

SHAREHOLDERS' MEETING

MAY 26, 2020



Legal opening

Anne-Sophie Le Lay

CORPORATE SECRETARY OF AIR FRANCE-KLM GROUP

SHAREHOLDERS' MEETING

MAY 26, 2020



Financial results

Frédéric Gagey

CHIEF FINANCIAL OFFICER, AIR FRANCE-KLM



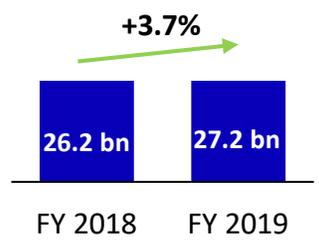
2019 KPI targets achieved: Cost-efficiency measures, Financial stability and Investments to support the strategic plan

	Guidance 2019	Full year 2019
Unit cost ex-currency at constant fuel price	-1% to 0%	-0.9%
Capex	€3.2bn-€3.3bn	€3.3bn
Debt ratio	At/below 1.5x	1.5x

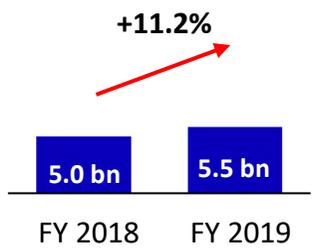


2019: Operating result at €1.1bn with cost-efficiency measures offset by pressure on Cargo unit revenue and a higher fuel bill

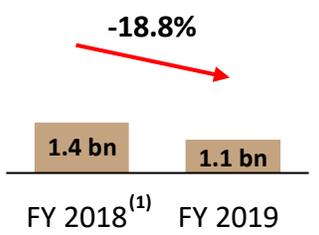
Group revenue



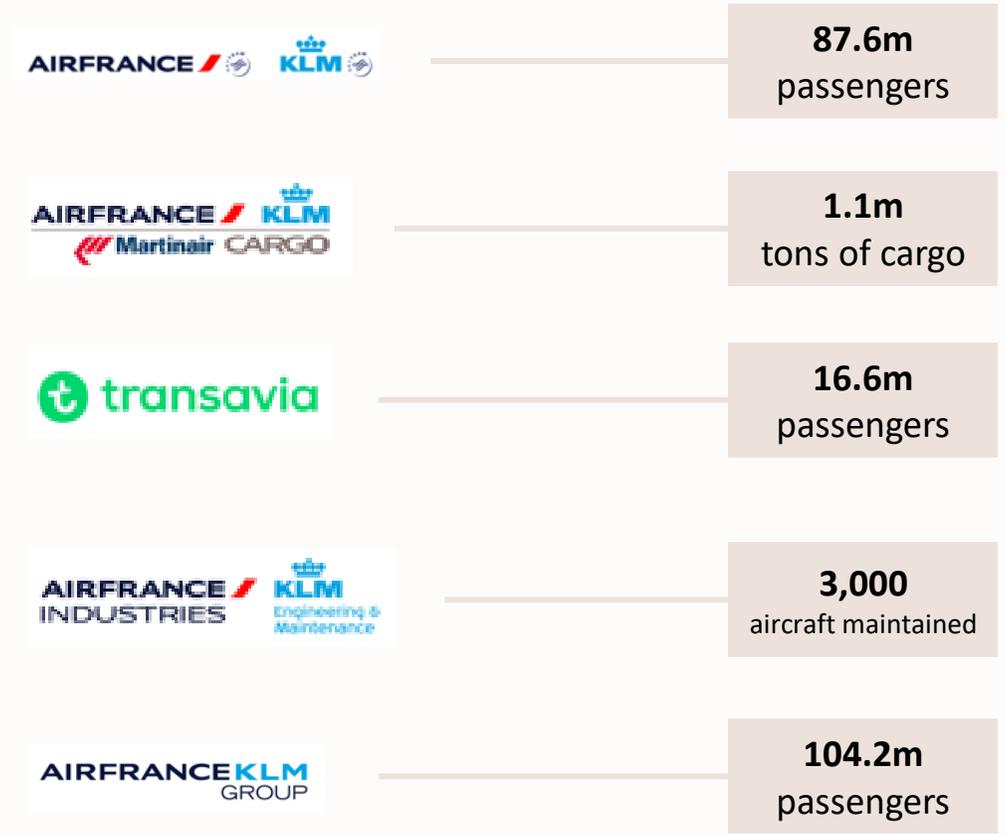
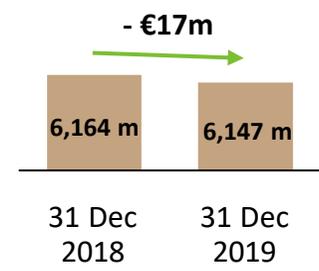
Fuel expenses



Operating result



Net debt



(1) 2018 was impacted by Air France strikes
2018 and 2019 results restated with a similar impact in both years for limited life parts componentization accounting change.



Passenger Network: Strong improvement in Air France operational performance, steady solid appreciation in KLM in 2019



Revenues at €21.1bn, +3.6%



55,000 employees



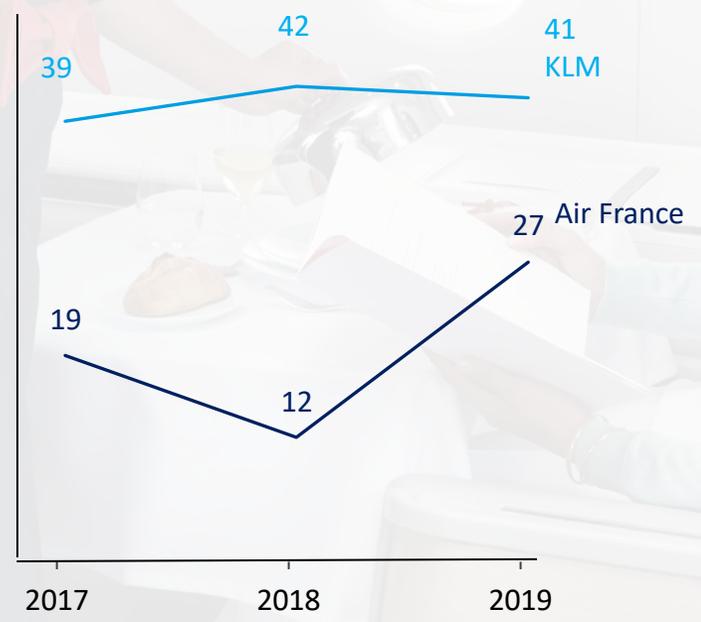
Worldwide presence
More than 250 destinations and a powerful network of partnerships



AIRFRANCEKLM GROUP

Air France rated 7th airline in the On Time Performance (A14) 2019 worldwide ranking

Net Promoter Score





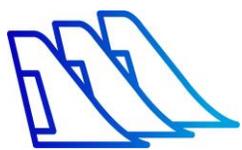
Cargo: Market share resilient in context of strong supply-demand imbalance in 2019



Revenues at €2.2bn, -5.9%
4,000 employees



**Decline in Worldwide
air freight demand**
Traffic -2.2%



Market share of 10%
+0.3pt



Transavia: Strong performance and demand in both home markets in 2019, new agreements preparing future growth



Revenues at €1.7bn, +9.3%
3,000 employees



Margin 7.5%



Future network expansion
130 destinations in 2019





Maintenance: Solid trend continuing in 2019, one of the industry leaders



Third party revenues at €2.1bn, +11.3%
14,000 employees



Order book at \$11.5bn and margin of 5.6%
end of 2019



Worldwide presence with subsidiaries and partnerships





FY 2019: Stable financial structure to weather the crisis



Debt ratio
at **1.5x**



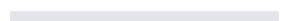
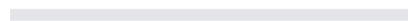
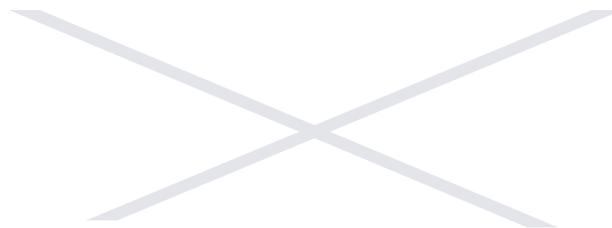
Capex 2019
€3.3bn



Total Cash
€4.7bn
& Credit Line
€1.8bn



546 aircraft
176 in long-haul
246 in medium-haul
118 in regional
6 full cargo





Q1 2020 results



Good performance in January and February, March strongly hit by Covid-19

▶ Until February 2020

- > Unit revenue **+0.8%**
- > Unit cost **-1.6%**
- > The strategic plan started to deliver results

▶ Q1 2020

- > Covid-19 crisis impacting all businesses
- > Passenger carried **-20%**
- > Revenues and Operating result significantly down
- > Debt ratio up



Quick and swift actions taken in response to the Covid-19 outbreak

► Cash cost savings

- > Reduction of operating expenses
- > Tax, social charges, suppliers payments deferral
- > Reduction of investments

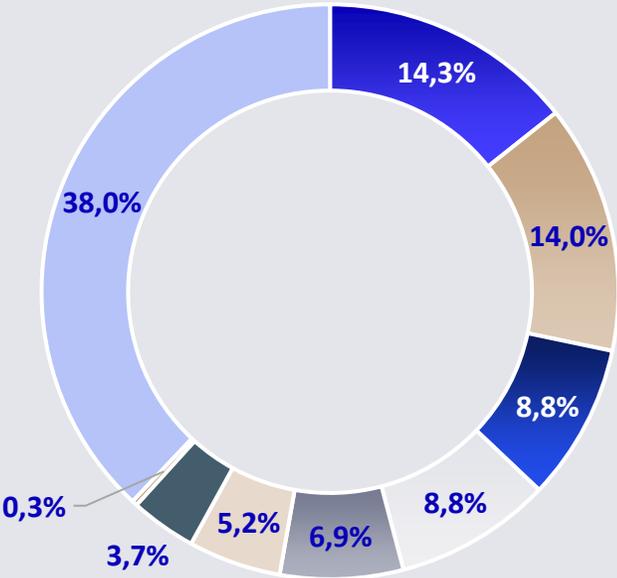
► Secure funding

- > Loans of **€7bn** for Air France and **€2-4bn** under discussion for KLM
- > Backed by French & Dutch states
- > In accordance with the European Union regulation



