



# Convening Notice

**Combined Ordinary and  
Extraordinary Shareholders' Meeting**

**Tuesday May 28, 2019  
At 2.30 PM**

At the Espace Grande Arche  
Parvis de La Défense  
92044 Paris La Défense

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## MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



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*"The Air France-KLM Group had a turbulent start to 2018, but we remained on course and consolidated our position as a strong European airline group.*

*Last September, we implemented a new governance with the appointment of Benjamin Smith as Chief Executive Officer of Air France-KLM. Benjamin is an airline industry veteran and brings to the Group his valuable experience, expertise, and devotion to our employees, our customers, and our shareholders.*

*Under the leadership of Benjamin Smith and his team, much has been accomplished in a few months: a renewed social dialogue within the Air France, a clarified brand portfolio, a simplified Air France-KLM management governance.*

*This new dynamic must give us confidence in the future. Our ambition is clear: to regain our position as European leader in the sector, accelerate our transformation and continue to improve our performance, relying on the shared strengths and experience of the Group and its companies."*

Dear shareholder,

I am delighted to invite you to Air France-KLM's Combined Ordinary and Extraordinary Shareholders' Meeting to be held at 14h30 on Tuesday May 28, 2019 at the Espace Grande Arche, Parvis de La Défense, Paris-La Défense, France.

Attended by the members of the Board of Directors and the Group's senior management, the Shareholders' Meeting is a unique opportunity to share information, exchange and dialogue, and for you to vote on the resolutions submitted for the Shareholders' Meeting's approval.

I very much hope you will be able to participate by attending personally, arranging to be represented or by voting by mail. To encourage a maximum level of participation by shareholders in a simple, secure and swift voting process, Air France-KLM also offers you the option of voting *via* the internet.

Thank you in advance for the consideration that you will give to these resolutions.

Yours faithfully

**Anne-Marie Couderc**

Chairman of Air France-KLM's Board of Directors

# COMPLETE THE MEETING FORMALITIES BY INTERNET WITH THE **E-CONVENING** NOTICE AND **E-VOTE**



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**A SIMPLE,  
SWIFT and  
SECURE service  
to encourage  
maximum  
shareholder  
participation  
in voting**

Whether you hold your shares in **registered or bearer** form or hold units in **employee FCPEs**, Air France-KLM enables you to complete all the formalities required to participate in the Shareholders' Meeting in a few clicks, wherever you may be!

As of **May 6, 2019 (11h00)**,  
via a secure website, you will be able to:

- request then print your admission card;
- vote;
- grant a proxy to the Chairman; or
- grant a proxy to a third party.

Find all the information on the Annual Shareholders' Meeting at: [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

Respect for the environment is a key commitment in Air France-KLM's Corporate Social Responsibility policy. As a shareholder, you can contribute to this goal by choosing to receive your convening notice by email and/or voting by internet.

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# AGENDA

## Corrigendum to the notice of meeting published on April 3, 2019

The order of the draft resolutions contained in the notice of meeting published in *Bulletin des Annonces Légales Obligatoires* No. 40 of April 3, 2019 has been modified.

The agenda indicated in this notice (and in the notice to appear at Balo) reflects this new numbering.

### I. Ordinary business

1. Approval of the statutory financial statements and transactions for the financial year ended December 31, 2018
2. Approval of the consolidated financial statements and transactions for the financial year ended December 31, 2018
3. Allocation of the income (or loss) for the financial year ended December 31, 2018
4. Approval of related party agreements in accordance with Article L. 225-38 of the French Commercial Code
5. Approval of a related party agreement relating to Mr. Benjamin Smith's severance payment, in accordance with Article L. 225-42-1 of the French Commercial Code
6. Appointment of Ms. Astrid Panosyan as a Board director for a term of four years
7. Re-appointment of Mr. Jean-Dominique Comolli as a Board director for a term of four years
8. Re-appointment of Mr. Jaap de Hoop Scheffer as a Board director for a term of four years
9. Appointment of Mr. Cees 't Hart as a Board director for a term of four years
10. Ratification of the cooptation of Mr. Benjamin Smith as a Board director
11. Appointment of Mr. Benjamin Smith as a Board director for a term of four years
12. Vote on the elements of compensation paid or granted to Mr. Jean-Marc Janaillac for the 2018 financial year, in his capacity as Chairman and Chief Executive Officer until May 15, 2018
13. Vote on the elements of compensation paid to Ms. Anne-Marie Couderc for the 2018 financial year, in her capacity as Chairman as from May 15, 2018
14. Vote on the elements of compensation paid to Mr. Frédéric Gagey for the 2018 financial year, in his capacity as Chief Executive Officer from May 15, 2018 to September 17, 2018
15. Vote on the elements of compensation paid or granted to Mr. Benjamin Smith for the 2018 financial year, in his capacity as Chief Executive Officer as from September 17, 2018
16. Approval of the elements of the compensation policy for the Chairman for the 2019 financial year
17. Approval of the elements of the compensation policy for the Chief Executive Officer for the 2019 financial year
18. Authorization to be granted to the Board of Directors to carry out transactions involving the Company's shares

### II. Extraordinary business

19. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future 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)
20. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, by way of a public offering without shareholders' preferential subscription rights but with a mandatory priority subscription period, within a limit not to exceed a nominal amount of €64 million (delegation to be used outside the context of a public tender offer)
21. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing securities granting access to Company capital securities to be issued in the future, and for the purpose of authorizing the issuance of any securities granting access by any means to the allocation of Company capital securities by those companies of which the Company holds, either directly or indirectly, more than half of the share capital, 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 outside the context of a public tender offer)

22. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, without shareholders' preferential subscription rights, within a limit not to exceed a nominal amount of €43 million, and by way of a private placement as described in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code (delegation to be used outside the context of a public tender offer)
23. 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 issuance (delegation to be used outside the context of a public tender offer)
24. Delegation of power granted to the Board of Directors for a 26-month term, for the purpose of increasing the share capital by a nominal amount of €43 million in order to compensate contributions in kind granted to the Company and comprised of capital securities or securities granting access to the share capital (delegation to be used outside the context of a public tender offer)
25. Delegation of authority granted to the Board of Directors for a 26-month term, 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)
26. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt 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)
27. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, *via* a public offering and, without shareholders' preferential subscription rights but with a mandatory subscription period, within a limit not to exceed a nominal amount of €32 million (delegation to be used within the context of a public tender offer)
28. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing securities granting access to Company capital securities to be issued in the future, and for the purpose of authorizing the issuance of any securities granting access, by any means available, to the allocation of Company capital securities by those companies in which the Company holds, either directly or indirectly, more than half of the share capital, *via* 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 €21 million (delegation to be used within the context of a public tender offer)
29. Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, without shareholders' preferential subscription rights, by way of a private placement as described 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 €21 million (delegation to be used within the context of a public tender offer)
30. 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 issuance (delegation to be used within the context of a public tender offer)
31. Delegation of power granted to the Board of Directors for a 26-month term, 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 and comprised of capital securities or securities granting access to the share capital (delegation to be used within the context of a public tender offer)
32. Delegation of authority granted to the Board of Directors for a 26-month term, 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)
33. Delegation of authority granted to the Board of Directors, for the purpose of determining the issue price of ordinary Company shares and/or Company securities granting access to other Company capital securities and/or granting the right to the allocation of Company debt securities, within a limit not to exceed 10% of the share capital a year in the event of a capital increase without shareholders' preemptive subscription rights
34. Authorization to be granted to the Board of Directors, to allocate free existing shares, subject to performance conditions, to employees and corporate officers of the Group companies, within a limit of 2.5% of the share capital, for a period of 38 months
35. Delegation of authority to be granted to the Board of Directors for a period of 26 months, 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 of 2% of the share capital
36. Amendment of Articles 9.2, 9.5, 9.6.1, 9.6.2, 10, 11, 13, 14 and 15 of the Articles of Incorporation relating to equity statutory threshold declarations and nationality of capital
37. Powers to accomplish formalities

# CONDITIONS FOR PARTICIPATING IN THE SHAREHOLDERS' MEETING

## Conditions for participating in the Shareholders' Meeting

Shareholders of Air France-KLM and unit-holders in the Aéropélican, Concorde and Majoractions FCPEs have the right to attend and vote in the Shareholders' Meeting, regardless of the number of shares or FCPE units they hold, provided that these securities are registered at the latest two business days prior to the date of the Meeting ("*record date*"). For the Air France-KLM Combined Ordinary and Extraordinary Shareholders' Meeting on May 28, 2019, this record date will thus be May 24, 2019 at 0h00 (Paris time).

## How to exercise your voting rights

As a shareholder or FCPE unit holder, you have several ways to exercise your voting rights:

- by attending the Meeting in person (admission card request);
- by giving the Chairman the power to vote on your behalf;
- by voting by mail;
- by arranging to be represented by another natural person or legal entity of your choice.

You can make your choice either *via* the internet or by mail as specified below.

**N.B.:** The option you choose for participating in the Shareholders' Meeting (whether by mail or internet voting, granting a proxy or requesting an admission card) is final.

### A. You wish to attend the Meeting in person

Shareholders or holders of FCPE units wishing to attend the Meeting in person must request **an admission card**.

#### 1) You hold your shares in registered form

- You wish to make your request on the Sharinbox website:



As of 11h00 (Paris time) on May 6, 2019 until 15h00 (Paris time) on May 27, 2019, with your usual identifier and password, you can print your admission card directly from the Sharinbox website, **www.sharinbox.societegenerale.com**.

Should you lose or forget your identifier/password, just go to the home page of the website and click on "Get your codes".

Then click on Air France-KLM Shareholders' Meeting in the "Current operations" section of the home page. Select the operation, follow the instructions and click on the "Vote" link in the "Your voting rights" section. You will automatically be redirected to the voting website.

- You wish to make your request by mail:

To obtain your admission card, you must check **Box A** in the form which has been mailed to you and return it to Société Générale, Air France-KLM's agent, using the pre-paid envelope.


If you have forgotten to request an admission card, you can still participate in the Meeting provided you bring proof of identity.



**In the event that the admission card you have requested has not arrived two days before the Shareholders' Meeting, you can find out about its status by contacting the Société Générale admission card call center from Monday through Friday between 8h30 and 18h00 Paris time on 0825 315 315 (cost of the call: €0.15/minute excluding VAT).**

## 2) You hold your shares in bearer form


You must request an admission card from your financial intermediary who will send a certificate proving that your shares were registered on the record date to Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3, France. If you sell shares between the moment you indicate your voting intentions and the second business day before the Meeting, i.e. May 24, 2019, your financial intermediary must notify Société Générale of the sale and forward the necessary information. After this date, no notifications will be taken into account.

 If your account holders use the Votaccess website, as of 11h00 (Paris time) on May 6, 2019 until 15h00 (Paris time) on May 27, 2019, with your usual identifier and password, you can also print your admission card directly from the website of the bank responsible for managing your Air France-KLM shares.

You can then access the Votaccess website by clicking on the icon that will appear on the line corresponding to your Air France-KLM shares and follow the procedure indicated on the screen.

## 3) You hold FCPE units

You must make your request on the internet:

 As of 11h00 (Paris time) on May 6, 2019 until 15h00 (Paris time) on May 27, 2019, you can print your admission card from the <https://airfranceklm.voteassemblee.com> website, using the identifier and password mailed to you in the end of April, just follow the procedure indicated on the screen.


If you are unable to access the dedicated website, you can request all the documentation required to participate in the Meeting before May 22, 2019 at the following address: Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3, France.

To obtain your admission card, you must check **Box A** in the voting form which you should have received by mail and return it using the pre-paid envelope.

## B. If you are unable to attend the Meeting in person

### If you wish to vote or grant a proxy by internet

#### 1) You hold your shares in registered form


 You just need to connect to the Sharinbox website, [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com), with your usual identifier and password.

Should you lose or forget this identifier/password, just go to the home page of the website and click on "Get your codes".

Then click on Air France-KLM Shareholders' Meeting in the "Current operations" section of the home page. Select the operation, follow the instructions and click on the "Vote" link in the "Your voting rights" section. You will automatically be redirected to the voting website.


This secure website, which is dedicated to voting ahead of the Shareholders' Meeting, will be open from 11h00 (Paris time) on May 6, 2019 until 15h00 (Paris time) on May 27, 2019.

#### 2) You hold your shares in bearer form and your account holders use the Votaccess website

 You just need to connect, with your usual identifier and password, to the internet portal of the bank responsible for managing your securities account, provided that the latter has joined the Votaccess website, then click on the icon which will appear on the line corresponding to your Air France-KLM shares and follow the procedure indicated on the screen.

You will then access the Votaccess voting website which will be open from 11h00 (Paris time) on May 6, 2019 until 15h00 (Paris time) on May 27, 2019.

#### 3) You hold FCPE units

 You just need to connect to the <https://airfranceklm.voteassemblee.com> voting website, using the identifier and password which were mailed to you in the end of April, then follow the procedure indicated on the screen.

This secure website, which is dedicated to voting ahead of the Shareholders' Meeting, will be open from 11h00 (Paris time) on May 6, 2019 until 15h00 (Paris time) on May 27, 2019.



## If you wish to vote or grant a proxy by mail

### 1) You hold your shares in registered form

You just need to complete the form you will have received by mail (follow the instructions on *page 9* of this document) and return it to Société Générale by May 24, 2019 at the latest, using the pre-paid envelope that you will also have received.

You can also notify the designation and revocation of a representative (natural person or a legal entity) electronically, pursuant to Article R. 225-79 of the *Code de Commerce*. You must send, by the day before the Meeting, i.e. May 27, 2019 before 15h00 (Paris time) at the latest, an email incorporating an electronic signature obtained from a certifying third party authorized in accordance with the legal and regulatory conditions in force, to the following email address: **mail.assemblee@airfranceklm.com**, specifying your surname, first name, address and Société Générale identifier if you hold your shares in direct registered form (information available on the top left of your account statement) or your identifier with your financial intermediary if you hold your shares in administered registered form, together with the surname, first name and address of the representative to be designated or revoked.

Only notifications of the designation or revocation of representatives should be sent to the aforementioned email address. Any requests or notifications on other matters cannot be taken into account and/or dealt with.

### 2) You hold your shares in bearer form

You can obtain a mail voting form or proxy from your financial intermediary.

You then need to follow the instructions on *page 9* of this document to complete the form, remembering to date and sign it at the bottom.

The mail voting form must then be sent to your financial intermediary who will forward it to Société Générale at least three days prior to the Meeting, i.e. by May 24, 2019 at the latest, accompanied by a shareholding certificate.

You can also notify the designation and revocation of a representative (natural person or a legal entity) electronically, pursuant to Article R. 225-79 of the *Code de Commerce*. By the day before the Meeting, i.e. May 27, 2019 before 15h00 (Paris time) at the latest, you must then send an email incorporating an electronic signature obtained from a certifying third party pursuant to the legal and regulatory conditions in force, to the following email address: **mail.assemblee@airfranceklm.com**,

specifying your surname, first name, address and bank reference details together with the surname, first name and address of the representative being either designated or revoked. It is imperative that you then ask the financial intermediary responsible for managing your securities account to send written confirmation (by mail or fax) to Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3, France.

Only notifications of the designation or revocation of representatives should be sent to the aforementioned email address. Any requests or notifications on other matters cannot be taken into account and/or dealt with.

### 3) You hold FCPE units

If you are unable to access the dedicated website you can request all the documentation enabling you to vote or grant a proxy by mail, before May 22, 2019, at the following address: Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3, France.

You then need to follow the instructions on *page 9* of this document, remembering to date and sign the bottom of the voting form.

The voting form must arrive at Société Générale by May 24, 2019 at the latest, using the pre-paid envelope you will have received.

You can also notify the designation and revocation of a representative (natural person or a legal entity) electronically, pursuant to Article R. 225-79 of the *Code de Commerce*. You must send, by the day before the Meeting, i.e. May 27, 2019 before 15h00 (Paris time) at the latest, an email incorporating an electronic signature obtained from a certifying third party authorized in accordance with the legal and regulatory conditions in force, to the following email address: **mail.assemblee@airfranceklm.com**, specifying your surname, first name, address and identifier together with the surname, first name and address of the representative to be designated or revoked.

Only notifications of the designation or revocation of representatives should be sent to the aforementioned email address. Any requests or notifications on other matters cannot be taken into account and/or dealt with.

**N.B.:** *shareholders who have already cast their votes by mail, forwarded proxies or requested admission cards or shareholding certificates to attend the meeting personally may not opt for another voting method.*

## How to ask a question during the Meeting

The Shareholders' Meeting is the opportunity for privileged access when you are able to put a question to the Chairman during the question and answer session preceding the vote on the resolutions. You may also submit a question in writing. Questions in writing must be sent by registered letter to Air France-KLM SG.GL BS, Tremblay en France, 95737 Roissy Charles de Gaulle Cedex, France, accompanied by a registration certificate for shares held either in registered or bearer form, at least four business days before the Shareholders' Meeting, i.e. May 22, 2019.

A single answer may be given for questions addressing the same subjects.

Note that the answers to questions in writing may be published on the Company's [www.airfranceklm.com](http://www.airfranceklm.com) website in a section dedicated to questions and answers in writing and will then be deemed to have been given.

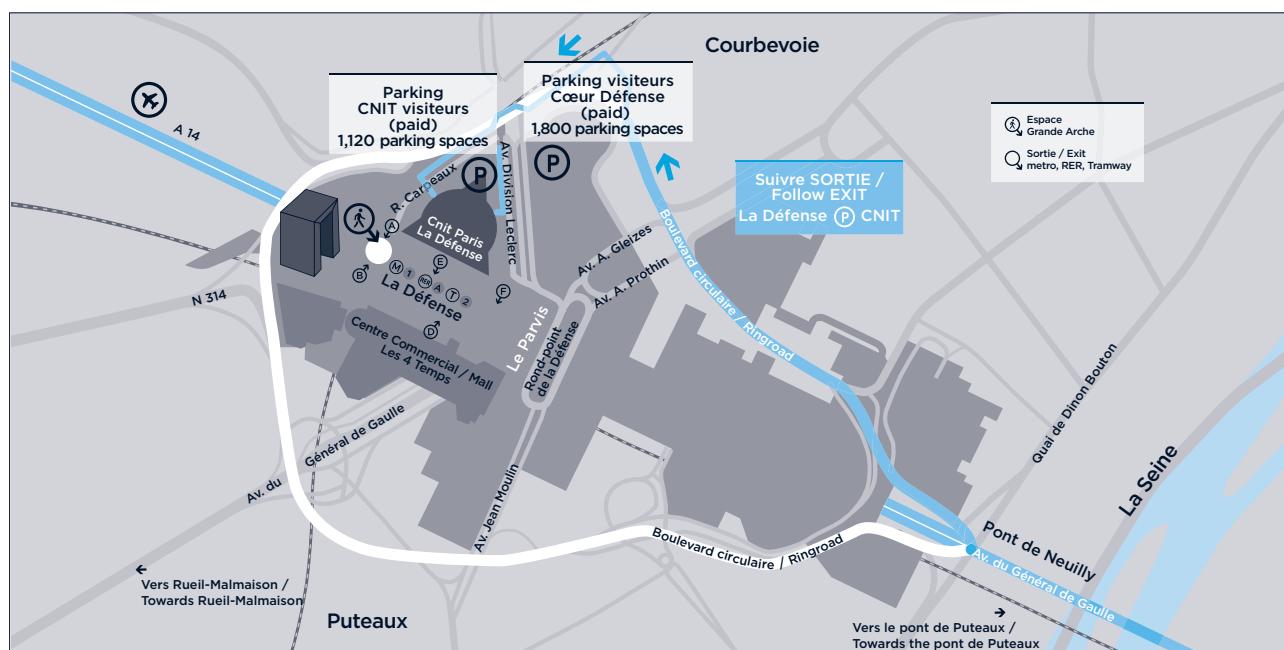
## How to request the documentation relating to the Meeting

To consult the Registration Document (containing, notably, the statutory and consolidated financial statements and the management report of the Board of Directors), you just need to:

- go to the [www.airfranceklm.com](http://www.airfranceklm.com) website where you can also access all the Group's other publications together with all the documents and information provided pursuant to Article R. 225-73-1 of the *Code de Commerce*; or
- fill in the document request form provided on the last page of this document and send it to Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3, France.

For additional information, please contact the Shareholder Relations Department at the following email address: [mail.actionnaire@airfranceklm.com](mailto:mail.actionnaire@airfranceklm.com)

## Espace Grande Arche - Parvis de La Défense



N.B.: All luggage must be presented to the security staff and, if necessary for the largest items, be deposited in the lockers provided.

### By car

Road access from Paris Boulevard Périphérique:

- exit at Porte Maillot towards La Défense;
- follow the direction of Neuilly (avenue Charles de Gaulle);
- take the Pont de Neuilly, then the ringroad, serving all the La Défense districts;
- exit at La Défense 6;
- follow the signs for Parking Visiteurs or Expositants Cnit.

### Other parking options:

- exit at La Défense 7 Parking Valmy;
- exit at La Défense 4 Parking Center.

From these car parks, take the pedestrian exit to the Parvis de La Défense, and access the "Espace Grande Arche" by the main entrance symbolized by a totem at the foot of the Grande Arche.

### Pedestrian access

**Subway:** line 1, La Défense station (Terminus)

**RER:** line A, La Défense station (Grande Arche)

Direct access to Espace Grande Arche via Exit A or B.

### From Roissy Charles de Gaulle airport

50 min:

30 min by car

### From Orly airport

60 min:

40 min by car

## How to complete the form

### Stage 1

**If you want to attend the Meeting and receive your admission card, check **Box A**.**

**If you are not able to attend the Meeting and want to vote by mail or be represented, see Stage 2.**

**A**

**A** **TANT** : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - **Important** : Before selecting please refer to instructions on reverse side que soit l'option choisie, noircir comme ceci  la ou les cases correspondantes, dater et signer au bas du formulaire - **Whichever option is used, shade box(es) like this  , date and sign at the bottom of the form**

**A.** Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / **I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.**

**B.** J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / **I prefer to use the postal voting form or the proxy form as specified below.**

**AIR FRANCE-KLM**  
2, rue Robert Esnault-Pelterie  
75007 PARIS - FRANCE  
S.A. au capital de € 428 634 035  
552 043 002 RCS Paris

**ASSEMBLÉE GÉNÉRALE MIXTE**  
Convoquée le 28 mai 2019 à 14h30  
A L'Espace Grande Arche  
Parvis de La Défense - 92044 Paris La Défense

**COMBINED ORDINARY AND EXTRAORDINARY  
SHAREHOLDERS' MEETING**  
To be held on May 28th, 2019 at 2:30 pm,  
at L'Espace Grande Arche  
Parvis de La Défense - 92044 Paris La Défense (France)

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account  
Nominatif Registered  
Porteur Bearer  
Vote simple Single vote  
Vote double Double vote  
Nombre d'actions Number of shares  
Nombre de voix - Number of voting rights

**C** **JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci  la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
**I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this  , for which I vote NO or I abstain.**

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci  la case correspondant à mon choix.  
**On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this  .**

**D** **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
Cf. au verso (3)  
**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
See reverse (3)

**E** **JE DONNE POUVOIR À :** Cf. au verso (4)  
**I HEREBY APPOINT :** See reverse (4)  
M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name  
Adresse / Address

**ATTENTION** : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.  
**CAUTION** : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)  
**Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)**

	1	2	3	4	5	6	7	8	9	Oui / Yes	Non/No	Abst/Abs	Oui / Yes	Non/No	Abst/Abs
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting

- Je donne pouvoir au Président de l'Assemblée Générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.

- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to vote NO)

- Je donne procuration (cf. au verso revoli (4)) à M. / Mme ou Mlle, Raison Sociale pour voter en mon nom

/ I appoint (see reverse (4)) M. / Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :  
In order to be considered, this completed form must be returned at the latest:

à la banque / to the bank 24/05/2019 / on 24th of May, 2019

Date & Signature

**C** **D** **E** **3** **4**

### Stage 2

**To vote by mail, check **box C**.**

- To vote YES to a resolution, leave the box corresponding to the number of this resolution empty.
- To vote NO to a resolution, fill the box corresponding to the number of the resolution in black.

**To give the Chairman the power to vote in favor of the resolutions presented by the Board of Directors, just check **box D**.**

**To give another natural person or legal entity the power to represent you at the Meeting and vote on your behalf, check **box E** and enter the contact details of this natural person or legal entity.**

### Stage 3

**Enter your name, first name and address here or verify them if they already appear.**

### Stage 4

**No matter which option you choose, don't forget to sign and date the form here.**

**REMINDER:** Only forms completed (whether a mail voting form, a proxy to give the Chairman the power to vote on your behalf or a proxy given to a third party) and received by Société Générale at least three days before the date of the Meeting and accompanied by the shareholding certificate provided by your financial intermediary for bearer shareholders will be taken into account.

# THE AIR FRANCE-KLM GROUP IN 2018



## Brief presentation

### 2018 Financial Year

With the largest long-haul network operating out of Europe, the Air France-KLM Group has reached an important milestone by carrying more than 100 million passengers in 2018.

The 2018 financial year was characterized by:

- a revenue growth in all business segments;
- an operating result at 1,332 million euros, impacted by the Air France strikes in the first half of the year and the fuel bill increase;
- a further reduction in Group net debt, down 195 million euros to 6.2 billion euros;
- a net debt/EBITDA ratio at 1.5x;
- a positive adjusted operating free cash flow at 115 million euros.

### Air France joins the KLM-Kenya Airways joint-venture

Since March 25, 2018, Air France has been part of the joint-venture agreement existing since 1995 between KLM Royal Dutch Airlines and Kenya Airways (a SkyTeam member), thereby considerably reinforcing the Air France-KLM Group's capacity in East Africa.

### Air France -KLM, Delta Air Lines, Inc. and Virgin Atlantic sign definitive agreements to strengthen their transatlantic partnership

On May 15, 2018, Air France-KLM, Delta Air Lines, Inc. and Virgin Atlantic sign definitive agreements establishing the governance as well as the commercial and operational terms of their future expanded transatlantic joint-venture.

