisions of this Article may not be used with respect to a grievance directly affecting an individual employee or a group of employees. Company grievances shall be submitted to the Union at Step 3.

14.04 All time limits shall be exclusive of Saturdays, Sundays and General Holidays and may be extended by mutual agreement in writing, such agreement not to be unreasonably withheld.

14.05 Any grievance which is not commenced or processed through the next stage of the grievance or arbitration procedure with the time specified shall be deemed to be abandoned.

Article 15 Discipline and Discharge Procedure

15.01 An employee who has been disciplined or suspended pending discharge and who feels unjustly dealt with may appeal in writing through the Union in the following manner:

Note: In Suspension or Discharge cases, Level 1 will be waived

Level 1: Cabin Crew Manager, Canada or designee

Level 2: Manager, Cabin Crew Relations or designee

15.02 The following time limits shall apply at all steps specified in Article 15:

15.03 A meeting shall be held within five (5) days of receipt of notice of appeal.

15.04 All decisions shall be rendered within five (5) days of any meeting and shall be communicated in writing to the parties concerned.

15.05 Appeals must be lodged in writing within ten (10) days of receipt of any decision.

15.06 In the event a Company grievance decision at Level 1 is not rendered within the relevant time limits the grievance will be progressed to Level 2.

15.07 Upon request, the Company and the Union shall exchange copies of all documents relevant to the conduct of a grievance. Notwithstanding the above, should any additional documentary evidence become available during the grievance procedure or before arbitration, the Company and the Union agree to provide such documentation to each other in a timely manner.

15.08 All time limits shall be exclusive of Saturdays, Sundays and General Holidays and may be extended by mutual agreement in writing, such agreement not to be unreasonably withheld.

15.09 Where the procedures outlined in Article 15 above have been exhausted, the Union may initiate the Arbitration Procedure in accordance with Article 16 within fifteen (15) days of the final Company decision.

15.10 When the Company meets with a Flight Attendant in order to inform him of disciplinary action to be taken, he may be accompanied by a Union representative, if one is available upon reasonable notice.

15.11 When disciplinary action is contemplated, the Flight Attendant will be informed prior to action being taken, unless reasonable efforts to contact him are not successful,

15.12 Any grievance which is not commenced or processed through the next stage of the grievance or arbitration procedure within the time specified shall be deemed to be abandoned

Article 16 Arbitration

- 16.01** Any dispute not settled in accordance with Article 14 or 15 may be submitted to an Arbitrator who will be selected jointly by the parties. The party electing arbitration will serve notice of intent to arbitrate within thirty (30) days of receipt of the Company's decision and will submit the name of one (1) or more Arbitrators to the other party. If the parties are unable to agree on the choice of an Arbitrator within thirty (30) calendar days after notice of intent has been received, the Minister of Labour will be requested to name the Arbitrator.
- 16.02** The Arbitrator shall have jurisdiction to consider any matter properly submitted to him/her 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.
- 16.03** The Arbitrator shall establish his/her own procedure consistent with the requirements of natural justice.
- 16.04** In the case of disciplinary or discharge appeals, the Arbitrator shall have the authority to determine whether the disciplinary or discharge action was for just cause, and it may uphold the Company's decision, exonerate and reinstate the grievor without loss of pay and benefits, or render such other intermediate decision as it considers just and equitable.
- 16.05** The Arbitrator shall make every effort to render a decision with the minimum delay, but in no case more than thirty (30) calendar days from the date of final hearing.
- 16.06** The decision of the Arbitrator shall be final and binding on both the Union and the Company.
- 16.07** Upon request, the Company shall provide the Union, and the Union in turn shall provide the Company with copies of all documents relative to the case.
- 16.08** Each party shall bear the expenses of its participants and witnesses and for the preparation and presentation of its own case. The expenses and reasonable compensation of the Arbitrator will be borne equally by the parties.
- 16.09** All time limits shall be exclusive of Saturdays, Sundays and General Holidays and may be extended by mutual agreement in writing, such agreement not to be unreasonably withheld.