Who owns Air France-KLM? At March 26, 2020

- French State
- Dutch State
- Delta Air Lines, Inc
- China Eastern Airlines
- Causeway Capital Management LLC
- Donald Smith & Co., Inc.
- Employees (FCPE)
- Treasury stock
- Others



► **Breakdown by nationality:**

- > European: **58%**
- > Others: **42%**



Proactive engagement with individual shareholders

**Award for the best
digital communication
in the SBF120**

For the 2nd consecutive year



► **Shareholders' Newsletters available on the
www.airfranceklm.com website**

- > Individual Shareholders' Club
- > Consultative Committee for individual shareholders
(renewed Q3 2019-Next renewal Q2 2021)
- > Shareholders' meetings in the regions
- > Investor relations:
Web: www.airfranceklm.com/finance
mail.actionnaire@airfranceklm.com



SHAREHOLDERS' MEETING

MAY 26, 2020



Strategy

Benjamin Smith

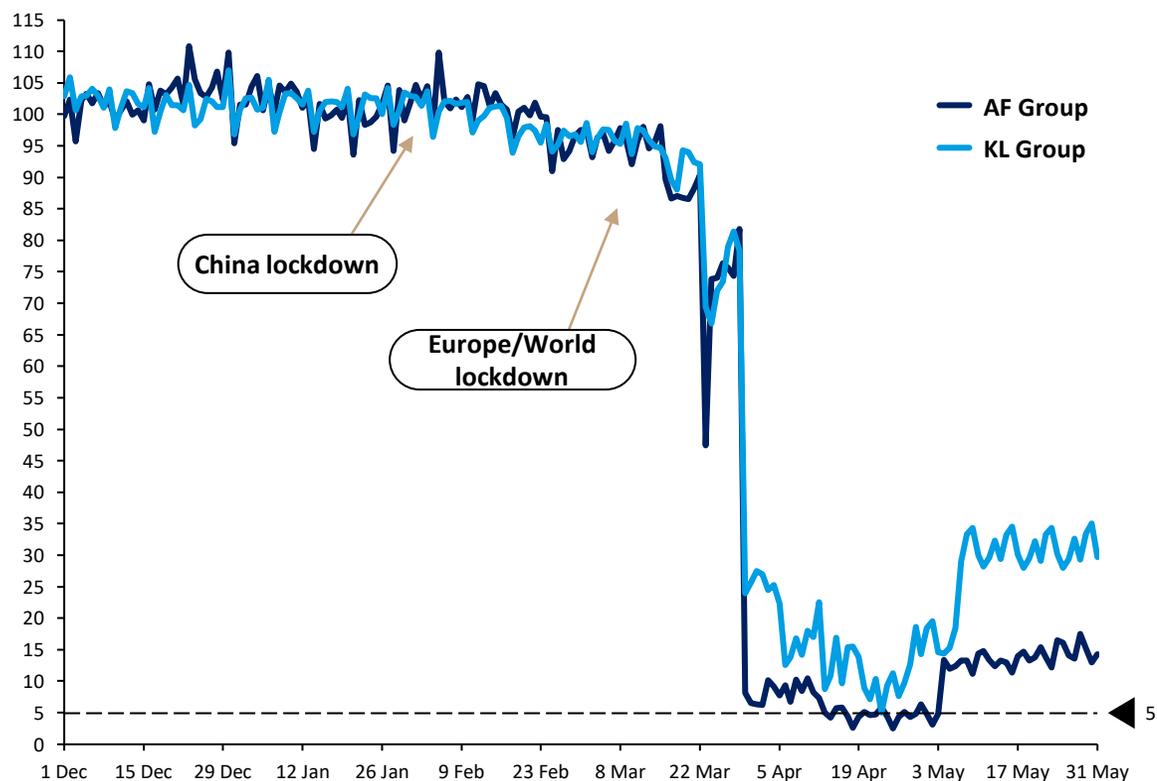
CHIEF EXECUTIVE OFFICER AIR FRANCE KLM

The Covid-19 crisis has strongly challenged airline capacity

AF & KLM seat capacity has fallen 90%, while demand has sharply declined

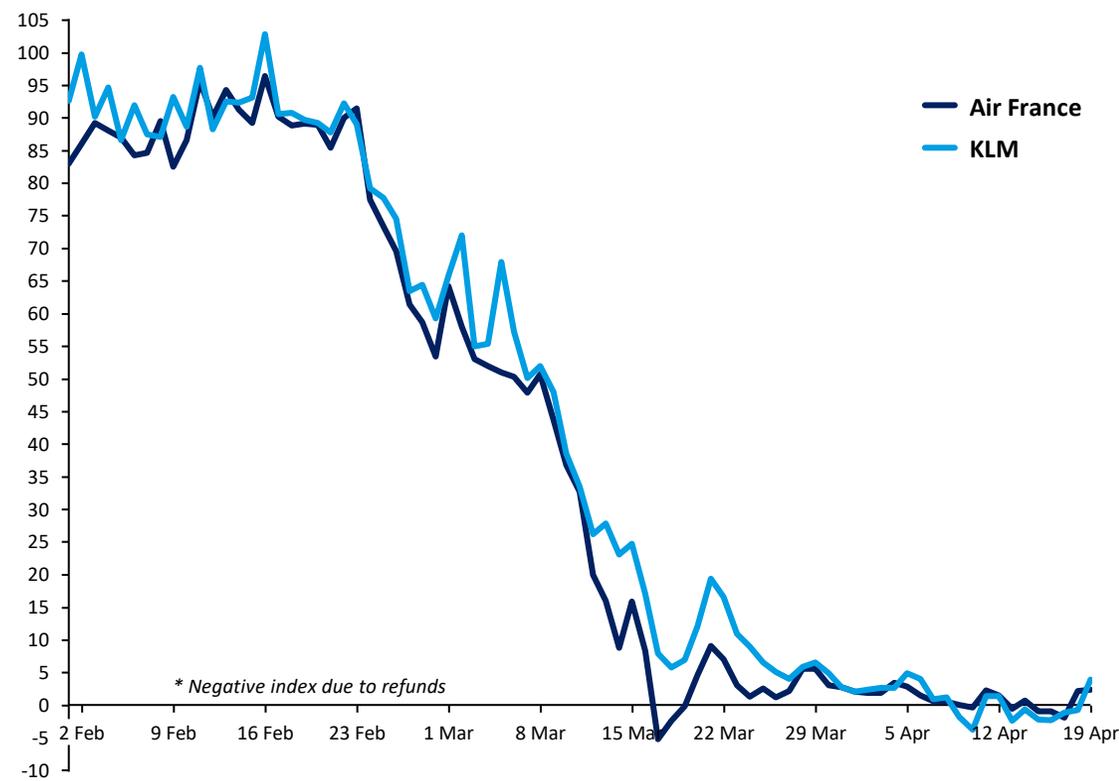
ASK EVOLUTION

YoY ASK capacity for period Dec 1st until May 26th
 Snapshot May 19th 2020
 Base 100 = same day previous year



BOOKINGS VARIATION IN NUMBER OF PASSENGERS

Net bookings between Feb 1st & May 15th for a travel between March & October 2020
 Snapshot May 19th 2020
 Base 100 = same day previous year



* AF Group includes AF, A5, TO – KL Group includes KL, HV, WA

Source: OAG for Capacity and DDS for Bookings

2019 Was a Strong Year for Air France KLM 2020 Was On Track, Until Onset of COVID-19



▶ **Passengers Carried**
+ 2.7% vs FY 2018



▶ **Group Revenues**
+ 1.9% vs FY 2018



▶ **Unit Cost**
-0.9%
*(Guidance 2019 -1% to 0%)**



▶ **Labour**
50+ Agreements Signed



....resulting from strong ongoing transformation initiatives

Decreasing Unit Cost

	More Flexible Labour Contracts	Air France Transavia
	Simplified Fleet	Air France KLM
	Next Generation Aircraft	Air France KLM
	More Efficient Domestic Network	Air France
	Increased Aircraft Utilization	Air France
	Operational Transformation	Air France KLM
	Simplified Organization & Processes	Air France KLM
	Leveraging Additional Group Synergies	Group

Live

Ongoing

Increasing Unit Revenue

	Clarified Brand Strategy	Air France
	Optimized Interior Configurations & Harmonized Products	Air France KLM
	Optimized Network & Aircraft Gauge	Air France KLM
	Refocused Market Positioning	Air France
	Revised Orly Strategy	Air France Transavia
	Personalization & Ancillary Revenue	Group
	Transavia Growth (fleet cap removal)	Transavia
	Flying Blue & Increased Ancillary Revenue	Group
	E&M and Cargo	Air France KLM



