

Without any admission of liability, the Australian Federation of Air Pilots and Jetstar Airways Pty Limited agree to the following terms in order to settle the proceedings MLG2867/2017 in the Federal Circuit Court of Australia:

PART 1

Rostering Balancing

1) Check Captains

Agree to exclude from roster balancing

2) Training Captains

Narrowbody Training Captains need to be included in roster balancing from November 2017 and into the future. Narrowbody Training Captains will be capped at 85 credit hours until the end of October Roster Period 2017. If they exceed 85 credit hours they will be subject to roster balancing pursuant to the clause.

Widebody Training Captains who are training Jetstar trainees are included in roster balancing into the future. Widebody Training Captains who are exclusively training Qantas trainees are excluded from the roster balancing requirements until December 2017, meaning that all Widebody Training Captains are included in the roster balancing requirements from January 2018.

3) Captains Under Training

Agree to exclude from roster balancing until check to line and then included for the first full roster after check to line.

4) First Officers Under Training

Agree to exclude from roster balancing until check to line and then included for the first full roster after check to line.

5) Second Officers Under Training

Agree to exclude from roster balancing until check to line and then included for the first full roster after check to line.

6) Pilots who have run out of hours due to CAO limits

6.1 Pilots who reach 1000 hours in 365 days will be subject to the roster balancing provisions.

6.2 Pilots who fly up to 100 hours in 28 days will also be included in roster balancing, excluding pilots who will exceed 100 flight hours as a result of any Work Day Offs (WDOs) from and including the 16th of the month until roster publication.

7) Pilots on annual leave

Included for roster balancing purposes (using credit) where a pilot has 3 or more "unrestricted/available days" on the Narrowbody and 4 or more "unrestricted/available days" on the Widebody.

8) Admin Days

Included for roster balancing purposes (using credit) where a pilot has 3 or more "unrestricted/available days" on the narrow body and 4 or more "unrestricted/available days" on the wide body.

9) Pre assigned sick leave

Pro rata

10) Parental Leave

Pro rata

11) Long service leave

Included for roster balancing purposes (using credit) where a pilot has 3 or more "unrestricted/available days" on the narrow body and 4 or more "unrestricted/available days" on the wide body.

12) Days in Lieu

Pro rata

For clarity, an "unrestricted/available day" is one where Jetstar is able to roster any flight or duty time as required without restriction.

SIM or Ground Training which has expired or is within 10 days of expiry (from the end of any leave period that attracts credit), RTW Training and any associated paxing days will be deemed as restricted days.

Requested ROF, DiL, SOF or STAR approved days off or required legal days off (up to maximum of 10) will be deemed as restricted days.

REMEDY

With regard to the remedy and in light of the above the following is agreed:

Previous Breaches

- 13) Jetstar audits all relevant pilot rosters from and including the August 2016 Roster Period to and including the June 2017 Roster Period.
- 14) Training Captains and Pilots Under Training to be excluded from the roster balancing requirement retrospectively (prior to the July 2017 Roster Period).
- 15) Where any relevant pilot has been rostered more than the average prior to (and including) the June 2017 Roster Period, there will be no remedy payable.
- 16) Where any relevant pilot has been rostered less than the average – 7.5 hours, Jetstar pay that pilot an amount according to the following:

$(CM-RC) \times \text{Annual Salary} / 787$

CM = Cohort Minimum (average hours minus 7.5 hours for the affected pilot cohort)

RC = Rostered credit of the affected pilot
Annual Salary = annual salary for the relevant month

This essentially means the affected pilots are paid EFA up to the cohort minimum (the average minus 7.5 hours).

For clarity, pilot cohort means pilots of the equivalent base, rank and aircraft type.

Future Breaches

Commencing from and including the July 2017 Roster Period:

- 17) Training Captains to be included in the roster balancing requirement prospectively as per clause 2 above.
- 18) Where any relevant pilot (including Training Captains) has been rostered more than the average +7.5 hours, Jetstar pay all the remaining pilots in that cohort (base, rank and fleet) a payment according to the following:

$$N \times (\text{Annual Salary}/787)$$

N = equals the number of relevant pilots that have been rostered above the average + 7.5 hours

Annual Salary = annual salary for the relevant month

For clarity and by way of example, if one pilot in a given cohort is rostered more than 7.5 hours above the average then all the pilots in that cohort receive one hour of EFA. If three pilots in a given cohort are rostered more than 7.5 hours above the average then all the pilots in that cohort receive three hours of EFA.

18.1 An individual pilot from the cohort in clause 18 must notify Jetstar within 6 months of the roster being published in order to trigger payment for the whole of the affected cohort.

- 19) Where any relevant pilot has been rostered less than the average – 7.5 hours, Jetstar pay that pilot an amount according to the following:

$$(\text{CA}-\text{RC}) \times \text{Annual Salary}/787$$

CA = Cohort average hours for the affected pilot

RC = Rostered credit of the affected pilot

Annual Salary = annual salary for the relevant month

This essentially means the affected pilots are paid EFA up the cohort average.

PART 2- Unpaid DDOs

Any pilot who has not been rostered 132 Designated Days Off (DDOs) in 2016 in accordance with clause 42.4 and 42.5 (subject to 42.6) of the 2015 enterprise agreement will receive from Jetstar a payment determined according to the following formula:

$$S \times [(R/231) \times 2 + (5.5 \times E)]$$

(where S= the shortfall of DDOs, R = the particular pilot's base remuneration as at December 2016 and E= the particular pilot's EFA rates as at December 2016)

PART 3- Definition of a DDO for a WDO Payment

Specifically for the purposes of the Work Day Off payment at clause 35.6 a DDO is defined as the total period from 23:00 (LT) from the day preceding the DDO to 0500 (LT) the day after the DDO (for clarity the total period referred to is a 30 hour period).

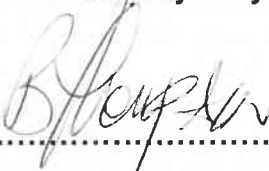
PART 4- Overpayments

Between the date of this agreement until the 2015 enterprise agreement ceases to apply, overpayments not notified to a pilot within 12 months of the overpayment occurring (in accordance with clause 36.3) will not be recoverable by Jetstar.

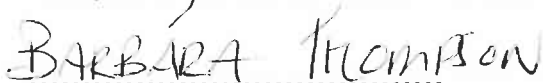
PART 5- Discontinuance

Proceeding MLG2867/2017 in the Federal Circuit Court of Australia will be dismissed by consent and the substance of the dispute raised in the Proceeding or the issues raised in this agreement are not to be relitigated, in any way, provided that Jetstar follows the arrangements outlined in this letter. However, this does not prevent the AFAP from raising the issue in Part 2 in relation to pilots not yet identified in the letter to Jetstar dated 27 March 2017.

Jetstar Airways Pty Limited


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15 MAY 2017


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Australian Federation of Air Pilots


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