Article 17 Seniority

- 17.01** The seniority of an employee shall be defined as a length of uninterrupted service since the first date immediately subsequent to the initial induction training period with the Company. Seniority shall only be credited upon the completion of the probationary period. Seniority rights shall apply only to the extent expressly provided in this Agreement.
- 17.02** Cabin Crew transferring to Canada will be assigned seniority under the Agreement based on their first month of duty in Canada. Where two or more such crew start duties on the same day, their new seniority will be relative to their dates of joining at Hong Kong or by lottery if these dates are the same.
- 17.03** The seniority of an employee shall be lost and his employment automatically terminated for any of the following reasons:
- (a) he quits his employment;
 - (b) he is retired;
 - (c) he is discharged for just cause and is not reinstated;
 - (d) he is laid off for a period exceeding (two) 2 years;
 - (e) he is absent from work without permission for more than five (5) consecutive working days or more unless an explanation satisfactory to the Company is given by the employee;
 - (f) if he over stays a vacation or leave of absence without securing a written extension of such leave of absence or vacation from the Cabin Crew Manager, Canada unless an explanation satisfactory to the Company is given by the employee;
 - (g) if he utilises a leave of absence for purposes other than those for which it was granted;
 - (h) he fails to return to work immediately after the Company has been notified by a doctor or the Workers' Compensation Board that the employee is able to return to work;
 - (i) if he is recalled to work and fails to return within fourteen (14) days of being telephoned or having notice of recall delivered by registered mail to the employee's home address. Such mailing shall be to the last address of the employee that the Company has in its files for that employee and such mailings shall be deemed to have been received by the employee.
- 17.04** The Company agrees to post seniority lists for bargaining unit employees every six (6) months. Employees who wish to question their seniority must do so within thirty (30) days of such posting. If no challenge is made within thirty (30) days, the employee's seniority shall be deemed correct. A copy of the list will be sent to the local union office.
- 17.05** Retirement shall be upon attainment of the age of sixty-five (65) years.

17.06 Seniority Protection During a leave of absence on account of illness or injury, the employee shall continue to accrue seniority for a continuous period of up to two (2) years, or until the employee has been declared fit to return to duty and fails to do so, whichever occurs first. The two (2) year time limit may be extended by mutual agreement between the parties.

17.07 Management Position Any employee who performs management functions for a cumulative period exceeding six (6) months will forfeit all accrued seniority, and will be placed at the bottom of the seniority list, and in the lowest rank of on board work positions upon return to the bargaining unit. The 6 month time limit may be extended by mutual agreement between the parties. Time spent in any temporary acting management position will not be excluded from such calculations, except any modified work programs for legitimate medical or maternity reasons.

Article 18 Layoff and Recall

18.01 Layoff and recall will be handled in accordance with the Cathay Pacific/CUPE Layoff and Recall Protocol Letter of Understanding dated January 1, 2003.

Article 19 Human Rights

19.01 The Company and the Union agree to abide by the provisions of the Canadian Human Rights Act with respect to the employment of employees in the bargaining unit.

Article 20 General

20.01 Hotel Accommodation: The Company will make every reasonable effort to provide cabin personnel with single hotel accommodation at layover stations.

20.02 Change in Ownership/Merger: In the event that the Company changes ownership, merges with another company or changes its identity, this agreement will remain in full force and effect and the Certificate issued by the Canadian Industrial Relations Board shall not be affected in anyway, except as otherwise governed or directed by the Board.

20.03 Orders in Writing: Wherever possible, all orders to employees involving layoff, recall, promotion, demotion, annual leave/vacations and leaves of absence shall be made in writing, with a copy to the Union.

20.04 Address List: A current address list of all employees will be provided to the Union every six (6) months. The list will be provided in hard copy or on a diskette, whichever is requested.

20.05 Distribution and Printing of Agreement: The Agreement will be printed in booklet form in English, the cost of which will be equally shared by the Company and the Union. The Company will provide a copy of the Collective Agreement to each employee. The parties agree to base interpretations on the language in which the agreement is negotiated.