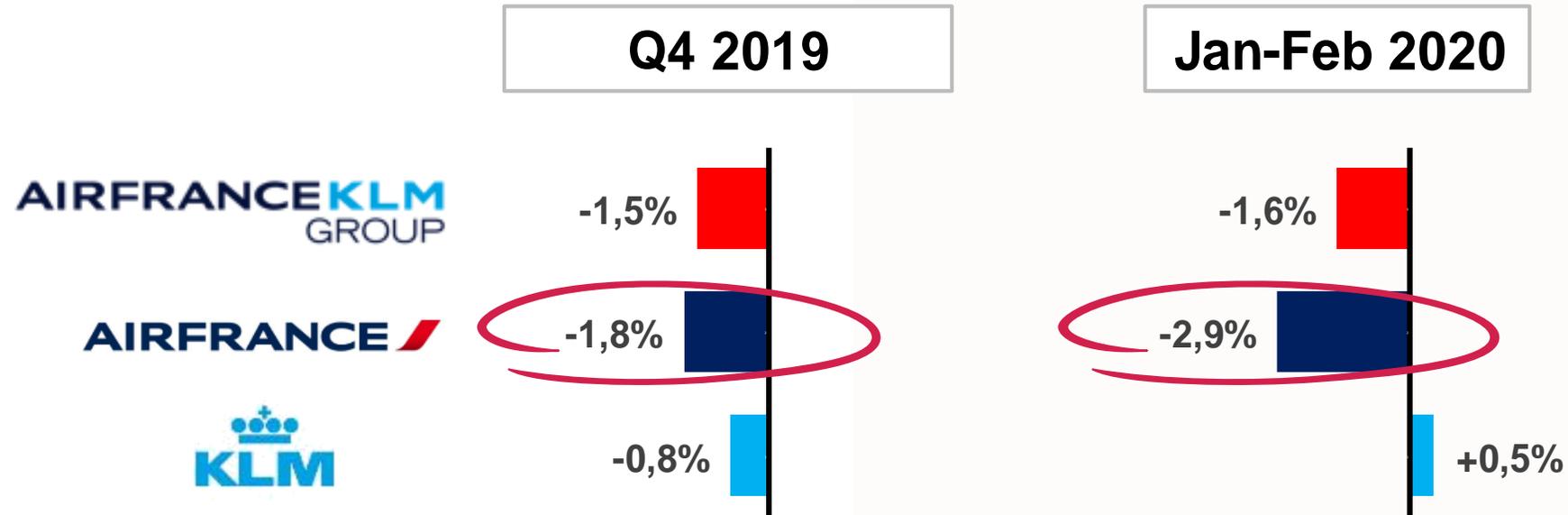
2019 Was Also an Important and Successful Year for KLM





Air France Transformation Plan Showed First Positive Results

Unit cost evolution



AFKL Businesses Saw a Successful 2019

Commercial

- ✓ Strong revenue growth
- ✓ +10 NPS points: B2B/B2T
- ✓ +36% efficiency (NTR/FTE)



AIRFRANCE **KLM** Martinair CARGO

- ✓ Preserved AFKL market share
- ✓ Cargo Performance Programs



AIRFRANCE **KLM** INDUSTRIES Engineering & Maintenance

- ✓ 2019 most **successful year** in E&M history
- ✓ +6.2% total revenue



IT

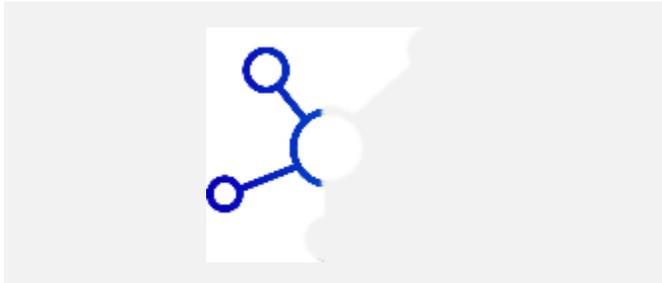
- ✓ -4% IT unit cost
- ✓ 20% Productivity Improvement
- ✓ Quality of service KPIs achieved





Swift & extensive measures to face the crisis were implemented...

>90% CAPACITY REDUCTION DURING APRIL-JUNE



ADDITIONAL FREIGHTER CAPACITY DEPLOYMENT



SPECIAL REPATRIATION FLIGHTS & MAINTAINING ESSENTIAL LINKS WITH TERRITORIES



AIR BRIDGE FOR ESSENTIAL MEDICAL SUPPLY IN COOPERATION WITH THE FRENCH & DUTCH STATE



HIGH SAFETY STANDARDS FOR STAFF AND CUSTOMERS



CONTINUE TO PURSUE 3RD PARTY MAINTENANCE ACTIVITIES WHERE POSSIBLE (~45%)



...in response to the COVID-19 crisis

Safety - Operational - Social responsibility



Summary Covid-19 implications & decision making to secure the Group future



1) A promising start 2020
 Positive unit revenue
 Efficient cost measures
 New strategic plan



3) Quick and swift actions taken
 Safety customers & employees
 Operational, >90% grounding fleet
 Cash preservation measures

5) New action plan
Full disclosure by Summer 2020
 Accelerating existing plan
 New post-crisis measures
 Financial ambitions

January/February

March

April

May

Summer 2020



2) Acceleration Covid-19 crisis:
 Globally imposed travel restrictions & EU border closures
 Lockdown measures in home markets



4) Secure liquidity
 Financing packages
 • 7bn€ for Air France by the French state
 • 2-4bn€ for KLM by the Dutch state under negotiation





French and Dutch States Have Faith in Air France-KLM

AFKL Group is an European strategic asset

AIRFRANCE 

€7bn financing from France, approved by EU

Several Conditions attached

- **Accelerate Group transformation**
- **European champion in terms of sustainability**





€2-4bn Package to KLM under discussion with Dutch government and banks





Go Forward Business Plan Presented in November 2019 Remains Base, Must Be Accelerated and Strengthened

Commitment to Global Environmental Sustainability



**Continue to develop
current business
model**



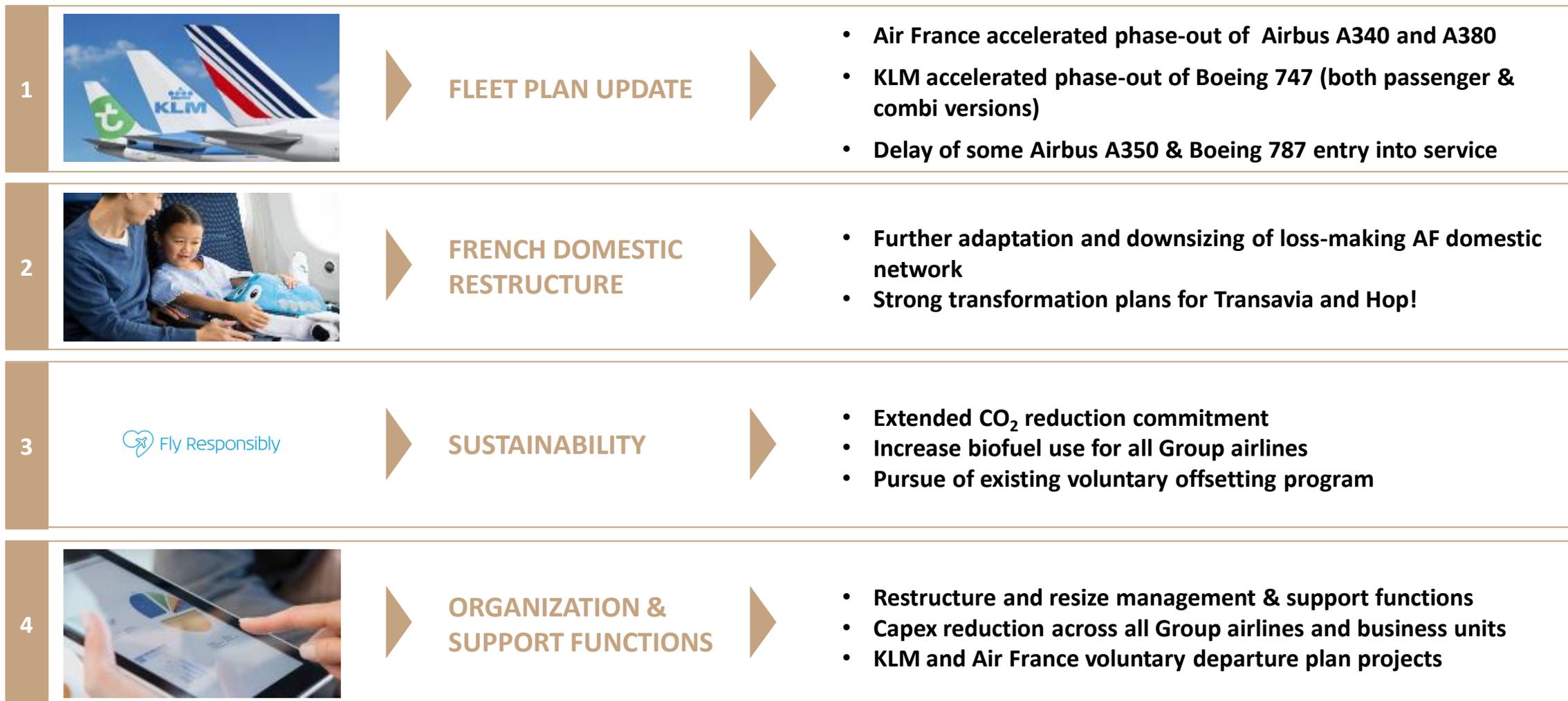
**Leverage unique
assets to build a
successful model,
one step at a time**



