

**“Sozialplan”
Severance Benefits Package**
**for ground personnel
with a Swiss basic contract of employment**

concluded between

SWISS

and

KV Switzerland

SEV-GATA

VPOD Air Transport Section

Effective 1 June 2021

*This document is a translation of the original German text.
In all matters of interpretation, the original German shall prevail.*

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1 Purpose

This “Sozialplan” Severance Benefits Package (hereinafter referred to as the “Sozialplan”) is intended to ensure that, in the event of any workforce downsizing at Swiss International Air Lines Ltd. and/or Swiss Global Air Lines Ltd. (hereinafter referred to as “SWISS”), the employees with Swiss basic contracts of employment concerned are offered socially acceptable solutions, and that cases of hardship are avoided, or are at least eased as much as possible.

In any reorganizations or workforce resizing programmes which it undertakes, SWISS will make every effort to minimize the numbers of dismissals and early retirements involved.

2 Applicability

The provisions of this “Sozialplan” shall apply to all SWISS ground personnel with a Swiss basic contract of employment whose employment is terminated by SWISS in connection with headcount reductions under reorganizations, resizing programmes or mass dismissals.

The “Sozialplan” and its provisions shall apply to cases of early retirement and cases in which notice is served to terminate employment on or after 1 July 2017. It shall not apply to cases in which employment is terminated for reasons attributable to the employee (and in particular for disciplinary reasons which had already given cause to be documented before the resizing programme began).

3 Legal and contractual obligations

The relevant legal and contractual obligations, and in particular

- notice periods
- vacation entitlement, annual workhours balances and any credit balances on long-term accounts
- salary payment obligations (including any further salary components) and
- occupational pension scheme obligations

shall remain in force and must continue to be honoured by SWISS until the employee’s departure.

4 Notification

Should SWISS decide to take action (such as terminating employment) as a result of a resizing activity, the employees concerned shall be notified of this as soon as possible.

In the case of dismissals for economic reasons, the social partners shall be swiftly informed and invited to promptly state their own views on the matter. Once the social partners have been informed in this way, any employees who are to have notice served by SWISS to terminate their employment shall be informed of this decision as soon as possible, and shall then be promptly informed, in individual discussions, about the concrete application of this “Sozialplan” and its provisions and about the outplacement advisory services available.

5 Offers of other positions

The employees affected will be offered general support by SWISS in seeking alternative employment. SWISS will, in particular, strive wherever possible to find the employee another position within SWISS or another Lufthansa Group company (Swiss Aviation Software,

Edelweiss etc.). Should a clearly acceptable position be found for the employee which they then choose to decline, the terms of this “Sozialplan” shall cease to apply.

6 Acceptability

For the purposes of Article 5, an alternative position will be regarded as “acceptable” if:

- its workplace can be reached by public transport within 90 minutes;
- its job requirements broadly match the employee’s education/training and experience;
- it does not entail a reduction of more than 10% in the employee’s fixed basic annual salary; and
- it does not entail a change to the employee’s degree of employment of more than 10%.

7 Outplacement

SWISS will offer and pay for specific outplacement services by an outside provider for the employees concerned. These outplacement services will include a personal discussion to determine the individual situation of each employee.

The employees concerned will receive professional assistance and support in their occupational reorientation process, with targeted competency and motivational checks that should help show where they currently stand, to permit any further actions (such as support with applications, jobseeking services or additional basic or further training) to be determined and defined. The prime focus in all these activities will be on providing services that maintain and further enhance the employee’s attractiveness on the employment market.

Employees will receive such outplacement services either individually or in groups. All such employees are required to participate actively in such activities. In return, they will receive the best possible support in their jobseeking endeavours.

All the time spent receiving such outplacement assistance and advice will be regarded as paid working hours.

8 Extended notice periods

SWISS undertakes to grant the employees concerned the following extensions to their regular notice periods (with notice served to terminate employment at the end of the corresponding calendar month):

- for employees aged 30 or over with at least one year of service: a one-month extension
- for employees aged 40 or over or with at least 10 years of service: a two-month extension
- for employees aged 50 or over or with at least 20 years of service: a three-month extension.

The maximum (new) notice period may not exceed six months.

All years-of-service calculations for the above will be based on the employee’s technical date of entry.

As far as business operations permit, SWISS will allow the employees concerned to leave the company before their formal employment termination date if they can start new employment earlier than this. In such an event, one half of their remaining notice period will be paid out to the employee in cash form.

If the employee is released fully or partially from their duties during their notice period, any vacation days still outstanding will be regarded as taken.

9 Leaving settlement

The employee will receive one-third of their contractually-agreed monthly salary (including any local allowance) for every full year of service, and a minimum of one such monthly salary. Further salary components will not be included in the corresponding calculation. This leaving settlement for full years of service will only be made once.