- 20.06 Visas and Inoculations:** The Company agrees to continue its current practice with respect to payment for Visas and all inoculations, as required for Company duty. The Company will provide a refund of up to \$10.00 for the cost of a Medical Certificate requested due to an absence that it wants substantiated, unless the Company deems that sick leave has been abused.
- 20.07 Contact By the Company:** Cabin Personnel will be required to designate a primary contact by the Company via one of the following methods:
- Hometelephone
 - Cell telephone
 - Personal pager
 - Temporary Alternate telephone number
- 20.08 Use of Mail Boxes and Company Bulletin Boards:** CUPE shall have the use of space on the local bulletin board and access to employee mail folders provided the contents of bulletins are sanctioned by Union Officers and moderate in tone towards the Employer, with an advance copy provided to management.
- 20.09 Employee Baggage Loss:** When cabin personnel are required to travel on Company business and suffer loss, theft or damage to their checked baggage or personal effects, such loss will continue to be handled in accordance with current Company Policy.
- 20.10 Employee Files:**
- 20.10.01** Files shall be maintained for each employee in the employ of the Company and shall contain all records and reports involving the employee's work performance.
- 20.10.02** An employee will be advised of any document placed on his file(s) by copy of such document.
- 20.10.03** Where a formal assessment of an employee's performance is carried out, the Flight Attendant shall be given sufficient opportunity to read, review and discuss the assessment. Formal performance assessments will be signed by the employee, which signature shall only acknowledge completion of the assessment, not concurrence or rejection.
- 20.10.04** An employee who is the subject of a passenger complaint letter which the Company is investigating, will be provided with a copy of the relevant portion of the complaint and shall have the right to comment in writing on any adverse allegations therein. Should the passenger complaint be placed on the employee's file(s), the employee's response shall also be placed on the file(s). Such letters will be removed from the file after a period of one (1) calendar year.
- 20.10.05** Upon reasonable notice and by written request to the Company an employee shall be permitted to review his file(s) in the presence of the Base Manager or designee.
- 20.11 On-Board Performance Reports:** CPP or TIPS Reports which are completed for the purposes of evaluation or monitoring of standards will not be used as the sole basis of any form of discipline or demotion.

- 20.12** **New Bases:** Whenever the Company establishes a new base covered by this Collective Agreement, it will announce its decision and the expected time of activation of such new base to the Union.
- 20.13** **Workers' Compensation Board:** The Company will maintain an injured employee on the payroll for a period of fourteen (14) days, it being agreed that any overpayment received by the employee will be paid back to the Company.
- 20.14** **Overpayments:** Where the Company is recovering an overpayment, a schedule of repayment by payroll deduction shall be arranged by mutual agreement between the employee and the Company and subject to a maximum deduction of one hundred (\$100.00) dollars per pay. However, in the event an employee's employment is terminated, the overpayment shall be recovered from the final pay.

Article 21 Union Releases

- 21.01** The Company recognises the importance of handling Union business such as grievances, negotiations, attendance at meetings at various levels, including the importance of the role of Union Officers in carrying out the functions of Union Business. Union Officers recognise the importance of maintaining appropriate customer service levels to the customers of the Company. Therefore, it is understood and agreed that the Company in its discretion may grant to Union Officers reasonable Company paid time off and transportation to carry out their functions, subject to the requirements of the business.
- 21.02** The Union and the Company agree to promote safe practices to ensure the health and safety of employees.

Article 22 Labour Management Meetings

- 22.01** The parties agree that they may meet on a bi-monthly (every two months) basis to discuss issues relating to communications between the parties, application of the provisions of the Collective Agreement and the establishment and maintenance of good relations.

Article 23 Insurance Plans

Where the benefit is provided by an insurer, it is agreed and understood that any dispute regarding an employee's eligibility or entitlement to benefits will be between the employee and the insurer and will not be the subject matter of a grievance.

- 23.01** Extended Health, Dental and Eye-Care Programs will not be substantially changed during the life of this Agreement. Each employee must register with Pharmacare and, if the employee does not register, then Cathay Canada's liability is limited to the first \$1,000.00 of costs, with no Cathay Canada payments being made after that.

- 23.02** All other benefits will be maintained for the duration of this collective agreement.

Article 24 Technological Change

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

Article 25 Strikes and Lockouts

- 25.01** The Union agrees that during the life of this Agreement, it will not be involved in and will not directly or indirectly sanction or authorize any slowdown, work to rule, stoppage of work, refusal to perform work, or strike and no employee shall be involved in such action. The Company agrees during the life of the Agreement that it will not sanction or authorize any lockout.

Article 26 Duration of Agreement

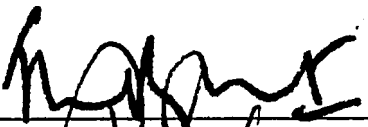


26.01 This Agreement shall become effective on January 1, 2007, and shall continue in full force and effect until December 31, 2010 and each year thereafter unless written notice to bargain is served by either party at least sixty (60) days prior to December 31, 2010 or preceding the anniversary date in any year thereafter.

