

COLLECTIVE BARGAINING AGREEMENT BETWEEN INTERNATIONAL AIRPORT INDEPENDENCE EMPLOYEES UNION SIEM REAP AIRPORT CAMBODIA TOURISM INDUSTRY WORKER TRADE UNION AND CAMBODIA AIRPORT MANAGEMENT SERVICES

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INTRODUCTION

This Collective Bargaining Agreement (hereinafter referred to as “CBA”) is a written agreement between the employees Union and the Employer and is aimed at establishing and promoting good working relationship, working conditions, respect of laws, respect of discipline and work responsibilities. Moreover, the Collective Bargaining Agreement is also intended to promote the effectiveness of work, the company’s image and reputation and to prevent the occurrence of conflicts that may occur in the future by defending the interest of both parties.

The International Airport Independent Employees Union and Cambodia Tourism Industry Worker Trade Union and the Cambodia Airport Management Services have agreed on the 7th day of July 2011 on the points as follows:

1. The International Airport Independent Employees Union located at Phnom Penh International Airport, Former Domestic Terminal, National Road No.4, Dangkor, Phnom Penh, and the Siem Reap Airport Cambodia Tourism Industry Worker Trade Union located at Room No. 116, Siem Reap International Airport hereafter called the “Union”

And

2. The Cambodia Airport Management Services (CAMS) located at Phnom Penh International Airport, National Road n° 4, Dangkor District, Phnom Penh managing Phnom Penh, Siem Reap and Sihanouk International Airports, hereafter called the “Company” or “Employer”

This CBA takes Labour Law as the minimum standard. No point in this CBA may be less than legal requirement. Any point that is not defined in this CBA must be applied in accordance with the Labour Law.

Union and Employer will utilize the negotiation procedure already agreed and concluded.

PRELIMINARY CHAPTER: GENERAL PROVISIONS

Article 1: Union’s Recognition

1.1 The Employer recognizes the union, a legal representative of employees recognized by Ministry of Labor by letter #085 MQSALVY dated 6 March 2003 and letter #552 MQSALVY dated 18 February 2004 as a sole collective negotiating body relating to general terms and conditions for all employees covered by this Agreement as defined under Article 4 of this Agreement.

1.2 Employees with the entitlement to recruit, to terminate and/or to enact any disciplinary measure are not allowed to join the Union and are not covered by this CBA.

Article 2: Efficiency of the Collective Bargaining Agreement

2.1 In case of change of management or shareholders, Employer shall always comply with this Collective Bargaining Agreement.

2.2 In case of change the Chief Executive Officer or shareholders, Employer shall inform the Union Leaders.

Article 3: Duration of the Collective Bargaining Agreement and its Modification

3.1 This Collective Bargaining Agreement is valid for three years starting from the 1st of January 2011. If there is not any renouncement within 3 months before its expiry date, this CBA will be automatically renewed for a period of one (01) year.

3.2 After the initial three years of Agreement, either party can request for a modification of this agreement. This request will have to be done in writing by requestor; the other party shall answer within seven days, proposing a date and venue for the meeting.

Article 4: Union's Rights

4.1 If required in writing by the concerned staff, maximum two CAMS employees are entitled in each case of conflict to attend the meeting before dismissal and other individual conflict. Employer will not deduct remuneration for the time spent at the meeting. In case that the conflict cannot be solved by the parties, both parties are entitled to request the presence of their lawyer in the meeting.

4.2 Employer shall not deduct remuneration of the 2 union leaders who participate in the meeting with the Employer or with the related institutions for the resolution of any labor conflict.

4.3 In case of conflict between employee and Employer and if required, the Union and the Employer will organize such meeting as soon as possible in order to minimize trouble to operations.

4.4 The Employer must not interfere in the Union's internal affairs and gives to employees the free choice of union leaders.