At the end of the transaction, Air France-KLM will acquire a 31% stake in Virgin Atlantic, currently owned by Virgin Group, for £220 million. Virgin Group will retain a 20% stake and the Chairmanship of Virgin Atlantic. Delta will retain its 49% stake.

Air France-KLM, Delta Air Lines, Inc. and Virgin Atlantic will coordinate efforts to secure the required regulatory approvals.

The ambition of this expanded joint-venture is to become the preferred choice for customers travelling across the Atlantic by offering an extensive and balanced network, convenient flight schedules, competitive fares and reciprocal frequent flyer benefits, within the framework of the frequent flyer programs of each of the airlines.

### **Air France-KLM and China Eastern sign an extension to their joint-venture**

In November 2018, after a first milestone in the expansion of the joint-venture in July, China Eastern having chosen AFI KLM E&M for the component support on its Boeing 787-9s, the three SkyTeam member airlines announce the extension of their joint-venture partnership to two additional routes, Paris-Wuhan and Paris-Kunming, from January 1, 2019, thereby offering their respective customers new code share routes and connecting opportunities.

### **A new frequent flyer program for Air France-KLM**

Since April 1, 2018, Flying Blue, Air France-KLM's frequent flyer program, has proposed more simplicity and flexibility in the use of the program, a clearer reward scale and more choice when using Miles. Program members now earn Miles for every euro spent and can book Award tickets until the last seat available for sale. To move from one level to another, Flying Blue introduces Experience Points or XPs, calculated based on the type of flight (domestic, medium-haul, long-haul) and travel cabin.

### **An exclusive and personalized loyalty program for corporate customers**

In October 2018, Air France-KLM also relaunches its Corporate Benefits Program for corporate customers. Corporate travel arrangements within international companies has never been so easy and flexible, thanks to the 14 exclusive benefits, designed around key values for business customers: service, flexibility, priority and recognition.

### **Change in governance**

On May 15, 2018, following strikes at Air France (see Note 3.1 in the consolidated financial statements page 226) and the negative result of the staff consultation on the wage agreement, Jean-Marc Janaillac steps down as Chairman and Chief Executive Officer of Air France-KLM and Chairman of the Air France Board of Directors.

Following the resignation of Jean-Marc Janaillac, in its meeting of May 15, 2018 the Board of Directors resolves to implement a transitional governance. Within this framework, the Board of Directors decides to:

- separate the functions of Chairman of the Board of Directors and Chief Executive Officer of Air France-KLM;
- appoint Anne-Marie Couderc as Chairman of the Board of Directors;
- create a Management Committee (*Comité de Direction Collégiale* - CDC) composed of:
  - Frédéric Gagey, Chief Financial Officer of Air France-KLM, serving as Chief Executive Officer,
  - the Chief Executive Officer of Air France and the Chief Executive Officer of KLM, both serving as the Group's Deputy Chief Executive Officers.

At its meeting of August 16, 2018, the Air France-KLM Board of Directors appoints Benjamin Smith as Chief Executive Officer of Air France-KLM. Mr. Smith takes up his duties on September 17, 2018 leading, on this date, to the end of the Management Committee's functions.

During its meeting of October 29, 2018, following discussion and as recommended by the Appointments and Governance Committee, the Board of Directors confirms Anne-Marie Couderc's ongoing mandate as Chairman of the Air France-KLM Board of Directors.

On December 5, 2018, the Board of Directors co-opts Benjamin Smith as a Board director.

On December 12, 2018, as proposed by Benjamin Smith and with the agreement of the Air France-KLM Board of Directors, the Air France Board of Directors appoints Anne Rigail as Chief Executive Officer of Air France. She took up her duties on December 17, replacing Benjamin Smith who had been appointed interim Chief Executive Officer of Air France until the end of 2018.

# HIGHLIGHTS OF THE BEGINNING OF THE 2019 FINANCIAL YEAR

## **Signature of employee agreements and simplification of the Air France brand portfolio.**

In January 2019, three employee agreements are signed at Air France.

- on January 10, an agreement between Air France and its Cabin Crew staff, improving their working conditions while enabling better service delivery to customers;
- on January 11, 2019, the wage agreement signed with the unions representing Air France Ground Staff, providing for individual increases and enabling the financing of exceptional individual bonuses, thereby offering additional ways to recognize performance;
- on February 19, 2019, the signature of a Pilot staff category agreement with the SNPL provides the flexibility required to support Air France's new ambition, while foreseeing measures to improve flight safety, the commercial strategy, operational performance and pilots' daily lives and pay.

The Cabin Crew agreement also enables the launch of a project on the integration of Joon employees and aircraft. The simplification of the brand portfolio is an undeniable asset for all our employees, customers and partners.

In the same spirit of simplification, the flights operated by the regional fleet under the Hop! brand will henceforth be marketed under the name of Air France HOP. The Air France-KLM Group can thus rely on two powerful brands, Air France and KLM, supplemented by regional brands Air France HOP and KLM Cityhopper, together with a low-cost proposition via the Transavia brand, present in France and the Netherlands.

## **Air France-KLM simplifies and improves its governance**

On February 19, 2019, the Air France-KLM Board of Directors unanimously approves the presentation of Benjamin Smith, Chief Executive Officer of Air France-KLM, outlining his ambitions, principles of managerial governance and the strategic decision-making processes at Group level, aimed at simplifying and improving the Group's governance to regain European airline leadership.

The key elements necessary to achieve the Group's long-term goals are:

- establish a CEO Committee to determine the strategic direction for all the Group's airlines and business units. This CEO Committee is chaired by Benjamin Smith. The other members of the Committee are Pieter Elbers (Chief Executive Officer of KLM), Anne Rigail (Chief Executive Officer of Air France) and Frédéric Gagey (Chief Financial Officer of Air France-KLM);
- increase collaboration across the Group to better capture synergies and efficiencies, aimed at improving overall Group profitability;

- celebrate the longstanding heritage, reputation and brand recognition of Air France, KLM and Transavia within their respective markets and reinforce the Group's position at its two hubs, Amsterdam Schiphol and Paris-Charles de Gaulle;
- simplify key Group operational processes in the following areas: fleet and network strategy, commercial and alliances strategy, human resources, procurement, digital and customer data management.

In agreement with the Supervisory Board of KLM, the Air France-KLM Board of Directors proposes the renewal of Pieter Elbers' mandate as Chief Executive Officer of KLM during the KLM Annual General Meeting in April.

Anne Rigail and Pieter Elbers are appointed Deputy Chief Executive Officers of Air France-KLM and both express their commitment to building the success of the Group alongside Benjamin Smith.

The Air France-KLM Board of Directors acknowledges the entry of Benjamin Smith to the Supervisory Board of KLM at KLM's next AGM.

## **Acquisition by the Dutch State of a shareholding in Air France-KLM**

On March 1, 2019, the Dutch State gives notification that, on February 26, 2019, it crossed the 5% and 10% thresholds in Air France-KLM's share capital and voting rights and holds 60,000,000 shares, representing the same quantity of voting rights, i.e. 14.00% of the share capital and 11.91% of the voting rights in Air France-KLM. The Dutch State stipulates that it has no plans to purchase more shares in Air France-KLM or a controlling interest.

## **Issuance of convertible bonds**

On March 20, 2019, Air France-KLM successfully places bonds convertible into new shares and/or exchangeable for existing shares (OCEANE) due in 2026 for a total amount of €500 million, representing 27,901,785 underlying shares.

*Intentionally left blank.*

## SELECTED FINANCIAL INFORMATION

Since January 1, 2018, the Air France-KLM Group has applied the following three new accounting standards (see Section 5.6, Note 2 Restatement of the 2017 financial statements of the 2018 registration document of Air France-KLM).

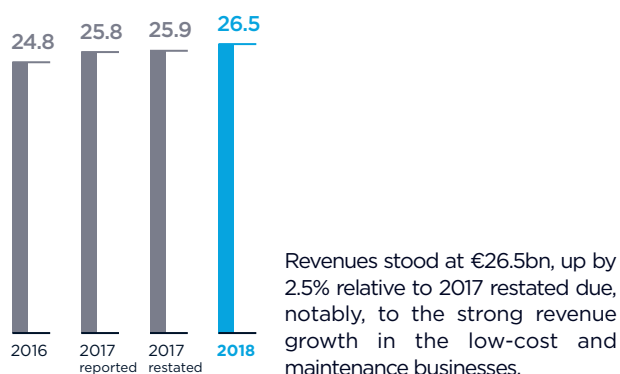
- IFRS 9 “Financial Instruments”;
- IFRS 15 “Revenue Recognition from Contracts with Customers”;
- IFRS 16 “Leases” (early adoption of the standard from January 1, 2018).

The IFRS 15 and 16 accounting standards have been applied retrospectively to the 2017 financial year.

As a result, the elements of selected financial information for 2017 are presented, firstly, as initially reported and, secondly, restated for the new accounting standards.

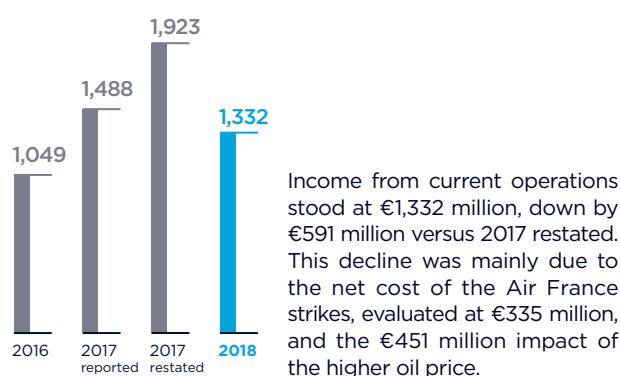
### Revenues

(in € billion)

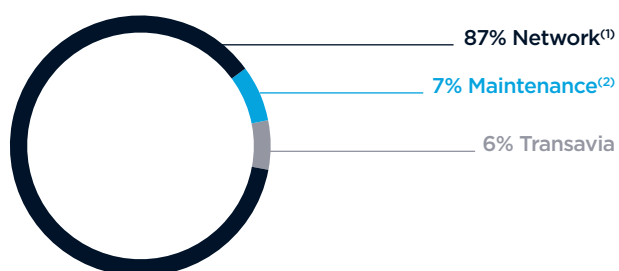


### Income from current operations

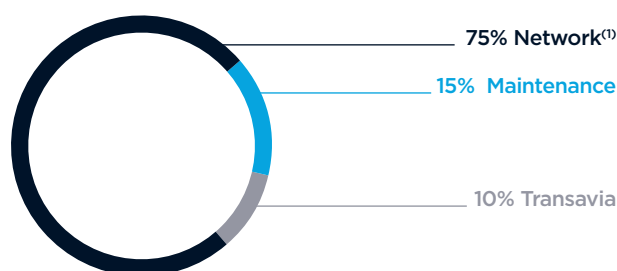
(in € million)



### Revenue breakdown



### Breakdown of income from current operations



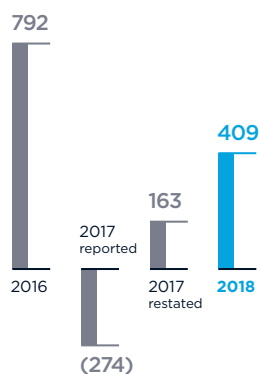
(1) Since 2017, the Passenger and Cargo activities have been regrouped under Network.

(2) Third-party revenues.



## Net result, Group part

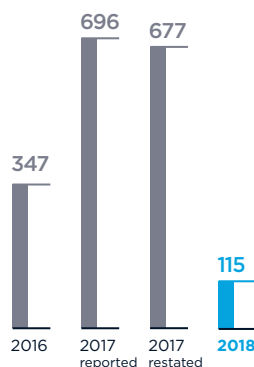
(in € million)



The net result, Group part stood at €409 million, €246 million higher than in 2017 restated.

## Adjusted operating free cash-flow

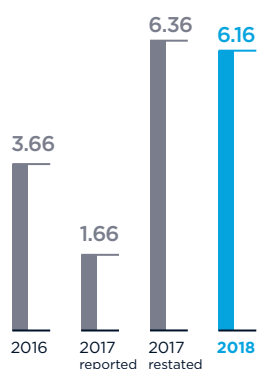
(in € million)



The Group generated €115 million of operating free cash-flow in 2018, down by €562 million relative to 2017 restated due to the strike impact and an increase in capex.

## Net debt

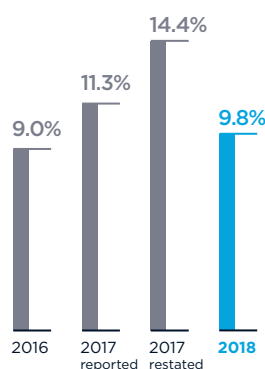
(in € billion)



Net debt stood at €6.16 billion at December 31, 2018, €200 million lower than its level at December 31, 2017 restated. In 2018, the Group pursued its strategy of reducing debt and improving its financial structure.

## Return on capital employed (ROCE)

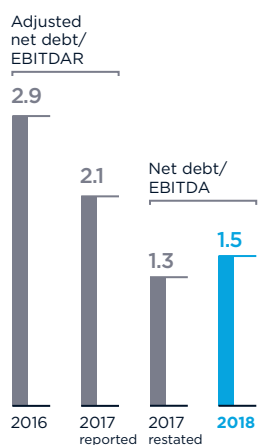
(at December 31)



The return on capital employed (ROCE) was 4.6 points lower at 9.8% at the end of 2018, down relative to 2017 restated, owing to the decline in operating income for the financial year.

## Debt ratio

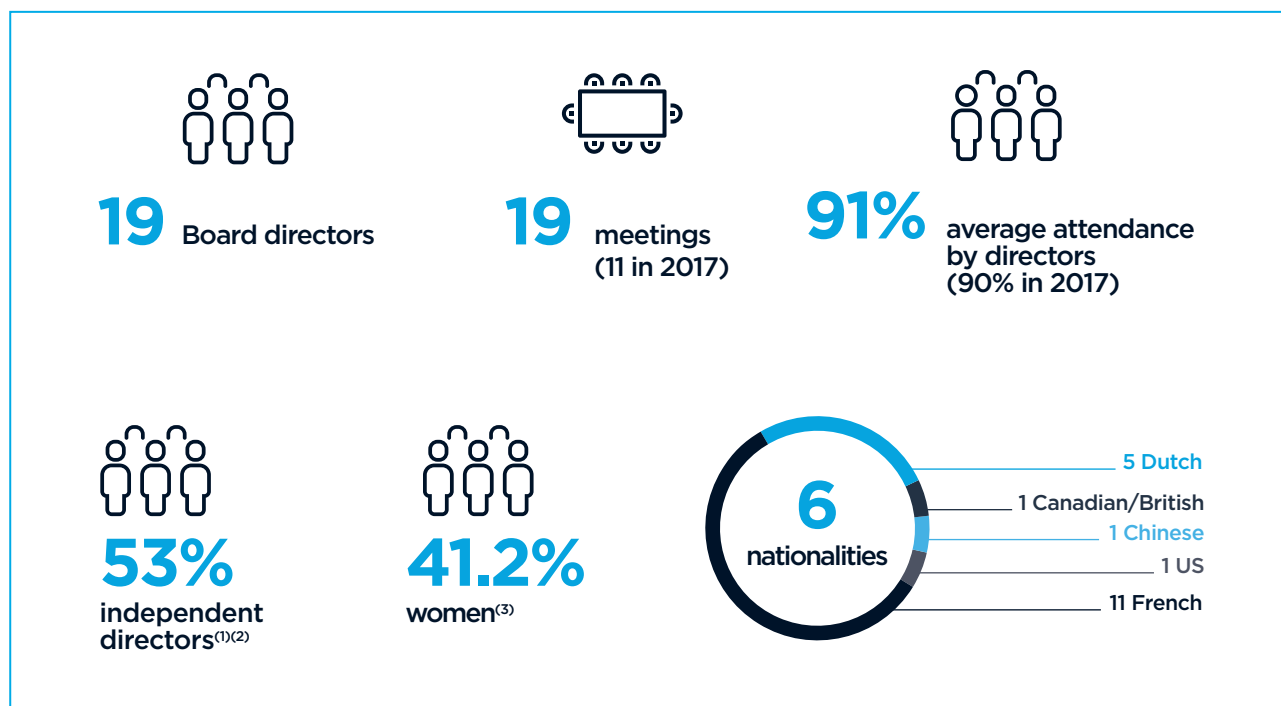
(at December 31)



Due to the fall in EBITDA over the financial year, the net debt/EBITDA ratio stood at 1.5x at December 31, 2018 compared with 1.3x at December 31, 2017 restated.

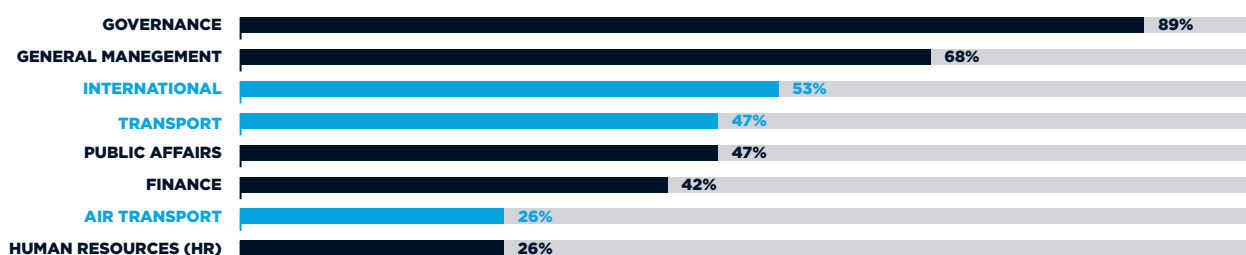
# AIR FRANCE - KLM'S GOVERNANCE

## Composition of the Board of Directors Committees



- (1) Pursuant to the provisions of Article 8.3 of the AFEP-MEDEF Code, the Board directors representing the employee shareholders and the Board directors representing the employees are not taken into account for the calculation of this percentage.
- (2) The proportion of independent directors at March 25, 2019 was 47%. This exceptional situation is linked to the acquisition of a shareholding by the Dutch State and is temporary (see section 2.2.4 Independence of the Board directors of the 2018 Registration document of Air France-KLM).
- (3) The Board directors representing the employees, appointed pursuant to Article L. 225-27-1 of the Code de Commerce, are not taken into account for the parity calculation in line with the provisions of the aforementioned Article.

## Areas of expertise of the Directors



Some members are represented in many of these main categories.

Based on 100 at 12/31/2018

■ **SECTORAL EXPERTISE**

## Committees of the Board of Directors

### Audit Committee



### Remuneration Committee



### Appointments and Governance Committee



### Sustainable Development and Compliance Committee



On December 5, 2018, the Board of Directors established the Sustainable Development and Compliance Committee. The first meeting of this Committee took place on February 11, 2019.

## Separation of the functions of Chairman of the Board of Directors and Chief Executive Officer

The separation of the functions of Chairman and Chief Executive Officer decided by the Board of Directors during the implementation of transitional governance in May 2018 was confirmed on August 16, 2018 when Benjamin Smith was appointed Chief Executive Officer Air France-KLM. This separation of functions enables the Company to benefit from a new dynamic with a Chairman of the Board of Directors who is dedicated to governance matters and a Chief Executive Officer, with recognized expertise

in the air transport industry, in charge of the Group's executive management. The complementarity of their profiles and roles optimizes the Group's governance and ensures a balanced and respectful division of their respective missions. It also enables the effective coordination of the Board of Directors thanks to the presence of a Chairman who is exclusively devoted to its functioning and guarantees a more effective separation between the control and management functions.

## COMPOSITION OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2018

Board directors	Personal information			Number of shares held
	Gender	Nationality	Age	
<b>Board directors appointed by the Shareholders' Meeting</b>				
<a href="#">Anne-Marie Couderc</a>	Female	French	68	1,000
Benjamin Smith	Male	Canadian and British	47	50,000
<a href="#">Maryse Aulagnon</a>	Female	French	69	1,500
<a href="#">Leni M.T. Boeren</a>	Female	Dutch	55	2,000
<a href="#">Isabelle Bouillot</a>	Female	French	69	230
Delta Air Lines, Inc. (represented by George Mattson)		US		37,527,410
<a href="#">Jaap de Hoop Scheffer<sup>(1)</sup></a>	Male	Dutch	70	1,025
<a href="#">Anne-Marie Idrac</a>	Female	French	67	1,000
<a href="#">Isabelle Parize</a>	Female	French	61	300
Hans N.J. Smits	Male	Dutch	68	1,000
Bing Tang	Male	Chinese	51	300
<a href="#">Alexander R. Wynaendts</a>	Male	Dutch	58	1,000
<b>Board directors appointed by the Shareholders' Meeting as proposed by the French State</b>				
Jean-Dominique Comolli	Male	French	70	0
Patrick Vieu	Male	French	54	0
<b>Board directors appointed by the Shareholders' Meeting representing the employee shareholders</b>				
François Robardet	Male	French	61	757
Paul Farges	Male	French	47	816
<b>Board director representing the State appointed by ministerial order</b>				
Solenne Lepage <sup>(2)</sup>	Female	French	46	0
<b>Board director representing the employees appointed by the <i>Comité de Groupe Français</i></b>				
Karim Belabbas	Male	French	45	0
<b>Board director representing the employees appointed by the European Works Council</b>				
Mathi Bouts	Male	Dutch	59	0

(1) Upon the report of the Appointments and Governance Committee, during its meeting of March 25, 2019, the Board of Directors considered that, in view of the shareholding in Air France-KLM acquired by the Dutch State on February 26, 2019 (see *Highlights of the beginning of the 2019 financial year* of the 2018 Registration document of Air France-KLM), Mr. de Hoop Scheffer, a Board director appointed as proposed by the Dutch State, no longer qualified as an Independent director (see Section 2.2.4, *Independence of the Board directors* of the 2018 Registration document of Air France-KLM).

(2) Ms. Lepage's mandate as a Board Director representing the French State terminated on April 1, 2019.

■ **Independent directors.**

	Experience	Status within the Board			Participation in the Committees			
	Directorships in listed companies	Date appointed	Expiry of term of office	Board experience	Audit Committee	Remuneration Committee	Appointments and Governance Committee	Sustainable Development and Compliance Committee
	2	May 19, 2016	2020 AGM	3 years			X(Chair)	
	1	December 5, 2018	2019 AGM	n/a				
	2	July 8, 2010	2021 AGM	9 years	X(Chair)	X		
	2	May 16, 2017	2021 AGM	2 years	X			X
	1	May 16, 2013	2021 AGM	6 years	X	X		
	2	October 3, 2017	2021 AGM	2 years	X	X		
	1	July 7, 2011	2019 AGM	8 years		X(Chair)		
	4	November 2, 2017	2021 AGM	2 years				X(Chair)
	3	March 27, 2014	2022 AGM	5 years	X	X		
	2	May 19, 2016	2020 AGM	3 years		X		
	4	October 3, 2017	2021 AGM	2 years				X
	2	May 19, 2016	2020 AGM	3 years			X	
	1	December 14, 2010	2019 AGM	9 years		X	X	
	1	May 21, 2015	2019 AGM	4 years				X
	1	December 6, 2016	2022 AGM	3 years	X	X		
	1	May 15, 2018	2022 AGM	1 year	X			
	2	March 21, 2013	May 2019	6 years	X			
	1	June 1, 2017	2019 AGM	2 years				X
	1	October 10, 2017	2019 AGM	2 years				X

# INFORMATION ON THE BOARD DIRECTORS

## Appointment



**Nationality:** Dutch  
**Age:** 61 years

### Cees 't Hart

Born in 1958, Mr. 't Hart holds an MA in Social Science from the Leiden University (The Netherlands). Mr. 't Hart worked for 24 years with Unilever, starting his career as management trainee, and held a range of international management positions in the Netherlands, Hungary, Singapore, Poland and Italy. His last position in Unilever was member of the Unilever Europe Board as SVP Marketing Operations. He joined Carlsberg Group as Chief Executive Officer in 2015 after seven years as Chief Executive Officer of the Dutch dairy cooperativ Royal FrieslandCampina. He has been a Member of Supervisory Board at KLM Royal Dutch Airlines since 2014.

#### Other current functions and mandates

#### Foreign companies

- Member of KLM's Supervisory Board <sup>(G)</sup>;
- Carlsberg Group<sup>(1)</sup> Chief Executive Officer.

#### Directors and offices held in the last five years and having expired

N/A



**Nationality:** French  
**Age:** 47 years

### Astrid Panosyan

Born August 13, 1971, graduate of *Institut d'Etudes Politiques* (IEP) Paris, of the *École des Hautes Etudes Commerciales de Paris* (HEC) and of Harvard University (Kennedy School of Government).

She began her career at AT Kearney before joining AXA's Strategy Department in 1998, and then moved to the Department of Business Support & Development for Asia-Pacific region.

In 2002, she joined Groupama where she successively held various senior positions in the International Department, the Department of Strategy and the Department of Finance. She became General Secretary of the Group in 2011.

Before joining Unibail-Rodamco SE, she was previously an advisor and member of the cabinet of Emmanuel Macron, French Minister of Economy, Industry and Digital Affairs, from 2014 to 2015, where she was in charge of Economic Attractiveness and International Investments.

Since September 1st, 2015, she has held the position of Managing Director of the Central Functions of the Unibail-Rodamco-Westfield Group (URW) in charge of Human Resources, Organization, Information Systems, Legal Affairs, Risks & Compliance.

#### Other current functions and mandates

#### French companies

- Supervisory Board member of the AP-HP (*Assistance Publique - Hôpitaux de Paris*) International, France;
- Chairman and Chief Executive Officer of the *Société de Tay Ninh*;
- Within the Unibail-Rodamco SE Group<sup>(1)</sup>:
  - Chairman of Doria SAS, of Unibail Management SAS and of Espace Expansion Immobilière SAS,
  - Chairman and Director of Unibail-Rodamco Participations SAS,
  - Supervisory Board member of Uni-Expos SA,
  - Member of the senior management team of Unibail-Rodamco SE,
  - Chief resources officer of Unibail-Rodamco SE,
  - Member of the Management Board of Unibail-Rodamco SE.