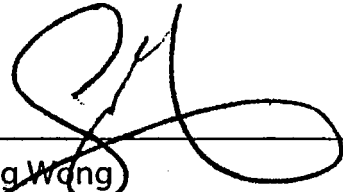
26.02 In witness whereof, the parties hereto have signed at Vancouver on this 22nd day of February, in the year 2007.

For Cathay Pacific Airways Limited

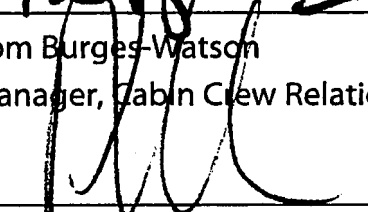
For Airline Division of C.U.P.E.




Tom Burges-Watson
Manager, Cabin Crew Relations



Sung Wong
Component President



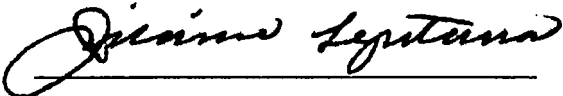
Philippe Lacamp
Vice President, Canada




Johann Wong
Component Secretary-Treasurer




Deborah Mellema
Cabin Crew Manager, Canada



Pilar Leyretana
Local President YVR



Vivian Sat
Local Vice-president YVR



Joseph Tse
Local President YTO



Rob Limongelli
National Representative

Letter of Understanding1 -

Merit Based Promotion System Application

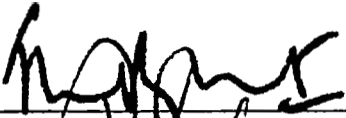
The Union and Company agree to the following approach to the application of the Company Policy of Merit Based Promotion.

Cabin Crew selection will continue to be made under the established policy, except that when candidates have the same overall results that date of Seniority in the Canadian Bases will be the determining factor.

It is further agreed that when reasonable overall results are in dispute, that the Union may review the results with the Cabin Crew Manager, Canada. Should there be no agreement on the selection process or measurement of candidates, the Union shall have the right to process a grievance, up to and including arbitration.

Signed at Vancouver this 22nd day of February, in the year 2007

For Cathay Pacific Airways Limited

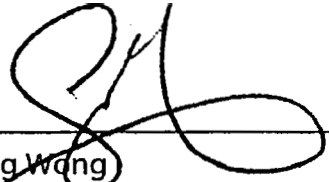


Tom Burges-Watson
Manager, Cabin Crew Relations

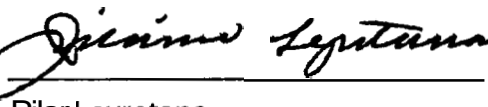
Philippe Lacamp
Vice President, Canada


Deborah Mellema
Cabin Crew Manager, Canada

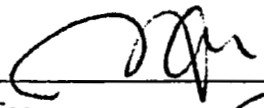
For Airline Division of C.U.P.E.



Sung Wong
Component President

Johann Wong
Component Secretary-Treasurer

Pilar Leyretana
Local President YVR

Vivian Sat
Local Vice-President YVR

Joseph Tse
Local President YTO

Rob Limongelli
National Representative

Letter of Understanding 2 - Protocol for the Filling of Vacancies, Reduction of Force and Recall

Layoff

The Company will provide the Union with at least thirty (30) days notification of any intended reduction in staffing levels to provide the parties an opportunity to find ways and means of preventing layoffs or of minimizing the adverse effects.

Cabin Personnel and the Union will be given written notice of at least fifteen (15) days prior to any layoff. If such advance notice can not be given, compensation equivalent to 5.5 LDH will be paid for each day that the notice is short, over and above any credits earned.

Layoff notices will be sent by registered mail or telegram, the date of receipt of such notice will be used to calculate the period of advance notice.

Layoffs will first be offered in order of seniority to those who volunteer, regardless of classification. The Company may restrict the number of volunteers within a classification if to do otherwise would create a training or promotion situation.

If there are insufficient volunteers, the Company will declare surpluses by classification. Those who have the lowest seniority will be declared surplus to that classification and may bump down to the next lowest classification. Those who are displaced by insufficient seniority by the bump down will bump down to the next lowest classification, and will continue until able to secure a classification as per their seniority. The person with the lowest seniority will be placed on laid off status.