4.5 Upon Union request and upon members written authorization, the Employer will deduct from the salary of employees Union members the Union fee and transfer it to Union bank account. The Union provides to the Employer the Union members name list and the list of Union members who authorize this deduction with their fingerprint and signature.

4.6 The Employer provides one table, six chairs and one board for the Union and worker representatives' library. Union provides and files the national and international law books, health documents, and relevant books concerned with Union affairs in order that employees can read while out of their working hours. Employee can have access into this room. The union shall be responsible for the usage of this room.

4.7 Employer shall provide per year a total of 12 days of paid leave per year for training for each Union. The attribution of "Union training leave" to which ever Union leader is done between Union leaders; the Employer shall not interfere.

Article 5: Management Rights

5.1 Subject only to the limitations contained in this CBA and in compliance with the legal requirements, the Employer retains the exclusive rights to manage its business (but not limited to) the rights to determine the methods and means by which its operations are to be carried on, to assign ' direct the workforce and to conduct its operations in a safe and effective manner

FIRST CHAPTER: FINANCIAL PROVISIONS

Article 6: Basic Salary

6.1 For 2011:

An amount of twenty (20) US dollars will be added to each current gross basic salary (applied category from A to L).

6.2 For 2012:

An amount of ten (10) US doilars will be added to each gross basic salary of the year 2011.

6.3 For 2013:

An amount of ten (10) US doilars will be added to each gross basic salary of the year 2012.

Basic salary	current	2011	2012	2013	total
ALL Scale (A-L)	According to category (A-L)	20 USD	10 USD	10 USD	According to category (A-L)

Article 7: Monthly meal allowance

7.1 The purpose of the meal allowance is not to pay the meal of the staff but only to cover the difference between taking meal at home and ai the working place.

7.2 The monthly meal allowance is a fixed lump sum paid to each staff at the end of the month together with their salary. The amount of the monthly allowance shall not be affected by any extra number of hours of regular shift,

7.3 An amount of twenty (20) US doilars will be added to the current meal allowance:

Meal allowance	current	2011	2012	2013	total
Admin Staffs	45USD	20USD			65USD
Staffs on roster basis (Operations)	50USD	20USD			70USD

FFRS Staffs	70USD	20USD	90USD

7.4 The monthly meal allowance of FFRS staffs is justified based on the fact that the FFRS staffs need to ensure the presence of 24 hours and 15 days a month at work place.

7.5 Part time staffs shall be paid on prorated basis, both salary and monthly meal allowance in accordance with the work duration specified in their individual contract.

7.6 The monthly meal allowance shall not be deducted when staffs clear any authorized paid leave.

SECOND CHAPTER: WORKING CONDITIONS PROVISIONS

Article 8: Moral and Attitude at Work

8.1 The Employees and Employer will at all times be well behaved. Employees and Employer will use appropriate and courteous language when addressing each other.

8.2 Courtesy, appropriate behavior and attitude towards colleagues as well as to the customers shall be regarded at all time.

Article 9: Recruitment

9.1 Labor contract of each employee has to be in compliance with this CBA and the Labour Law.

9.2 The labor contract for specific duration contract employee shall be in compliance with the Article 67 of Labour Law.

9.3 The Employer has to show this CBA at the time of the labor contract signature.

9.4 The duration of the probation period for permanent labor contracts is three months, exceeding this period, the employee will be automatically considered as permanent employee.

Article 10: Work Change and Skill of Work Change

10.1 There are three types of work change:

10.1.1 At sole discretion of Employer: where necessary which might be good for the company, the Employer reserves the right to change/transfer the employee work. However, this change or transfer should not be lower than the rank he/she held.

10.1.2 in case of professional incompetence (physic or knowledge) the work of the concerned employee shall be changed. In case of professional incompetence at the new position (physic or knowledge), the Employer is entitled to terminate the contract of the concerned staff for lack of professional competences.