**Fully leverage brand
power and new
flexibility**



Business plan presented in 2019 must be accelerated





Acceleration of French Domestic Restructuring Plan

STRONGER ADJUSTMENTS



Close domestic flights when train <2h30 available



Adapt Workforce

ON TOP OF EXISTING RESTRUCTURING PLAN



Reduce poor performing routes exposed to low-cost competition



Improve product and operational performance for customers



Simplify Operations



AFKL Businesses Will Also Accelerate Transformation Plans



Commercial

- ✓ **SWAT teams** preparing post-crisis initiatives
- ✓ **Cost discipline**



- ✓ **100M+ pieces of PPE** transported via “air bridges”
- ✓ **2020 Flight Plan Update**



- ✓ **New product portfolio** (i.e. engines and components)
- ✓ **Accelerate** cost cutting & transformation plan



IT

- ✓ **Simplification of the IT organization**
- ✓ **Accelerate IT transformation**





Accelerated Fleet Phase-Out Will Speed Up Simplification

Airbus A340



Airbus A380



Boeing 747-400



Deferred entry into service of some new aircraft

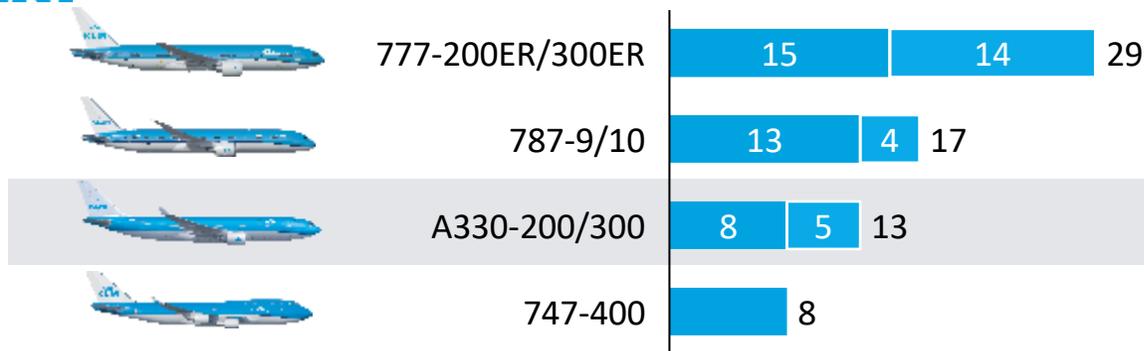


Remaining Flexibility on the Long Haul Fleet

Winter 2019 Passenger Long haul Fleet (pre-COVID)



67 Widebody aircraft



Flexibility to Adapt to Future Reduced Demand

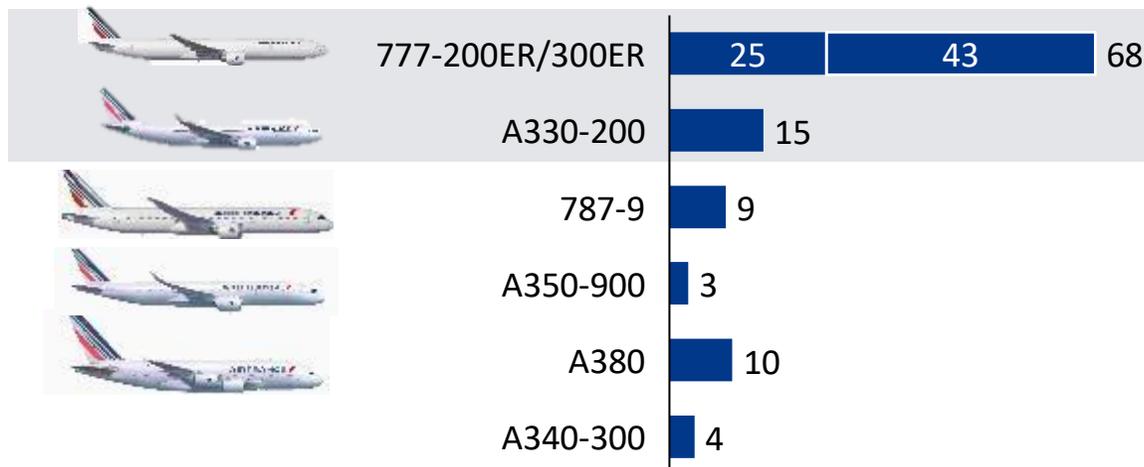
Airbus A330-300



Airbus A330-200



109 Widebody aircraft



Boeing 777-200



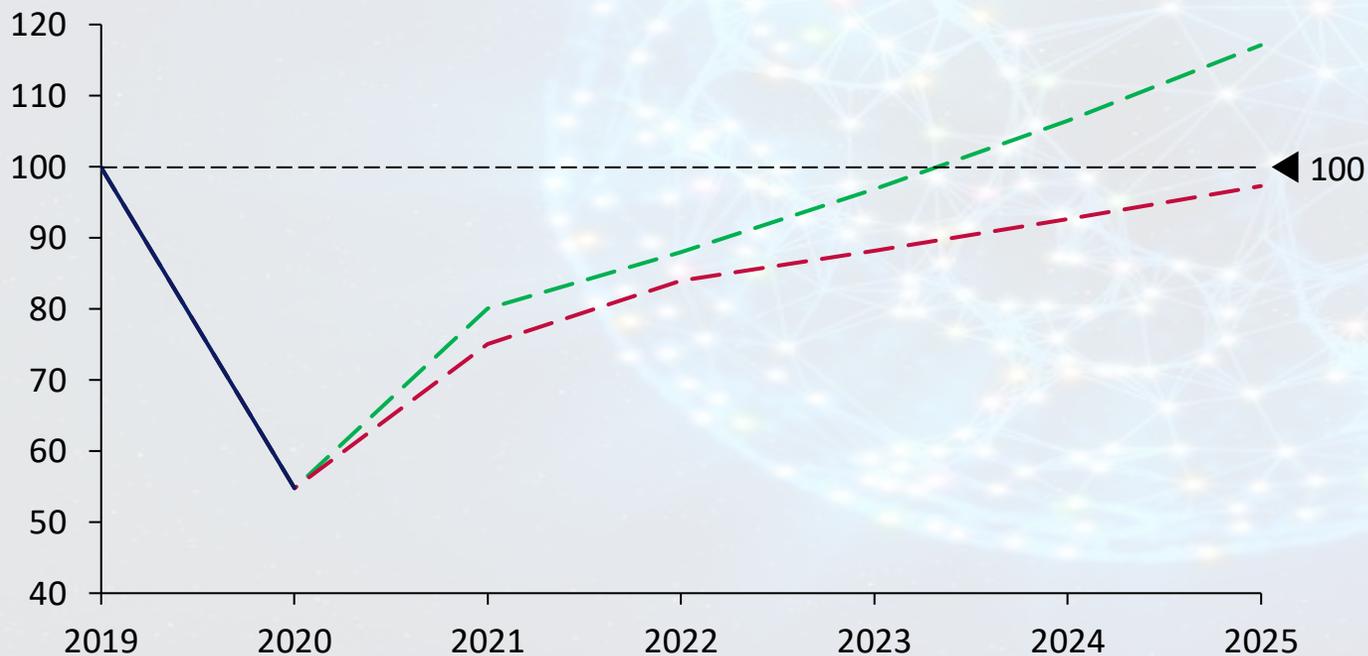
Airbus A330-200





Industry reshuffle expected following COVID-19 crisis

Illustrative capacity outlook AFKL Group
Index 100 is 2019



Fast & safe recover drivers

- + **Global containment** of virus
- + **Internationally recognized** health standard (e.g. health passport)
- + **Restored consumer confidence**
- + **Accelerated consolidation** of the industry due to bankruptcies with **smoother yield decrease**

Slow recover drivers

- **Possible second wave** of virus
- **More customer focus** on sanitary measures
- **Slower** economic growth
- **Multiple** national **border policies**



Future of air travel will change due to changing customer expectations

CUSTOMER EXPECTATIONS

Reassurance



Tangible measures for safe travel

INDUSTRY RESPONSE



End to end health information



Health checks for employees and customers



Personal protective equipment



Reinforced cleaning and air filtration



Contactless services

- ▶ Clear communication
- ▶ Sanitary levels as new decision factor
- ▶ Industry stakeholder cooperation

Uncertain Future Outlook Calls for Unified Industry-wide Measures



SANITARY MEASURES

- **Industry-wide standards** for sanitary measures
- **Cooperation with all stakeholders** (airports, governments, health agencies, etc.) is key for a safe recovery



CONSUMER CARE

- **Airlines must reassure consumers** through tangible and well-managed risk mitigation measures



ROLE OF EMPLOYEES

- **Safety focused-mindset** and new sanitary protocols **at the heart of crew operations**



REGULATORY MEASURES

- **Aligned global or European policy required** for simplified operations and clear communications towards customers

As during the crisis, airlines will have an important role going forward

- ▶ **Reassurance**
- ▶ **Safety obsession**
- ▶ **Global cooperation**



The AFKL Group is committed to accelerate its transformation to strengthen its position in a rebalanced airline landscape



Complete flight safety with sanitary measures



Expand sustainability commitments



Expedite redesign of French domestic network



Expand Transavia France



Accelerate fleet restructuring



Further workforce adaptation to new activity levels

SHAREHOLDERS' MEETING

MAY 26, 2020



Covid-19, tackling the crisis and planning for the future



Governance

Anne-Marie Couderc

**CHAIR OF THE BOARD OF DIRECTORS OF AIR FRANCE-KLM AND
CHAIR OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE**



A Board in support of the Group's General Management

- ▶ **Dissociation of functions** of Chief Executive Officer and Chair of the Board of Directors
- ▶ A **strengthened managerial governance** around a CEO Committee **that has proven its value**
- ▶ **Benjamin Smith is a member of the Air France-KLM, Air France and KLM Boards**