Based on the CUPE seniority list, should there be someone more junior at another location within Canada, the laid off person will have the right to bump the junior person at the other location, or accept laid off status

Laid-Off Cabin Attendants will have two (2) years recall rights.

Recall

Recall to work will be in the reverse order of layoff or bumping. The Company will notify the laid-off Cabin Attendant according to his seniority standing of any recall, even if the recall is at a base other than the one where he is normally assigned. Cabin Personnel on laid off status may refuse recall at another base, without prejudice to any subsequent recall rights. Cabin Personnel who do not return to work by the specified date without reasonable justification will be considered to have resigned, and their name will be removed from the seniority list.

The employee must maintain a current address or other point of contact during the layoff period.

The Company will notify the employee by registered mail of recall no less than twenty-one (21) days prior to the assignment start date. The employee will respond no less than fourteen (14) days prior to the assignment start date, indicating their decision to accept recall to their own base, or decline recall to any other base.

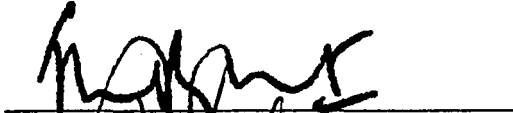
Layoff or Severance Compensation

Any employee with twenty-four (24) or more months of accrued service who is placed on laid off status pursuant to Article 18 or who accepts termination due to closure of a base, shall be entitled to severance compensation equal to one (1) week of pay per full year of service to a maximum of twelve (12) weeks.

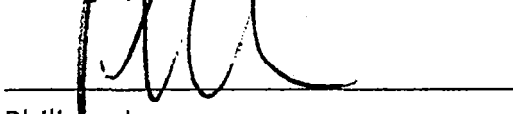
Pay will be calculated on the last twelve (12) months rate of pay,

Signed at Vancouver this 22nd day of February, in the year 2007

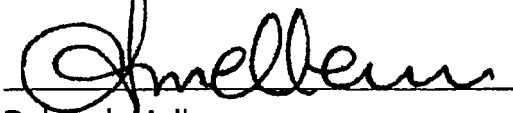
For Cathay Pacific Airways Limited



Tom Burges-Watson
Manager, Cabin Crew Relations



Philippe Lacamp
Vice President, Canada



Deborah Mellema
Cabin Crew Manager, Canada

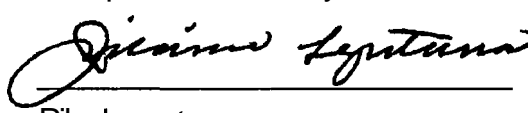
For Airline Division of C.U.P.E.



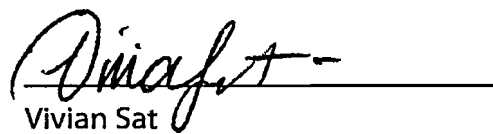
Sung Wong
Component President



Johann Wong
Component Secretary-Treasurer




Pilar Leyretana
Local President YVR



Vivian Sat
Local Vice-president YVR



Joseph Tse
Local President YTO



Rob Limongelli
National Representative

Letter of Understanding3 -

Flights Performed by Other than Members of the Bargaining Unit

MIXED CREWING:

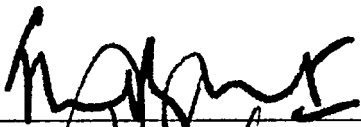
It is recognized that from time to time, staffing or operational conditions will require combination of crew members of CUPE members with flight attendants not on the CUPE Seniority list, however, it is agreed that mixed crew will in no way be used to undermine the integrity of the bargaining unit,

MANAGEMENT AS OPERATIONAL CREW:

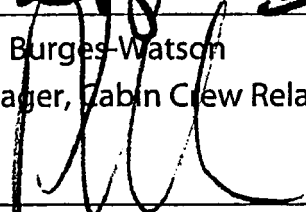
The Company may schedule instructors, supervisors and those above the rank of instructors and supervisors to operate flights only as additional crew (beyond the normal crew staffing requirements). In short crewing situations, where management operates to fill the vacancy, for Short Crew Pay purposes, the position will be considered as being not covered, and the crew will be entitled to short crew payments.

