

# MEMORANDUM OF AGREEMENT

Between

Cathay Pacific Airways Limited (the "Company")

And

Airline Division of CUPE (the "Union")

(Collectively "the Parties")

The undersigned bargaining representatives of the Company and the undersigned bargaining representatives acting on behalf of the Union, agree that the Collective Agreement between Cathay Pacific Airways Limited and Airline Division of CUPE (Local 4088) commencing January 1, 2015 and expiring December 31, 2018 shall consist of the following:

1. **PREVIOUS CONDITIONS**

All of the terms and conditions of the 2011 – 2014 Collective Agreement continue and remain unchanged except as specifically varied below.

2. **TERM**

Amend Article 26 as follows:

**Article 26 Duration of Agreement**

**26.01** This Agreement shall become effective on **January 1, 2015**, and shall continue in full force and effect until **December 31, 2018** and each year thereafter unless written notice to bargain is served by either party at least sixty (60) days prior to **December 31, 2018** or preceding the anniversary date in any year thereafter.

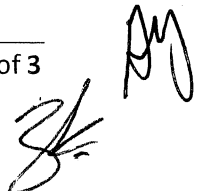
3. **WAGES**

- a. Effective January 1, 2015 all rates to be increased by 2.4%.
- b. Effective January 1, 2016 all rates to be increased by 2.5%.
- c. Effective January 1, 2017 all rates to be increased by 2.5%.
- d. Effective January 1, 2018 all rates to be increased by 2.5%.

4. **NORMAL RETIREMENT AGE**

Amend 3.01 (b) to delete "retire at normal retirement age".

Delete Article 17.05. Renumber remaining articles and references.



Add new Article 20.15 as follows:

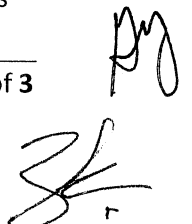
20.15 Where retirement age is a factor in determining Company benefits, the normal retirement age shall be deemed to be upon attainment of the age of sixty-five (65) years.

5. **LOU #9 PARAMEDICAL BENEFIT COSTS**

Replace with the following:

The parties agree as follows:

1. In calculating the combined costs for extended healthcare benefits, the parties agree the only items included are acupuncture, physiotherapy, massage, chiropractic and custom hose expenses;
2. If the combined costs for the extended healthcare benefits for the period December 1, 2013 to November 30, 2014 exceed the combined costs for extended healthcare benefits for the period December 1, 2009 to November 30, 2010 by 18% or more, then the limits for acupuncture, physiotherapy, massage and chiropractic expenses only will each be \$400 for the calendar year 2015;
3. If the combined costs for the extended healthcare benefits for the period December 1, 2014 to November 30, 2015 exceed the combined costs for extended healthcare benefits for the period December 1, 2009 to November 30, 2010 by 21% or more, then the limits for acupuncture, physiotherapy, massage and chiropractic expenses only will each be \$400 for the calendar year 2016;
4. If the combined costs for the extended healthcare benefits for the period December 1, 2015 to November 30, 2016 exceed the combined costs for extended healthcare benefits for the period December 1, 2009 to November 30, 2010 by 24% or more, then the limits for acupuncture, physiotherapy, massage and chiropractic expenses only will each be \$400 for the calendar year 2017;
5. If the combined costs for the extended healthcare benefits for the period December 1, 2016 to November 30, 2017 exceed the combined costs for extended healthcare benefits for the period December 1, 2009 to November 30, 2010 by 27% or more, then the limits for acupuncture, physiotherapy, massage and chiropractic expenses only will each be \$400 for the calendar year 2018;
6. The limits for acupuncture, physiotherapy, massage and chiropractic expenses will be re-set to \$500 each calendar year subject to 2, 3, 4 and 5 above;
7. In calculating the combined costs for the extended healthcare benefits, the parties agree to use the following principles for the comparisons noted above in paragraphs two through five:
  - a. For the base year of December 1, 2009 to November 30, 2010, the total number of employees on payroll on November 30, 2010 will be calculated.
  - b. The total number of employees on payroll on November 30, 2014, 2015, 2016 or 2017, as the case may be, will be calculated. Then, the combined costs for the extended healthcare benefits will be divided by the total number of employees on payroll on November 30, 2014, 2015, 2016 or 2017, as the case may be, to determine a cost per employee for each of the years respectively. Then, this cost per employee will be multiplied by the total number of employees

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on payroll on November 30, 2010 to arrive at the figure for combined costs for extended healthcare benefits for the periods December 1, 2013 to November 30, 2014, and December 1, 2014 to November 30, 2015, December 1, 2015 to November 30, 2016 and December 1, 2016 to November 30, 2017 as the case may be.

8. The Company agrees that it will not refer to Arbitration, under the Letter of Understanding on Benefit Costs, an issue regarding acupuncture, physiotherapy, massage and chiropractic expenses.


6. **HOUSEKEEPING**

- a. Update position titles as required.
- b. Renew all other Letters of Understanding.

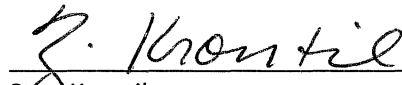
The above constitutes the agreement reached on October 20, 2014.

Signed on behalf of:

**Cathay Pacific Airways Limited**



Cheuk Lo  
Vice President Canada



Sten Kroutil  
Vice President People Services Canada



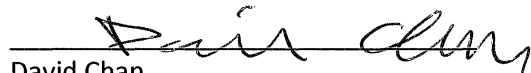
Deborah Mellema  
Manager, Cabin Crew Bases & IR



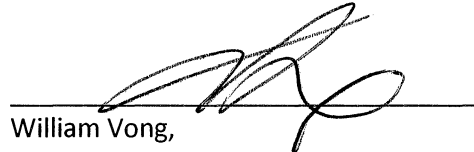
Deep Westacott  
Cabin Crew Base Manager, Canada

Signed on behalf of:

**CUPE Local 4088**



David Chan  
President CUPE Local 4088



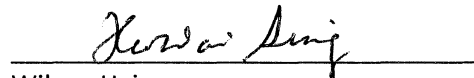
William Vong,  
Vice-President CUPE Local 4088



Ava Shum  
Unit Chairperson – Toronto Base



Komal Tamber  
Recording Secretary



Wilson Hai  
Member At Large – Vancouver Base



Gary Yee  
CUPE National Representative