10.1.3 At the request for the employee: Employee could request to change/ transfer his/her job to another department in the similar rank/grade. This is subject to approval of receiving department manager/head and availability of applied position as set in the department budget. However, the

employee shall undergo through necessary test or/and interview as normally required same as other usual candidate in compliance with recruitment procedure.

10.2 All changes of work (scope of work and work location) from one location or department to another shall be noticed to concerned employee at least one week in advance. Should employee feel that the proposed change/transfer is not appropriate, he/she shall discuss with the department manager/heads and Human Resources Department or the Union in accordance with the grievance handling procedure.

10.3 Scope of work: any substantial changes of work scope other than normal evolution of technologies (e.g. new computerized system), work method or regulations (e.g. Cambodian law, international regulations) applied to an entire work category shall be noticed to employee in advance. The Employer shall ensure sufficient training to the employee prior applying the new scope.

10.4 Work location (change of position): in case of internal reorganization or economical problems leading to suppression of some jobs (as per Article 95 of Labour Law), the Employer will study and uses its best effort to propose alternative positions to the employee concerned by the changes.

10.5 If any employee was sent to undertake the duty to another province/ town for a duration not exceeding 5 days, Employer shall cover the expenses as follows:

10.5.1 A mission allowance of ten US dollars (US\$10) per day shall be paid to the staffs of Article 10.5 above regardless a one day mission or an overnight mission.

10.5.2 Accommodation will be arranged prior arrival of the employee in the duty destination.

10.5.3 Transportation: transportation shall be arranged by the Employer through whatever means best suit to location residing.

10.6 For the employees sent to other town or province for a duration exceeding 5 working days, the Employer and the concerned employee shall have a prior agreement.

10.7 The transfer of employees to other area of Cambodia for a permanent duty is considered as modification of the work contract if the possibility of transfer is not stated in the labor contract. Employees and Employer have to agree on new work conditions and salary without undue pressure of the Employer. Once the transfer is confirmed, they are entitled to receive a relocation allowance equal to three times the monthly basic salary (with a maximum of 1,700 USD) of the last position held. The employee relocation allowance is paid fully in one installment before the transfer.

10.8 The change or transfer of employees from one department to another, which is imposed by the Employer (according to the Article 10.1.1), should be based on the principle of the same, or similar skills and at least the same salary shall be retained.

10.9 In case of work change from one department to another, requiring new competency, the employee should receive relevant training (permitting him to perform the new job). At the end of this training, if the employee is deemed qualified, that employee will be confirmed for that new job. The confirmed employee will receive the wage defined for that new job. During the training, the salary should remain the same as it was in former position.

Article 11: Working Hours and Overtime work

11.1 The work schedule is organized in order to increase the efficiency of the workforce according to the workload and especially the flight schedule.

11.2 The daily shifts are defined in the roster with a combination of four (4) consecutive working hours per day, and up to 10 consecutive working hours per day, but not more than 10 hours per day.

11.3 The interval between two shifts shall be at least ten (10) consecutive hours.

11.4 The roster is calculated on the basis of maximum five (5) consecutive working days and one (01) off day.

11.5 As the company is subject to airlines schedule and peak seasons, a modulation of the weekly hours is implemented.

11.6 The weekly working duration varies from 40 hours to 48 hours.

11.7 The Employers shall guarantee an average of forty four (44) hours per week over the entire calendar year or 2288 hours during the whole year.

11.8 The monthly rosters are to be distributed at least 5 days before the beginning of the new month for all employees.

11.9 Swapping the shift between employees is prohibited, unless necessary for operational reasons and only with prior approval of employees and management in charge.

11.10 Request of working at determined shift is not granted unless authorized by the employer upon special request and taking into consideration special needs.

11.11 Overtime is decided by the Employer within the limit of the Labour Law. The overtime work is voluntary and cannot be forced by the Employer. For operational needs (delay, ambulance, charter, VIP or equivalent situations) the employees currently working shall accept the request of finishing the work (overtime).