Signed at Vancouver this 22nd day of February, in the year 2007

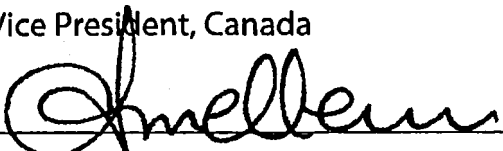
For Cathay Pacific Airways Limited



Tom Burges-Watson
Manager, Cabin Crew Relations

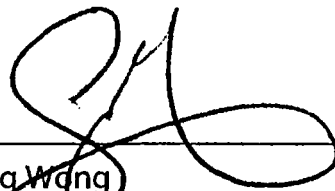


Philippe Lacamp
Vice President, Canada



Deborah Mellema
Cabin Crew Manager, Canada

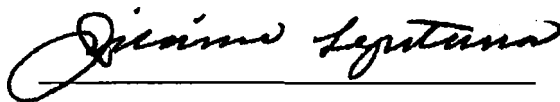
For Airline Division of C.U.P.E.



Sung Wong
Component President



Johann Wong
Component Secretary-Treasurer



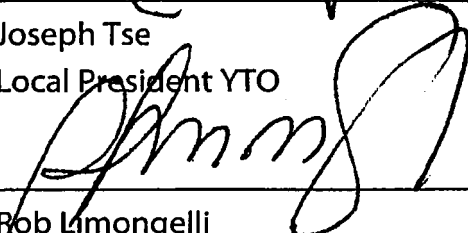
Pilar Leyretana
Local President YVR



Vivian Sat
Local Vice-president YVR



Joseph Tse
Local President YTO



Rob Limongelli
National Representative

**Letter of Understanding4 -
Roster Parameters**

Purpose: The following parameters will be used to balance the efficiency and customer service needs of the airline, with the needs for time off and proper rest and relaxation to complete duties for the cabin crew members based in Canada.

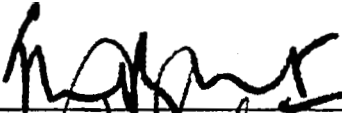
Roster Construction: Rosters will be constructed from Preferential bids received Prior to the bid close deadline, normally 45 days prior to the start of the roster month. Bids will be sorted by classification and within each classification placed in rotational order, similar to the vacation bid award process.

Rosters will be built between 75 and 105 Line Duty Hours, (LDH) with 3 Guaranteed Days off. Roster Line Duty Hours will include non-flying duties, such as training, special assignments, meetings and Standby Reserve credits.

Amendments: These Roster Parameters will be considered as part of the collective agreement between the parties, however, upon mutual agreement, the parameters may be adjusted, amended or augmented as warranted and duly published to the members

Signed at Vancouver this 22nd day of February, in the year 2007

For Cathay Pacific Airways Limited



Tom Burges-Watson
Manager, Cabin Crew Relations

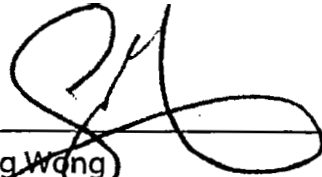


Philippe Lacamp
Vice President, Canada



Deborah Mellema
Cabin Crew Manager, Canada

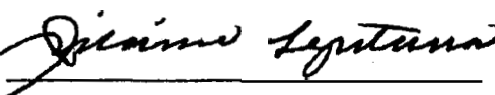
For Airline Division of C.U.P.E.




Sung Wong
Component President



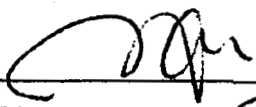
Johann Wong
Component Secretary-Treasurer



Pilar Leyretana
Local President YVR



Vivian Sat
Local Vice-president YVR



Joseph Tse
Local President YTO




Rob Lamongelli
National Representative

Letter of Understanding5
Turnaround Flights

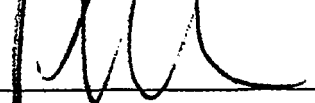
As of the date of negotiations, the Company confirms that it does not have any intent to operate turn around flights. If plans change in this regard, the Company agrees to meet with the Union to discuss issues related to turn around flights.