#### Foreign companies

- Within the Unibail-Rodamco SE Group<sup>(1)</sup>:
  - Director of U&R Management BV,
  - Director of Rodamco Europe Beheer BV.

#### Directors and offices held in the last five years and having expired

N/A

<sup>(G)</sup> Company in the Air France-KLM Group.  
<sup>(1)</sup> Listed company.

# INFORMATION ON THE BOARD DIRECTORS

## Re-appointment



### Jean-Dominique Comolli

#### Expertise and professional experience

Born April 25, 1948, Jean-Dominique Comolli is a graduate of the *Institut des Sciences Politiques de Paris* and of the *École Nationale d'Administration* and holds a Masters degree in Economic Sciences.

Mr. Comolli began his career in 1977 as a civil administrator before becoming a technical advisor at the French Ministry of Budget under Laurent Fabius, then a member of Prime Minister Pierre Mauroy's and Laurent Fabius' staff. He then became Chief of Staff at the French Budget Ministry under Michel Charasse, before being appointed Director of Customs in 1989. Between 1993 and 2010, he was Chairman and Chief Executive Officer of Seita Vice-Chairman of Altadis until 2005 and Chairman of the Board of Altadis between 2005 and 2010. In September 2010, Mr. Comolli was appointed Commissioner for State Holdings, a position he was to occupy until October 2012.

Mr. Comolli is currently an Honorary Civil Service Administrator.

#### Other directorships and offices

N/A

#### Directorships and offices held in the last five years and having expired

##### French company and public institution

- Director of the *Établissement Public de l'Opéra Comique* until December 2014;
- Director of France Télévisions, representing the French State.

**Board director appointed by the Shareholders' Meeting as proposed by the French State**

**Member of the Appointments and Governance Committee and of the Remuneration Committee**

**Nationality:** French  
**Age:** 70 years

**First appointed as a Board director:**  
December 14, 2010

**Expiry of current term of office:**  
2019 Shareholders' Meeting



## Jaap de Hoop Scheffer

### Expertise and professional experience

Born April 3, 1948, Jaap de Hoop Scheffer is a law graduate of Leiden University. Mr. de Hoop Scheffer started his diplomatic career in 1976, subsequently becoming Private Secretary to the Minister of Foreign Affairs (1980-1986). He then became a member of the Dutch Parliament (1986-2002), leader of the Christian Democratic Alliance (CDA) (1997-2001), Dutch Minister of Foreign Affairs (2002-2003) and Secretary General of NATO (2004-2009). Since 2012, Mr. de Hoop Scheffer has taught international politics and diplomacy in the Governance and International Affairs Faculty of Leiden University (Netherlands).

### Other directorships and offices

#### Non-French companies

- Member of the Board of the Center for European Policy Studies, based in Brussels, Belgium;
- Member of the Advisory Board of the Dutch employers' association VNO-NCW, Netherlands;
- Member of the Board of Trustees of "Friends of Europe" based in Brussels, Belgium;
- Co-President of the Security & Defense Agenda, Brussels, Belgium;
- Member of the European Council on Foreign Affairs, based in London, United Kingdom;
- President of the Advisory Council on Foreign Affairs, Netherlands;
- President of the Netherlands Civil Honors Advisory Committee, Netherlands;
- Member of the Trilateral Commission.

### Directorships and offices held in the last five years and having expired

#### Non-French companies

- Chairman of the Supervisory Board of the Rijksmuseum, Netherlands, until October 1, 2017;
- Member of the International Advisory Board of Royal Ten Cate NV, Netherlands, until October 2016;
- Vice-Chairman of the Franco-Dutch Cooperation Council, Netherlands, until 2015.

*Independent director*<sup>(1)</sup>

**Chair of the Remuneration Committee**

**Nationality:** Dutch

**Age:** 70 years

**First appointed as a Board director:**  
July 7, 2011

**Expiry of current term of office:**  
2019 Shareholders' Meeting

**Number of shares held in the Company's stock:**  
1,025 shares

(1) Upon the report of the Appointments and Governance Committee, during its meeting of March 25, 2019, the Board of Directors considered that, in view of the acquisition of a shareholding in Air France - KLM by the Dutch State on February 26, 2019 (see *Highlights of the beginning of the 2019 financial year* of the 2018 Registration document of Air France - KLM), Mr. de Hoop Scheffer, a Board director appointed as proposed by the Dutch State, no longer qualified as an Independent director (see *Section 2.2.4, Independence of the Board directors* of the 2018 Registration document of Air France - KLM).



# INFORMATION ON THE BOARD DIRECTORS

## Ratification of the co-opting and nomination



### Benjamin Smith

#### Expertise and professional experience

Born August 27, 1971, Benjamin Smith is a reputed senior airline industry executive at international level, having spent the past twenty years at Air Canada where he was President Airlines and Chief Operating Officer. In 1990, in parallel with his studies, he started out as a customer service agent at Air Ontario before taking an entrepreneurial path in 1992 when he set up his own retail corporate travel agency which he ran successfully for eight years. In 1999, he also simultaneously took on a consultancy role for Air Canada before finally joining the Group in 2002.

As of his 2002 arrival, Benjamin Smith fulfilled a number of high-ranking positions at Air Canada including Head of network Planning before joining the executive management team in 2007 as Executive Vice-President and Chief Commercial Officer.

In 2014, he was appointed President Airlines (Air Canada, Rouge, Express, Cargo) and Chief Operating Officer of Air Canada with overall responsibility for commercial affairs, operations and customer relations for the Group. He was also responsible for Air Canada's commercial strategy.

On August 16, 2018, Benjamin Smith was appointed Chief Executive Officer of Air France-KLM. He was appointed a director within the Air France-KLM Board of Directors on December 5, 2018.

**Chief Executive Officer**

**Board director**

**Nationality:** British and Canadian

**Age:** 47 years

**First appointed as a Board director:**  
December 5, 2018

**Expiry of current term of office:**  
2019 Shareholders' Meeting

**Number of shares held in the company's stock:**  
50,000 shares

#### Other directorships and offices

##### French companies

— Director of Société Air France <sup>(G)</sup> since December 12, 2018.

##### Other

N/A <sup>(1)</sup>

#### Directorships and offices held in the last five years and having expired

N/A

<sup>(G)</sup> Company in the Air France-KLM Group.

<sup>(1)</sup> Benjamin Smith is expected to be appointed to the KLM Supervisory Board during the forthcoming KLM Annual General Shareholders' Meeting in April 2019.

# PROPOSED RESOLUTIONS AND EXPLANATORY STATEMENTS

*This is an unofficial translation for the convenience of English-speaking shareholders. In the event of any discrepancy or ambiguity, the French version shall prevail.*

The resolutions are preceded by an introductory paragraph explaining the reasons for each proposed resolution. All these explanatory paragraphs constitute the report from the Board of Directors to the Shareholders' Meeting.

## **Corrigendum to the notice of meeting published on April 3, 2019**

The order of the draft resolutions contained in the notice of meeting published in *Bulletin des Annonces Légales Obligatoires*

No. 40 of April 3, 2019 has been modified. The agenda indicated in this notice (and in the notice to appear at Balo) reflects this new numbering.

For more information on the Group's situation since the beginning of the financial year, please refer to the 2017 Registration Document and the press releases issued by Air France-KLM, which are, in particular, available on the website **www.airfranceklm.com**.

## Ordinary business

### **Approval of the financial statements for the financial year ended December 31, 2018 (resolutions 1 and 2)**

The first two resolutions submit to shareholders for approval Air France-KLM's statutory and consolidated financial statements for the financial year ended December 31, 2018 recording, respectively, a net loss of €(38) million and a net profit Group share of €409 million.

#### **First resolution**

##### ***Approval of the statutory financial statements and transactions for the financial year ended December 31, 2018***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the reports of the Board of Directors and the Statutory Auditors, approves the statutory financial statements for the financial year ended December 31, 2018, which include the balance sheet, the income statement and the notes, as drawn up and presented, as well as the transactions documented in these financial statements and/or mentioned in these reports.

#### **Second resolution**

##### ***Approval of the consolidated financial statements and transactions for the financial year ended December 31, 2018***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the reports of the Board of Directors and the Statutory Auditors, approves the consolidated financial statements for the financial year ended December 31, 2018, which include the balance sheet, the income statement and the notes, as drawn up and presented, as well as the transactions documented in these financial statements and/or mentioned in these reports.

### **Allocation of the income (or loss) (resolution 3)**

The purpose of the third resolution is to proceed with the allocation of the income/(loss) for the financial year ended December 31, 2018, which corresponds to a loss of €(38,406,028.00), to the retained earnings account, which decreases from €(987,565,152.88) to €(1,025,971,180.88) then allocate €(972,651,841.96) from the retained earnings account to the "Other Reserves - Various reserves" account, which increases from €972,651,841.96 to €0; the retained earnings account increases from €(1,025,971,180.88) to €(53,319,338.92).

Given the Group's results and the priority given to deleveraging, the Board of Directors decided not to propose the payment of a dividend in respect of the 2018 financial year.

The Board of Directors hereby reminds those present at the Shareholders' Meeting that no dividends were paid in respect of the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017.

### Third resolution

#### **Allocation of the income (or loss) for the financial year ended December 31, 2018**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the reports of the Board of Directors and the Statutory Auditors, notes that the loss for the financial year ended December 31, 2018 amounts to €(38.406.028,00) and, as recommended by the Board of Directors, decides to allocate

the entire amount of this loss to retained earnings, which thereby move from €(987,565,152.88) to €(1.025.971.180,88), then settle €(972.651.841,96) from the retained earnings account to the "Other Reserves - Various reserves" account, which increase from €972.651.841,96 to €0; the retained earnings account increases from €(1.025.971.180,88) to €(53.319.338,92).

Note that no dividends were paid in respect of the financial years ended December 31, 2015, 2016 and 2017.

#### **Related party agreements (resolutions 4 and 5)**

The purpose of the fourth resolution is the approval of a related party agreements ("*Convention réglementée*") authorized by the Board of Directors on March 14 and May 15, 2018 pursuant to Article L. 225-38 of the French Commercial Code and referred to in the Statutory Auditors' special report available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (*Finance/Shareholders/General Meeting section*).

These related party agreements are part of the development of Air France-KLM's strategic partnerships launched in 2017, notably through the creation of a unique global transatlantic joint-venture between Air France-KLM, Delta Air Lines, Inc. and Virgin Atlantic. Therefore, they enable Air France-KLM, subject to obtaining the necessary regulatory approvals, to acquire 31% of Virgin Atlantic's share capital from Virgin Group for £220,100,000.

The purpose of the fifth resolution is the approval of a related party agreement referred to in Article L. 225-42-1 of the French Commercial Code relating to the severance payment of Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM. It should be noted that the Board of Directors' meeting of August 16, 2018 authorised the granting of compensation to the Chief Executive Officer of Air France-KLM in certain cases of forced termination (in particular in the event of namely dismissal, non-renewal of his mandate as Chief Executive Officer or forced resignation). The Board of Directors considered that the decision to grant Mr. Smith severance pay was in the Company's interest, in line with market practices, and necessary to convince the candidate to leave his position at Air Canada (where he benefited from severance payment) and to join the Group in a difficult context. In accordance with the recommendations of the AFEP-MEDEF Code, the basis of the severance payment is equivalent to two years of his fixed and variable annual compensation.

The basis of the allowance will be subject to a coefficient (between 0 and 100%) based on his performance, measured by reference to the rate of achievement of the performance criteria relating to the annual variable part of his remuneration during the last two financial years of his mandate (or since his appointment, in the event of a departure during the first two years). It will be up to the Board of Directors of Air France-KLM to acknowledge the achievement of these performance criteria.

These related party agreements and commitment are described in the Statutory Auditors' special report on regulated agreements and commitments available on page 81 of the convening notice available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (*Finance/Shareholders/General Meeting section*).

### Fourth resolution

#### **Approval of a related party agreements in accordance with Article L. 225-38 of the French Commercial Code**

The Shareholders' Meeting, having read the Statutory Auditors' special report on regulated agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code and, acting on this report, approves the agreements authorized by the Board of Directors of Air France-KLM at meeting of March 14 and May 15, 2018.

### Fifth resolution

#### **Approval of a related party agreement relating to Mr. Benjamin Smith's severance pay, in accordance with Article L. 225-42-1 of the French Commercial Code**

The Shareholders' Meeting, having read the Statutory Auditors' special report on regulated agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code and, acting on this report, approves, pursuant to Article L. 225-42-1, paragraph 4 of the French Commercial Code, the regulated party commitment relating to the severance pay of Mr. Smith, Chief Executive Officer of Air France-KLM, authorized by the Board of Directors of Air France-KLM at its meeting of August 16, 2018.

### **Appointment of Ms. Astrid Panosyan as a Board director for a term of four years (resolutions 6)**

In that the mandate of Mr. Vieu expires at the end of this Shareholders' Meeting, It is proposed that the Shareholders' Meeting appoint Ms. Panosyan, in replacement of M. Vieu, as a Board director for a four-year term, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

The appointment of the terms of office of Ms. Panosyan for a term of 4 years is proposed by the French State. This proposal is in line with Article 6 of Ordinance No. 2014-948 of August 24, 2014 on governance and transactions on the capital of companies with public participation, which allows the State, within the boards of directors of companies in which it holds a direct or indirect stake, to propose the appointment of one or more Board directors.

These Board directors have the same rights and obligations as the other Board members appointed by the Shareholders' Meeting, with the exception of the obligation to hold a certain number of shares of the Company.

All the information on Ms. Panosyan, including his professional experience, offices and functions is detailed in page 20 of the convening notice which is available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

### **Sixth resolution**

#### ***Appointment of Ms. Astrid Panosyan as a Board director for a term of four years***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the report of the Board of Directors,

decides to appoint Ms. Astrid Panosyan as a Board director for a term of four years, i.e. until the end of the Shareholder's Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

### **Re-appointment of Mr. Jean-Dominique Comolli as a Board director for a term of four years (resolutions 7)**

In that the mandate of Mr. Comolli expires at the end of this Shareholders' Meeting, it is proposed that the Shareholders' Meeting re-appoint Mr. Comolli as a Board director for a four-year term, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

The appointment of the terms of office of Mr. Comolli for a term of 4 years is proposed by the French State. This proposal is in line with Article 6 of Ordinance No. 2014-948 of August 24, 2014 on governance and transactions on the capital of companies with public participation, which allows the State, within the boards of directors of companies in which it holds a direct or indirect stake, to propose the appointment of one or more Board directors.

These Board directors have the same rights and obligations as the other Board members appointed by the Shareholders' Meeting, with the exception of the obligation to hold a certain number of shares of the Company.

All the information on Mr. Comolli, including his professional experience, offices and functions is detailed in page 21 of the convening notice which is available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

### **Seventh resolution**

#### ***Re-appointment of Mr. Jean-Dominique Comolli as a Board director for a term of four years***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the report of the Board of Directors,

decides to renew the term of office of Mr. Comolli as a Board director for a term of four years, i.e. until the end of the Shareholder's Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

### **Re-appointment of Mr. Jaap de Hoop Scheffer as a Board director for a term of four years (resolution 8)**

In that its mandate expires at the end of this Shareholders' Meeting, it is proposed that the Shareholders' Meeting re-appoint Mr. de Hoop Scheffer as a Board director, for a four-year term, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

Given that the Dutch State acquired a stake in Air France -KLM at the end of February 2019, becoming the first shareholder alongside the French State, the Board of Directors on March 25, 2019 considered that Mr. de Hoop Scheffer can no longer be qualified as an Independent director pursuant to the criteria of the AFEP-MEDEF Code. Therefore, changes in the composition of Air France -KLM Board of Directors will be made to comply with the recommendation of the AFEP-MEDEF Code providing that at least 50% of the Directors must be independent.

All the information on Mr. de Hoop Scheffer, including his professional experience, offices and functions is detailed in page 22 of the convening notice which is available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section *Finance/Shareholders/Annual General Meeting*).

### **Eighth resolution**

#### ***Re-appointment of Mr. Jaap de Hoop Scheffer as a Board director for a term of four years***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the report of the Board of Directors,

decides to renew the term of office of Mr. de Hoop Scheffer as a Board director for a term of four years, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

### **Appointment of Mr. Cees 't Hart as a Board director for a term of four years (resolution 9)**

Mr. Hans Smits informed early March that he resigned from his duties as director of Air France-KLM, with effect from May 28, 2019. Pursuant to the provisions of Article L. 225-24 of the French Commercial Code and given the effective date of his resignation, his successor may not be appointed by way of cooptation. Mr. Cees 't Hart, who will replace Mr. Smits as Chairman of the KLM Supervisory Board pursuant to the governance agreements between Air France-KLM and KLM, will therefore be appointed by the Shareholders' Meeting as a director of Air France-KLM.

On March 25, 2019, the Board of Directors decided, on the recommendation of the Appointments and Governance Committee, to propose his appointment to the Shareholders' Meeting. The Shareholders' Meeting is therefore proposed to appoint Mr. Cees't Hart as a director from that Shareholders' Meeting for a period of four years, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

All the information on Mr. 't Hart, including his professional experience, offices and functions is detailed in page 20 of the convening notice which is available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section *Finance/Shareholders/Annual General Meeting*).

### **Ninth resolution**

#### ***Appointment of Mr. Cees 't Hart as a Board director for a term of four years***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the report of the Board of Directors,

decides to appoint Mr. Cees't Hart as a Board director for a term of four years, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

### **Ratification of the cooptation and appointment of Mr. Benjamin Smith as a Board director (resolutions 10 and 11)**

Following the resignation of Mr. Jean-Marc Janailiac from his duties as Board director, Chairman and Chief Executive Officer of the Company, the Board of Directors' meeting held on May 15, 2018 decided to set up a transitional governance structure to dissociate the positions of Chairman of the Board and Chief Executive Officer of Air France-KLM.

On August 16, 2018, the Board of Directors approved the new governance of the Group, opting to maintain such dissociation and decided, on the proposal of the Appointments and Governance Committee, to appoint Mr. Smith as Chief Executive Officer. He took office on September 17, 2018.

On December 5, 2018, the Board also decided, on the proposal of the Appointments and Governance Committee, to co-opt Mr. Smith as a Board director, replacing Mr. Janailiac, for the remainder of his term of office, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2018.

It is thus proposed to the Shareholders' Meeting to ratify the cooptation of Mr. Smith as a director as from December 5, 2018 to replace Mr. Janailiac 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 ending December 31, 2018.

As Mr. Smith's term of office expires at the end of this Shareholders' Meeting, it is proposed to renew his term of office as a director for a period of four years, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

All the information on Mr. Smith, including his professional experience, offices and functions is detailed in page 23 of the convening notice which is available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

#### **Tenth resolution**

##### ***Ratification of the cooptation of Mr. Benjamin Smith as a Board director***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the report of the Board of Directors, ratifies the cooptation of Mr. Smith as a Board director, replacing Mr. Janailiac, 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 ending December 31, 2018.

#### **Eleventh resolution**

##### ***Appointment of Mr. Benjamin Smith as a Board director for a term of four years***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the report of the Board of Directors, decides to appoint Mr. Smith as a Board director for a term of four years, i.e. until the end of the Shareholder's Meeting convened to approve the financial statements for the financial year ending December 31, 2022.

### **Elements of compensation paid or granted for the 2018 financial year to Mr. Jean-Marc Janailiac, Chairman and Chief Executive Officer until May 15, 2018 (resolution 12)**

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the purpose of resolution 12 is to submit to the vote of the shareholders fixed, variable and extraordinary elements of the compensation and advantages of any kind paid or granted to Mr. Janailiac, Chairman of the Board of Directors and Chief Executive Officer until May 15, 2018, which are presented in detail in the Board of Directors' report on corporate governance provided in Chapter 2.5.2.2 of the Reference Document, pages 92 to 95 and summarized in the table below:

Elements of compensation paid or granted to Mr. Jean-Marc Janailiac, Chairman and Chief Executive Officer in respect of the 2018 financial year, for the period from January 1 to May 15, 2018	Amounts or book value submitted to the vote	Presentation
Fixed compensation	€225,000 (amount paid)	<p>In his capacity as Chairman and Chief Executive Officer, Mr. Janailiac's gross annual fixed compensation was set at €600,000 (unchanged on 2017) by the Board of Directors during its meetings of February 15 and March 14, 2018, for the third consecutive year.</p> <p>In that Mr. Janailiac stepped down on May 15, 2018, a <i>pro rata</i> has been applied to this amount.</p>
Annual variable compensation	€63,000	<p>As proposed by the Remuneration Committee, in his capacity as Chairman and Chief Executive Officer, Mr. Janailiac's annual variable compensation was set at €63,000 by the Board of Directors during its meetings of February 15 and March 14, 2018. This amount corresponds to:</p> <ul style="list-style-type: none"> <li>— 3% of the fixed compensation in respect of the quantitative performance linked to Air France-KLM's COI;</li> <li>— 10% of the fixed compensation in respect of the quantitative performance linked to the adjusted net debt;</li> <li>— 6% of the fixed compensation in respect of the qualitative performance linked to the definition of a new medium-term strategic plan for Air France-KLM and a reduction in unit costs;</li> <li>— 9% of the fixed compensation in respect of the qualitative performance linked to the strengthening and development of the Group's international alliances;</li> <li>— 0% of the fixed compensation in respect of the qualitative performance linked to the effectiveness of the Group's governance.</li> </ul>
Long-term variable compensation	N/A	<p>During its meeting of March 14, 2018, as recommended by the Remuneration Committee, the Board of Directors granted performance units (phantom shares) to Mr. Janailiac. The amount of these performance units is determined with reference to the Air France-KLM share price at the end of a three-year period, subject to respect of presence and performance conditions evaluated over a three-year period.</p> <p>In that Mr. Janailiac stepped down before the three-year presence condition could be fulfilled, he benefits from no long-term variable compensation.</p>
Multi-year variable compensation	N/A	Mr. Janailiac did not benefit from multi-year variable compensation.
Extraordinary variable compensation	N/A	Mr. Janailiac did not benefit from extraordinary compensation.
Stock options, performance shares (equity warrants, etc.)	N/A	No awards of this type were made during the 2018 financial year.
Directors' fees	N/A	Mr. Janailiac did not receive directors' fees.
Benefits of any kind	N/A	The material resources made available to Mr. Janailiac could not, in practice, be separated from the performance of his duties as Chairman and Chief Executive Officer.
Severance pay	N/A	Mr. Janailiac did not benefit from severance pay.
Non-compete indemnity	N/A	Mr. Janailiac did not benefit from a non-compete indemnity.
Supplementary pension scheme	N/A	Mr. Janailiac did not benefit from a supplementary pension scheme.

## Twelfth resolution

### **Vote on the elements of compensation paid or granted to Mr. Jean-Marc Janaillac for the 2018 financial year, in his capacity as Chairman and Chief Executive Officer until May 15, 2018**

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, approves the fixed, variable and extraordinary elements of the total compensation and

advantages of any kind paid or granted to Mr. Janaillac, Chairman and Chief Executive Officer until May 15, 2018, in respect of the financial year ended December 31, 2018, for the period from January 1, to May 15, 2018, as provided in the Board of Directors' Corporate Governance report referred to in Article L. 225-37 of the same Code, presented to the Shareholders' Meeting and available notably on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

### **Elements of compensation paid for the 2018 financial year to Ms. Anne-Marie Couderc, Chairman of the Board of Directors as from May 15, 2018 (resolution 13)**

It is reminded that Ms. Couderc was appointed Chairman of the Board of Directors on May 15, 2018 for the transitional governance period and was confirmed in her position on October 29, 2018.

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the purpose of resolution 13 is to submit to the vote of the shareholders fixed elements of the compensation and advantages of any kind paid or granted to Ms. Couderc, Chairman of the Board of Directors as from May 15, 2018, which are presented in detail in the Board of Directors' report on corporate governance included in Chapter 2.5.2.4 of the Reference Document, page 95 and summarised in the table below:

Elements of compensation paid or granted to Ms. Couderc, Chairman of the Board of Directors, in respect of the 2018 financial year, for the period from May 15 to December 31, 2018	Amounts or book value submitted to the vote	Presentation
Fixed compensation	€125,000 (amount paid)	In her capacity as Chairman of the Board of Directors, Ms. Couderc's gross annual fixed compensation was set at €200,000 by the Board of Directors during its meetings of May 15 and October 29, 2018.  In that Ms. Couderc assumed her functions on May 15, 2018, a <i>pro rata</i> was applied to this amount: the fixed compensation paid to Ms. Couderc in respect of the 2018 financial year was thus calculated <i>pro rata temporis</i> based on the annual fixed compensation for the period from May 15 to December 31, 2018.
Annual variable compensation	N/A	Ms. Couderc does not benefit from variable compensation.
Multi-year variable compensation	N/A	Ms. Couderc does not benefit from multi-year variable compensation.
Extraordinary variable compensation	N/A	Ms. Couderc does not benefit from extraordinary compensation.
Stock options, performance shares (equity warrants, etc.)	N/A	No awards of this type were made during the 2018 financial year. Ms. Couderc does not benefit from any elements of long-term compensation.
Directors' fees	N/A	In her capacity as Chairman of the Board of Directors, Ms. Couderc does not receive directors' fees. Ms. Couderc received directors' fees in the gross amount of €25,042.11 in respect of her Board director duties for the period from January 1 to May 15, 2018. As of May 15, 2018, once she had been appointed Chairman of the Board of Directors, Ms. Couderc did not receive directors' fees.



Elements of compensation paid or granted to Ms. Couderc, Chairman of the Board of Directors, in respect of the 2018 financial year, for the period from May 15 to December 31, 2018	Amounts or book value submitted to the vote	Presentation
Benefits of any kind	N/A	The material resources made available to Ms. Couderc (e.g. a company car) cannot, in practice, be separated from the performance of her duties as Chairman of the Board of Directors.
Severance pay	N/A	Ms. Couderc does not benefit from severance pay.
Non-compete indemnity	N/A	Ms. Couderc does not benefit from a non-compete indemnity.
Supplementary pension scheme	N/A	Ms. Couderc does not benefit from a supplementary pension scheme.