11.12 Payment of overtime and public holidays:

Type of employees	Time of work	Rate
Admin	OT on monday to saturday (not worked at night)	150%
	monday to saturday (worked at night from 10pm to 5am)	200% (normal pay+extra100%)
	sundays	200%
Roster	OT during working days (not worked at night)	150%

	OT during days off	200%
	Night shifts (from 10pm to 5am)	200% (normal pay+extra100%)
Admin+Roster	public holidays	300% (normal pay+extra200%)

11.13 The hourly rate is calculated depending on the basic salary following the formula:

BS x 12 montfas

Hourly Rate =(BS*12)/(52 weeks x weekly working hours)

Note: Weekly working [hours for full time employees is forty four (44) hours.

Article 12: Public Holidays and Leaves

12.1 The Employer is applying Prakas of Ministry of Labor that determines the public holidays which shall be enacted internally by an internal memorándum.

12.2 Total number of annual leaves is 21 days. The employees shall be given one additional paid leave after 3 completed years of service up to a total of máximum of 25 days of paid leave per year.

12.3 The employees are entitled to 5 days of paid leave compensated financially or to carry forward the 5 days to be used in the next annual leave year.

12.4 Application for leave shall be done at least 5 days in advance. Prior approval of department head is requested before taking leave. In exceptional cases: Immediate serious sickness or death of children, spouse or parents, or in case of forcé majeure, the 5 days of advance notice does not apply but immediate notification shall be made to the department head. At their return, the concerned staff shall provide properly all the concerned documents.

12.5 Employee female is entitled to a maternity leave of 100 calendar days with full remuneration (basic salary + meal allowance). This benefit is provided omíy to female staffs with at least 1 year of seniority in the company.

12.6 Rules and specific clarification such as annual leave, maternity or sick leave etc are described in the company leave policy.

Article 13: Transportation

Employer shall provide two ways transportation means on designated routes to carry employee as set picking & drop off points.

Article 14: Medical and Health Services

14.1 The Employer shall apply national regulations on social security fund (hereafter called NSSF) upon official notification to enforce.

14.2 The Employer shall provide workmen compensation Insurance to all employees to cover all work related accident as defined by the labor law.

14.3 The Employer shall provide the medical coverage according to the legal requirements and its policy.

14.4 The coverage and its modality are defined by the Employer as applied today.

14.5 All staffs shall comply with the said procedure.

14.6 Any violation to company medical policy is subject to company's disciplinary action and reimbursement of the fees paid or to pay the related bills.

Article 15: Remuneration

15.1 The basic salary is determined according to the position, skills and function. The category and the title are defined by the Employer on the study of job description.

15.2 Employer shall pay employees at the end of each month in US dollars, including basic salary, overtime pay, night work, public holiday pay and other allowances. This monthly payment will credit to each employee's bank account.

15.3 The pay-slip shall be written in Khmer and English languages, describing clearly all wage items to be paid including union fees deduction. The pay-slip shall be distributed to staffs before money transfer to the employee's account.

15.4 Employer reserves the right to deduct the remuneration if the Employee has not been at his workplace according to his schedule and/or if the employee has not followed the attendance and/or leave procedure.

15.5 Employer shall provide the thirteen month salary bonus for all eligible employees. This bonus is paid in two installments:

- First half is paid at the end of March. (before Khmer New Year)
- Second half is paid at the end of September. (before Phchum Ben Day)

15.6 Newly hired employee shall receive this thirteen month bonus on pro rata basis subject to the bonus distribution procedure of the Company.

15.7 Basic Salary

The Individual basic salary shall be treated as private and confidential information. Employee shall not disclose their salary and remuneration or other's salary and remuneration to other colleague.

15.8 Meal and Seniority Allowance

15.8.1 Monthly fixed allowance per type of work (admin, staff on roster and fire station staff) will be applied as per Article 7.

15.9.2 Due to irregular work load and required flexibility during the shift, the mealtime is not precisely defined. Staff will take time or rotate for their meal. However, the mealtime will not be deducted from the working time, unless over 45 minutes.

