

Agreement

between

Swiss International Air Lines AG, "**SWISS**"

and

KFMV Schweiz
VPOD
SEV-GATA

hereinafter named jointly the "Associations"

concerning

Temporary saving measures due to the Covid-19 crisis

In case of doubt, the German version of this agreement applies.

Due to the Covid-19 crisis, SWISS and the associations have agreed on short-time work for all CLA-governed ground staff employees in separate documents. These decisions were made as follows: in March 2020 for the months April to June 2020 (phase I), in May 2020 for the months July to December 2020 (phase II), and in November 2020 for the period from January 2021 until the statutory end of short-time work (expected August 31, 2021).

In order to secure as many jobs as possible with current working conditions in the long term and to achieve the financial and operational goals in the coming years, SWISS is aiming for a structural reduction in personnel costs by 15% (in 2021 after the end of short-time work) or 20% (from 2022). This is to be achieved by reducing the workforce, if possible, without layoffs. A large part of the cost-reduction can be achieved through (early) retirement and natural fluctuation without replacement. Since these measures only contribute to the desired savings over time, further measures are necessary in order to realize savings after the end of the legally possible short-time work period.

The parties, therefore, agree on the following measures for the ground staff.

1. Applicability

The present agreement applies to all employees governed by the CLA 2018 for ground staff unless future agreements require different regulations.

2. Temporary Saving Measures

The cost-cutting measures can be divided into "general temporary measures" and "individual voluntary measures". The "general temporary measures" apply to all employees governed by the CLA

2018 for ground staff and form the basis for individual decisions about the voluntary contribution employees can make in the coming years through part-time work, unpaid vacation and Joker Days.

2.1. Start, Duration and End of the "General Temporary Measures"

The agreed "general temporary measures" will be implemented after the end of short-time work (at the earliest from September 1, 2021) and will apply until December 31, 2023, at the latest. An exception to this is the pension fund risk contribution, which is reduced for administrative reasons for full calendar years and thus from 01/01/2021 to 12/31/2022.

After the end of the "general temporary measures", the regular remuneration elements from the CLA 2018 apply.

2.2. General Temporary Measures

For the duration mentioned above, the parties agree on the following "general temporary measures" and the corresponding temporary adjustments to the CLA 2018 (if anchored therein):

- Reduction of the 13th monthly wage by 1/3
- Elimination of the performance bonus in 2021, 2022 and 2023
- Reduction of the risk contribution (purely financed by employer) to 2% (Jan 2021 to Dec 2022)

2.3. Covid-bonus When Reaching the "New Normal"

The "New Normal" is considered to have been achieved as soon as SWISS has made full repayment of the Covid loans granted by the Swiss Confederation, including interest, and an adjusted EBIT margin of $\geq 8\%$. Those employees who joined SWISS no later than September 1, 2021, or from the beginning of the "general temporary measures" and who are employed by SWISS at the end of the period under review benefit from the bonus.

Over three years, in each of which the adjusted EBIT margin is $\geq 8\%$, a total of CHF 2,500 gross is paid for full-time employment. Payment is made in three equal tranches of CHF 833.33, each in April of the following year at the latest. For part-time employees, the payment is adjusted to their workload. The creditable workload is determined on the day before this agreement comes into effect.

If the adjusted EBIT margin of $\geq 8\%$ is not achieved in one year after the full loan repayment, the payment will be postponed until an adjusted EBIT margin of $\geq 8\%$ is reached again.

SWISS has the option of paying the Covid-bonus in full straight away (for example in the first year of the "New Normal").

If not all tranches have been paid out by the end of 2026, the overdue bonuses can be included in future CLA negotiations. If no agreement can be reached regarding a new CLA, the remaining tranches will be due for payment by the end of 2026.

2.4. Regular Reporting

For the duration of the "general temporary measures", SWISS will provide the following quarterly key figures in addition to an insight into the current and future economic situation:

- FTE change (fluctuation, [early] retirement, voluntary measures)
- Adjusted EBIT margin (SWISS Group)
- Line of credit used

These key figures are confidential, in particular, the adjusted EBIT margin and the credit line used, and require the written (proof by text) consent of SWISS for disclosure to third parties, provided they come from the sources of these reports.

2.5. Adaptation of the Social Plan

The exit payments (no. 9 social plan) in the event of mass layoffs during the term of this agreement will be adjusted as follows for employees who have not yet reached the age of 50 at the time of termination of the employment relationship (i. e. up to their 50th birthday):

- Reduction of the age premium up to the age of 40 to 1/2 of a basic monthly salary; from the age of 40 (i. e. from 40th birthday) to 1 basic monthly salary and from 45 years of age (i. e. from 45 years of age) birthday) to 2 basic monthly salaries (each base wage incl. [plus] market or local allowance).
- Capping of the entire exit compensation up to the age of 40 (meaning up to the 40th birthday) to 4 basic monthly salaries; from the age of 40 (i. e. from 40th birthday) to 6 basic monthly salaries and from the age of 45 (i. e. from 45th birthday) to 8 basic monthly salaries (basic monthly salaries each including [plus] the market or local allowance).

Furthermore, the requirement of the notice period extended by 2 months will be adjusted so that it is applied either from the age of 40 (meaning from the 40th birthday) or at least 10 years of service (previously cumulative).

2.6. Continuation of the CLA 2018

The parties agree that the CLA 2018 will stay in effect for three years after the end of the "general temporary measures" (paragraph 2.1). It can therefore be terminated by the employer or jointly by all trade unions / staff associations by 31.12.2026 at the earliest, with a notice period of 6 months. It is then possible to terminate the contract at the end of a calendar year with a notice period of 6 months.

3. Crisis Clause

In the event of a significant change in the economic situation, the contracting parties are obliged to immediately start negotiations to assess the situation and, if necessary, adjust the temporary saving measures.

4. Final Provisions

The measures agreed here come into effect subject to the approval of the decision-making bodies of all parties (SWISS has already approved the agreement by the responsible bodies, and unions / associations subject to the approval of their bodies [usually member voting]).

In the event of disputes or claims arising from or in connection with this agreement, including its validity, invalidity, infringement or dissolution, the parties are obliged to negotiate in good faith to resolve the differences.

With regard to the place of jurisdiction and applicable law, the CLA regulations apply analogously.

Zurich Airport, January 29, 2021

Swiss International Air Lines AG

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