### Thirteenth resolution

***Vote on the elements of compensation paid for the 2018 financial year to Ms. Anne-Marie Couderc, in her capacity as Chairman of the Board of Directors from May 15, 2018***

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, approves the fixed elements of the total compensation and advantages of any kind

paid to Ms. Couderc, Chairman of the Board of Directors, in respect of the financial year ended December 31, 2018, for the period from May 15, to December 31, 2018, as provided in the Board of Directors' Corporate Governance report referred to in Article L. 225-37 of the same Code, presented to the Shareholders' Meeting and available notably on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

### Elements of compensation paid for the 2018 financial year to Mr. Frédéric Gagey, Chief Executive Officer from May 15, 2018, to September 17, 2018 (resolution 14)

It is reminded that Mr. Gagey was appointed Chief Executive Officer on May 15, 2018 for the transitional governance period and resigned from office on September 17, 2018, following the appointment of Mr. Benjamin Smith.

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the purpose of resolution 14 is to submit to the vote of the shareholders fixed elements of the compensation and advantages of any kind paid or granted to Mr. Gagey, Chief Executive Officer as from May 15, 2018, to September 17, 2018, which are presented in detail in the Board of Directors' report on corporate governance included in Chapter 2.5.2.3 of the Reference Document, page 95 and summarised in the table below:

Elements of compensation paid or granted to Mr. Gagey, Chief Executive Officer, in respect of the 2018 financial year, for the period from May 15 to September 17, 2018	Amounts or book value submitted to the vote	Presentation
Fixed compensation	€250,000 (amount paid)	During its meetings of May 15 and October 29, 2018, the Board of Directors decided to pay Mr. Gagey, in his capacity as Chief Executive Officer for the transitional governance period (from May 15 to September 16, 2018), fixed compensation equivalent to his compensation as Chief Financial Officer, increased by €50,000.
Annual variable compensation	N/A	Mr. Gagey did not benefit from variable compensation in his capacity as Chief Executive Officer during the transitional governance period.
Multi-year variable compensation	N/A	Mr. Gagey did not benefit from multi-year variable compensation.

Elements of compensation paid or granted to Mr. Gagey, Chief Executive Officer, in respect of the 2018 financial year, for the period from May 15 to September 17, 2018	Amounts or book value submitted to the vote	Presentation
Extraordinary variable compensation	N/A	Mr. Gagey did not benefit from extraordinary compensation.
Stock options, performance shares (equity warrants, etc.)	N/A	No awards of this type were made during the 2018 financial year. Mr. Gagey did not benefit from any elements of long-term compensation.
Directors' fees	N/A	Mr. Gagey did not receive directors' fees.
Benefits of any kind	N/A	The material resources made available to Mr. Gagey (e.g. a company car) could not, in practice, be separated from the performance of his duties as Chief Executive Officer.
Severance pay	N/A	Mr. Gagey did not benefit from severance pay.
Non-compete indemnity	N/A	Mr. Gagey did not benefit from a non-compete indemnity.
Supplementary pension scheme	N/A	Mr. Gagey did not benefit from a supplementary pension scheme.

#### Fourteenth resolution

***Vote on the elements of compensation paid to Mr. Frédéric Gagey for the 2018 financial year, in his capacity as Chief Executive Officer from May 15, to September 17, 2018***

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, approves the fixed elements

of the total compensation and advantages of any kind paid to Mr. Frédéric Gagey, Chief Executive Officer, in respect of the financial year ended December 31, 2018, for the period from May 15, to September 17, 2018, as provided in the Board of Directors' Corporate Governance report referred to in Article L. 225-37 of the same Code, presented to the Shareholders' Meeting and available notably on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

#### **Elements of compensation paid or granted for the 2018 financial year to Mr. Benjamin Smith, Chief Executive Officer as from September 17, 2018 (resolution 15)**

As a result of the new Group governance adopted during the year, and with regard to Mr. Smith's profile and international experience, the Board of Directors of Air France-KLM decided that it was necessary to modify the compensation framework for the Chief Executive Officer of the Group initially planned for Mr. Janailac.

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the purpose of resolution 15 is to submit to the vote of the shareholders fixed, variable and extraordinary elements of the total compensation and advantages of any kind paid or granted for the 2018 financial year to Mr. Smith, Chief Executive Officer as from September 17, 2018.

The compensation and advantages of any kind paid or granted for the 2018 financial year for the period from September 17, to December 31, 2018 to Mr. Smith, Chief Executive Officer as from September 17, 2018, are presented in detail in the Board of Directors' report on corporate governance provided in Chapter 2.5.2.5 of the Reference Document, pages 95 to 97 and summarised in the table below:

Elements of compensation paid or granted to Mr. Smith, Chief Executive Officer from September 17, 2018	Amounts or book value submitted to the vote	Presentation
Fixed compensation	€262,500 (amount paid)	<p>In his capacity as Chief Executive Officer, Mr. Smith's annual gross fixed compensation was set at €900,000 by the Board of Directors during its meeting of August 16, 2018.</p> <p>In that Mr. Smith took up his duties on September 17, 2018, a <i>pro rata</i> was applied to this amount: Mr. Smith's fixed compensation in respect of the 2018 financial year was thus calculated <i>pro rata temporis</i> for the period from September 17 to December 31, 2018.</p>
Annual variable compensation	€366,667	<p>As recommended by the Remuneration Committee, in his capacity as Chief Executive Officer, Mr. Smith's variable compensation was set at €366,667 by the Board of Directors during its meeting of August 16, 2018. In that he took up his duties during the last part of the 2018 financial year, this amount is not subject to performance criteria.</p> <p>Payment of the €366,667 is subject to prior approval by the Annual General Shareholders' Meeting of May 28, 2019.</p>
Long-term variable compensation	€333,000	<p>In his capacity as Chief Executive Officer, Mr. Smith was granted performance units equivalent to €333,000, payable in 2021 subject to a three-year presence condition, except in the event of death or disability, or in certain cases of forced termination.</p> <p>The number of performance units granted in 2018 will be calculated on the basis of the Air France-KLM opening share price on August 17, 2018 and their vesting in 2021 (subject to a presence conditions) will be calculated based on the share price following the announcement of the annual results for the 2020 financial year.</p>
Multi-year variable compensation	N/A	Mr. Smith does not benefit from multi-year variable compensation.
Extraordinary variable compensation	N/A	Mr. Smith does not benefit from extraordinary compensation.
Stock options, performance shares (equity warrants, etc.)	N/A	No awards of this type were made during the 2018 financial year.
Directors' fees	N/A	Mr. Smith does not receive directors' fees.
Benefits of any kind	Yes	<p>Mr. Smith benefits from the usual benefits in kind (company car with chauffeur, supplementary pension scheme benefiting all Group personnel, supplementary health insurance and disability coverage, provisions of free airline tickets, Group CEO civil liability insurance - D&amp;O) and benefits consistent with policies applied within the Group for senior manager expatriation and mobility (accommodation, relocation costs, school fees and certain advisor fees).</p>

Elements of compensation paid or granted to Mr. Smith, Chief Executive Officer from September 17, 2018	Amounts or book value submitted to the vote	Presentation
Severance pay	Two years of fixed and variable compensation	<p>On August 16, 2018, the Board of Directors authorized the granting of a severance payment to Mr. Smith in some cases of forced termination (namely dismissal, non-renewal of his Chief Executive Officer mandate or forced termination). Pursuant to the AFEP-MEDEF recommendations, the basis of this severance payment is two years of his annual fixed and variable compensation (based, as applicable, on the target variable compensation in the event of a termination in the first 24 months).</p> <p>A coefficient (between 0% and 100%) will be applied to this amount on the basis of the achieved performance criteria for the annual variable component of his compensation over the preceding two financial years of his mandate (or since his appointment, in the event of termination during the first 24 months). The Board will assess the achievement of these performance criteria.</p>
Non-compete indemnity	N/A	Mr. Smith does not benefit from a non-compete indemnity.
Supplementary pension scheme	N/A	Mr. Smith does not benefit from a collective supplementary pension scheme.

#### Fifteenth resolution

***Vote on the elements of compensation paid or granted to Mr. Benjamin Smith in respect of the 2018 financial year, in his capacity as Chief Executive Officer as from September 17, 2018***

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, approves the fixed, variable and extraordinary elements of the total compensation and

advantages of any kind paid or granted to Mr. Benjamin Smith, Chief Executive Officer, in respect of the financial year ended December 31, 2018, for the period from September 17 to December 21, 2018, as provided in the Board of Directors' Corporate Governance report referred to in Article L. 225-37 of the same Code, presented to the Shareholders' Meeting and available notably on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

#### **Approval of the elements of the compensation policy for the Chairman and the Chief Executive Officer for the 2019 financial year (resolution 16 et 17)**

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code the Shareholders' Meeting is called to approve, for the current financial year ending December 31, 2019, the principles and criteria for determining, distributing and granting the fixed, variable and extraordinary elements of the total compensation and the benefits of any kind, granted to Ms. Couderc, Chairman of the Board of Directors and Mr. Smith, Chief Executive Officer.

These principles and criteria are presented in the Board of Directors' report on corporate governance established pursuant to the aforementioned Article and figuring in section 2.5.2.6 of the Registration Document, pages **106** to **110**.

### Sixteenth resolution

#### **Approval of the elements of compensation policy for the Chairman for the 2019 financial year**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code and having read the Board of Directors' report, approves the principles and criteria for determining, distributing and granting the fixed, variable and extraordinary elements of the total compensation and benefits of any kind granted to the Chairman of the Board of Directors, as presented in the aforementioned report, available notably at the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

### Seventeenth resolution

#### **Approval of the element of the compensation policy for the Chief Executive Officer for the 2019 financial year**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code and having read the Board of Directors' report, approves the principles and criteria for determining, distributing and granting the fixed, variable and extraordinary elements comprising the total compensation and benefits of any kind granted to the Chief Executive Officer, as presented in the aforementioned report, available notably at the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

### **Authorization to be granted to the Board of Directors to carry out transactions involving the Company's shares (resolution 18)**

The eighteenth resolution enables the Company to buy back its own shares within the limits determined by the shareholders and in accordance with applicable law. It replaces the authorization granted at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 15, 2018, which expires in November 2019.

The Shareholders are therefore invited to renew this authorization.

Buy-back transactions can be carried out at any time, in compliance with the regulations in force at the date of the planned transactions. However, in the event that a third party launches a takeover bid for the Company's securities, the Board of Directors could not, during the offer period, decide to execute this resolution without prior authorization by the Shareholders' Meeting.

Since May 15, 2018 (date of the most recent authorization granted by the Shareholders' Meeting), no shares have been bought back or sold by the Company within the framework of these authorizations. Given the trading activity in the secondary market and the good stock liquidity, Air France-KLM suspended its liquidity contract (which could be reactivated were the market trading criteria or the stock liquidity to require it) on March 1, 2012. As of December 31, 2018, the Company directly held 1,146,376 of its own shares, representing 0.27% of its share capital.

The buy-back program proposed to the shareholders would have the following characteristics:

- maximum purchase price per share: €15 (excluding fees);
- maximum number of shares potentially acquired: 5% of the number of shares comprising the share capital (i.e., as of December 31, 2018, a maximum of 21,431,701 shares for a theoretical maximum amount of €321,475,515);
- purposes of the program: coordination of stock liquidity within the framework of the liquidity contract, allocation of shares upon exercise of the rights attached to securities conferring access to shares, allocation and sale of shares to the employees and senior executives of the Group, retention and future remittance of the shares as payment or in an exchange offer within the framework of external growth transactions, pursuit of any market practices and the realization of any transactions in accordance with applicable laws and regulations;
- maximum duration of the authorization: 18 months as from the date of this Shareholders' Meeting.

## Eighteenth resolution

### **Authorization to be granted to the Board of Directors to carry out transactions involving the Company's shares**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at Ordinary Shareholders' Meetings, having read the report of the Board of Directors, and voting pursuant to the provisions of Article L. 225-209 of the French Commercial Code:

1. Hereby authorizes the Board of Directors to buy back the Company's shares, in one or several installments, according to the following main objectives:
  - to allow an investment firm to coordinate stock liquidity within the framework of a liquidity contract in compliance with the Compliance Charter recognized by the French Financial Markets Authority (*Autorité des Marchés Financiers*);
  - to allocate shares upon exercise of the rights to shares attached to securities issued by the Company or by companies in which it holds, either directly or indirectly, more than half of the share capital and that grant the right to the allocation of Company shares *via* conversion, exercise, repayment, exchange, presentation of a warrant or any other means;
  - to carry out any allocation or sale of shares to employees and/or corporate officers of the Company and companies, located in France or internationally, related to it under the conditions set forth in Article L. 225-180 of the French Commercial Code, any allocation of free shares, any employee shareholding scheme, any Company compensation scheme, within the context of, in particular, the relevant provisions set forth under the French Commercial Code and/or French Labour Code, or French or foreign legal and regulatory provisions, and the execution of any hedging transaction associated with these related party transactions and commitments of the Company, under the conditions provided for by the market authorities and at the times at which the Board of Directors or the person acting pursuant to a delegation of power granted by the Board of Directors takes action;
  - [to hold or remit shares in order to use them as payment or in an exchange offer within the framework of external growth transactions;
  - to engage in any market practice that may be admissible by law or by the French Financial Markets Authority (*Autorité des Marchés Financiers*) and, more generally, to execute any transaction in compliance with the applicable regulations;
2. Decides that, within the limits provided for under the regulations in force, the shares may be acquired, sold, exchanged, or transferred, in one or several installments, by any and all means, on either a regulated or non-regulated market, on a multilateral trading facility (MTF), *via* a market maker or over-the-counter, including *via* the acquisition or sale of blocks of shares. These

means include the use of any financial instrument, in compliance with applicable regulations. The proportion of the buyback program that may be realized through trading in blocks of shares can reach the full amount of the program;

3. Decides that these transactions can be carried out at any time, in compliance with regulations in force as of the date of the transactions in question. However, in the event that a third party launches a takeover bid for the Company's securities, the Board of Directors cannot, during the offering period, decide to execute this resolution without prior authorization by the Shareholders' Meeting;
4. Sets the maximum purchase price at €15 per share (excluding fees);
5. Decides that the maximum number of acquired shares can never exceed 5% of the number of shares comprising the share capital (or, for example, as of December 31, 2018, a maximum number of 21,431,701 shares and a maximum theoretical amount of €321,475,515, based on the maximum purchase price per share as set forth above).

In the event of a share capital increase by capitalization of reserves, profits, or premiums, triggering either an increase in the nominal value or the creation and grant of free shares, as well as in the event of a share split or consolidation or any other transaction involving the share capital, the Board of Directors will be able to adjust the aforementioned purchase price in order to take into account the impact of these transactions on the value of the share;
6. Hereby grants all powers to the Board of Directors, with the ability to sub-delegate such powers, for the purpose of executing this authorization and, in particular, to complete all stock market orders on all markets or to carry out any off-market transactions, to enter into any agreements related to the management of registers recording any share purchases and sales, to allocate or reallocate the shares acquired to various objectives under applicable legal and regulatory conditions, to draw up any documents, particularly a description of the share buyback program, to complete all formalities and filings with the French Financial Markets Authority (*Autorité des Marchés Financiers*) and any other authorities and, more generally, do whatever is necessary;
7. Decides that this resolution terminates the authorization granted under the 11th Resolution of the Shareholders' Meeting of May 15, 2018.

The Board of Directors must inform the Shareholders' Meeting of the transactions carried out within the framework of this authorization.

This delegation is granted for an 18-month period as from the date of this Shareholders' Meeting.

## Extraordinary business

To give the Air France-KLM Board of Directors the flexibility and adaptability required for the Company's financial management while taking into account the diverse interests and expectations of the Air France-KLM shareholders, the Board of Directors is submitting a number of financial resolutions to the Shareholders' Meeting (resolutions 19 to 35). These resolutions aim to authorize the Board of Directors, pursuant to the legal and regulatory provisions and subject to some conditions detailed in each resolution, to increase the Air France-KLM share capital in various ways (issues of shares and/or securities conferring access to the share capital and/or granting the right to the allocation of debt securities; depending on the individual case, such issues would be made with or without shareholders' preferential subscription rights, with or without a priority subscription period and within or outside the context of a public tender offer with pre-determined cap amounts), as a function of the market opportunities at the time of the issue and the Air France-KLM Group's financing requirements.

Five series of delegations relating to financial authorizations are proposed:

1. a first series usable outside the context of public tender offer periods (resolutions 19 to 25); and
2. a second series usable within the context of public tender offer periods (with reduced cap amounts- resolutions 26 to 32);
3. a delegation to carry out capital increases, within a limit not to exceed 10% of the share capital, allowing more flexibility for the purpose of determining the price (resolution 33);
4. an authorization to grant free existing shares, subject to performance conditions where applicable, to employees and corporate officers of the Company and Group companies (resolution 34); and

5. a delegation to carry out capital increases reserved for members of a company or group savings scheme usable at any time (resolution 35).

The cap amounts for delegations proposed within the context of public tender offer periods are charged against those of the delegations proposed outside the context of public tender offer periods (non-cumulative amounts).

Each of the aforementioned resolutions is given for a period limited to 26 months. Furthermore, the Board of Directors may only use this option to increase the capital within the limits of strictly pre-determined cap amounts, above which the Board may no longer increase the share capital without convening a new Extraordinary Shareholders' Meeting.

In addition, resolutions 19 to 32 aim to renew the existing authorizations, which were approved by the Ordinary and Extraordinary Shareholders' Meeting of May 21, 2017 and May 15, 2018 and are now approaching their expiry dates.

Furthermore, within the framework of its incentive policy for employees and the alignment of their interests with those of the shareholders, the Board of Directors proposes that your Shareholders' Meeting authorizes the granting of free existing shares to employees and corporate officers of the Air France-KLM Group (resolution 34), subject to the attainment of performance conditions.

Finally, to comply with the legal and regulatory requirements applicable to Air France-KLM group, resolution 36 propose to amend the Articles of Association in order to enable the Company to ask information about its shareholders' nationality.

The following tables summarize the proposed delegations which are submitted to your Shareholders' Meeting.

1) Proposed financial delegations usable outside the context of a public tender offer

Resolution	Delegation	Term	Cap amount applicable per resolution	Cap amount applicable across several resolutions (19, 20, 21, 22, 23, 24, 25, 33 and 35)	Sub-cap amount applicable across several resolutions (20, 21, 22, 23, 24 and 33)	Sub-cap amount applicable across several resolutions (21, 22, 23, 24 and 33)
no. 19	Capital increase (outside the context of a public tender offer) <b>maintaining</b> preferential subscription rights for shareholders	26 months	Nominal value of €214 million (or approximately 50% of the current share capital)	€214 million (or 50% of the current share capital)	€64 million (or 15% of the current share capital)	Nominal value of €43 million (or 10% of the current share capital)
no. 20	Capital increase (outside the context of a public tender offer) <b>without</b> preferential subscription rights for shareholders but with a <b>mandatory</b> priority subscription period	26 months	Nominal value of €64 million (or approximately 15% of the current share capital)			
no. 21	Capital increase (outside the context of a public tender offer) <b>without</b> preferential subscription rights for shareholders but with an <b>optional</b> priority subscription period (authorization limited to the Company or one of its subsidiaries' issuances of securities giving access to capital securities to be issued in the future and issuances of shares within the framework of public exchange offers)	26 months	Nominal value of €43 million (or approximately 10% of the current share capital)			
no. 22	Capital increase (outside the context of a public tender offer) <b>through private placement with qualified investors / restricted group of investors</b>	26 months	€43 million (or approximately 10% of the current share capital).			
no. 23	Increase in the number of securities to be issued in the event of a capital increase (outside the context of a public tender offer) with or without preferential subscription rights ("greenshoe")	26 months	15% of the initial issuance (not to exceed the cap amounts set under resolutions 19, 20, 21 and 22)			
no. 24	Capital increase (outside the context of a public tender offer) to compensate contributions in kind granted to the company	26 months	Nominal value of €43 million (or approximately 10% of the current share capital)			
no. 25	Capital increase (outside the context of a public tender offer) by capitalization of reserves, profits, issuance premiums, or other amounts eligible for capitalization	26 months	Nominal value of €214 million (or approximately 50% of the current share capital)			



2) Proposed financial delegations usable within the context of a public tender offer

Resolution	Delegation	Term	Cap amount applicable per resolution	Cap amount applicable across several resolutions (26, 27, 28, 29, 30, 31, 32 and 33)	Sub-cap amount applicable across several resolutions (27, 28, 29, 30, 31 and 33)	Sub-cap amount applicable across several resolutions (28, 29, 30, 31 and 33)
no.26	Capital increase (within the context of a public tender offer) maintaining preferential subscription rights for shareholders	26 months	Nominal value of €107 million (or approximately 25% of the current share capital) charged against the cap amount of the 19th resolution, usable outside the context of a public tender offer	€107 million (or 25% of the current share capital)	€32 million (or 7.5% of the current share capital)	Nominal value of €21 million (or 5% of the current share capital)
no.27	Capital increase (within the context of a public tender offer) without preferential subscription rights for shareholders but with a mandatory priority subscription period	26 months	Nominal value of €32 million (or approximately 7.5% of the current share capital) charged against the cap amount of the 19th and 20th resolutions, usable outside the context of a public tender offer			
no.28	Capital increase (within the context of a public tender offer) without preferential subscription rights for shareholders but with an optional priority subscription period (authorization limited to the Company or one of its subsidiaries' issuances of securities giving access to capital securities to be issued in the future and issuances of shares within the framework of public exchange offers)	26 months	Nominal value of €21 million (or approximately 5% of the current share capital) charged against the cap amount of the 19th and 21th resolutions, usable outside the context of a public tender offer			
no.29	Capital increase (within the context of a public tender offer) through private placement with qualified investors / restricted group of investors	26 months	€21 million (or approximately 5% of the current share capital) charged against the cap amount of the 19th and 22th resolutions, usable outside the context of a public tender offer			
no.30	Increase in the number of securities to be issued in the event of a capital increase (within the context of a public tender offer) with or without preferential subscription rights ("greenshoe")	26 months	15% of the initial issuance (not to exceed the cap amounts set under resolutions 26, 27, 28 and 29)			
no.31	Capital increase (within the context of a public tender offer) to compensate contributions in kind granted to the company	26 months	Nominal value of €21 million (or approximately 5% of the current share capital) charged against the cap amount of the 19th and 24th resolutions, usable outside the context of a public tender offer			
no.32	Capital increase (within the context of a public tender offer) by capitalization of reserves, profits, issuance premiums, or other amounts eligible for capitalization	26 months	Nominal value of €107 million (or approximately 25% of the current share capital) charged against the cap amount of the 19th and 25th resolutions, usable outside the context of a public tender offer			

3) Proposed financial delegations within a limit not to exceed 10% of the share capital allowing more flexibility for the purpose of determining the price

Resolution	Autorization	Term	Cap amount applicable per resolution
no.33	Delegation of authority granted to the Board of Directors, for the purpose of determining the issue price, within a limit not to exceed 10% of the share capital a year in the event of a capital increase without shareholders' preemptive subscription rights	26 months	10% of the share capital (not to exceed the cap amounts set under resolutions 20, 21, 22, 27, 28 and 29)

4) Proposed allocation of free existing shares

Resolution	Autorization	Term	Cap amount applicable per resolution
no.34	Allocation of free existing shares, subject to performance conditions, to employees and corporate officers of the Group companies	38 months	2.5% of the share capital / 1% per year

5) Proposed financial delegation in the event of a company or group savings scheme

Resolution	Delegation	Term	Cap amount applicable per resolution
no.35	Capital increases reserved for members of a company or group savings scheme	26 months	2% of the share capital at the time of each issuance (not to exceed the cap amount set under resolution 19)

**Delegation of authority granted to the Board of Directors for the purpose of issuing shares / securities, while maintaining preferential subscription rights for shareholders (delegation to be used outside the context of a public tender offer) (resolution 19)**

This resolution invites you to delegate your authority to the Board of Directors for a new 26-month period, in order to carry out one or more capital increases with preferential subscription rights, *via* the issuance of ordinary Company shares and securities granting access to Company capital securities to be issued as well as securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities.

This delegation would terminate the delegation of authority granted under the 12th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, whose total nominal ceiling has been increased to 214 million by authorization of the Combined Ordinary and Extraordinary Shareholders Meeting of May 15, 2018 in its 12th resolution. So far, two reserved capital increases for a total amount of 75,054,820 euros have been carried out on October 3, 2017, following authorization by the Combined Ordinary and Extraordinary Shareholders Meeting on September 4, 2017.

The total amount of capital increases that could be carried out immediately or in the future cannot exceed a nominal value of €214 million (or a maximum 50% increase in the current share capital amount).

In the event of the issuance of securities representing debt securities and granting access to capital securities to be issued in the future, the aggregate nominal value of these debt securities cannot exceed €1 billion.

These issuances can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period.