15.9.3 A monthly allowance is to be given for seniority in the Company. This monthly seniority allowance is calculated as follows:

-From 0 to 1 year in the Company =0\$(zero US dollars)

-From 1 year to 2 years=1\$

-From 2 years to 3 years=2\$

-From 3 years to 4 years=4\$

-From 4 years to 5 years=6\$

-From 5 years to 6 years=8\$

-From 6 years to 7 years=10\$

-From 7 years to 8 years=12\$

-Over 8 years=20\$

15.10 Performance Bonus

15.10.1 A performance bonus is based on the following elements:

Individual performance (evaluation) of the staff of the year.

Performance of the entire Company based on indicators that will be communicated at the beginning of the year by the management. Such shall include but are not limited to safety, quality and financial indicators.

15.10.2 The individual bonus is based on the result of the performance appraisal of each individual during the past year.

15.10.3 The performance bonus is granted annually on prorated basis at maximum of 50% of a monthly basic salary.

Article 16: Disciplinary Measures

16.1 Disciplinary action will be taken by Employer against employee who violates Company policy and procedure.

16.2 A disciplinary measure shall be decided in consideration of the following factors:

- Gravity of the misconduct

- Circumstance of committing misconduct

- Repetitiveness of misconduct

- Record of employee

16.3 A disciplinary procedure is to be proportionate with the case elements especially when repetitive.¹

- Warning letter
- Suspensión leíer
- Dismissal with notice and indemnity
- Immediate dismissal for gross misconduct without prior notice and indemnity

16.5 Employer is not bound to follow the above order of disciplinary measures. The sanction depends on the gravity of the misconduct.

16.6 The Company disciplinary policy shall be in line with the Labour Law.

16.7 A disciplinary letter (warning or suspensión letter) is retained for one (1) year. After two disciplinary actions, a third misconduct may lead to dismissal.

Article 17: Complaints

17.1 Definition of the Disputes:

17.1.1 Individual Disputes is defined in the Article 300 of the Labour Law “An individual dispute is one that arises between the Employer and one or more worker or apprentices individually, and relates to the interpretation of enforcement of the terms of a labour contract or apprenticeship contract, or the provisions of a Collective Bargaining Agreement as well as regulations or laws in effects. Prior to any judicial action, an individual dispute can be referred preliminary conciliation, at the initiative of one of the parties, to the labor of his province or municipality”. Both parties at first will find the way to settle at the lowest level possible as per the below grievance procedure.

17.1.2 Collective Disputes: refers to any disputes as stated in the Article 302 of Labour Law. The collective dispute should be handled as per the sections II (collective labor dispute) of Cambodian Labour Law.

17.2 Grievance Handling Procedure:

17.2.1 Recognizing the value and importance of full discussion in clearing up misunderstanding and present/ing harmonious relations, every reasonable effort shall be made both by the Employer and the Union to dispose of any suggestion, enquiry or complaints from employees at the lowest possible level.

17.2.2 An employee having a grievance may, within three days of its arising, lodge a complaint with his immediate superior who shall report the matter immediately to the Head of Department concerned.

17.2.3 The Head of Department concerned shall give his answer on the matter within 7 working days from the date the complaint was referred to him.

17.2.4 If the employee concerned is aggrieved by the decision given under sub-clause (16.2.3) above, he may within three working days thereof, refer the matter through the Union committee to the Human Resources who shall give his answer within seven working days from the date the matter was referred to him.

17.2.5 If the Union feels that the grievance has not been properly considered under sub- clause (16.2.4) above, the matter shall be discussed between Union and the Employer. Failing settlement, either party may request the Labor Inspector for conciliation as per the guideline of Ministry of Labour. , '

Article 18: Strike and lockout

18.1 Union shall not involve in any illegal strike. Union and Employer shall discuss a problem with each other as soon as possible. The grievance procedure shall be observed first. The Labour Law on this matter shall also be respected.