CEO COMMITTEE

chaired by
Benjamin Smith
Air France-KLM's CEO

Anne Rigail

Air France's CEO
&
Air France-KLM's
Deputy CEO

Frédéric Gagey

Air France-KLM's
CFO

Pieter Elbers

KLM's President and
Chief Executive Officer
&
Air France-KLM's
Deputy CEO



Balances within the Board of Directors and activity of the Committees

BOARD OF DIRECTORS

Composition

- ▶ **19** members
- ▶ independent Board directors
- ▶ **41.2%** of women*
- ▶ **6** nationalities**
- ▶ **4** Board directors representing the employees and employee shareholders

Activities

- ▶ **13** meetings
- ▶ **88%** average attendance rate

4 SPECIALIZED COMMITTEES

▶ **Audit Committee**

- **Chair:** Maryse Aulagnon, Independent Director
- **89%** attendance rate

▶ **Sustainable Development and Compliance Committee**

- **Chair:** Anne-Marie Idrac, Independent Director
- **92%** attendance rate

▶ **Appointments and Governance Committee**

- **Chair:** Anne-Marie Couderc, Independent Director
- **100%** attendance rate

▶ **Remuneration Committee**

- **Chair:** Isabelle Bouillot, Independent Director
- **94%** attendance rate

* Excluding employee Board directors

** Taking into account dual nationalities



Involvement of the Board of Directors in the Group's major events

*February 2019: the Dutch State became a shareholder of Air France-KLM.
Creation of a Working Group between the French and Dutch States.*

2019

- ▶ **Audit of the governance agreements in force**
- ▶ **Construction of the Air France-KLM strategic plan:**
 - setting of ambitious financial targets
 - Strategy seminar on October 10 and 11, 2019
 - Investor Day of November 5, 2019
- ▶ **Approval of important decisions for the Group's future:**
fleet simplification and modernization, CSR commitments, Air France transformation plan
- ▶ **Positive impact on results**

2020

- ▶ **Health crisis linked to COVID-19**
- ▶ **A very involved Board of Directors**
(1 meeting per week)
- ▶ **Responsiveness and emergency measures taken**
- ▶ **A strong commitment from the French and Dutch States:**
partial activity in France, NOW program in the Netherlands, €7 billion of financing for Air France, etc.



Re-appointment of Ms. Anne-Marie Couderc



INDEPENDENT DIRECTOR

- ▶ **Chair of the Board of Directors**
- ▶ **Chair of the Appointments and Governance Committee**
- ▶ **Principal activity:** Chair of the Air France-KLM Board of Directors*, Chair of the Air France Board of Directors and company director

Her contribution to the Board

- > Experience of HR and general management
- > Skills in the fields of governance, communication and public affairs

Her main competencies

- > Governance
- > General management
- > Public affairs
- > Human resources



Re-appointment of Mr. Alexander R. Wynaendts



INDEPENDENT DIRECTOR

- ▶ **Member of the Appointments and Governance Committee**
- ▶ **Principal activity:** Chair and Chief Executive Officer of Aegon NV until May 15, 2020

His contribution to the Board

- > Skills in the financial field
- > Experience of general management

His main competencies

- > Governance
- > General management
- > International
- > Finance
- > Public Affairs



Appointment of Mr. Dirk Jan Van Den Berg



BOARD DIRECTOR

- ▶ **Board director appointed as proposed by the Dutch State replacing Mr. Jaap de Hoop Scheffer**
- ▶ **Principal activity:** President of the Association of Health Insurance Companies in the Netherlands (ZN, Zorgverzekeraar Nederland)

His contribution to the Board

- > Skills in the economics field
- > Experience of public affairs

His main competencies

- > Economics
- > General management
- > International
- > Public affairs



Ratification of the cooptation of Mr. Jian Wang



BOARD DIRECTOR

- ▶ Elected by the Shareholders' Meeting as proposed by China Eastern Airlines
- ▶ Member of the Sustainable Development and Compliance Committee
- ▶ **Principal activity:** Corporate Secretary of China Eastern Airlines Co., Ltd and Chair of Eastern Airlines Industry Investment Co., Ltd.

His contribution to the Board

- > Skills in the financial field
- > Knowledge of the airline industry
- > Experience of governance, investment and general management

His main competencies

- > Governance
- > General Management
- > International
- > Finance

SHAREHOLDERS' MEETING

MAY 26, 2020



Statutory Auditors' Reports

Frédéric Gagey

CHIEF FINANCIAL OFFICER, AIR FRANCE-KLM



Statutory Auditors' Reports

AS REGARDS THE ORDINARY MEETING OF SHAREHOLDERS

- ▶ **Reports on the financial statements**
 - > Consolidated financial statements
 - > Annual financial statements
- ▶ **Report on regulated agreements**

AS REGARDS THE EXTRAORDINARY MEETING OF SHAREHOLDERS

- ▶ **Two reports related to capital operations**

COVID-19

- ▶ **Financials statements have been approved by the Board on February 19, 2020, considering the information available**
- ▶ **Press releases published after the approval to reflect the evolution of the pandemic**
- ▶ **Recent events, perspectives 2020 and risk factors updated in the Universal Registration Document to reflect the evolution of the pandemic**



Reports on the consolidated and annual financial statements

Consolidated financial statements

(pages 321 to 326 of the Universal Registration Document)

Annual financial statements

(pages 340 to 343 of the Universal Registration Document)

- ▶ **Unqualified opinion on the fair presentation and consistency of the financial statements, with an emphasis on the following changes in accounting methods:**
 - > The capitalization of limited life parts by components
 - > The classification of compensations paid to customers for delays or cancellations (“customer compensations”)

- ▶ **Key Audit Matters**
 - > Revenue recognition for issued but unused passenger tickets
 - > Provisions for litigations and contingent liabilities
 - > Recognition of deferred tax assets
 - > Valuation of equity interests (statutory)

- ▶ **Specific verifications**
 - > No observations on the information given in the management report and consistency of the information



Special report on regulated agreements

On regulated agreements

(pages 344 and 345 of the Universal Registration Document)

- ▶ **Agreements and commitments authorized during the year**
- ▶ **Transatlantic partnership between Air France-KLM, Delta Air Lines and Virgin Atlantic**
 - > The Board of Directors of AF-KLM authorized on October 30, 2019 the modification of the following contracts:
 - Termination of the Share Purchase Agreement allowing to acquire a 31% share in Virgin Atlantic;
 - Amendment of the Joint Venture and Implementation agreements in order to reflect , among other interests, the AF-KLM decision not to proceed with the acquisition of equity interests in Virgin Atlantic.
 - Signature of an agreement between AF-KLM, Delta et Virgin Group granting AF-KLM, a right to acquire shares in the event of a sale by Virgin Group of shares in Virgin Atlantic to a third party.
 - > Justification of the interest of the agreement for the company are presented on page 345 of the Universal Registration Document.



Reports in relation with the extraordinary meeting of shareholders (1/2)

On the issuance of shares and other marketable securities with or without preferential subscription rights

(resolutions n°18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30 et 32)

► Purpose

- > Delegation of authority for a 26-month period with a defined limit, to decide to proceed to this type of operations
- > Authorization to set the issue price within a limit not to exceed 10% of the share capital a year (in the framework of the utilization of delegations set out in resolutions 19, 20, 21, 26, 27 and 28)
- > Delegation of authority for a 26-month period with a defined limit, to proceed to this type of operations to compensate in-kind contributions granted to the Company
- > Opinion on the fairness of the quantitative information, on the proposed cancellation of preferential subscription rights and on other information

► Procedures performed by the statutory auditors

- > Verification of the content of the report of the Board of Directors related to this operation and of methods used to determine the issue price of equity securities.

► Conclusion

- > Subject to subsequent review of the conditions of each equity issuance decided, no comments to make on the methods used to determine the issue price of equity securities
- > No opinion on the price and on the proposed cancellation of preferential subscription rights
- > Additional report, where appropriate, when these delegations are used



Reports in relation with the extraordinary meeting of shareholders (2/2)

On the issuance of new shares or other securities granting rights to the share capital reserved for members of a company savings plan

(Resolution n°33)

▶ **Purpose**

- > Delegation of authority to proceed to increases in share capital for a 26-month period and limited to 2% of the Company's share capital
- > Opinion on the fairness of the quantitative information, on the proposed cancellation of preferential subscription rights and on other information

▶ **Procedures performed by the statutory auditors**

- > Vérification of the content of the report of the Board of Directors related to this operation and of methods used to determine the issue price of equity securities.

▶ **Conclusion**

- > Subject to subsequent review of the conditions of each equity issuance decided, no comments to make on the methods used to determine the issue price of equity securities
- > No opinion on the price and on the proposed cancellation of preferential subscription rights
- > Additional report, where appropriate, when this delegation is used

SHAREHOLDERS' MEETING

MAY 26, 2020



Q&A Session

Anne-Sophie Le Lay

SECRÉTAIRE GÉNÉRALE DU GROUPE AIR FRANCE-KLM



The Group has announced that it is currently losing €25 million a day and has obtained €7 billion in financial support. The Group has stated that capacity will not return to its 2019 level before 2022. **How does the Group plan to repay this loan?**



Following the French State support, an Air France-KLM recovery plan was announced.

Could you say more about the calendar and its objectives?



What are the major challenges of KLM's transformation to adapt to the post Covid world?



What social distancing rules will be applied by Air France on its flights to encourage passengers to fly again with confidence?



What is the policy of Air France and KLM regarding ticket refunds in case of cancellation of flights related to Covid-19?



Recently, US fund management companies (Causeway Cap Management and Donald Smith & CO) have each crossed the 5% threshold to reach together more than 12% of the capital of Air France/KLM. **Can we not fear that a change of control of Air France - KLM to the benefit of non-European shareholders will eventually take place?**



Air France has to achieve its transformation. What will you discuss with employee unions? And what is the timeline?