## Nineteenth resolution

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future 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)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq. and L. 228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding on the issuance, in France and/or internationally, in one or several installments, and in the amounts and at the times it shall determine:
  - (i) of ordinary Company shares;
  - (ii) of securities, including debt securities, granting access to Company capital securities to be issued in the future; and
  - (iii) of securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities;

of any type whatsoever, free of charge or not, it being specified that the subscription of shares and other securities can be carried out either in cash or in consideration of certain, liquid, and payable debt claims;
2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;
3. Decides that these capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period;
4. Decides that:
  - (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €214 million, it being specified that this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;
  - (b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case of an issuance in a foreign currency or units of account, established by reference to several currencies, it being specified that this amount is independent and separate from the amount of the debt securities

discussed in Article L. 228-40 and Paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;

5. Decides that, proportionately to the amount of shares they hold, shareholders will benefit from a preferential subscription right to the securities that could be issued pursuant to this delegation;
6. Decides that the Board of Directors will set the conditions and limits under which shareholders will be able to exercise their right to subscribe their firm entitlements (*à titre irréductible*) and may, for the benefit of shareholders, create additional subscription entitlements (*à titre réductible*), which they can exercise proportionately to the subscription rights they hold and, in any event, within the limits of the amount they wish to subscribe;
7. Decides that if the firm subscription entitlements and, as the case may be, additional subscription entitlements, have not absorbed the entire issuance, the Board of Directors may use one and/or the other of the mechanisms below, in accordance with applicable law and in the order that it shall consider appropriate:
  - limit the issuance to the amount of subscriptions under the condition that such subscription amount reaches no less than three quarters of the planned issuance;
  - freely allocate all or part of the unsubscribed securities;
  - offer to the public, in France or abroad, all or part of the unsubscribed shares;
8. Acknowledges that, ipso jure, for the benefit of holders of securities that may be issued and that grant access to the Company's share capital, this delegation implies that the shareholders must waive their preferential subscription rights to the new shares to which these securities give rights;
9. Decides that the issuances of Company share warrants that could be carried out in the context of this delegation can take place either *via* a subscription in cash or also *via* a free allocation to owners of previously issued shares, it being specified that the Board of Directors will be able to decide whether the fractional rights will be negotiable and whether the corresponding securities will be sold;
10. Decides that the amount the Company will or should receive for each of the shares issued in the context of this delegation will at least be equal to the nominal value of the share as of the issuance date of said securities;
11. Grants all powers to the Board of Directors, with the power to subdelegate under the conditions set by law, to implement this delegation and, in particular, to set the issuance terms and conditions, the nature and characteristics of the securities issued, the terms and conditions of allocation of the capital securities to which these securities grant a right, as well as the dates upon which the allocation rights may be exercised, to decide not to take into account treasury shares for the purpose of determining preferential subscription rights attached to the other shares; at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts

necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the impact of transactions on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements in order to, in particular, successfully complete all of the planned issuances and, generally, do all that is necessary; and

12. Decides that this delegation terminates the delegation granted under the 12th Resolution of the Combined Ordinary and Extraordinary Shareholders Meeting dated May 16, 2017, as amended by the general meeting dated 5 May 2018 in its 12th resolution.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**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 priority subscription period (delegation to be used outside the context of a public tender offer) (resolution 20)**

The Board of Directors' policy is, in the event that a capital increase is planned, to favor a traditional capital increase maintaining shareholders' preferential subscription rights (Resolution 19). However, in certain specific circumstances, the withdrawal of shareholders' preferential subscription rights may prove to be necessary.

Indeed, the withdrawal of preferential subscription rights may be preferable in order to carry out an issuance of securities under the best possible conditions, particularly when the speed of the transactions constitutes a key condition for success. The withdrawal of this right in the context of a public offering also facilitates the Company's access to capital markets due to more favorable market conditions.

In the event that the Board of Directors decides to proceed with a capital increase without preferential subscription rights for shareholders, it intends to enable the involvement of shareholders in such capital increase by granting them a mandatory priority subscription period, exercisable in proportion to the number of shares held by each shareholder. Therefore, in the 20th Resolution, you are invited to delegate your authority to the Board of Directors for a new 26-month period, in order to carry out one or more capital increases through the issuance of ordinary Company shares and securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of Company debt securities.

This delegation would terminate the delegation of authority granted under the 13th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, which to this day has not yet been used.

The total amount of capital increases that could be carried out immediately or in the future in connection with this delegation cannot exceed a nominal amount of €64 million (or a maximum 15% increase in the current share capital amount). This maximum amount will be deducted from the cap set under the terms of the 19th Resolution of this Shareholders' Meeting.

These capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period.

The issuance price of the shares would be at least equal to the lowest price authorized under applicable regulations or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which such price was set, minus a maximum 5% discount, as the case may be.

## Twentieth resolution

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, by way of a public offering without shareholders' preferential subscription rights but with a mandatory priority subscription period, within a limit not to exceed a nominal amount of €64 million (delegation to be used outside the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of articles L. 225-129 et seq., L. 225-135, L. 225-136, and L. 228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding on the issuance, via a public offering in France and/or internationally, in one or several installments, and in the amounts and at the times it shall determine:

- (i) of ordinary Company shares; and
- (ii) of securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities;

of any type whatsoever, free of charge or not, it being specified that the subscription of shares and other securities can be carried out either in cash or in consideration of certain, liquid, and payable debt claims;

2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;

3. Decides that these capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period;

4. Decides that:

- (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €64 million, it being specified that:
  - (i) this amount will be deducted from the aggregate nominal cap of €214 million set under the terms of the 19th Resolution of this Shareholders' Meeting; and
  - (ii) this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;
- (b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case

of an issuance in a foreign currency or unit of account established by reference to several currencies, it being specified that:

- (i) this amount will be deducted from the aggregate nominal cap of €1 billion set under the terms of the 19th Resolution of this Shareholders' Meeting; and
- (ii) this amount is independent and separate from the amount of the debt securities discussed in Article L. 228-40 and paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;

5. Decides to withdraw shareholders' preferential subscription rights to the shares and securities that could potentially be issued pursuant to this delegation;

6. Acknowledges that this delegation implies ipso jure that the shareholders must waive their preferential subscription rights to the shares to which the securities that may be issued pursuant to this delegation grant a right;

7. Decides to grant shareholders a mandatory priority subscription period, not giving rise to the creation of negotiable rights, and exercisable in proportion to the number of shares held by each shareholder and, as the case may be, with respect to additional subscription entitlements and, therefore delegates to the Board of Directors the power to set the duration and the terms and conditions of such period in accordance with legal and regulatory provisions;

8. Decides that (subject to resolution 33):

- the issuance price of the shares will be at least equal to the lowest price authorized under applicable regulations on the issuance date or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which the issuance price was set, to which a maximum 5% discount could be applied, after this amount is corrected, as the case may be, in order to take into account the difference in benefit dates;
- the issuance price of the other securities will be such that the amount immediately received by the Company plus, as the case may be, the amount that could be immediately received by the Company is, for each share issued as a result of the issuance of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;

9. Decides that if the amount subscribed has not absorbed the entire issuance, the Board of Directors may use one and/or the other of the mechanisms below, in accordance with applicable law and in the order that it shall consider appropriate:

- limit the issuance to the amount of subscriptions under the condition that such subscription amount reaches no less than three quarters of the planned issuance;
- freely allocate all or part of the unsubscribed securities;
- offer to the public, in France or abroad, all or part of the unsubscribed shares;

10. Grants all powers to the Board of Directors, with the power to subdelegate under the conditions set by law, to implement this delegation and, in particular, to set the issuance terms and conditions, the nature and characteristics of the securities issued, the terms and conditions of allocation of the capital securities to which these securities grant a right, as well as the dates upon which the allocation rights may be exercised, at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the impact of transactions

on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements in order to, in particular, successfully complete all of the planned issuances and, generally, do all that is necessary;

11. Decides that this delegation terminates the delegation granted under the 13th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**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 but with an optional priority subscription period (delegation to be used outside the context of a public tender offer) (resolution 21)**

In an extremely volatile stock market, it is important to have flexibility because the speed at which the implementation of a market transaction takes place may be a key factor in its success. That is the reason why the Board of Directors invites you to delegate your authority in order to enable it to: (i) proceed with the issuance of securities granting access to Company capital securities to be issued in the future and (ii) authorize those companies in which it holds, either directly or indirectly, more than half of the share capital, to issue any and all securities granting access, by any means, to the allocation of Company capital securities, without preferential subscription rights by way of a public offering.

In addition, in this case, if circumstances so permit, the Board of Directors will be able to implement a priority subscription period for the benefit of existing shareholders, as was done in 2009 at the time of the issuance of bonds convertible to Air France-KLM shares.

This delegation would terminate the delegation of authority granted under the 14th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, which to this day has not yet been used.

The capital increases without preferential subscription rights that may be carried out pursuant to this resolution will authorize the issuances by Air France-KLM or its subsidiaries of capital securities and securities granting access to ordinary Company shares to be issued in the future and to issuances of ordinary shares within the framework of public exchange offers initiated by the Company.

These capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period.

The total amount of capital increases that could be carried out immediately or in the future cannot exceed a nominal amount of €43 million (or a maximum 10% increase in the current share capital amount). This maximum amount will be deducted from each of the cap amounts set under the terms of the 19th and 20th resolutions Shareholders' Meeting.

In the event of the issuance of securities representing debt securities and granting access to Company capital securities, the aggregate nominal value of these debt securities cannot exceed €1 billion. This maximum amount will be deducted from the €1 billion cap set under the terms of the 19th Resolution of this Shareholders' Meeting.

The issuance price of the shares would be at least equal to the lowest price authorized under applicable regulations or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which such price was set, minus a maximum 5% discount, as the case may be.

## Twenty-first resolution

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing securities granting access to Company capital securities to be issued in the future, and for the purpose of authorizing the issuance of any securities granting access by any means to the allocation of Company capital securities by those companies of which the Company holds, either directly or indirectly, more than half of the share capital, 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 outside the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq., L. 225-135, L. 225-136, and L. 228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding on or, as the case may be, authorizing the issuance, *via* a public offering in France and/or internationally, in one or several installments, and in the amounts and at the times it shall determine:

- (i) of capital securities;
- (ii) of securities, including debt securities, granting access to Company capital securities to be issued in the future; and
- (iii) of any and all securities granting access, by any means, to the allocation of Company capital securities by those companies of which the Company holds directly or indirectly more than half of the share capital;

of any type whatsoever, free of charge or not, it being specified that the subscription of shares and other securities can be carried out either in cash or in consideration of certain, liquid, and payable debt claims;

2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;

3. Decides that these capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period;

4. Decides that:

- (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €43 million, it being specified that:
  - (i) this amount will be deducted from the total nominal amount of capital increases of €64 million set pursuant to the 20th resolution of this Shareholders' Meeting, as well as from the aggregate nominal cap of €214 million set under the terms of the 19th Resolution of this Shareholders' Meeting; and

- (ii) this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;

(b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case of an issuance in a foreign currency or unit of account established by reference to several currencies, it being specified that:

- (i) this amount will be deducted from the aggregate nominal cap of €1 billion set under the terms of the 19th resolution of this Shareholders' Meeting;
- (ii) this amount is independent and separate from the amount of the debt securities discussed in Article L. 228-40 and Paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;

5. Decides to withdraw shareholders' preferential subscription rights to the shares and securities that will be issued pursuant to this delegation;

6. Acknowledges that this delegation implies ipso jure that the shareholders must waive their preferential subscription rights to the shares to which the securities that may be issued pursuant to this delegation grant a right;

7. Decides that the Board of Directors will have the ability to implement, for the benefit of shareholders, a mandatory priority subscription period, not giving rise to the creation of negotiable rights, and exercisable in proportion to the number of shares held by each shareholder and, as the case may be, with respect to additional subscription entitlements and, therefore delegates to the Board of Directors the power to set the duration and the terms and conditions of such period in accordance with legal and regulatory provisions;

8. Decides that (subject to resolution 33):

- the issuance price of the shares will be at least equal to the lowest price authorized under applicable regulations on the issuance date or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which the issuance price was set, to which a maximum 5% discount could be applied, after this amount is corrected, as the case may be, in order to take into account the difference in benefit dates;
- the issuance price of the other securities will be such that the amount immediately received by the Company plus, as the case may be, the amount that could be immediately received by the Company is, for each share issued as a result of the issuance of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;

9. Decides that, within the limit of the aggregate nominal value of capital increases authorized under paragraph 4.a) above, the Board of Directors will be able to issue ordinary Company shares and/or securities granting access, either immediately or at a later date, to Company shares to be issued in the future, in consideration of securities contributed to a public exchange offer initiated by the Company, according to the terms and under the conditions set forth by Article L. 225-148 of the French Commercial Code;
10. Decides that if the amount subscribed has not absorbed the entire issuance, the Board of Directors may use one and/or the other of the mechanisms below, in accordance with applicable law and in the order that it shall consider appropriate:
- limit the issuance to the amount of subscriptions under the condition that such subscription amount reaches no less than three quarters of the planned issuance;
  - freely allocate all or part of the unsubscribed securities;
  - offer to the public, in France or abroad, all or part of the unsubscribed shares;
11. Grants all powers to the Board of Directors, with the power to subdelegate under the conditions set by law,
- to implement this delegation and, in particular, to set the issuance terms and conditions, the nature and characteristics of the securities issued, the terms and conditions of allocation of the capital securities to which these securities grant a right, as well as the dates upon which the allocation rights may be exercised, at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the impact of transactions on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements in order to, in particular, successfully complete all of the planned issuances and, generally, do all that is necessary;
12. Decides that this delegation terminates the delegation granted under the 14th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.
- This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of authority granted to the Board of Directors for the purpose of shares / securities, without preferential subscription rights, and by way of a private placement as described in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code (delegation to be used outside the context of a public tender offer) (resolution 22)**

The purpose of the 22th resolution is to delegate the authority to the Board of Directors, for a 26-month term, in order to carry out, in one or more installments, without shareholder preferential subscription rights, by way of a private placement as described in Article L. 411-2 of the French Monetary and Financial Code, the issuance of ordinary Company shares and securities that are capital securities granting access to other Company capital securities, or granting the right to the allocation of debt securities and securities granting access to Company capital securities to be issued.

The issuance would be carried out for the benefit of persons or entities providing portfolio management investment services for third parties, qualified investors, and/or a limited amount of investors, provided the latter are acting on their own behalf.

This delegation would provide more flexibility to the Company as regards its market access, by enabling it to, in particular, gain quick access to such aforementioned categories of investors. This flexibility is intended to enable the Company to execute an investment under the most favorable conditions, especially in circumstances where the speed of execution is a key condition in the transaction's ultimate success.

The total amount of capital increases that could be carried out immediately or in the future in connection with this delegation cannot exceed a nominal amount of €43 million (or a maximum 10% increase in the current share capital amount). This maximum amount will be deducted from each of the cap amounts set under the terms of the 19th, 20th, and 21th resolutions of this Shareholders' Meeting.

The issuances can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period.

The issuance price of the shares would be at least equal to the lowest price authorized under applicable regulations or, currently, the volume-weighted average price of the share over the course of the last three stock market trading days preceding the date on which such price was set, minus a maximum 5% discount, as the case may be.

This delegation would terminate the delegation of authority granted under the 15th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, which to this day has not yet been used.



## Twenty-second resolution

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, without shareholders' preferential subscription rights, within a limit not to exceed a nominal amount of €43 million, and by way of a private placement as described in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code (delegation to be used outside the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, and L. 228-91 to L. 228-93 of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding on the issuance, in one or several installments, in the amounts and at the times it shall determine, in France and/or internationally, in Euros, foreign currencies or a unit of account established by reference to several currencies, without preferential subscription rights, and by way of a private placement as described in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code:
  - (i) of ordinary Company shares;
  - (ii) of securities, including debt securities, granting access to Company capital securities to be issued in the future; and
  - (iii) of securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities;

of any type whatsoever, free of charge or not, it being specified that the subscription can be carried out either in cash or in consideration of certain, liquid, and payable debt claims;

2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;
3. Decides that these capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period;
4. Decides that:
  - (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €43 million, it being specified that:
    - (i) this amount will be deducted from the total nominal amount of capital increases of €43 million set under the terms of the 21th Resolution of this Shareholders' Meeting, from the total nominal amount of capital increases of €64 million set pursuant to the terms of the 20th Resolution of this Shareholders' Meeting, as well as from the aggregate nominal cap of €214 million set pursuant

to the terms of the 19th Resolution of this Shareholders' Meeting; and

- (ii) this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;
- (b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case of an issuance in a foreign currency or unit of account established by reference to several currencies, it being specified that:
    - (i) this amount will be deducted from the aggregate nominal cap of €1 billion set under the terms of the 19th Resolution of this Shareholders' Meeting;
    - (ii) this amount is independent and separate from the amount of the debt securities discussed in Article L. 228-40 and Paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;
5. Decides to withdraw shareholders' preferential subscription rights to the shares and securities that will be issued pursuant to this delegation;
  6. Acknowledges that this delegation implies ipso jure that the shareholders must waive their preferential subscription rights to the shares to which the securities that may be issued pursuant to this delegation grant a right;
  7. Decides that (subject to resolution 33):
    - the issuance price of the shares will be at least equal to the lowest price authorized under applicable regulations on the issuance date or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which the issuance price was set, to which a maximum 5% discount could be applied, after this amount is corrected, as the case may be, in order to take into account the difference in benefit dates;
    - the issuance price of the securities granting access to the share capital of the Company will be such that the amount immediately received by the Company plus, as the case may be, the amount that could be received by the Company at a later date is, for each share issued as result of the issuance of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;
  8. Decides that the Board of Directors will have all powers, with the ability to subdelegate under the conditions provided for by law, for the purpose of implementing this delegation and, in particular, in order to:
    - set the dates and the terms and conditions of the issuances, the subscription price, the characteristics of and method of payment for the securities to be issued

immediately or in the future, as the case may be, the conditions governing their buyback or exchange, as well as the conditions under which they will grant the right to shares of the Company or one of its subsidiaries, to be issued;

- in particular, decide on whether the securities representing debt securities are subordinated or not, set their reimbursement method and price, which can be fixed or variable and with or without a premium, set their term as fixed or open-ended, their interest rate in addition to, as the case may be, the terms and conditions applicable to the subordination of their principal and/or interest amounts and their priority ranking, as well as their amortization conditions and methods;
- set the benefit date of the shares to be issued, including retroactively, as the case may be;
- set, in compliance with applicable legal and regulatory provisions and, as the case may be, with contractual

stipulations providing for other cases of adjustment, the terms and conditions governing the protection of the rights of holders of securities granting access, in the future, to a portion of the Company's share capital;

- confirm the completion of the capital increases, make the related changes to the Articles of Incorporation, and accomplish any required public disclosure formalities; and
  - generally, take any useful measures, complete all formalities, and enter into any agreements in order to successfully complete the planned issuances;
9. Decides that this delegation terminates the delegation granted under the 15th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of authority granted to the Board of Directors for the purpose of increasing the number of securities to be issued in the event of a capital increase with or without preferential subscription rights, within a limit not to exceed 15% of the amount of the initial issuance (delegation to be used outside the context of a public tender offer) (resolution 23)**

In the event that the amount requested for subscription in the context of the capital increases provided for under the terms of the 19th, 20th, 21th, and 22th resolutions exceeds the amount available for subscription, the 23th Resolution allows for an increase in the number of securities to be issued, in compliance with applicable statutory thresholds and conditions or, in other words, within a limit not to exceed 15% of the initial issuance and at the same price as that retained for this issuance, while in compliance with the cap amounts set under the terms of the 20th, 21th, and 22th resolutions of this Shareholders' Meeting and the aggregate cap amount set under the terms of the 19th resolution of this Shareholders' Meeting.

Given the volatility, among other factors, of current market conditions, the Board of Directors believes that it is necessary to renew this authorization, which allows for the exercise of over-allotment options, a standard mechanism compliant with market practices.

The issuances can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period.

This delegation would terminate the delegation of authority granted under the 16th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, which to this day has not yet been used.

**Twenty-third 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 issuance (delegation to be used outside the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding to increase the number of securities to be issued, for each of the issuances carried out pursuant to the 19th, 20th, 21th and 22th resolutions of this Shareholders' Meeting, within 30 days of the subscription closing date, by no more

than 15% of the initial issuance, and at the same price as that retained for the initial issuance;

2. Decides that these capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period;
3. Decides that the nominal maximum amount of capital increases that could potentially be carried out pursuant to this delegation will be deducted from the cap amounts set under the terms of the 20th, 21th, and 22th resolutions of this Shareholders' Meeting, as well as from the €214 million aggregate nominal cap amount set under the terms of the 19th Resolution of this Shareholders' Meeting;
4. Decides that this resolution terminates the authorization granted under the 16th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of power granted to the Board of Directors for the purpose of increasing the share capital by an amount not to exceed €43 million in order to compensate contributions in kind granted to the Company (delegation to be used outside the context of a public tender offer) (resolution 24)**

The purpose of the 24th resolution is to delegate the necessary powers to the Board of Directors, for a 26-month term, to allow it to decide, within a limit not to exceed 10% of the Company's share capital, on the issuance of ordinary shares or securities granting access to the Company's share capital, for the purpose of compensating contributions in kind granted to the Company and comprised of capital securities or securities granting access to the share capital (excluding cases of public exchange offer provided in the 21th resolution). This delegation would enable the Company to acquire equity in companies that are not publicly traded. These acquisitions could then be financed in shares, either entirely or in part, instead of through debt. As such, the Board of Directors could decide to increase the share capital in exchange for the contribution of shares or securities to the Company.

The issuance of ordinary shares or securities granting access to the Company's share capital would be carried out without shareholders' preferential subscription rights.

In the context of this delegation, capital increases would remain limited to 10% of the share capital and, in the event that this delegation is used, the Board of Directors would be required to approve the report of a *Commissaire aux apports* (French capital contributions auditor) under the conditions provided for by law.

These capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period.

The maximum amount of the capital increase discussed in this resolution would not be independent from other capital increases, and instead would be deducted from each of the cap amounts set under the terms of the 19th, 20th, and 21th resolutions of this Shareholders' Meeting.

This authorization would be valid for a 26-month term.

This delegation would terminate the delegation of authority granted under the 17th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, which to this day has not yet been used.

**Twenty-fourth resolution**

***Delegation of power granted to the Board of Directors for a 26-month term, for the purpose of increasing the share capital by a nominal amount of €43 million in order to compensate contributions in kind granted to the Company and comprised of capital securities or securities granting access to the share capital (delegation to be used outside the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read the report of the Board of Directors:

1. Pursuant to the provisions of Article L. 225-147 of the French Commercial Code, delegates the necessary powers to the Board of Directors in order to increase the share capital, based on the report of the *Commissaire aux apports* (French capital contributions auditor(s)), via the issuance of ordinary Company shares and securities granting access to Company shares, within a limit not to exceed 10% of the share capital, for the purpose of compensating contributions in kind granted to the Company and comprised of capital securities or securities granting access to the share capital, whenever the provisions of Article L. 225-148 of the French Commercial Code do not apply;
2. Decides that these capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period;
3. Decides that the maximum nominal amount of capital increases that could be carried out pursuant to this delegation will be deducted from the capital increase cap amount of €43 million set under the terms of the 21th Resolution of this Shareholders' Meeting, from the

capital increase cap of €64 million set under the terms of the 20th Resolution of this Shareholders' Meeting, as well as from the maximum capital increase cap of €214 million set under the terms of the 19th Resolution of this Shareholders' Meeting;

4. Decides that the Board of Directors will benefit from all the necessary powers to implement this delegation, especially in order to:
  - set all the terms and conditions of the authorized transactions and, in particular, assess the contributions as well as the grant of specific benefits, as the case may be;
  - set the number of securities to be issued as compensation for the contributions, as well as the benefit date of the securities to be issued;
  - deduct, as the case may be, any amount from the contribution premium(s) and, in particular, amounts associated with expenses incurred in connection with the execution of the issuances;
  - confirm the completion of the capital increases and make any corresponding changes to the Articles of Incorporation;
  - generally, take any useful measures and enter into any agreements; and
  - complete all formalities required in connection with the admission of the issued shares to trading on the stock market, and complete all necessary public disclosure formalities;
5. Decides that this resolution terminates the authorization granted under the 17th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**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 (resolution to be used outside the context of a public tender offer) (resolution 25)**

The purpose of the 25th resolution is to renew the delegation of authority granted to the Board of Directors pursuant to the 18th resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, which so far has not yet been used, in order to enable it to increase the share capital, in one or more installments, at the times and under the terms and conditions it shall determine, *via* the capitalization of reserves, profits, issuance premiums, or other sums eligible for capitalization, *via* the issuance and grant of free shares, and/or *via* an increase in the nominal value of existing ordinary shares, within a limit not to exceed a nominal amount of €214 million (or a maximum increase of 50% of the current share capital amount).

These capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period.

The maximum amount of the capital increase discussed in this resolution would be deducted from the aggregate capital increase cap set under the terms of the 19th resolution of this Shareholders' Meeting.

The renewal of this authorization aims to allow for an increase in the Company's share capital *via* a simple transfer of reserves, profits, or premiums, or other sums eligible for capitalization, to the "Share Capital" account. These transactions do not change the value of the Company, do not affect the rights of shareholders, and can, in particular, allow for a proportionately fairer relationship between the nominal value of the share and its market value.

**Twenty-fifth resolution**

***Delegation of authority granted to the Board of Directors for a 26-month term, 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)***

The Extraordinary Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at ordinary Shareholders' meetings, having read the report of the Board of Directors, and in accordance with the provisions of Articles L. 225-129 et seq. and L. 225-130 of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, to decide to increase the share capital, in one or more installments, *via* the capitalization of reserves, profits, issuance premiums or other amounts eligible for capitalization, through the issuance and grant of newly-created free shares, an increase in the nominal value of the shares, or a combination of these two methods;
2. Decides that these capital increase transactions can be carried out at any time, except in the case of a takeover bid launched by a third party for the Company's securities for the duration of such offer period;
3. Decides that the total nominal amount of the capital increases that could potentially be carried out pursuant to the terms of this delegation is set at €214 million, it being specified that this amount would be deducted from the €214 million maximum capital increase cap amount set under the terms of the 19th Resolution of this Shareholders' Meeting.
4. Decides that in the event a grant of newly created shares, the Board of Directors may decide that fractional rights

will not be negotiable and that the corresponding shares will be sold, it being specified that the proceeds from the sale would be allocated to the rights holders as provided for by law;

5. Grants all powers to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, to implement this delegation and, in particular, to set the terms and conditions of the authorized transactions, set the amount and type of the sums to be capitalized, set the number of shares to be issued or the amount by which the nominal value of the shares will be increased, set the retrospective or future date from which the new shares will be entitled to benefits or the date on which the increase in nominal value will be effective, at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts necessary for the allocation to the legal reserve, carry out any necessary adjustments aimed at taking into account the impact of transactions on the Company's share capital, confirm the completion of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, enter into all agreements, especially in order to ensure the successful completion of the planned transaction(s) and, generally, do all that is necessary;
6. Decides that this delegation terminates the delegation granted under the 18th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of authority granted to the Board of Directors for the purpose of issuing shares / and securities, while maintaining preferential subscription rights for shareholders (delegation to be used within the context of a public tender offer) (resolution 26)**

This resolution invites you to delegate your authority to the Board of Directors for a new 26-month period, in order to carry out one or more capital increases with preferential subscription rights, *via* the issuance of ordinary Company shares /and securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities /and securities granting access to Company capital securities to be issued in the future.