In addition to the above, an age-based supplement will also be paid to the employee in the form of the following multiples of their monthly salary (including any local allowance):

- to employees aged under 40: one monthly salary
- to employees aged between 40 and 44: two monthly salaries
- to employees aged between 45 and 49: three monthly salaries
- to employees aged between 50 and 54: four monthly salaries
- to employees aged between 55 and 57: five monthly salaries.

Employees aged 58 or over will be asked to take early retirement, and will additionally receive an age-based supplement amounting to six monthly salaries.

Should an employee who has obtained the years-of-service-based benefits of this “Sozialplan” return to SWISS employment at a later date, their years of service for any future such calculation will only be those since rejoining.

The employee’s leaving settlement is subject to tax and social security deductions¹ (including company pension scheme contributions). If the employee is aged 50 or over, SWISS will pay all the company pension scheme contributions (i.e. both the employer’s and the employee’s contributions) that are due on this leaving settlement amount.

The employee’s total leaving settlement payable in monthly salaries (including any local allowance) is subject to the following payment maxima:

- for employees aged under 40: six monthly salaries
- for employees aged between 40 and 44: nine monthly salaries
- for employees aged between 45 and 49: ten monthly salaries
- for employees aged between 50 and 57: no maximum.

Employees aged 58 or over will be asked to take early retirement, and will additionally receive only an age-based supplement amounting to six monthly salaries.

The employee will also receive their variable compensation for the year in which they leave the company, paid out on a pro rata basis in accordance with the applicable provisions.

10 Early retirement

Employees aged 58 or over whose employment is to be terminated in accordance with Article 2 of this “Sozialplan” and/or Article 40 of the CLA and who cannot be found a new position by the time of their planned departure will receive an offer of early retirement. In such cases, SWISS will provide a transitional pension amounting to one maximum AHV Swiss state retirement pension per person per year, i.e. for a maximum of six years.

In addition, male employees will be paid a bridging pension amounting to one maximum AHV Swiss state retirement pension.

¹ As of June 2021: benefits paid by the employer in the event of dismissal for operational reasons amounting to up to 4.5 times the maximum annual retirement pension are excluded from the reference salary (Art. 8ter AHVV).

SWISS will further make a one-off deposit into the employee's company pension scheme retirement savings account as a percentage of their qualifying salary (as specified in the scheme regulations):

- for employees aged 63 or over: 12.6% of the qualifying salary
- for employees aged 62: 25.2% of the qualifying salary
- for employees aged 61: 37.8% of the qualifying salary
- for employees aged 60: 50.4% of the qualifying salary
- for employees aged 59: 63.0% of the qualifying salary
- for employees aged 58: 75.6% of the qualifying salary.

In the event of the employee's early retirement, their entitlements to a leaving settlement as specified in Article 9 and their entitlements deriving from the extension of their notice period as specified in Article 8 will both be calculated. Should their entitlement to financial benefits as specified in Article 9 exceed the early retirement benefits outlined above, the difference between the two amounts will be paid into the employee's company pension scheme retirement savings account by SWISS as a one-off deposit. Any further or additional entitlements deriving from this "Sozialplan" may not be claimed in the event of early retirement.

The benefits specified will be subject to tax and social security deductions² in accordance with the applicable legal provisions.

In all cases, the employee taking early retirement will be required to meet their own AHV/IV/EO Swiss state social security obligations. All employees who are offered early retirement by SWISS will also be duly informed about the associated financial consequences (pension reductions and similar).

11 Long-service awards

Any long-service awards which would be due for bestowal in the employee's notice period (and any extension thereof as specified in Article 8 above) will be honoured by SWISS.

12 Flight concessions

In accordance with the relevant regulations, the employees concerned may continue to benefit from their flight concessions (on "operated by SWISS" flights) during both their regular and their extended notice period. But all tickets for such flights must be obtained before the termination of their employment.

All such tickets will remain valid for three months from their date of issue, and must be used in full (i.e. for both the outward and the return flight) within this three-month period.

Up until the end of employment any unused tickets will be refunded, subject to an administration fee of CHF 30 per ticket.

All employees will be entitled upon leaving the company to one booked round-trip Business Class flight within Europe for them and their family.

Should the employee have achieved Status 75 by the time of their leaving, the provisions thereof shall apply.

² As of June 2021: benefits paid by the employer in the event of dismissal for operational reasons amounting to up to 4.5 times the maximum annual retirement pension are excluded from the reference salary (Art. 8ter AHVV).

13 *Hardship cases*

In the event of any demonstrable particular hardship cases, a request for additional support may be submitted within one year of the (former) employee's departure. Additional funds may be granted in such cases at the discretion of a special committee consisting of two delegates from the staff associations and two representatives of SWISS, and chaired by SWISS.

14 *Information and advice*

SWISS will take all the necessary steps to ensure that each individual employee concerned is provided with the information and the advice they require.

SWISS will keep its CLA contractual partners regularly informed, in an appropriate manner, about the latest status of any actions being taken under this "Sozialplan" and the employees concerned.

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