Does the Covid-19 public health emergency call into question our alliances and partnerships, particularly with Delta and China Eastern?



If there are plans to negotiate (perhaps already underway) with the Dutch State on this financial aid, why has it not been possible to do so in conjunction with the negotiations with the French State?



Air transport was already in trouble before the covid crisis with a new environmental awareness.

What are Air France KLM's new commitments to sustainable development in the post-crisis world?



**Angus Clarke was recently appointed CCO of Air France.
Can you explain the reasons for this and the ambition?**



What action has KLM taken to restart its operations after weeks of a very reduced activity?



What is the Air France-KLM Group's position on consolidation in the coming months?

AIRFRANCEKLM
GROUP

AIRFRANCEKLM
GROUP

ASSEMBLÉE GÉNÉRALE

26 MAI 2020


KLM

Vote on the resolutions

Anne-Sophie Le Lay

CORPORATE SECRETARY OF AIR FRANCE-KLM GROUP



ORDINARY BUSINESS



FIRST RESOLUTION

- ▶ **Approval of the statutory financial statements and transactions for the financial year ended December 31, 2019**
 - > Result for the financial year: €(11) million

APPROVED BY **99.96%**



SECOND RESOLUTION

- ▶ **Approval of the consolidated financial statements and transactions for the financial year ended December 31, 2019**
 - > Net result, Group part: €290 million

APPROVED BY

99.96%



THIRD RESOLUTION

► Allocation of the result for the financial year ended December 31, 2019

- > Loss for the financial year: €11 million
- > Allocation of the loss for the financial year to 'retained earnings' then retained earnings to be charged to the 'other reserves – various reserves' account
- > The 'retained earnings' account thus moves from €(53,319,339) to €(64,370,286)

APPROVED BY

99.94%



FOURTH RESOLUTION

- ▶ **Approval of the regulated party agreements referred to in Article L. 225-38 of the French Commercial Code**
 - > Regulated party agreements authorized by the Air France-KLM Board of Directors during its meeting of October 30, 2019 and referred to in the Statutory Auditors' special report

APPROVED BY **99.94%**



FIFTH RESOLUTION

- ▶ **Re-appointment of Ms. Anne-Marie Couderc as a Board director**
 - > Term of office: 4 years
 - > Independent Board director

APPROVED BY 99.64%



SIXTH RESOLUTION

- ▶ **Re-appointment of Mr. Alexander R. Wynaendts as a Board director**
 - > Term of office: 4 years
 - > Independent Board director

APPROVED BY **94.93%**



SEVENTH RESOLUTION

- ▶ **Appointment of Mr. Dirk Jan van den Berg as a Board director**
 - > Term of office: 4 years
 - > Appointment proposed by the Dutch State to replace Mr. Jaap de Hoop Scheffer, whose resignation becomes effective at the end of this Shareholders' Meeting

APPROVED BY 99.16%



EIGHTH RESOLUTION

- ▶ **Ratification of the cooptation of Mr. Jian Wang as a member of the Board of Directors**
 - > On July 30, 2019, the Board of Directors coopted Mr. Jian Wang to replace Mr. Bing Tang for the remainder of his predecessor's term of office, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ended December 31, 2020
 - > Cooptation as proposed by China Eastern Airlines

APPROVED BY

99.53%



NINTH RESOLUTION

- ▶ **Re-appointment of KPMG Audit as a principal Statutory Auditor**
 - > Term of office: 6 financial years

APPROVED BY **99.74%**



TENTH RESOLUTION

- ▶ **Appointment of Salustro Reydel as a deputy Statutory Auditor**
 - > Term of office: 6 financial years

APPROVED BY 99.86%

Remunerations

Isabelle Bouillot

CHAIR OF THE REMUNERATION COMMITTEE



2019 compensation for Directors

AMOUNT ALLOCATED TO THE DIRECTORS	€826,417
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- ▶ Allocation of compensation in a fixed and a variable portion based on the attendance of directors at Board and Committee meetings
- ▶ Global amount : €950 000

2019 compensation for Ms. Anne-Marie Couderc, Chair of the Board of Directors

FIXED	€200,000
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- ▶ Unchanged since 2018



2019 compensation for Mr. Benjamin Smith, Chief Executive Officer

FIXED **€900,000**

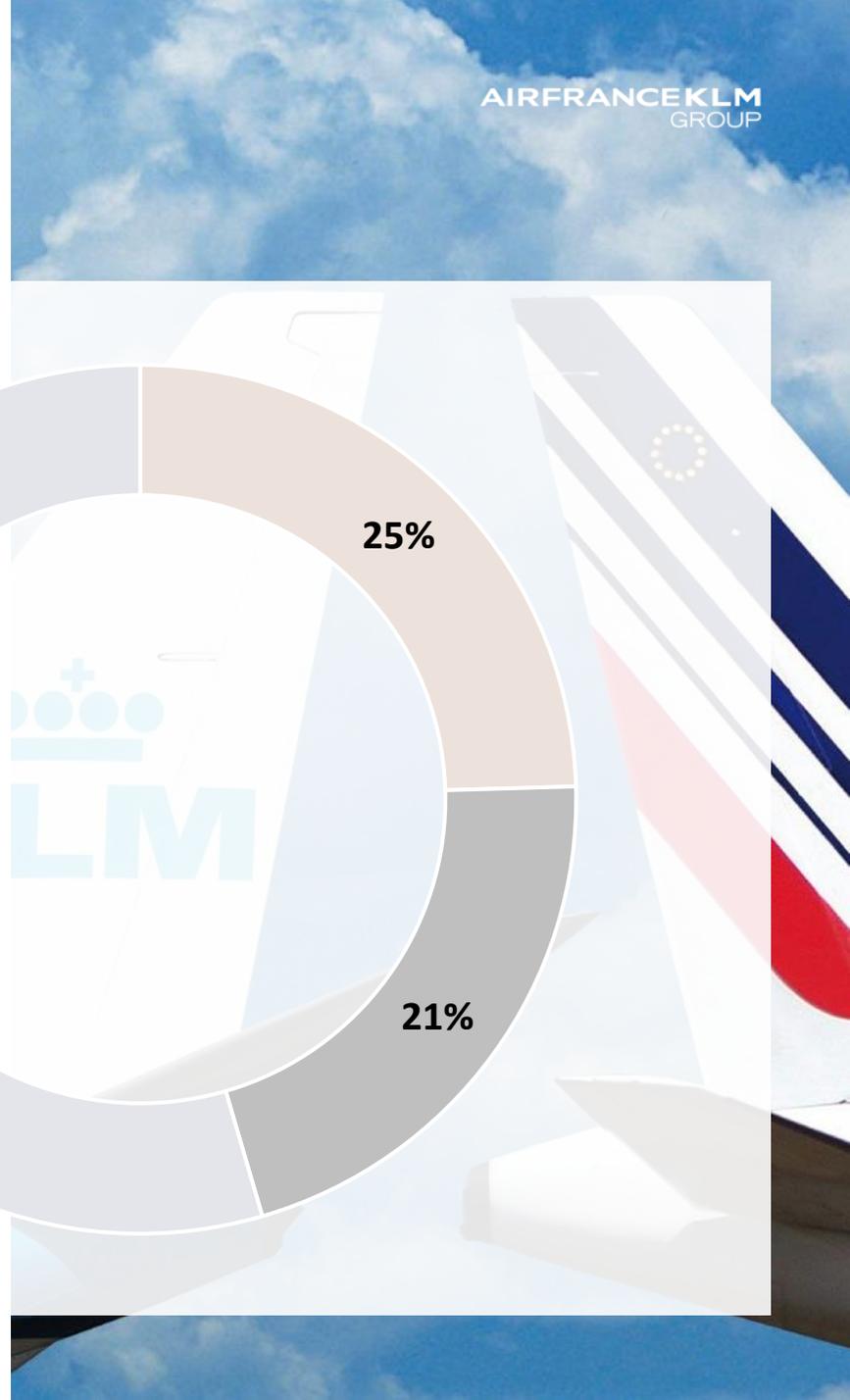
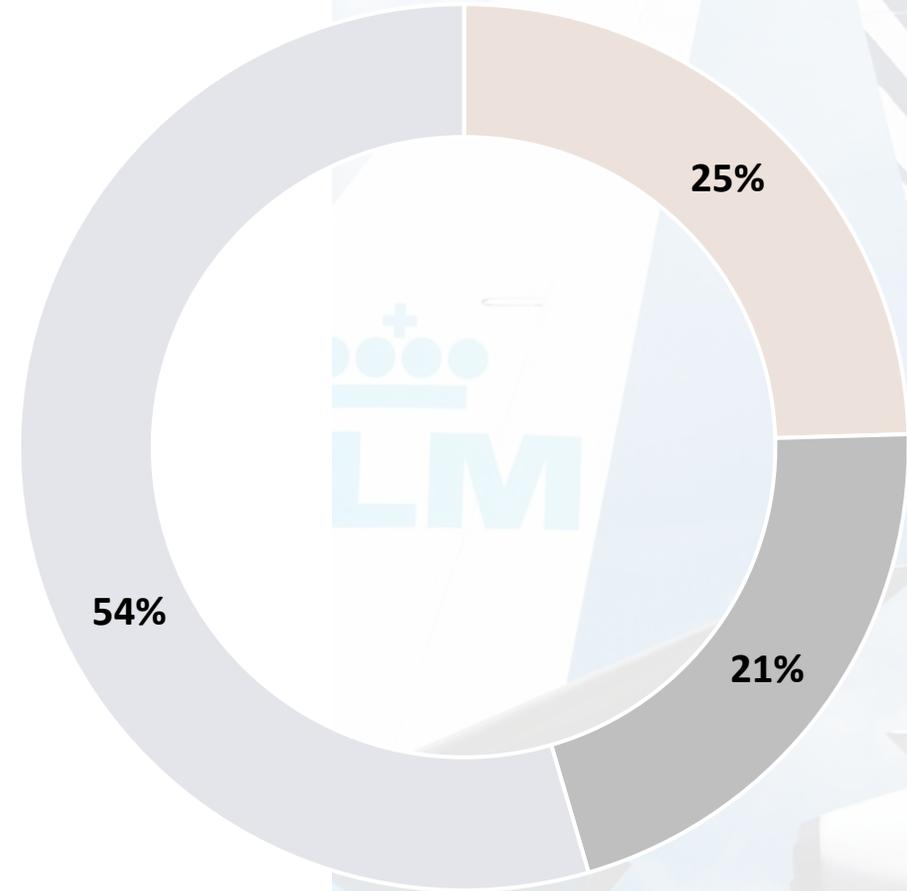
- ▶ **Unchanged** since 2018