The purpose of the 26th resolution is to renew the delegation of authority granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of May 16, 2017 in its 19th resolution, which so far has not been used.

The total amount of capital increases that could be carried out immediately or in the future cannot exceed a nominal value of €107 million (or a maximum 25% increase in the current share capital amount). This amount will be deducted from the overall cap set under the terms of the 19th resolution of this Shareholders' Meeting.

In the event of the issuance of securities representing debt securities and granting access to capital securities to be issued in the future, the aggregate nominal value of these debt securities cannot exceed €1 billion.

These issuances can be carried out at any time during the offer period in the case of a takeover bid launched by a third party for the Company's securities.

**Twenty-sixth resolution**

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt 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)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq. and L. 228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding on the issuance, in France and/or internationally, in one or several installments, and in the amounts and at the times it shall determine:
  - (i) of ordinary Company shares;
  - (ii) of securities, including debt securities, granting access to Company capital securities to be issued in the future; and
  - (iii) of securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities;

of any type whatsoever, free of charge or not, it being specified that the subscription of shares and other securities can be carried out either in cash or in consideration of certain, liquid, and payable debt claims;
2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;
3. Decides that these capital increase transactions can be carried out at any time during the offer period;
4. Decides that:
  - (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €107 million, it being specified that (i) this amount will be deducted from the aggregate nominal cap equal to €214 million set under the terms of the 19th Resolution of this Shareholders' Meeting, and that (ii) this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;
  - (b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case of an issuance in a foreign currency or unit of account established by reference to several currencies, it being specified that this amount is independent and separate from the amount of the debt securities discussed in Article L. 228-40 and Paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;
5. Decides that, proportionately to the amount of shares they hold, shareholders will benefit from a preferential subscription right to the securities that could be issued pursuant to this delegation;

6. Decides that the Board of Directors will set the conditions and limits under which shareholders will be able to exercise their right to subscribe their firm entitlements (*à titre irréductible*) and may, for the benefit of shareholders, create additional subscription entitlements (*à titre réductible*), which they can exercise proportionately to the subscription rights they hold and, in any event, within the limits of the amount they wish to subscribe;
7. Decides that if the firm subscription entitlements and, as the case may be, additional subscription entitlements, have not absorbed the entire issuance, the Board of Directors may use one and/or the other of the mechanisms below, in accordance with applicable law and in the order that it shall consider appropriate:
  - limit the issuance to the amount of subscriptions under the condition that such subscription amount reaches no less than three quarters of the planned issuance;
  - freely allocate all or part of the unsubscribed securities;
  - offer to the public, in France or abroad, all or part of the unsubscribed shares;
8. Acknowledges that, ipso jure, for the benefit of holders of securities that may be issued and that grant access to the Company's share capital, this delegation implies that the shareholders must waive their preferential subscription rights to the new shares to which these securities give rights;
9. Decides that the issuances of Company share warrants that could be carried out in the context of this delegation can take place either *via* a subscription in cash or also *via* a free allocation to owners of previously issued shares, it being specified that the Board of Directors will be able to decide whether the fractional rights will be negotiable and whether the corresponding securities will be sold;
10. Decides that the amount the Company will or should receive for each of the shares issued in the context of this delegation will at least be equal to the nominal value of the share as of the issuance date of said securities;
11. Grants all powers to the Board of Directors, with the power to subdelegate under the conditions set by law, to implement this delegation and, in particular, to set the issuance terms and conditions, the nature and characteristics of the securities issued, the terms and conditions of allocation of the capital securities to which these securities grant a right, as well as the dates upon which the allocation rights may be exercised, to decide not to take into account treasury shares for the purpose of determining preferential subscription rights attached to the other shares; at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the impact of transactions on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements in order to, in particular, successfully complete all of the planned issuances and, generally, do all that is necessary;
12. Decides that this delegation supersedes the delegation granted by the Ordinary and Extraordinary General Meeting dated May 16, 2017 in its 19th resolution.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**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 priority subscription period (delegation to be used within the context of a public tender offer) (resolution 27)**

The Board of Directors' policy is, in the event that a capital increase is planned, to favor a traditional capital increase maintaining shareholders' preferential subscription rights (resolution 26th - to be used in the context of a public tender offer). However, in certain specific circumstances, the withdrawal of shareholders' preferential subscription rights may prove to be necessary.

Indeed, the withdrawal of preferential subscription rights may be preferable in order to carry out an issuance of securities under the best possible conditions, particularly when the speed of the transactions constitutes a key condition for success. The withdrawal of this right in the context of a public offering also facilitates the Company's access to capital markets due to more favorable market conditions.

In the event that the Board of Directors decides to proceed with a capital increase without preferential subscription rights for shareholders, it intends to enable the involvement of shareholders in such capital increase by granting them a mandatory priority subscription period, exercisable in proportion to the number of shares held by each shareholder. Therefore, in the 27th resolution, you are invited to delegate your authority to the Board of Directors for a new 26-month period, in order to carry out one or more capital increases through the issuance of ordinary Company shares and securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of Company debt securities.

The total amount of capital increases that could be carried out immediately or in the future in connection with this delegation cannot exceed a nominal amount of €32 million (or a maximum 7.5% increase in the current share capital amount). This maximum amount will be deducted from the respective caps set under the terms of the 19th, 20th and 26th resolutions of this Shareholders' Meeting.

These capital increase transactions can be carried out at any time during the offer period in the case of a takeover bid launched by a third party for the Company's securities.

In the event of the issuance of securities representing debt securities and granting access to capital securities to be issued in the future (such as bonds convertible to Air France-KLM shares), the aggregate nominal value of these debt securities cannot exceed €1 billion.

The issuance price of the shares would be at least equal to the lowest price authorized under applicable regulations or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which such price was set, minus a maximum 5% discount, as the case may be.

The purpose of the 27th resolution is to renew the delegation of authority granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of May 16, 2017 in its 20th resolution, which so far has not been used.

**Twenty-seventh resolution**

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, via a public offering and, although without shareholders' preferential subscription rights, with a mandatory subscription period, within a limit not to exceed a nominal amount of €32 million (delegation to be used within the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq., L. 225-135, L. 225-136, and L. 228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided

for by law, for the purpose of deciding on the issuance, via a public offering in France and/or internationally, in one or several installments, and in the amounts and at the times it shall determine:

- (i) of ordinary Company shares; and
- (ii) of securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities;

of any type whatsoever, free of charge or not, it being specified that the subscription of shares and other securities can be carried out either in cash or in consideration of certain, liquid, and payable debt claims;

2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;
3. Decides that these capital increase transactions can be carried out at any time during the offer period;

4. Decides that:
- (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €32 million, it being specified that:
    - (i) this amount will be deducted from the aggregate nominal cap of €107 million set under the terms of the 26th Resolution of this Shareholders' Meeting, from the €64 million nominal capital increase cap set under the terms of the 20th resolution of this Shareholders' Meeting and from the €214 million nominal capital increase cap set under the terms of the 19th resolution of this Shareholders' Meeting;
    - (ii) this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;
  - (b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case of an issuance in a foreign currency or unit of account established by reference to several currencies, it being specified that:
    - (i) this amount will be deducted from the aggregate nominal cap of €1 billion set under the terms of the 26th resolution of this Shareholders' Meeting, and;
    - (ii) this amount is independent and separate from the amount of the debt securities discussed in Article L. 228-40 and Paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;
5. Decides to withdraw shareholders' preferential subscription rights to the shares and securities that could potentially be issued pursuant to this delegation;
6. Acknowledges that this delegation implies ipso jure that the shareholders must waive their preferential subscription rights to the shares to which the securities that may be issued pursuant to this delegation grant a right;
7. Decides to grant shareholders a mandatory priority subscription period, not giving rise to the creation of negotiable rights, and exercisable in proportion to the number of shares held by each shareholder and, as the case may be, with respect to additional subscription entitlements and, therefore delegates to the Board of Directors the power to set the duration and the terms and conditions of such period in accordance with legal and regulatory provisions;
8. Decides that (subject to resolution 33):
- the issuance price of the shares will be at least equal to the lowest price authorized under applicable regulations on the issuance date or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which the issuance price was set, to which a maximum 5% discount could be applied, after this amount is corrected, as the case may be, in order to take into account the difference in benefit dates;
  - the issuance price of the other securities will be such that the amount immediately received by the Company plus, as the case may be, the amount that could be immediately received by the Company is, for each share issued as a result of the issuance of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;
9. Decides that if the amount subscribed has not absorbed the entire issuance, the Board of Directors may use one and/or the other of the mechanisms below, in accordance with applicable law and in the order that it shall consider appropriate:
- limit the issuance to the amount of subscriptions under the condition that such subscription amount reaches no less than three quarters of the planned issuance;
  - freely allocate all or part of the unsubscribed securities;
  - offer to the public, in France or abroad, all or part of the unsubscribed shares;
10. Grants all powers to the Board of Directors, with the power to subdelegate under the conditions set by law, to implement this delegation and, in particular, to set the issuance terms and conditions, the nature and characteristics of the securities issued, the terms and conditions of allocation of the capital securities to which these securities grant a right, as well as the dates upon which the allocation rights may be exercised, at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the impact of transactions on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements in order to, in particular, successfully complete all of the planned issuances and, generally, do all that is necessary;
11. Decides that this delegation supersedes the delegation granted by the Ordinary and Extraordinary General Meeting dated May 16, 2017 in its 20th resolution.
- This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.



**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 but with an optional priority subscription period (delegation to be used within the context of a public tender offer) (resolution 28)**

In an extremely volatile stock market, it is important to have flexibility because the speed at which the implementation of a market transaction takes place may be a key factor in its success. That is the reason why the Board of Directors invites you to delegate your authority in order to enable it to: (i) proceed with the issuance of securities granting access to Company capital securities to be issued in the future and (ii) authorize those companies in which it holds, either directly or indirectly, more than half of the share capital, to issue any and all securities granting access, by any means, to the allocation of Company capital securities, without preferential subscription rights by way of a public offering.

In addition, in this case, if circumstances so permit, the Board of Directors will be able to implement a priority subscription period for the benefit of existing shareholders.

The capital increases without preferential subscription rights that may be carried out pursuant to this resolution will authorize the issuances by Air France-KLM or its subsidiaries of capital securities and securities granting access to ordinary Company shares to be issued in the future and to issuances of ordinary shares within the framework of public exchange offers initiated by the Company.

These capital increase transactions can be carried out at any time during the offer period in the case of a takeover bid launched by a third party for the Company's securities.

The total amount of capital increases that could be carried out immediately or in the future cannot exceed a nominal amount of €21 million (or a maximum 5% increase in the current share capital amount). This maximum amount will be deducted from the cap set under the terms of the 27th Resolution of this Shareholder's Meeting and from each of the caps set under the terms of the 26th, 21th and 19th resolutions Shareholders' Meeting.

In the event of the issuance of securities representing debt securities and granting access to Company capital securities, the aggregate nominal value of these debt securities cannot exceed €1 billion. This maximum amount will be deducted from the €1 billion cap set under the terms of the 26th Resolution of this Shareholders' Meeting.

The issuance price of the shares would be at least equal to the lowest price authorized under applicable regulations or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which such price was set, minus a maximum 5% discount, as the case may be.

The purpose of the 28th resolution is to renew the delegation of authority granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of May 16, 2017 in its 21st resolution, which so far has not been used.

**Twenty-eighth resolution**

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing securities granting access to Company capital securities to be issued in the future, and for the purpose of authorizing the issuance of any securities granting access, by any means available, to the allocation of Company capital securities by those companies in which the Company has, either directly or indirectly, more than a 50% equity stake, via 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 €21 million (delegation to be used within the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq., L. 225-135, L. 225-136, and L. 228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding on or, as the case

may be, authorizing the issuance, *via* a public offering in France and/or internationally, in one or several installments, and in the amounts and at the times it shall determine:

- (i) of capital securities;
- (ii) of securities, including debt securities, granting access to Company capital securities to be issued in the future; and
- (iii) of any and all securities granting access, by any means, to the allocation of Company capital securities by those companies of which the Company holds directly or indirectly more than half of the share capital;

of any type whatsoever, free of charge or not, it being specified that the subscription of shares and other securities can be carried out either in cash or in consideration of certain, liquid, and payable debt claims.

2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;
3. Decides that these capital increase transactions can be carried out at any time during the offer period;

4. Decides that:
  - (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €21 million, it being specified that:
    - (i) this amount will be deducted from the nominal capital increase cap of €32 million set pursuant to the 27th resolution of this Shareholders' Meeting, from the aggregate nominal cap of €107million set pursuant to the 26th resolution of this Shareholders' Meeting, from the nominal capital increase cap of €43 million set pursuant to the 21th Resolution of this Shareholders' Meeting; and from the €214million nominal capital increase cap set under the terms of the 19th resolution of this Shareholders' Meeting; and
    - (ii) this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;
  - (b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case of an issuance in a foreign currency or unit of account established by reference to several currencies, it being specified that:
    - (i) this amount will be deducted from the aggregate nominal cap of €1 billion set under the terms of the 19th Resolution of this Shareholders' Meeting;
    - (ii) this amount is independent and separate from the amount of the debt securities discussed in Article L. 228-40 and Paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;
5. Decides to withdraw shareholders' preferential subscription rights to the shares and securities that will be issued pursuant to this delegation;
6. Acknowledges that this delegation implies ipso jure that the shareholders must waive their preferential subscription rights to the shares to which the securities that may be issued pursuant to this delegation grant a right;
7. Decides that the Board of Directors will have the ability to implement, for the benefit of shareholders, a mandatory priority subscription period, not giving rise to the creation of negotiable rights, and exercisable in proportion to the number of shares held by each shareholder and, as the case may be, with respect to additional subscription entitlements and, therefore delegates to the Board of Directors the power to set the duration and the terms and conditions of such period in accordance with legal and regulatory provisions;
8. Decides that (subject to resolution 33):
  - the issuance price of the shares will be at least equal to the lowest price authorized under applicable regulations on the issuance date or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which the issuance price was set, to which a maximum 5% discount could be applied, after this amount is corrected, as the case may be, in order to take into account the difference in benefit dates;
  - the issuance price of the other securities will be such that the amount immediately received by the Company plus, as the case may be, the amount that could be immediately received by the Company is, for each share issued as result of the issuance of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;
9. Decides that, within the limit of the aggregate nominal value of capital increases authorized under paragraph 4.a) above, the Board of Directors will be able to issue ordinary Company shares and/or securities granting access, either immediately or at a later date, to Company shares to be issued in the future, in consideration of securities contributed to a public exchange offer initiated by the Company, according to the terms and under the conditions set forth by Article L. 225-148 of the French Commercial Code;
10. Decides that if the amount subscribed has not absorbed the entire issuance, the Board of Directors may use one and/or the other of the mechanisms below, in accordance with applicable law and in the order that it shall consider appropriate:
  - limit the issuance to the amount of subscriptions under the condition that such subscription amount reaches no less than three quarters of the planned issuance;
  - freely allocate all or part of the unsubscribed securities;
  - offer to the public, in France or abroad, all or part of the unsubscribed shares;
11. Grants all powers to the Board of Directors, with the power to subdelegate under the conditions set by law, to implement this delegation and, in particular, to set the issuance terms and conditions, the nature and characteristics of the securities issued, the terms and conditions of allocation of the capital securities to which these securities grant a right, as well as the dates upon which the allocation rights may be exercised, at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the impact of transactions on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements in order to, in particular, successfully complete all of the planned issuances and, generally, do all that is necessary;
12. Decides that this delegation supersedes the delegation granted by the Ordinary and Extraordinary General Meeting dated May 16, 2017 in its 21st resolution.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of authority granted to the Board of Directors for the purpose of issuing shares / securities without preferential subscription rights, and by way of a private placement as described in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code (delegation to be used within the context of a public tender offer) (resolution 29)**

The purpose of the 29th resolution is to delegate the authority to the Board of Directors, for a 26-month term, in order to carry out, in one or more installments, without shareholder preferential subscription rights, by way of a private placement as described in Article L. 411-2 of the French Monetary and Financial Code, the issuance of ordinary Company shares and securities that are capital securities granting access to other Company capital securities, or granting the right to the allocation of debt securities and securities granting access to Company capital securities to be issued in the future.

The issuance would be carried out for the benefit of persons or entities providing portfolio management investment services for third parties, qualified investors, and/or a limited amount of investors, provided the latter are acting on their own behalf.

This delegation would provide more flexibility to the Company as regards its market access, by enabling it to, in particular, gain quick access to such aforementioned categories of investors. This flexibility is intended to enable the Company to execute an investment under the most favorable conditions, especially in circumstances where the speed of execution is a key condition in the transaction's ultimate success.

The total amount of capital increases that could be carried out immediately or in the future in connection with this delegation cannot exceed a nominal amount of €21 million (or a maximum 5% increase in the current share capital amount). This maximum amount will be deducted from the cap set under the terms of the 28st Resolution of this Shareholders' Meeting, as well as from each of the cap amounts set under the terms of the 27th, 26th, 22th and 19th resolutions of this Shareholders' Meeting.

The issuances can be carried out at any time during the offer period in the case of a takeover bid launched by a third party for the Company's securities.

In the event of the issuance of securities representing debt securities and granting access to Company capital securities, the aggregate nominal value of these debt securities cannot exceed €1 billion. This maximum amount will be deducted from the €1 billion cap set under the terms of the 26th Resolution of this Shareholders' Meeting.

The issuance price of the shares would be at least equal to the lowest price authorized under applicable regulations or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which such price was set, minus a maximum 5% discount, as the case may be.

The purpose of the 29th resolution is to renew the delegation of authority granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of May 16, 2017 in its 22st resolution, which so far has not been used.

**Twenty-ninth resolution**

***Delegation of authority granted to the Board of Directors for a 26-month term, for the purpose of issuing ordinary Company shares /and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, without shareholders' preferential subscription rights, by way of a private placement as described in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code, and within a limit not to exceed a nominal amount of €21 million (delegation to be used within the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, and L. 228-91 to L. 228-93 of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding on the issuance, in one or several installments, in the amounts and at the times it shall determine, in France and/or internationally,

in Euros, foreign currencies or a unit of account established by reference to several currencies, without preferential subscription rights, and by way of a private placement as described in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code:

- (i) of ordinary Company shares;
- (ii) of securities, including debt securities, granting access to Company capital securities to be issued in the future; and
- (iii) of securities that are capital securities granting access to other Company capital securities or granting the right to the allocation of debt securities;

of any type whatsoever, free of charge or not, it being specified that the subscription can be carried out either in cash or in consideration of certain, liquid, and payable debt claims;

2. Decides that any issuance of preferential shares and securities granting access to preferential securities is expressly excluded;
3. Decides that these capital increase transactions can be carried out at any time during the offer period;

4. Decides that:
- (a) the maximum nominal amount of the capital increases that could be carried out pursuant to this delegation cannot exceed an aggregate nominal amount of €20.9 million, it being specified that:
    - (i) this amount will be deducted from the €21 million nominal capital increase cap set under the terms of the 28th resolution of this Shareholders' Meeting, from the €32 million nominal capital increase cap set under the terms of the 27th resolution of this Shareholders' Meeting, from the €107 million nominal capital increase cap set under the terms of the 26th resolution of this Shareholders' Meeting, as well as from the €43 million nominal capital increase cap set under the terms of the 22th resolution of this Shareholders' Meeting and from the €214 million nominal capital increase cap set under the terms of the 19th resolution of this Shareholders' Meeting;
    - (ii) this aggregate nominal amount does not take into account the adjustments that could potentially be applied in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other adjustment cases, in order to protect the rights of holders of securities or other rights granting access to the share capital;
  - (b) the maximum nominal value of the securities representing debt securities that could potentially be issued pursuant to this delegation cannot exceed €1 billion or the equivalent value thereof in the case of an issuance in a foreign currency or unit of account established by reference to several currencies, it being specified that:
    - (i) this amount will be deducted from the aggregate nominal cap of €1 billion set under the terms of the 19th resolution of this Shareholders' Meeting; and
    - (ii) this amount is independent and separate from the amount of the debt securities discussed in Article L. 228-40 and Paragraph 3 of Article L. 228-92 of the French Commercial Code, the issuance of which would be decided on or authorized by the Board of Directors, in accordance with the provisions of the Articles of Incorporation or Article L. 228-40 of the French Commercial Code;
5. Decides to withdraw shareholders' preferential subscription rights to the shares and securities that will be issued pursuant to this delegation;
6. Acknowledges that this delegation implies ipso jure that the shareholders must waive their preferential subscription rights to the shares to which the securities that may be issued pursuant to this delegation grant a right;
7. Decides that (subject to resolution 33):
- the issuance price of the shares will be at least equal to the lowest price authorized under applicable regulations on the issuance date or, currently, the volume-weighted average price of the share over the course of the last three stock market trading sessions preceding the date on which the issuance price was set, to which a maximum 5% discount could be applied, after this amount is corrected, as the case may be, in order to take into account the difference in benefit dates;
  - the issuance price of the securities granting access to the share capital of the Company will be such that the amount immediately received by the Company plus, as the case may be, the amount that could be received by the Company at a later date is, for each share issued as result of the issuance of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;
8. Decides that the Board of Directors will have all powers, with the ability to subdelegate under the conditions provided for by law, for the purpose of implementing this delegation and, in particular, in order to:
- set the dates and the terms and conditions of the issuances, the subscription price, the characteristics of and method of payment for the securities to be issued immediately or in the future, as the case may be, the conditions governing their buyback or exchange, as well as the conditions under which they will grant the right to shares of the Company or one of its subsidiaries, to be issued;
  - in particular, decide on whether the securities representing debt securities are subordinated or not, set their reimbursement method and price, which can be fixed or variable and with or without a premium, set their term as fixed or open-ended, their interest rate in addition to, as the case may be, the terms and conditions applicable to the subordination of their principal and/or interest amounts and their priority ranking, as well as their amortization conditions and methods;
  - set the benefit date of the shares to be issued, including retroactively, as the case may be;
  - set, in compliance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, the terms and conditions governing the protection of the rights of holders of securities granting access, in the future, to a portion of the Company's share capital;
  - confirm the completion of the capital increases, make the related changes to the Articles of Incorporation, and accomplish any required public disclosure formalities; and
  - generally, take any useful measures, complete all formalities, and enter into any agreements in order to successfully complete the planned issuances;
9. Decides that this delegation supersedes the delegation granted by the Ordinary and Extraordinary General Meeting dated May 16, 2017 in its 22nd resolution.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of authority granted to the Board of Directors for the purpose of increasing the number of securities to be issued in the event of a capital increase with or without preferential subscription rights, within a limit not to exceed 15% of the amount of the initial issuance (delegation to be used within the context of a public tender offer) (resolution 30)**

In the event that the amount requested for subscription in the context of the capital increases provided for under the terms of the 26th, 27th, 28th, and 29th resolutions exceeds the amount available for subscription, the 30th resolution allows for an increase in the number of securities to be issued, in compliance with applicable statutory thresholds and conditions or, in other words, within a limit not to exceed 15% of the initial issuance and at the same price as that retained for this issuance, while in compliance with the cap amounts set under the terms of the 27th, 28th, and 29th resolutions of this Shareholders' Meeting and the aggregate cap amount set under the terms of the 27th resolution of this Shareholders' Meeting as well as with the aggregate cap amount set under the terms of the 19th resolution of this Shareholders' Meeting

Given the volatility, among other factors, of current market conditions, the Board of Directors believes that it is necessary to renew this authorization, which allows for the exercise of over-allotment options, a standard mechanism compliant with market practices.

The issuances can be carried out at any time during the offer period in the case of a takeover bid launched by a third party for the Company's securities.

The purpose of the 30th resolution is to renew the delegation of authority granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of May 16, 2017 in its 23th resolution, which so far has not been used.

### Thirtieth 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 issuance (delegation to be used within the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, for the purpose of deciding to increase the number of securities to be issued, for each of the issuances carried out pursuant to the 26th, 27th, 28th, and 29th resolutions of this Shareholders' Meeting, within 30 days of the subscription closing date, by no

more than 15% of the initial issuance, and at the same price as that retained for the initial issuance;

2. Decides that these capital increase transactions can be carried out at any time during the offer period;
3. Decides that the nominal maximum amount of capital increases that could potentially be carried out pursuant to this delegation will be deducted from the ceilings set under the terms of the 27th, 28th, and 29th resolutions of this Shareholders' Meeting, from the €107 million aggregate nominal cap amount set under the terms of the 26th resolution of this Shareholders' Meeting and from the €214 million nominal capital increase cap set under the terms of the 19th resolution of this Shareholders' Meeting;
4. Decides that this delegation supersedes the delegation granted by the Ordinary and Extraordinary General Meeting dated May 16, 2017 in its 23th resolution.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of power granted to the Board of Directors for the purpose of increasing the share capital by an amount not to exceed €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) (resolution 31)**

The purpose of the 31st resolution is to delegate the necessary powers to the Board of Directors, for a 26-month term, to allow it to decide, within a limit not to exceed 5% of the Company's share capital, on the issuance of ordinary shares or securities granting access to the Company's share capital, for the purpose of compensating contributions in kind granted to your Company and comprised of capital securities or securities granting access to the share capital. This delegation would enable the Company to acquire equity in companies that are not publicly traded. These acquisitions could then be financed in shares, either entirely or in part, instead of through debt. As such, the Board of Directors could decide to increase the share capital in exchange for the contribution of shares or securities to the Company.

The issuance of ordinary shares or securities granting access to the Company's share capital would be carried out without shareholders' preferential subscription rights.

In the context of this delegation, capital increases would remain limited to 5% of the share capital and, in the event that this delegation is used, the Board of Directors would be required to approve the report of a *Commissaire aux apports* (French capital contributions auditor) under the conditions provided for by law.