Signed at Vancouver this 22nd day of February, in the year 2007


For Cathay Pacific Airways Limited



Tom Burges-Watson
Manager, Cabin Crew Relations

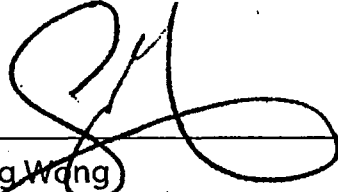


Philippe Lacamp
Vice President, Canada




Deborah Mellema
Cabin Crew Manager, Canada

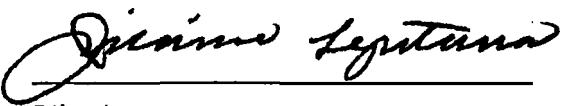
For Airline Division of C.U.P.E.




Sung Wong
Component President




Johann Wong
Component Secretary-Treasurer



Pilar Leyretana
Local President YVR



Vivian Sat
Local Vice-president YVR



Joseph Tse
Local President YTO



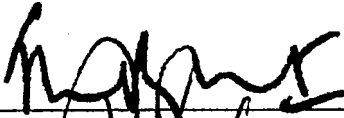
Rob Limongelli
National Representative

**Letter of Understanding6
Profit Sharing**

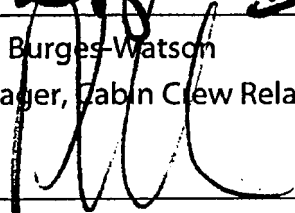
As of the date of negotiations, there is a profit sharing program in effect for all Cathay Pacific employees. The terms, continuation or existence of the program will be determined in the sole discretion of the Company.

Signed at Vancouver this 22nd day of February, in the year 2007

For Cathay Pacific Airways Limited



Tom Burges-Watson
Manager, Cabin Crew Relations

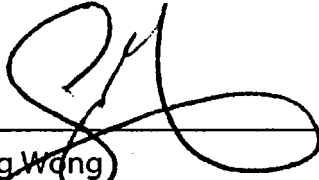


Philippe Lacamp
Vice President, Canada




Deborah Mellema
Cabin Crew Manager, Canada

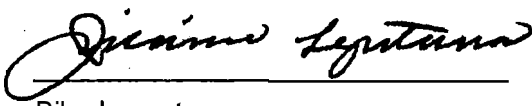
For Airline Division of C.U.P.E.




Sung Wong
Component President




Johann Wong
Component Secretary-Treasurer



Pilar Leyretana
Local President YVR



Vivian Sat
Local Vice-president YVR



Joseph Tse
Local President YTO



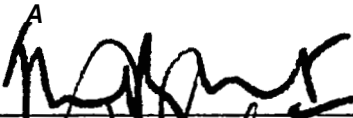
Rob Limongelli
National Representative

Letter of Understanding7
Maternity Leave

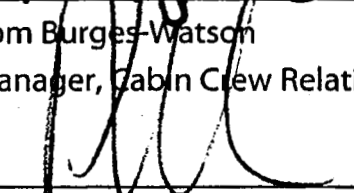
To address the concerns raised by the Union at negotiations, the Company agrees to post a copy of the current maternity and parental leave policy in force as of the date of negotiations on the Employee Bulletin Board. In the event that there are changes to the maternity and parental leave policy, the Union will be advised of the specific changes made prior to communication to the cabin crew.

Signed at Vancouver this 22nd day of February, in the year 2007

For Cathay Pacific Airways Limited



Tom Burges-Watson
Manager, Cabin Crew Relations

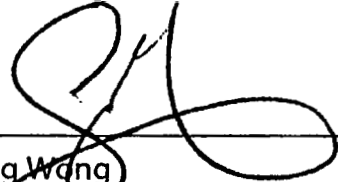


Philippe Lacamp
Vice President, Canada




Deborah Mellema
Cabin Crew Manager, Canada

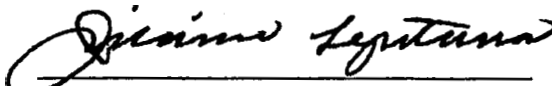
For Airline Division of C.U.P.E.



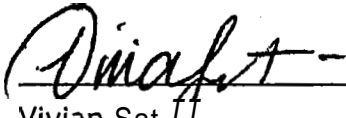
Sung Wong
Component President




Johann Wong
Component Secretary-Treasurer



Pilar Leyretana
Local President YVR



Vivian Sat
Local Vice-president YVR



Joseph Tse
Local President YTO



Rob Limongelli
National Representative