ANNUAL VARIABLE **€768,456**

- ▶ **Performance conditions achievement rate of 70%**, of which :
 - ▶ 41.6% related to financial objectives; and
 - ▶ 112.2% related to individual objectives
- ▶ **Deferred payment** as a solidarity gesture with the Group's employees

LONG-TERM VARIABLE **€2,000,000**

- ▶ Subject to **performance conditions**
- ▶ 2 performance unit plans evaluated over 3 years, one of which paid in shares





2020 compensation for Ms. Anne-Marie Couderc, Chair of the Board of Directors

FIXED

€220,000

► Commitment of the Chair:

> **Waiving of the increase of her annual fixed compensation.**

Her annual gross fixed compensation will thus be **€200 000** in respect of her duties for 2020.

> **Application of a reduction** on the fixed remuneration according to the same terms and conditions that will be applied to all Air France and Air France - KLM SA employees (pro rata temporis for periods of partial employment).



2020 compensation policy for the Board directors

MAXIMUM AMOUNT ATTRIBUTABLE TO THE BOARD OF DIRECTORS AS A WHOLE €950,000
(unchanged since 2019)

Elements granted to all the Board directors

- **Fixed** compensation €15,000
- **Variable** compensation €25,000

on a pro rata basis according to directors' attendance at Board meetings

Commitment of the Board directors:

25% reduction in their 2020 compensation pro rata temporis for the periods of partial activity applied to all employees.

Elements granted to the Committee members

Audit Committee

Chair	Fixed	€4,500
	Variable	€7,500

Members of the Committee	Fixed	€3,000
	Variable	€5,000

For the other Committees

Chair	Fixed	€3,000
	Variable	€4,500

Members of the Committee	Fixed	€2,000
	Variable	€3,000



2020 compensation for Mr. Benjamin Smith, Chief Executive Officer

FIXED **€900,000**

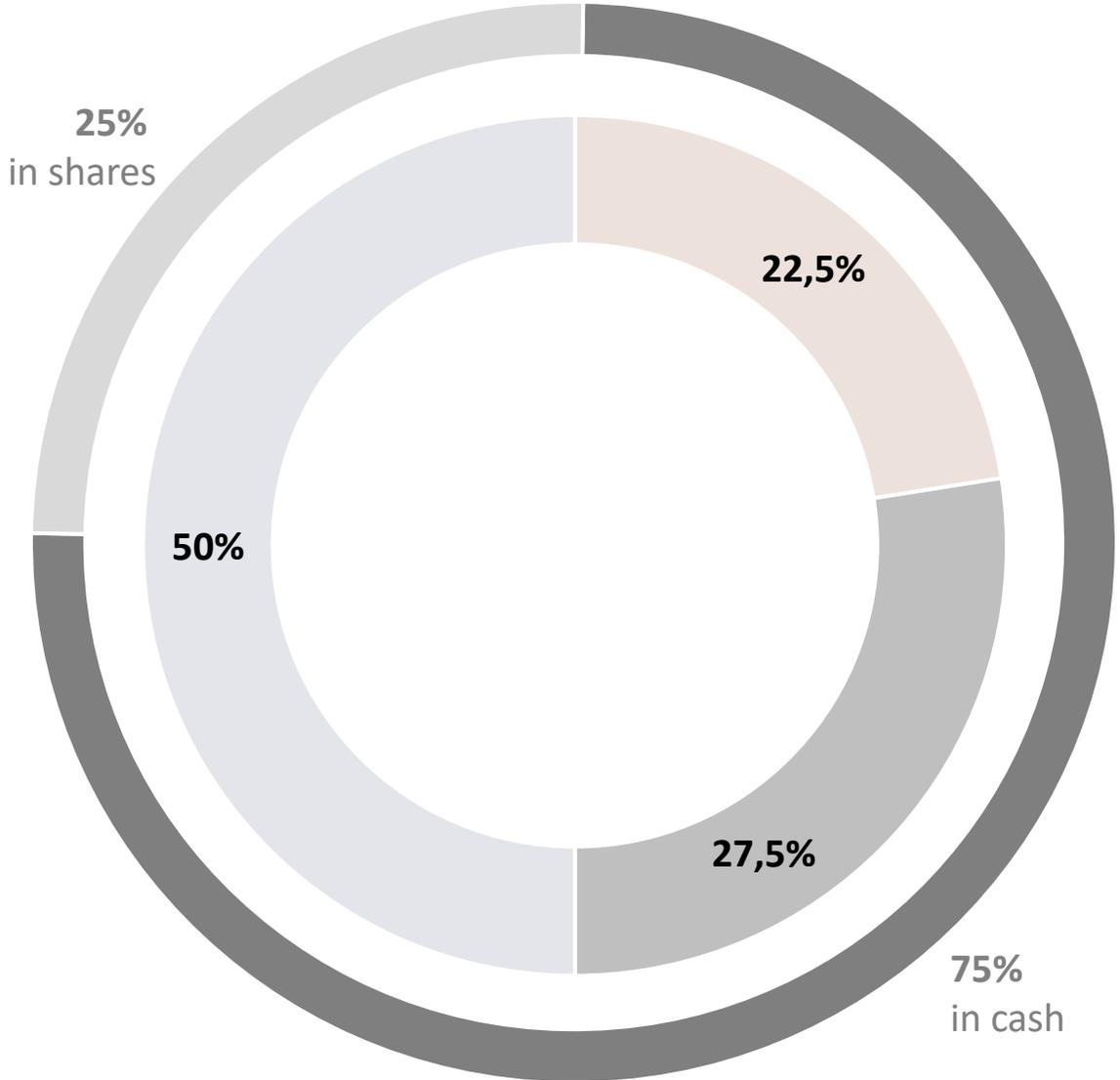
- ▶ **Unchanged** since 2018
- ▶ Due to the Covid-19 public health crisis and by way of solidarity with the Air France-KLM employees, Mr. Smith has forfeited 25% of his fixe compensation during the period of partial activity.

ANNUAL VARIABLE —

- ▶ Subject to **performance conditions**
- ▶ Due to the crisis linked to Covid-19, Mr. Smith has forfeited his annual variable compensation.

LONG-TERM VARIABLE —

- ▶ Subject to **performance conditions**
- ▶ **2 performance unit plans** evaluated over 3 years, of which one paid in shares





2020 compensation for Mr. Benjamin Smith, Chief Executive Officer

ANNUAL VARIABLE COMPENSATION

DUE TO THE CRISIS LINKED TO COVID-19, MR. SMITH HAS FORFEITED HIS ANNUAL VARIABLE COMPENSATION

Discretionary power of the Board of Directors not to grant any annual variable compensation



Weight of the performance criteria

Financial performance
Air France-KLM Group cash

70%

Individual performance
Leadership demonstrated and implemented in terms of managing the crisis, the exit from crisis and the definition of a strategic recovery plan

30%



2020 compensation for Mr. Benjamin Smith, Chief Executive Officer

LONG-TERM VARIABLE COMPENSATION (1/2)

LONG-TERM INCENTIVE PLAN: €1,000,000

Criteria	Weighting
Share price performance for Air France-KLM relative to the shares of companies in the sector	30%
Air France-KLM realized ROCE relative to budget	40%
Dow Jones Sustainability Index	30%



PAYABLE IN CASH AT THE END OF A THREE-YEAR PERIOD

SUBJECT TO PERFORMANCE CONDITIONS EVALUATED OVER THE WHOLE OF THE PERIOD



2020 compensation for Mr. Benjamin Smith, Chief Executive Officer

LONG-TERM VARIABLE COMPENSATION (2/2)

SPECIFIC LONG-TERM VARIABLE INCENTIVE PLAN: €1,000,000



Criteria	Weighting
Air France-KLM relative COI Reduction in the performance differential with IAG and Lufthansa Group over 3 years	80%
CSR performance targets	20%

PAYABLE IN AIR FRANCE-KLM SHARES

ALIGNEMENT WITH THE OBJECTIVE OF IMPROVING THE OPERATIONAL PERFORMANCE AND THE CSR TARGETS



ELEVENTH RESOLUTION

- ▶ Approval of the information on the compensation for each of the company officers required by Article L. 225-37-3 I of the French Commercial Code

APPROVED BY **99.68%**



TWELFTH RESOLUTION

- ▶ **Approval of the fixed and variable components making up the total compensation and benefits of any kind paid during the 2019 financial year or granted in respect of this financial year to Ms. Anne-Marie Couderc in her capacity as Chair of the Board of Directors**
 - > Fixed compensation: €200,000