These capital increase transactions can be carried out at any time during the offer period in the case of a takeover bid launched by a third party for the Company's securities.

The maximum amount of capital increases discussed in this resolution would not be independent from other capital increases, and instead would be deducted from the cap set under the terms of the 24th resolution, as well as from each of the cap amounts set under the terms of the 19th, 26th, 27th, and 28th resolutions of this Shareholders' Meeting.

The purpose of the 31st resolution is to renew the delegation of authority granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of May 16, 2017 in its 24th resolution, which so far has not been used.

This authorization would be valid for a 26-month term.

### Thirty-first resolution

***Delegation of power granted to the Board of Directors for a 26-month term, 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 and comprised of capital securities or securities granting access to the share capital (delegation to be used within the context of a public tender offer)***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read both the report of the Board of Directors:

1. Pursuant to the provisions of Article L. 225-147 of the French Commercial Code, delegates the necessary powers to the Board of Directors in order to increase the share capital, based on the report of the *Commissaire aux apports* (French capital contributions auditor(s)), *via* the issuance of ordinary Company shares and securities granting access to Company shares, within a limit not to exceed 5% of the share capital, for the purpose of compensating contributions in kind granted to the Company and comprised of capital securities or securities granting access to the share capital, whenever the provisions of Article L. 225-148 of the French Commercial Code do not apply;
2. Decides that these capital increase transactions can be carried out at any time during the offer period;
3. Decides that the maximum nominal amount of capital increases that could be carried out pursuant to this delegation will be deducted from the €21 million nominal capital increase cap set under the terms of the 28th resolution of this Shareholders' Meeting, from the €32 million nominal capital increase cap set under the terms of the 27th Resolution of this Shareholders' Meeting, from the €107 million nominal capital increase cap set under

the terms of the 26th resolution of this Shareholders' Meeting, from the €43 million nominal capital increase cap set under the terms of the 24th resolution of this Shareholders' Meeting and from the €214 million nominal capital increase cap set under the terms of the 19th resolution of this Shareholders' Meeting;

4. Decides that the Board of Directors will benefit from all the necessary powers to implement this delegation, especially in order to:
  - set all the terms and conditions of the authorized transactions and, in particular, assess the contributions as well as the grant of specific benefits, as the case may be;
  - set the number of securities to be issued as compensation for the contributions, as well as the benefit date of the securities to be issued;
  - deduct, as the case may be, any amount from the contribution premium(s) and, in particular, amounts associated with expenses incurred in connection with the execution of the issuances;
  - confirm the completion of the capital increases and make any corresponding changes to the Articles of Incorporation; and
  - generally, take any useful measures and enter into any agreements, complete all formalities required in connection with the admission of the issued shares to trading on the stock market, and complete all necessary public disclosure formalities;
5. Decides that this delegation supersedes the delegation granted by the Ordinary and Extraordinary General Meeting dated May 16, 2017 in its 24th resolution.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**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 (delegation to be used within the context of a public tender offer) (resolution 32)**

The purpose of the 32nd resolution is to renew the delegation of authority granted to the Board of Directors pursuant to the 25th resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017, which so far has not yet been used, in order to enable it to increase the share capital, in one or more installments, at the times and under the terms and conditions it shall determine, *via* the capitalization of reserves, profits, issuance premiums, or other sums eligible for capitalization, *via* the issuance and grant of free shares, and/or *via* an increase in the nominal value of existing ordinary shares, within a limit not to exceed a nominal amount of €107 million (or a maximum increase of 25% of the current share capital amount).

These capital increase transactions can be carried out at any time during the offer period in the case of a takeover bid launched by a third party for the Company's securities.

The maximum amount of the capital increase discussed in this resolution would be deducted from each of the capital increase cap amounts set under the terms of the 19th, 25th and 26th resolutions of this Shareholders' Meeting.

The renewal of this authorization aims to allow for an increase in the Company's share capital *via* a simple transfer of reserves, profits, or premiums, or other sums eligible for capitalization, to the "Share Capital" account. These transactions do not change the value of the Company, do not affect the rights of shareholders, and can, in particular, allow for a proportionately fairer relationship between the nominal value of the share and its market value.

**Thirty-second 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)***

The Extraordinary Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at ordinary shareholders' meetings, having read the report of the Board of Directors, and in accordance with the provisions of Articles L. 225-129 et seq. and L. 225-130 of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, to decide to increase the share capital, in one or more installments, *via* the capitalization of reserves, profits, issuance premiums or other amounts eligible for capitalization, through the issuance and grant of newly-created free shares, an increase in the nominal value of the shares, or a combination of these two methods;
2. Decides that these capital increase transactions can be carried out at any time during the offer period;
3. Decides that the total nominal amount of the capital increases that could potentially be carried out pursuant to the terms of this delegation is set at €107 million, it being specified that this amount would be deducted from the €107 million aggregate nominal cap amount set under the terms of the 26th resolution of this Shareholders' Meeting, from the €214 million aggregate nominal cap amount set under the terms of the 25th Resolution of this Shareholders' Meeting and from the €214 million nominal capital increase cap set under the terms of the 19th resolution of this Shareholders' Meeting;

4. Decides that in the event a grant of newly created shares, the Board of Directors may decide that fractional rights will not be negotiable and that the corresponding shares will be sold, it being specified that the proceeds from the sale would be allocated to the rights holders as provided for by law;
5. Grants all powers to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, to implement this delegation and, in particular, to set the terms and conditions of the authorized transactions, set the amount and type of the sums to be capitalized, set the number of shares to be issued or the amount by which the nominal value of the shares will be increased, set the retrospective or future date from which the new shares will be entitled to benefits or the date on which the increase in nominal value will be effective, at its own initiative, deduct the costs of the capital increases from the related premiums and withhold from this amount the amounts necessary for the allocation to the legal reserve, carry out any necessary adjustments aimed at taking into account the impact of transactions on the Company's share capital, confirm the completion of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, enter into all agreements, especially in order to ensure the successful completion of the planned transaction(s) and, generally, do all that is necessary;
6. Decides that this delegation terminates the delegation granted under the 25th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.

This delegation is granted for a 26-month term as from the date of this Shareholders' Meeting.

**Delegation of authority granted to the Board of Directors, for the purpose of determining the issue price of ordinary Company shares and/or Company securities granting access to other Company capital securities and/or granting the right to the allocation of Company debt securities, within a limit not to exceed 10% of the share capital a year in the event of a capital increase without shareholders' preferential subscription rights (resolution 33)**

The purpose of the 33rd resolution is to delegate the necessary powers to the Board of Directors to allow it to decide, within a limit not to exceed 10% of the Company's share capital, to depart from the procedures for setting the issue price laid down in the 20th, 21th, 22th, 27th, 28th and 29th resolutions. This delegation would enable the Company to have more flexibility to determine the issue price in the context of the aforementioned resolutions.

Within a limit not to exceed 10% of the Company's share capital, the Board of Directors may set the issue price, which may not be more than 5% below the lower of the following:

- volume-weighted average price of the share on the Euronext Paris regulated market over the course of the trading day preceding the date on which the issue price is set;
- the volume-weighted average price of the share on the Euronext Paris regulated market over the course of the trading day on which the issue price is set; or
- the last known closing share price before the date on which the issue price is set.

**Thirty-third resolution**

***Delegation of authority granted to the Board of Directors, for the purpose of determining the issue price of ordinary Company shares and/or Company securities granting access to other Company capital securities and/or granting the right to the allocation of Company debt securities, within a limit not to exceed 10% of the share capital a year in the event of a capital increase without shareholders' preemptive subscription rights***

The shareholders at the General Meeting, having reviewed the report of the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular the second subparagraph, paragraph 1 of Article L. 225-136, for each of the issues decided upon pursuant to 20th, 21th, 22th, 27th, 28th and 29th resolutions above, authorise the Board of Directors, with the ability to subdelegate, and within the conditions laid down in law and in the Company's Articles of Incorporation, to depart from the procedures for setting the issue price laid down in the aforementioned resolutions and to set the issue price as follows:

- the issue price of ordinary shares shall be at least equal to the lower of the following: (i) the volume-weighted average price of the Company share on the Euronext Paris regulated

market over the course of the trading day preceding the date on which the issue price is set, (ii) the volume-weighted average price of the Company share on the Euronext Paris regulated market over the course of the trading day on which the issue price is set, or (iii) the last known closing Company share price before the date on which the issue price is set, less, in each of these three cases, a maximum discount of 5%; or

- the issue price of securities granting access to share capital shall be such that the amount immediately received by the Company, plus any amount likely to be received by it at a later date, shall, for each ordinary share issued as a result of the issuance of those securities, be at least equal to the amount laid down in the paragraph above.

At the date of each issue, the total number of shares and securities issued pursuant to this resolution during the 12 months preceding such issue shall not exceed 10% of shares comprising the Company's share capital at that date.

The shareholders at the General Meeting agree that the Board of Directors shall have all powers to implement this resolution under the terms laid down in the resolution under which the initial issue is decided upon.



### **Authorization to allocate free existing shares, subject to performance conditions (except in case of allocation to all employees), to employees and corporate officers of the Group and of the Group companies (resolution 34)**

The current authorization allowing Air France - KLM to allocate free shares expires in July 2019.

#### *Allotment policy*

The Board of Directors submits to you a proposal to authorize, for a period of 38 months, to allocate free shares, subject to performance conditions, to employees and Executive Directors (*dirigeants mandataires sociaux*) of the Group companies. These allocations would pursue the following aims:

- allow a broad allocation of shares to employees of the Group (holding an employment contract under French law or holding an employment contract under Dutch law) in order to associate them to the results of the Strategic Plan and strengthen adherence to the Group;
- associate certain employees and executives with the Group's long-term performance, thus aligning their interests with those of the shareholders and supplement the existing compensation and employee loyalty mechanisms.

The allocated free shares would be existing shares of the Company.

Any allocation of free shares will be decided by the Board of Directors upon the proposals of the Remuneration Committee. Each year, the Registration Document will report on the allocations decided by the Board and the level of achievement of the performance conditions.

In the event of an allocation to all employees of the Company and/or other Group companies, the Board of Directors may decide that the allocation is not subject to performance conditions.

#### *Maximum amounts*

The maximum number of free shares to be allocated would not exceed 2.5% of the share capital as of the date where the Board of Directors decides to allocate the shares, it being specified that the number of free shares allocated during a single financial year would not exceed 1% of the share capital as of the date where the Board of Directors decides to allocate the shares.

The number of shares that may be allocated to the Company's corporate officers may not represent more than 10% of the total number of shares that may be allocated on the basis of this resolution.

#### *Vesting and conservation periods*

The allocation of shares to their beneficiaries would become definitive at the end of a minimum vesting period of 3 years, the Board of Directors may also set an obligation for the beneficiaries to hold the shares as from the vesting of the said shares.

In the event of an allocation to all employees of the Company and/or other Group companies, the minimum vesting period could be (i) one year with a minimum conservation period of one year or (ii) two years without a minimum conservation period.

#### *Performance conditions*

Except in the event of an allocation to all employees of the Company and/or other Group companies, all allocations of shares will be fully subject to demanding performance conditions and compliant with the Group's strategy, such conditions to be set by the Board of Directors.

The performance conditions shall be assessed over at least three financial years.

The final number of vested shares may therefore vary between 0% and 100% of the total number of shares allocated by the Board of Directors.

**For individual allocations of less than 100 shares:** performance will be measured by reference to the increase in an average index relating to flight regularity and punctuality and customer satisfaction (NPS); however, no share would be definitively acquired in the absence of an increase in operating income in absolute terms, regardless of the progress of the NPS.

**For individual allocations of more than 100 shares:** performance will be measured with respect to two indicators, (i) the total shareholder return (TSR) of the Air France-KLM share as compared to the evolution of the same indicator for a European reference panel, (ii) the evolution of the Group's ROCE (return on capital employed) as compared to the evolution of the ROCE of the European reference panel; However, no share will be vested in the event that no increase of the operating result and of the index relating to regularity and punctuality of flights and customers' satisfaction over the related period, regardless of the progress of the TSR and ROCE.

#### Presence condition

Once the performance conditions met, the final vesting will be subject to the condition that the beneficiary will still be part of the Group upon expiry of the vesting period. This condition will be waived in case of death, disability, economic dismissal or retirement of the said beneficiary.

#### Thirty-fourth resolution

**Authorization to be granted to the Board of Directors, to allocate free existing shares, subject to performance conditions (except in case of allocation to all employees,) to employees and corporate officers of the Company and the Group companies, within a limit of 2.5% of the share capital, for a period of 38 months**

In accordance with Articles L. 225-197-1 and seq. of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report:

1. Authorizes the Board of Directors to allocate, either one or several installments, free existing shares, subject to performance conditions;
2. Decides that the beneficiaries may be employees and corporate officers of the Company or companies or group related to it in the meaning of Article L. 225-197-2 of the French Commercial Code or some of them;
3. Decides that the Board of Directors shall determine the identity of the beneficiaries of such allocations, the number of shares allocated to each such beneficiary, as well as the performance conditions for the allocation of shares, it being specified that in the event of a free allocation of shares to all employees of the Company and/or other Group companies, within the meaning of Article 217 quinquies of the General Tax Code or 1<sup>o</sup>) of Article 225-197-6 of the French Commercial Code, the allocation may be made without performance conditions;
4. Decides that the maximum total number of free existing shares allocated under this resolution shall not exceed 2.5% of the share capital as of the date where the Board of Directors decides to allocate the shares, it being specified that the maximum number of free shares allocated during a single fiscal year shall not exceed 1% of the share capital as of the date where the Board of Directors decides to allocate the shares;
5. Decides that the number of shares that may be allocated to the Company's corporate officers may not represent more than 10% of the total number of shares that may be allocated on the basis of this resolution;
6. Decides that these shares will only vest at the end of a vesting period of three years, the Board of Directors may also set an obligation for the beneficiaries to hold the shares as from the vesting of the said shares, it being specified that the shares shall be deemed vested prior to the end of the vesting period where the beneficiaries suffer a disability mentioned in Article L. 225-197-1 of the French Commercial Code and that such shares shall be freely transferable where the beneficiaries suffer a disability mentioned in Article L. 225-197-1 of the French Commercial Code, or any equivalent in foreign legislation. In the event of an allocation to all employees of the Company and/or other Group companies, the minimum vesting period could be (i) one year with a minimum conservation requirement of one year or (ii) two years without a minimum conservation period;
7. Grants all powers to the Board of Directors, with the option to sub-delegate under applicable legal conditions, to implement the authorization, to determine the identity of the beneficiaries of such allocations and the number of shares to be allocated to each beneficiary, to determine the conditions for the allocation of shares, to complete all acts, formalities and declarations, to adjust, where applicable, the number of free shares that may be allocated as a result of transactions over the share capital of the Company, in order to preserve the rights of the beneficiaries, (it being specified that the shares allocated in accordance with these adjustments shall be considered to have been allocated on the same day as the shares initially allocated), to provide if necessary for acquisition and holding periods in excess of the minimum periods set forth above;
8. Decides that this authorization terminates the authorization granted under the 26th Resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting dated May 16, 2017.

This delegation is granted for a 38-month term as from the date of this Shareholders' Meeting.

### Employee access to the share capital (resolution 35)

This resolution complies with the legal requirement, in case of delegation of authority granted to the Board of Directors for the purpose of increasing the share capital, to present a draft resolution to the Shareholders' Meeting, allowing for a new capital increase reserved for employees, in compliance with the applicable legal provisions.

This resolution also allows the involvement of all the employees of the Air France-KLM Group in its development, and seeks to align their interests with those of the company's shareholders

By voting in favor of this resolution, you will give the Board of Directors the option of increasing the share capital, in one or more installments, for the benefit employees who are members of a company savings plan of the Company or companies related to it and who, in addition, satisfy any conditions that may have been set by the Board of Directors.

The total maximum nominal amount of the capital increases that may be carried out pursuant to this authorization cannot be higher than 2% of the Company's existing share capital at the time of each issuance. The issuance price of the shares cannot be higher than the average of the first twenty Euronext Paris stock market trade sessions preceding the date of the Board of Directors decision setting the opening date of the subscription period or lower than this average by more than 30%.

This amount will be deducted from the nominal cap amount set under the terms of the 19th resolution of the Shareholders' Meeting.

This authorization is valid for a 26-month term. It immediately terminates the authorization granted under the terms of the 13th resolution of the Shareholders' Meeting dated May 15, 2018.

As of December 31, 2018, employees held 3.92% of the Company share capital in employee shareholding vehicles (*Fonds Communs de Placement d'Entreprise*). At Shareholders' Meetings, employees exercise their voting rights directly.

### Thirty-fifth 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 of 2% of the share capital***

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and of articles L. 3332-18 et seq. of the French Labor Code:

1. Delegates its authority to the Board of Directors, with the ability to subdelegate under the conditions provided for by law, in order to increase the share capital, in one or more installments, by issuing new shares to be paid in cash and, as the case may be, by granting free shares as a replacement for the discount and/or the employer's contribution and within the limits set forth under the terms of Article L. 3332-21 of the French Labor Code, or other securities granting rights to the share capital under the conditions set by law, reserved for employees participating in a company savings scheme;
2. Decides that the beneficiaries of the hereby authorized share capital increases shall be members of a company or group savings scheme of the Company or of French or foreign companies related to it in the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, it being also specified that such members must, as the case may be, satisfy any conditions set by the Board of Directors, it being specified that the subscription may be carried out through company mutual fund ("*Fonds Communs de Placement d'Entreprise*") or any other entity permitted by applicable legal and regulatory provisions;
3. Decides to waive shareholders' preferential subscription rights for the benefit of the members of said saving schemes;
4. Authorizes the Board of Directors to sell, in one or more installments, the existing shares or other securities granting access to the Company's share capital, acquired by the Company pursuant to the share buyback program authorized under the 18th resolution of this Combined Ordinary and Extraordinary Shareholders' Meeting (or in any subsequent resolution having the same purpose), within the limits set forth in this program, to the members of a Company or group savings scheme of the Company French or foreign companies related to it in the meaning of Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code;
5. Decides that the total maximum nominal amount of share capital increases that may be carried out pursuant to this delegation cannot exceed 2% of the share capital of the Company at the time of each issuance, and that this amount will be deducted from aggregate nominal cap amount set under the terms of the 19th resolution of this Shareholders' Meeting;
6. Decides that the subscription price of the shares reserved for subscription by the beneficiaries referred to above shall be determined on the basis of the average of the opening prices quoted for the share on the Euronext Paris stock market during the twenty trading sessions preceding the date of the Board of Director's decision, or its delegate, setting the opening date of the subscription period, this average may be reduced by a maximum discount of 30%;

7. Decides to grant all powers to the Board of Directors, with the ability to subdelegate in compliance with the limits set forth by law, in order to, in particular:
- (i) set all the terms and conditions of the planned transaction(s) and, in particular:
    - determine the scope of the issuances carried out pursuant to this delegation,
    - set the characteristics of the securities to be issued or sold, determine the amounts to be offered for subscription or sale, set the issuance price, the dates, time periods, the terms and conditions governing the subscription, sale, payment, delivery and benefit entitlement of the securities, in the event of the issue of new shares as part of the discount and/or the employer's contribution, to incorporate into the capital the reserves, profits or share premiums necessary to pay up the said shares and, more generally, all of the terms and conditions applicable to each issuance,
  - based on these decisions, after each capital increase, deduct the costs of the capital increases from the related premiums and withhold the sums necessary from this amount in order to increase the legal reserve to one tenth of the new share capital;
  - (ii) take all actions and complete all formalities in order to successfully complete the capital increase(s);
8. Decides that this resolution terminates the authorization granted to the Board of Directors under the 13th resolution of the Shareholders' Meeting dated May 15, 2018.
- This delegation is valid for a 26-month term.

### **Amendment of Articles 9.2, 9.5, 9.6.1, 9.6.2, 10, 11, 13, 14 and 15 of the Articles of Incorporation relating to statutory equity threshold declarations and nationality of capital (resolution 36)**

It is proposed to introduce a new provision in the Articles of Incorporation, which will enhance Air France-KLM's ability to request information about the nationality of its shareholders. In order to comply with its legal and regulatory obligations as the parent company of air carriers the Company must ensure at all times that it has up to date information about the nationality of its shareholders and ultimate shareholders.

The new provision in the Articles of Incorporation would allow the Company to be in position to monitor that it actually complies at all times with such conditions regarding the nationality of its shareholders. It would be inserted in the current Article 10 of Air France-KLM's Articles of Incorporation (which previously only applied to a specific situation, where shareholders holding shares in bearer form requested to convert their shares register form).

Information about the nationality of shareholders listed in the new provision inserted in Article 10, would apply to the various situations where shares are either registered, transferred or otherwise give rise to a declaration or communication to the Company. In particular, the Company may request that such information be transmitted or updated on each occasion where a shareholder is under an obligation to make an equity threshold declaration (*déclaration de franchissement de seuils*) to the Company.

In addition, for equity threshold declarations made pursuant to the Articles of Incorporation (threshold of 0.5% and multiples thereof) we propose to reduce the notification period to four trading days (instead of 15 calendar days currently), to make it identical to the statutory notification period provided under French company law (thresholds of 5%, 10% etc.).

A new version of the Articles of Incorporation reflecting all the amendments is available on the website [www.airfranceklm.com](http://www.airfranceklm.com) (section Finance/Shareholders/Annual General Meeting).

### **Thirty-sixth resolution**

#### **Amendment of Articles 9.2, 9.5, 9.6.1, 9.6.1, 9.6.2, 10, 11, 13, 14 and 15 of the Articles of Incorporation relating to equity statutory threshold declarations and nationality of capital**

The Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions required at extraordinary shareholders' meetings, having read the report of the Board of Directors, decide to amend the Company's Articles of Incorporation as proposed by the Board of Directors.

Therefore, the Shareholders' Meeting decides to amend Articles 9.2, 9.5, 9.6.1, 9.6.1, 9.6.2, 10, 11, 13, 14 and 15 of the Company's Articles of Incorporation as follows:

### **New Article 9.2 – Reduction of the requested period to convert bearer shares into registered form to four trading days**

#### **Article 9.2 Shares must be registered in the names of the holders where the threshold of 5% of the share capital or voting rights is reached.**

Any shareholder, whether alone or acting in conjunction with others, who comes to hold a number of shares or voting rights in the Company equal to or greater than 5% of the total number of shares or voting rights must, within four trading days from the date that the above equity threshold is reached, request that its stock be entered as registered shares. This obligation of registration applies to all shares already held and to those which may be acquired subsequently above the aforementioned threshold, for so long as the shareholder continues to hold equity at or above the threshold.

A copy of the request to register the shares in the name of the holder, including the information stipulated in Article 10 hereof, shall be submitted by letter sent registered or certified mail, return receipt requested, to the Company within four trading days of the date on which the 5% threshold is reached.

### **New Article 9.5 – Reference to Article 10 regarding the information notified to the Company in relation to the election of domicile at the address of an authorised financial intermediary**

#### **Article 9.5 Election of domicile at the address of an authorised financial intermediary**

Any shareholder subject to the obligation to register shares held in the Company and having neither registered offices nor elected domicile on French territory in the meaning of Article 102 of the French Code of Civil Law is bound to elect domicile at the address of an authorised financial intermediary and account holder domiciled in France and to inform the Company of such election without delay by letter sent registered or certified mail, return receipt requested, which shall include the information provided for in article 10 of the Articles of Incorporation.

This election of domicile may be carried out in valid manner by any intermediary registered on behalf of the third parties as specified in Article L. 228-1 of the French Code of Commercial Law.

Failing notification to the Company as stipulated hereinabove, or if incomplete or incorrect information is given despite a request to rectify the situation made by the Company by letter sent registered or certified mail, return receipt requested, those equity instruments granting rights to share capital immediately or at a future date and for which the aforementioned shareholder has been registered as an account holder shall be deprived of voting rights in any general meeting of shareholders held until such time as the situation is rectified; payment of the corresponding dividends shall also be deferred until that time.

### **New Article 9.6.1 of the Articles of Incorporation – Reference to Article 10 regarding the information notified to the Company in relation to the identification of holder of bearer shares**

#### **Article 9.6.1 Identification of holders of bearer shares**

In order to identify the holders of bearer shares, the Company is entitled to request at any time of the bodies responsible for clearing securities the information provided for in Article 10 of the Articles of Incorporation regarding the holders of equity instruments conferring voting rights in its general meetings of shareholders, whether immediately or at a later date, in addition to the quantity of stock held by each such holder, and where applicable, details of any restrictions possibly affecting the stock concerned.

In the light of the list supplied by the securities clearing body, the Company may request, either through that body or directly of the persons or legal entities shown on the list, where the Company feels they may be registered on behalf of others, information provided for in Article 10 of the Articles of Incorporation on the owners of the shares to which reference is made in the paragraph immediately above.

Those persons or legal entities are bound, where they are acting as intermediaries, to disclose the identity of the owners of the equity instruments.

### **New Article 9.6.2 – Reference to Article 10 regarding the information notified to the Company in relation to the identification of holders of registered shares**

#### **Article 9.6.2 Identification of holders of registered shares**

In the case of registered shares granting rights to equity in the Company immediately or at a later date, intermediaries registered on behalf of others are bound, within ten business days of the request made by the Company or its authorised agent, it being possible to submit such request at any time, to provide the information mentioned in Article 10 of the Articles of Incorporation regarding the owners of the shares concerned.

Where the stock takes the form of registered shares under administration, the authorized intermediary must declare its status as an intermediary holding securities on behalf of others.

