

Draft, 29.01.2003

DEBT-RESTRUCTURING AGREEMENT

WITH ASSIGNMENT OF ASSETS

BETWEEN

Swissair Swiss Air transport Company Ltd

AND ITS

CREDITORS

1. In the terms of the Swiss Debt Enforcement and Bankruptcy Law (DEBL), Articles 317 ss, Swissair Swiss Air Transport Company Ltd, hereinafter "Swissair", shall vest its creditors with the power to dispose of its entire assets, so that the creditors may obtain payment of their claims from the proceeds of liquidation, within the framework of the statutory provisions.
2. The creditors hereby declare that they wish to satisfy their claims from the proceeds of liquidation of the assets of Swissair. They hereby waive any further claim against Swissair of that part of the claim which is not covered by the proceeds from the realisation of the assets (DEBL Article 318 para. 1 item 1).
3. The bankrupt estate shall comprise all Swissair's assets, including any claims whatsoever. Provided the bankrupt estate declines to pursue rights, the assignment procedure shall be carried out in accordance with the statutory provisions of bankruptcy law (DEBL Article 260 respectively Article 325).
4. With the approval of the Administrator, Swissair submitted to each employee, who was working for Swissair when it was granted a provisional debt restructuring moratorium, an offer to settle the privileged claims they had filed. These offers are subject to the conclusion of the debt-restructuring agreement. The offers are based on the following guiding principles:

Claims by dismissed employees without employment contract with Swiss International Air Lines Ltd:

- salary during notice period minus earnings from other employment;
- compensation for outstanding holiday entitlements for 2001 and onward, if the release period is shorter than 3 months;
- compensation for overtime;
- contractual severance pay and claims under a severance package; the same for flight attendants as well as for ground staff;
- additional contractual claims until the end of the notice period.

Claims by dismissed employees with employment contract with Swiss International Air Lines Ltd:

- treatment as if employment contract with Swissair was still valid
- compensation for salary reduction during "notice period" ("notice of termination with the option of altered conditions of employment"), calculated from 31 March 2002 on;
- compensation for outstanding holiday entitlements for 2001 and onward;
- compensation for overtime;
- no severance pay or claims under a severance package;
- additional contractual claims until start of employment with Swiss International Air Lines Ltd.

Employees, who accept the offer, will receive payment within 60 days upon legally binding approval of the debt-restructuring agreement by the debt-restructuring authority.

For the rest, the procedure for the establishment of a schedule of claims as per DEBL Articles 244 - 251 shall be carried out to ensure legally binding and legally valid establishment of the creditors who are to share the proceeds of liquidation, their order and the level of their claims, especially claims for collateral security. The schedule of claims

shall be drawn up in accordance with DEBL Article 321, from the records of Swissair and the applications made. The schedule of claims will then be made available to creditors for inspection.

On 5 October 2001, the date of approval of the provisional debt-restructuring moratorium, interest ceased to accrue on all claims except those secured by pledge.

5. A liquidator and a ...-member creditor committee shall be appointed as the liquidation organs responsible for carrying out the liquidation:

a) Liquidator

.....

b) Creditor committee

•

•

•

•

•

•

•

6. The creditor committee shall be self-organising and shall undertake the necessary election of substitutes in the event of vacancies.

7. The supervisory authority shall set the compensation of the liquidator and members of the creditor committee in accordance with Article 55 of the scale of fees DEBL. In so doing, the supervisory authority shall use the scales of fees of the professional associations as guidelines.

8. The liquidator shall undertake the liquidation as the executive organ in the interest of the creditors. He shall act under the name "Swissair in debt-restructuring liquidation".

9. The creditor committee shall act as the supervisory and appeals body in relation to the liquidator's activity. It shall further exercise full powers by appropriate analogous application of DEBL Article 237 para. 3 items 1 – 5. Its responsibilities shall in particular include taking legal action and concluding settlements. The creditor committee shall be authorised to give the liquidator instructions within the scope of the aforementioned powers.
10. The liquidator shall summon the creditor committee to joint meetings to be held, as a rule, bi-monthly. An agenda shall be compiled and, as far as possible, documentation prepared in connection with the business to be dealt with at these meetings.
11. By agreement with the creditor committee, the liquidator shall periodically inform creditors, by circular letter and via an Internet website in German, English and French, about the progress of liquidation and further work to be undertaken.
12. The following shall be appointed as organs of publication:
 - Swiss Official Trade Journal
 - Official Gazette of the Canton of Zurich
 - ZÜRICHEXPRESS
 - Neue Zürcher Zeitung
 - The Wall Street Journal
 - Financial Times Europe
 - Frankfurter Allgemeine Zeitung
13. This agreement shall enter into force on legally binding approval by the debt-restructuring authority.

Winterthur, 6 March 2003

Swissair under debt-restructuring moratorium