APPROVED BY

84.30%



THIRTEENTH RESOLUTION

- ▶ **Approval of the fixed and variable components making up the total compensation and benefits of any kind paid during the 2019 financial year or granted in respect of this financial year to Mr. Benjamin Smith in his capacity as Chief Executive Officer**
 - > Fixed compensation: €900,000
 - > Annual variable compensation: €768,456

APPROVED BY

81.01%



FOURTEENTH RESOLUTION

▶ Approval of the 2020 compensation policy for the Chair of the Board of Directors

- > Annual fixed compensation determined by the Board of Directors for the 2020 financial year: €220,000
- > Waiving by the Chair of her new annual fixed ==> her fixed compensation is maintained at €200,000

Decision to decrease this compensation under the same salary terms and conditions that will be applied to all Air France and Air France-KLM employees during the partial activity period

- > No variable or multi-year compensation

APPROVED BY

84.30%



FIFTEENTH RESOLUTION

- ▶ **Approval of the 2020 compensation policy for the non-executive company officers**
 - > Overall budget of 950,000 unchanged compared to 2018 and 2019
 - > Compensation with a fixed and variable part based on attendance at Board of Directors' and committees' meetings

APPROVED BY **99.77%**



SIXTEENTH RESOLUTION

► Approval of the 2020 compensation policy for the Chief Executive Officer

- > Annual fixed compensation for the 2020 financial year: €900,000
- > Forfeiting of his annual variable compensation in respect of the 2020 financial year
- > Decision to submit his annual fixed and variable compensation paid in 2020 to the same salary terms and conditions as those to be applied to all Air France and Air France-KLM employees (i.e. a decrease of around 25%)
- > Long-term variable compensation valued at €2,000,000 divided into two long-term incentive plans subject to performance conditions on a three-year period, with one of these two plans being paid in shares
- > The usual benefits in kind within the framework of his functions and benefits consistent with the policies applied within the Group for senior manager expatriation and mobility

APPROVED BY

84.14%



SEVENTEENTH RESOLUTION

- ▶ **Authorization to be granted to the Board of Directors to carry out transactions involving the Company's shares**
 - > Maximum purchase unit price per share: €15 (excluding fees)
 - > Maximum authorized: 5% of the share capital
 - > Maximum term of the authorization: 18 months

APPROVED BY

99.85%



EXTRAORDINARY BUSINESS



EIGHTEENTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of issuing ordinary Company shares and securities granting access to other Company capital securities to be issued or granting the right to the allocation of debt securities, while maintaining preferential subscription rights for shareholders, within a limit not to exceed a nominal amount of €214 million (delegation to be used outside the context of a public tender offer)**
 - > Maximum authorized: €214 million
 - > In the event of an issue of debt securities conferring access to Company capital securities to be issued, the total nominal amount of these debt securities may not exceed €1 billion
 - > Term of the delegation: 26 months

APPROVED BY

99,71%



NINETEENTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of issuing ordinary Company shares and securities granting access to other Company capital securities to be issued or granting the right to the allocation of debt securities, by way of public offerings other than the public offerings referred to in Article L. 411-2, 1° of the French Monetary and Financial Code, without shareholders' preferential subscription rights but with a mandatory priority subscription period, within a limit not to exceed an amount of €214 million (delegation to be used outside the context of a public tender offer)**
 - > Maximum authorized: €214 million
 - > Term of the delegation: 26 months

APPROVED BY

82.02%



TWENTIETH RESOLUTION

- ▶ **Délégation de compétence au Conseil d'administration à l'effet d'émettre des valeurs mobilières, par voie d'offre au public, avec suppression du droit préférentiel de souscription et délai de priorité de souscription facultatif dans la limite d'un montant nominal de 86 millions d'euros (utilisable en dehors des périodes d'offre publique)**
 - > Maximum authorized: €86 million
 - > Term of the delegation: 26 months

APPROVED BY

81.53%



TWENTY-FIRST RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of issuing ordinary Company shares/securities, without preferential subscription rights, and by way of the private placings referred to in Article L. 411 - 2 of the French Monetary and Financial Code, within a limit not to exceed a nominal amount of €86 million (delegation to be used outside the context of a public tender offer)**
 - > Maximum authorized: €86 million
 - > Term of the delegation: 26 months

APPROVED BY

81.43%



TWENTY-SECOND RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of increasing the number of securities to be issued in the event of a capital increase with or without shareholders' preferential subscription rights, within a limit not to exceed 15% of the amount of the initial issue (delegation to be used outside the context of a public tender offer)**
 - > Maximum authorized: in the event that the demand in the context of the capital increases provided for under the terms of the 18th to 21st resolutions exceeds the amount available for subscription, the number of shares to be issued may be increased, in compliance with the applicable statutory thresholds and conditions, i.e. within a limit not to exceed 15% of the initial issue and at the same price as that retained for this issue
 - > Term of the delegation: 26 months

APPROVED BY

82.11%



TWENTY-THIRD RESOLUTION

- ▶ **Delegation of power granted to the Board of Directors for the purpose of increasing the share capital within the limit of 10% of the share capital in order to compensate contributions in kind granted to the Company and comprised of capital securities or securities granting access to the share capital, for a 26-month term
(delegation to be used outside the context of a public tender offer)**
 - > Maximum authorized: 10% of the share capital
 - > Term of the delegation: 26 months

APPROVED BY

99.20%



TWENTY-FOURTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital via capitalization of reserves, profits, premiums or other amounts eligible for capitalization within a limit not to exceed a nominal amount of €214 million (delegation to be used outside the context of a public tender offer)**
 - > Maximum authorized: €214 million
 - > Term of the delegation: 26 months

APPROVED BY

99.54%



TWENTY-FIFTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of issuing shares/securities, while maintaining shareholders' preferential subscription rights, within a limit not to exceed a nominal amount of €107 million (delegation to be used within the context of a public tender offer)**
 - > Maximum authorized: €107 million
 - > Term of the delegation: 26 months

APPROVED BY

86.01%



TWENTY-SIXTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of issuing shares/securities, by way of a public offering, without shareholders' preferential subscription rights but with a mandatory subscription period and within a limit not to exceed a nominal amount of €107 million (delegation to be used within the context of a public tender offer)**
 - > Maximum authorized: €107 million
 - > Term of the delegation: 26 months

APPROVED BY

70.39%



TWENTY-SEVENTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of issuing securities, by way of a public offering, without shareholders' preferential subscription rights and with an optional priority subscription period, within a limit not to exceed a nominal amount of €43 million (delegation to be used within the context of a public tender offer)**
 - > Maximum authorized: €43 million
 - > Term of the delegation: 26 months

APPROVED BY

69.79%



TWENTY-EIGHTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for the purpose of issuing shares/securities, without shareholders' preferential subscription rights, by way of the private placings referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code, within a limit not to exceed a nominal amount of €43 million (delegation to be used within the context of a public tender offer)**
 - > Maximum authorized: €43 million
 - > Term of the delegation: 26 months

APPROVED BY

69.82%



TWENTY-NINTH RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for a 26-month period, for the purpose of increasing the number of securities to be issued in the event of a capital increase with or without shareholders' preferential subscription rights, within a limit not to exceed 15% of the amount of the initial issue (delegation to be used within the context of a public tender offer)**
 - > Maximum authorized: in the event that the demand in the context of the capital increases provided by resolutions 25 to 28 exceeds the amount available for subscription, the number of shares to be issued may be increased, in compliance with the applicable statutory thresholds and conditions, within a limit not to exceed 15% of the initial issue and at the same price as that retained for this issue
 - > Term of the delegation: 26 months

APPROVED BY

70.49%



THIRTIETH RESOLUTION

- ▶ **Delegation of power granted to the Board of Directors for the purpose of increasing the share capital by an amount not to exceed a nominal amount of €21 million in order to compensate contributions in kind granted to the Company (delegation to be used within the context of a public tender offer)**
 - > Maximum authorized: 5% of the share capital
 - > Term of the delegation: 26 months

APPROVED BY

86.05%



THIRTY-FIRST RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors for a period of 26 months, for the purpose of increasing the share capital via capitalization of reserves, profits, premiums or other amounts eligible for capitalization within a limit not to exceed a nominal amount of €107 million (delegation to be used within the context of a public tender offer)**
 - > Maximum authorized: €107 million
 - > Term of the delegation: 26 months

APPROVED BY

86.52%



THIRTY-SECOND RESOLUTION

- ▶ **Delegation of authority granted to the Board of Directors, for the purpose of determining the issue price of shares/securities, within an annual limit not to exceed 10% of the share capital in the event of the capital increases referred to in resolutions 19, 20, 21, 26, 27 and 28**
 - > Maximum authorized: 10% of the share capital
 - > Term of the delegation: 26 months

APPROVED BY

70.50%



THIRTY-THIRD RESOLUTION

- ▶ **Delegation of authority to be granted to the Board of Directors, valid for a 26-month period, for the purpose of carrying out capital increases reserved to members of a company or Group savings scheme without shareholders' preferential subscription rights within a limit not to exceed 2% of the share capital**
 - > Total maximum authorized: 2% of the share capital
 - > Term: 26 months

APPROVED BY

99.85%



THIRTY-FOURTH RESOLUTION

- ▶ Power to accomplish the formalities

APPROVED BY 99.94%

SHAREHOLDERS' MEETING

MAY 26, 2020



Conclusion

Anne-Marie Couderc

CHAIR OF THE BOARD OF DIRECTORS OF AIR FRANCE-KLM

SHAREHOLDERS' MEETING

MAY 26, 2020



SHAREHOLDERS' MEETING

MAY 26, 2020