18.2 Union shall have the rights to strike and the Employer shall have the rights to lockout in accordance with the Labour Law and Prakas N°005. Before strike and even if strike arises, all the legal procedures shall be respected such as the service essential minimum as stated in the Article 327 of the Labour Law in order to prevent any danger and disturbance to the activity of the Company which is a public Service.

18.3 Definition of strike: A strike is a concerted work stoppage by a group of workers that takes place within the premises of the Company for the purpose of obtaining the satisfaction for their demand from the Employer as a condition of their return to work.

18.4 Strike Procedure:

18.4.1 Shall be observed first the grievance procedure, written in the Article 17.2.

18.4.2 The decision to make strike shall be obtained by a secret ballot among the employees. This decision shall be notified to the Ministry of Labour and to the Management team according to the Labour Law (Article 327).

18.4.3 For safety and security reason, strikers shall not make any action that would put in danger the equipment, the building or the persons.

18.4.4 A worker who is required to provide the minimum essential Service and who does not appear for such work is considered guilty of serious misconduct.

18.4.5 Any movement not in compliance with this procedure is considered as abandon of work and all the workers concerned with this movement shall be punished accordingly.

Article 19: Work Safety, Hygiene, Environment and Order

19.1 Employer shall arrange reasonable equipment to employees to perform their task. Employees shall take good care of their equipments and uniforms accordingly.

19.2 When the safety or the airport/equipment/person is in danger, employee reports immediately to his/her supervisor or Manager. Employer shall do the necessary for the safety of its employees, its airport and/or its equipments.

19.3 Employer and Employee shall observe safety and security procedure in all parts of the airports.

19.4 Uniform

19.4.1 Employer shall provide uniforms and equipments to all employees accordingly to the requirement of their function per budget guideline of the year.

19.4.2 Employees are required to bring back their old uniforms to exchange with the new uniforms.

19.4.3 Special uniform can be defined if necessary for pregnant women.

19.4.4 The Employer shall provide the uniform to the concerned staffs the latest in October of each year.

Article 20: Retirement

20.1 The Employer shall follow the social security law and pension fund when implemented by the Government.

20.2 In the absence of Retirement Law, the following rules are applied:

Employees of 60 years old can ask for retirement; this will be subject to Employer's approval.

Employees reaching 64 years old will be asked to take retirement.

20.3 Retirement Compensation:

20.3.1 The employee will be provided a compensation equivalent to 18 months of last basic salary/.

20.3.2 Only employees reaching 10 years of seniority and over will receive 18 months of last Basic Salary. For employee with seniority less than 10 years, retirement compensation shall be calculated on a prorated basis.

20.3.3 This retirement compensation is applicable for a temporary period waiting for further law and regulations.

FINAL CHAPTER: FINAL DISPOSITIONS

Article 21: Other Dispositions

21.1 Any new law or regulations that come out later will be applicable despite this Collective Bargaining Agreement if this new law or regulation is more favorable to employee. However, this Collective Bargaining Agreement still applied if the new law or regulation is less favorable.

21.2 Union and Employer shall ensure the full application of this Collective Bargaining Agreement.

21.3 This Collective Bargaining Agreement has been done in Khmer and English versions. Both versions have the same validity.

Article 22: Final Dispositions

22.1 This Collective Bargaining Agreement is done in seven (07) copies: two for the Company, one for Union PNH (IAIEU), one for Union REP (CTIWTU), and three for Ministry of Labour.

22.2 This Collective Bargaining Agreement applies starting from the 1st day of January, 2011. All dispositions contrary to this Collective Bargaining Agreement are void.

Company Representatives

Mr Nicolas DEVILLER

CHIEF EXECUTIVE OFFICER

Mr Phillipe Laurent

CHIEF HR OFFICER

Mrs. CHHIV Phyrum

HR/Admin/Legal Manager

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Mr Sor Kim Hoy

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