**New Article 10 – expanding information list that must be provided by shareholders (or any intermediary registered on behalf of an ultimate beneficiary) for the Company to be in a position to monitor that it actually complies at all times with such conditions regarding the nationality of its shareholders under European Regulation**

**Article 10 Information to provide at the Company's request**

Pursuant to the provisions applicable to the Company as holder or controlling shareholder (directly or indirectly) of airlines which themselves hold (1) operating licences as air carriers or (2) traffic rights, and in particular the provisions of Regulation (EC) No 1008/2008 of September 24, 2008, as interpreted by the European Commission's guidelines of June 8, 2017, international agreements and the provisions of the French Transportation Code (Articles L. 6411-1 et seq.), or any text that would replace or supplement any of the latter, any shareholder (or any intermediary registered on behalf of an ultimate beneficiary) is required to provide in writing to the Company, and at its request, the following information, in particular in the cases referred to in Articles 9.2, 9.5, 9.6.1 and 9.6.2 of Articles of Incorporation:

**a) individuals**

- name and address
- nationality
- number and type of stock acquired and the date of acquisition
- in the case of individuals whose domicile is not on French territory in the meaning of Article 102 of the Code of Civil Law, the name of the individual or legal entity in France acting as an approved financial intermediary at whose address they have elected domicile
- confirmation that the relevant person is acting on his/her own account, and, if applicable, relevant information apposite to determine the nationality of the beneficial owner of the shares in accordance with the above provisions relating to the nationality of shareholders.

**b) legal entities**

- name and the address of the registered office
- legal form of the entity
- quantity and type of stock acquired and the date of acquisition
- in the case of legal entities whose domicile is not on French territory in the meaning of Article 102 of the Code of Civil Law, the name of the individual or legal entity in France acting as an approved financial intermediary at whose address they have elected domicile
- the identity and the nationality of any natural or legal person having direct or indirect control, at the ultimate level, of the relevant shareholder, within the meaning of the above-mentioned provisions relating to the nationality of shareholders

- confirmation that the relevant person involved is acting on its own account, or otherwise, if applicable, relevant information apposite to determine the nationality of the beneficial owner of the shares in accordance with the above provisions relating to the nationality of shareholders.

The company may publish on its website additional information regarding the practical details of these provisions.

The information to be given under (a) and (b) above may be provided to the Company by any approved financial intermediary and, in the case of non-residents, by any registered intermediary in the meaning of Article L. 228-1 of the French Commercial Code acting on their behalf.

Where the information specified at (a) and (b) above has not been provided or where the information provided is incomplete or incorrect, despite a request from the Company to rectify the situation, stock and other equity securities held by or on behalf of the relevant person shall be disqualified for voting at any general meeting of shareholders held until the situation is rectified. In addition, dividend payments shall be deferred until that time. Disqualification for voting and suspension of dividend entitlement shall become effective 15 days following the sending of a written notice to that effect sent by the Company or by any attorney on its behalf, by registered letter or by any equivalent means, at the address shown in the share register or, if applicable, at the address where domicile has been elected.

**New Article 11 – Rewording**

**Article 11 Registration and assignment of shares (approval provisions)**

Shares are entered in an account opened in the name of their owner in the books of the Company or its authorised agent or with an approved intermediary.

Securities entered on account may be conveyed by transfer between accounts. Entries on account, transfers and assignments shall be executed in accordance with the terms and conditions laid down by the laws and regulations in force.

If, in the light of the information provided for in Article 10 of the Articles of Incorporation, the Board of Directors observes that over 45% of the share capital or voting rights is held directly or indirectly by shareholders other than French nationals in the meaning of Article 14 of the Articles of Incorporation, it may resolve that any acquisition of shares by a third party or a shareholder which would lead for the acquirer to an obligation to declare that a threshold of 0.5% of the share capital or voting rights, or any multiple of that percentage, has been reached, pursuant to Article 13 hereof, shall require approval to be given by the Board of Directors under the conditions and following the procedures laid down in law.

## **New Article 13 – Reduction of the notification period to four trading days – expanding information list that must be provided regarding equity threshold declaration**

### **Article 13 Equity threshold declarations**

Without prejudice to the notification obligations contained in Article L. 233-7 of the Code of Commercial Law, any private individual or legal entity, whether acting alone or in conjunction with others, who comes to hold, whether directly or indirectly, 0.5% at least of the share capital or voting rights in the Company, or any multiple of that percentage, shall be bound to inform the Company by letter sent registered or certified mail, return receipt requested, within four trading days of the date on which this equity threshold has been reached. Such declaration must include all the information that the Company must provide to the *Autorité des Marchés Financiers* in the event of crossing legal thresholds, as well as the information provided for in Article 10 of the Articles of Incorporation.

The declaration for which the preceding paragraph provides shall be repeated on each occasion that a further threshold of 0.5% of voting rights is reached, up to 50%.

The declarations specified in the two preceding paragraphs shall be made in the event that such threshold are crossed upward or downward.

For the purposes of determination of whether the thresholds hereunder have been reached, the shares and voting rights defined by the provisions of Article L. 233-9 of the Code of Commercial Law and those of the General Regulations of the *Autorité des Marchés Financiers* relating thereto are deemed to be capital and voting rights mentioned in the first paragraph.

Failure to adhere to the obligation to make the equity threshold declarations required by law and the Articles of Incorporation, shall lead to disqualification of the stock for voting under Article L. 233-14 of the Code of Commercial Law at the request of one or more shareholders holding together at least 0.5% of the share capital of the Company.

## **New Articles 14 and 15 – updates of references to legal texts (French Transportation Code)**

### **Article 14 Information published and disseminated by the Company**

Through an announcement published in the BALO (*Bulletin des Annonces Légales et Obligatoires/Bulletin for judicial and mandatory notices*), and a press release in the form of a financial notice published in a journal with national coverage and in an English-language financial publication, the Company shall inform the shareholders and the general public when 45% of the share capital or voting rights are held, directly or indirectly, by shareholders other than French nationals in the meaning of the present Article, and when the share in the equity or voting rights held by such shareholders falls below this level.

For the purposes of implementation of the present Articles of Incorporation, the following are considered to be French nationals:

- private individuals with French nationality or citizens of the European Union Member States and States party to the European Economic Area Agreement or any other agreement having the same significance in matters of air transportation;

- legal entities or other entities and groups whose equity is not held in the majority or effectively controlled, directly or indirectly, by private individuals other than French nationals in the meaning of this Article.

This notice shall specify the share of equity or voting rights thus held, directly or indirectly, by shareholders other than French nationals. It shall also indicate whether the Company is envisaging the use of the formal demand procedure for which Article L. 6411-6 of the French Transportation Code.

### **Article 15 Formal demand for assignment following registration of shares**

The Company is authorised, subject to the conditions and time limits specified by Articles L. 6411-6, L. 6411-7 and L. 6411-8 of the French Transportation Code and R. 360-1 to R. 360-5 of the Code of Civil Aviation to issue formal demands to certain of its shareholders requiring the assignment of all or part of their stock.

Such entitlement to issue formal demands relates first and foremost to shareholders other than nationals of Member States of the European Community and States party to the agreement on the European Economic Area or any other agreement whose scope is equivalent in terms of air transport.

The shares covered by such formal demands shall be determined by their chronological order of registration in the name of the holder, following application of the priority criterion specified in the preceding paragraph and beginning with the most recently registered.

In the event that, following application of the rules defined in the preceding two paragraphs, several shareholders hold a number of shares registered at the same date in the books of the Company and exceeding the balance of the shares to which the same formal demand procedure is to be applied, such balance shall be split between those shareholders in proportion to the shares concerned.

The formal demand for assignment of stock may be implemented in one or more phases for so long as, in the light of the information available to the Company and the assignments already effected, the fraction of the share capital or voting rights held by shareholders other than French nationals in the meaning of Article 14 continues to stand at 45% or more.

A formal demand shall be deemed to have been duly issued when sent by letter sent registered or certified mail, return receipt requested, or by any equivalent means to the holder appearing in the registers of the Company, including cases where the stock is registered in the name of an intermediary on behalf of the owner of the stock, and to the address appearing in this register or, where applicable, to the address where domicile has been elected.

The formal demand shall include a restatement of the provisions of Articles L. 6411-6, L. 6411-7 and L. 6411-8 of the French Transportation Code and R. 360-1 to R. 360-5 of the Code of Civil Aviation and the information given pursuant to Article R. 360-2 of the Code of Civil Aviation. It shall indicate the number of shares which the shareholder is required to assign to others and contains a reminder of the time limit of fifteen days following publication of the notice for which Article R. 360-2 of the Code of Civil Aviation provides, specifying that the Company is envisaging use of the formal demand procedure.

Shareholders receiving such formal demands shall inform the Company without delay of the execution of the assignments required of them.

### **Power to accomplish formalities (resolution 37)**

This resolution allows for the completion of the formalities and public disclosure requirements by law following the Shareholders' Meeting.

### **Thirty-seventh resolution**

#### ***Powers to accomplish formalities***

The Shareholders' Meeting fully authorized the Board of Director, the President of the Board of Directors, the bearer of an original or a copy of the minutes of this Shareholders' Meeting, or an abstract thereof, to comply with any legal or administrative

requirements, and of any filing and public disclosure requirements required under applicable legislation following the adoption of the previous resolutions.



# STATUTORY AUDITORS' REPORT

## Statutory Auditors' report on the financial statements

Year ended December 31, 2018

To the General Shareholders' Meeting of Air France-KLM SA,

### 1. Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Air France-KLM for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### 2. Basis for opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

#### Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2018 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 or in the French Code of ethics for Statutory Auditors.

### 3. Justification of assessments – Key Audit Matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific elements, accounts or items of the financial statements.

#### Equity interests (Notes 1 (long term investments), 9, 14 and 15 to the statutory financial statements)

##### Risk identified

As of December 31, 2018, equity interests represented a net value of €4,680 million compared to a total balance sheet of €7,003 million. They are recorded as of their entry date at acquisition cost and impaired based on their fair value by taking into account the share of equity, earnings outlooks and stock market values that can be used as a reference.

The fair value estimate of these long-term investments requires management to exercise judgment in its choice of items to consider according to the nature of the investments concerned. Such items may correspond, as the case may be, to historical items (for certain entities, equity, and for others, average stock market prices over the last month), or forecast items (earnings outlooks and economic situation in the countries considered).

We considered the determination of the fair value of equity interests to be a key audit matter because of i) the uncertainties inherent to certain items and specifically the probability of forecasts, and ii) the potential importance of a reversal or impairment of an equity interest provision in the Company's accounts.

##### Our response

To assess the reasonableness of the fair value estimate of equity interests, based on the information communicated to us, our work mainly consisted in verifying that the estimate of these values, as determined by management, is based on an appropriate justification of the valuation method and the figures used, and according to the securities concerned:

For the valuations based on historical items:

- verifying that the equity retained is consistent with the accounts of the entities that were the subject of an audit or analytical procedures and that any equity adjustments are based on probative documentation.

For the valuations based on historical items:

- obtaining the financial profitability outlooks for the entities concerned;
- verifying the consistency of the assumptions adopted with the economic environment on the dates the accounts were prepared and closed;
- comparing the forecasts adopted for preceding periods with the corresponding realizations in order to assess the achievement of past objectives;

- verifying that the value resulting from cash-flow forecasts was adjusted for the debt of the entity considered;
- verifying the arithmetical accuracy of the computed fair values.

In addition to assessing the fair values of equity interests, our work also consisted in evaluating the recoverability of related receivables with respect to the equity interest analysis.

#### **Provisions and contingent liabilities concerning anti-trust laws (Notes 18 and 19 to the financial statements)**

##### **Risk identified**

Air France-KLM is involved in a number of governmental, legal or arbitration proceedings and litigation, specifically in terms of anti-trust laws. The outcome of these procedures and litigations depends on future events and the Company's estimates are inherently based on the use of management assumptions and assessments.

We considered the provisions for litigation to be a key audit matter due to the uncertainty over the outcome of current proceedings, the high level of management estimates and judgments and, the potentially material nature of the impact of provision amounts on net income and equity should these estimates change.

##### **Our response**

We specifically assessed the estimates and assumptions adopted by the Group in determining the need to recognize a provision and where applicable its amount.

Based on discussions with the Group, we familiarized ourselves with the latter's analysis of the risks and status of each significant litigation, whether reported or potential.

We assessed the items justifying the recognition or not of a provision. We thus analyzed the lawyers' replies to your enquiries, familiarized ourselves with the exchanges between the Company, its lawyers and other parties to the suits and considered any new developments preceding the issue date of our report.

Based on these items, we conducted a critical review of the estimates and positions adopted by management.

We also assessed the appropriateness of the disclosures in Notes 18 and 19 to the financial statements.

## **4. Specific verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

#### **Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information related to payment terms mentioned in Article D. 441-4 of the French Commercial Code (*Code de Commerce*).

We attest that extra-financial performance declaration required under article L. 255-102-1 of the French Commercial Code (*Code de Commerce*) is included in the management report, it being clarified that, in compliance with the terms of Article L. 823-10 of this Code, we have not verified the fair presentation and the consistency with the financial statements of the information contained therein and should be reported on by an independent insurance services provider.

#### **Information related to the governance**

We attest that the section related to the governance of the management report of the Board of Directors contains the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de Commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de Commerce*) relating to remunerations and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to the items that your Company considered likely to have an impact in the event of a tender or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (*Code de Commerce*), we have verified their compliance with the underlying documents which have been communicated to us. Based on our work, we have no comment to make on this information.

## 5. Report on other legal and regulatory requirements

### Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Air France-KLM by the Shareholders' Meeting of September 25, 1998 for Deloitte & Associés and September 25, 2002 for KPMG Audit.

As of December 31, 2018, Deloitte & Associés and KPMG were respectively in the 21th year and 17th year of total uninterrupted engagement, which are the 20th year and 17th year since securities of the Company were admitted to trading on a regulated market.

## 6. Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

## 7. Statutory Auditors' responsibilities for the audit of the financial statements

### Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de Commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, he draws attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, he expresses a qualified or an adverse opinion;
- evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de Commerce*) and in the French Code of Ethics (*Code de Déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris la Défense, February 19, 2019  
The Statutory Auditors

**KPMG Audit**  
A division of KPMG SA

Jean-Paul Vellutini  
Partner

Eric Jacquet  
Partner

**Deloitte & Associés**

Guillaume Troussicot  
Partner

Pascal Colin  
Partner

# Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2018

To the Shareholders' Meeting of Air France - KLM SA,

## 1. Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of Air France-KLM for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

## 2. Basis for opinion

### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

### Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2018 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5 (1) paragraph 1 of Regulation (EU) no. 537/2014 or in the French Code of Ethics for Statutory Auditors.

## 3. Emphasis of matter

Without modifying the opinion expressed above, we draw your attention to the Note 2 of the consolidated financial statements for the first application of IFRS16 "Leases" which results in the capitalization of leases, in particular those related to aircrafts, under the capitalization criteria required by the standard, of IFRS 15 "Revenue from contracts with customers" on revenue recognition conditions, and of IFRS 9 "Financial instruments" regarding the classification and measurement of financial assets and of hedge accounting.

## 4. Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We do not express an opinion on any components of the consolidated financial statements taken individually.

## Revenue recognition for issued but unused passenger tickets (Note 4.6 to the consolidated financial statements)

### Risk identified

Network revenue amounts to €22,983 million and essentially corresponds to passenger transport services, and to a lesser extent to cargo. The revenue related to passenger transportation is recognized when the transportation service is provided and, consequently, passenger tickets recorded when issued as "Deferred revenue on ticket sales" for a liability amounting to €3,153 million as at December 31, 2018. However, a portion of these sales, relating to tickets that have been issued but which will never be used, is recognized as revenue at the theoretical date of the transport, based on a statistical rate regularly updated. The rate is determined by the Air France-KLM Group based on historical data taken from the information systems and adjusted for non-recurring and specific events of the periods considered.

We considered revenue recognition for issued but unused passenger tickets to be a key audit matter due to the importance of the Group judgment in determining the recognition assumptions.

### Our response

We tested the key controls implemented by the Group that we considered the most relevant in determining the statistical rates for "Deferred revenue on ticket sales."

Our procedures primarily consisted in:

- assessing the appropriateness of the methodology adopted by the Group;
- corroborating the historical database with the databases used;
- corroborating the statistical rate calculations;
- comparing actual revenue from unused passenger tickets with prior year-end estimates;
- analyzing the age of deferred revenue on ticket sales presented on the consolidated balance sheet to assess the appropriateness of the revenue recognized in the period.

**First-time adoption of IFRS 16 for aircraft leases  
(Note 2 to the consolidated financial statements)****Risk identified**

Air France-KLM has opted for the early adoption of IFRS 16 "Leases" starting January 1, 2018. The Group has chosen to apply IFRS 16 under the full retrospective approach. Therefore the prior reporting period presented is restated, and the cumulated impact of the first adoption of the standard presented as at January 1st, 2017. IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use on the leased asset and of a liability for the lease payments over the lease contract term. With respect to aircraft leases, at inception of the lease, the lessor receives two asset components: a right of use for the aircraft and an airframe and engine potential, in exchange of which a lease debt, using an implicit discount rate, and an obligation to return the airframe and engine potential are recorded.

The first-time adoption of the standard resulted in the recognition, for the January 1, 2017 opening balance sheet, of rights of use for a net value of €5,558 million, of which €3,653 million for aircraft leases and €1,123 million for the valuation of the airframe and engine potential received. On this same date, the aircraft lease debt and the impact of the application of IFRS 16 on the obligation to return the airframe and engine potentials amounted respectively to €4,389 and €1,164 million.

We considered the first time application of the standard as a key audit matter on aircraft leases due to the material nature of those leases on the opening financial statements, and the significance of the Group's judgements in determining the assumptions used (lease term, technical and financial assumptions determined to assess the airframe and engine potentials).

**Our response**

Our audit approach consisted in assessing the relevance of the methodology and the compliance with applicable accounting principles retained by the Group to determine the main assumptions (lease term, standard cost to value the airframe and engine potentials, etc.). Our work also consisted in:

- verifying the completeness of the aircraft lease databases used by validating the scope of the aircraft leases comparing with the perimeter of "operating leases" identified under the previously applicable standard and reviewing the residual lease expenses;
- corroborating by performing a sample the information used for determining assets and liabilities related to lease contracts with underlying contractual data;
- corroborating by performing a sample the data used for the calculation of the discount rates (based on the implicit rates) with the lease contracts and market data;
- recalculating the amount of the lease debt, the obligation to return an airframe and engine potential and the right of use as valued and recorded by the Group.

We also assessed the appropriateness of the disclosures in Note 2 to the consolidated financial statements.

## Provisions for litigations and contingent liabilities (Notes 4.21, 30.1 and 30.2 to the consolidated financial statements)

### Risk identified

Air France-KLM is involved in several governmental, judicial or arbitration procedures and litigations, particularly concerning anti-trust laws. The outcome of these procedures and litigations depends on future events, and the Company's estimates are inherently based on the use of Group assumptions and assessments.

We considered the measurement of the litigation provisions to be a key audit matter due to the uncertainty surrounding the outcome of current procedures, the high degree of Group estimates and judgment and the potentially material nature of the impact of provision amounts on consolidated net income and equity should these estimates change.

### Our response

We specifically assessed the estimates and assumptions adopted by the Group in determining the need to recognize a provision and, where applicable, its amount.

Based on discussions with the Group, we familiarized ourselves with the latter's analysis of the risks and status of each significant litigation, whether reported or potential.

We assessed the items justifying the recognition or not of a provision. We analyzed the lawyers' replies to your enquiries, familiarized ourselves with the exchanges between the Company, its lawyers and other parties to the suits and considered any new developments up to the issue date of our report.

Based on these items, we conducted a critical review of the estimates and positions adopted by the Group.

We also assessed the appropriateness of the disclosures in the Note 30 to the consolidated financial statements.

## Recognition of deferred tax assets (Notes 4.24 and 13 to the consolidated financial statements)

### Risk identified

Deferred tax assets for a net amount of €544 million are recognized in the consolidated balance sheet. This balance comprises €693 million in deferred tax assets for French tax group tax loss carry-forwards and €60 in deferred tax assets for Dutch tax group tax loss carry-forwards. These deferred tax assets are recognized based on their likelihood of recovery pursuant to budgets and medium-term plans prepared by the Group. The recovery horizons for these deferred tax assets are seven years for the French tax Group and three years for the Dutch tax Group.

We identified this issue as a key audit matter due to the importance of the Group judgment in the recognition of these assets and the particularly high level of tax loss carry-forwards of which only a portion has been capitalized due to recoverability prospects.

### Our response

Our audit approach consisted in assessing the probability of the Company making future use of the tax loss carry-forwards generated to date, particularly in regard to:

- deferred tax liabilities in the same tax jurisdiction, where the base could be offset against deferred tax assets with the same maturity; and
- the Group's ability to generate future taxable profits in the French and Dutch tax jurisdictions in order to use prior-year tax losses recognized as deferred tax assets.

We assessed the appropriateness of the methodology adopted by the Group to identify existing tax losses carried forward that will be utilized, either by offset against deferred tax liabilities or future taxable profits.

To assess future taxable profits, we appraised the reliability of the preparation process for the mid-term business plan underlying the assessment of the probability that deferred tax assets will be recovered. Our work consisted in assessing the future growth assumptions used to prepare the mid-term business plan by:

- comparing income forecasts for prior years with actual results for the years concerned;
- comparing these assumptions with the ones adopted for non-current asset impairment tests.

We also assessed the consistency of Group assumptions used to prepare income forecasts for the period beyond the mid-term business plan particularly with the economic data for the Group's operating sector and the information gathered during discussions with the Group.



## 5. Specific Verifications

We have also verified in accordance with professional standards applicable in France the information concerning the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code is included in the Group management report, being specified that, in accordance with the provisions of Article L. 823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein and should be reported on by an independent insurance services provider.

## 6. Report on Other Legal and Regulatory Requirements

### Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Air France-KLM by the Shareholders' Meeting of September 25, 1998 for Deloitte & Associés and September 25, 2002 for KPMG Audit.

As of December 31, 2018, Deloitte & Associés and KPMG were respectively in the 21st year and 17th year of total uninterrupted engagement, which are the 20th year and 17th year since securities of the Company were admitted to trading on a regulated market.

## 7. Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

## 8. Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which the Company's Management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit and furthermore:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assess the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;

- evaluate the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris-La Défense, February 19, 2019  
The Statutory Auditors

**KPMG Audit**  
**Division of KPMG SA**

Jean-Paul Vellutini  
Partner

Eric Jacquet  
Partner

**Deloitte & Associés**

Guillaume Troussicot  
Partner

Pascal Colin  
Partner

*This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This Statutory Auditors' report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## Statutory Auditors' special report on regulated agreements and commitments

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2018

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present to you our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, conditions of those agreements and commitments, as well as the reasons justifying their interest for the company, brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consist in verifying the consistency of the information provided to us with the related source documents.

### Agreements and commitments submitted to the approval of the Shareholders' Meeting

#### Agreements and commitments authorized during the year

In accordance with the provisions of article L. 225-38 of the French Commercial Code (*Code de Commerce*), we have been advised of the following agreements or commitments which have been subject to the preliminary authorization by your Board of Directors on March 14, 2018 and May 15, 2018:

#### Transatlantic partnership between Air France - KLM, Delta Air Lines and Virgin Atlantic

Common directors concerned:

Delta Airlines Inc.: member of the Board of Directors of Air France-KLM and Virgin Atlantic

Nature, purpose and terms:

On July 27, 2017, the Board of Directors of Air France - KLM (AF-KLM) approved the signing of agreements to strengthen the strategic partnerships of AF-KLM in particular through the creation of a global unique transatlantic joint-venture (JV) between AF-KLM, Delta Air Lines Inc. (Delta) and Virgin Atlantic (Virgin). These agreements also provided for this business alliance to be consolidated by capital links:

- purchase by Air France - KLM of Virgin Group's 31% stake in Virgin Atlantic for £220 million, subject to obtaining the necessary regulatory approvals. AF-KLM would also be represented within Virgin's Board of Directors by 3 directors

(i.e. the same number of directors as Delta) and would have, under certain conditions, a put option for its participation, with no predefined due date, linked at the exit of the United Kingdom from the European Union (Brexit), common with Delta whose exercise price would be equal to the acquisition price of the AFKLM's stake in Virgin, decreased by 10%;

- acquisition by Delta of a 10% stake in Air France - KLM by subscribing new shares through a reserved capital increase.

Following these agreements, in accordance with the authorization of the Combined General Meeting of AF-KLM on September 4, 2017, Delta acquired, on October 3, 2017, a 37.5M€ stake in AF-KLM, representing 10% of the share capital at that date, and 8.76% of the actual share capital within the framework of a reserved capital increase. Since that date, Delta has also a representative within the AF-KLM Board of Directors (ie Delta Air Lines Inc. represented by George Mattson).

As part of the implementation of these agreements, the Board of Directors of AF-KLM authorized on March 14 and May 15, 2018 in accordance with the provisions of article L. 225-38 of the French Commercial Code (*Code de Commerce*), the signature of the following contracts (hereinafter referred to as "Contracts"):

- a Share Purchase Agreement (SPA) concluded between Air France-KLM Finance SAS and Virgin Investments Limited, allowing AF-KLM to acquire, through its 100% owned subsidiary, a 31% share in Virgin Atlantic for an amount of 220.100.000€. In this context, a Disclosure Letter in relation with the SPA and a compensation indemnity from Virgin Investments to AF-KLM in relation with tax liabilities linked to the Virgin Atlantic Group (Tax Deed) have been concluded;
- a Shareholders' Agreement concluded between AF-KLM Finance SAS, Delta, Virgin Investments Limited, Virgin Atlantic Limited and Sir Richard Branson to organize the shareholding in Virgin;
- a Put and call Option Agreement allowing Virgin to grant AF-KLM and Delta a put option, and the grant by AF-KLM and Delta of a call option to Virgin;
- a joint-venture agreement to set up a commercial JV between AF-KLM, Delta, Virgin Atlantic Airways Limited, Air France and KLM as well as the relating bilateral Transition Agreement with Delta;
- an Implementation Agreement between AF-KLM, Air France - KLM Finance, Air France, KLM, Delta, Virgin Atlantic, Virgin Atlantic Airways Limited and Sir Richard Branson in respect of the completion of the proposed transaction.

Justification of the interest of the agreement for the Company:

- facilitate the integration of air transportation services on the parties' networks to improve the efficiency of their operations and facilitate their ability to provide uninterrupted public transport service;
- provide customers traveling on transatlantic routes with a number of benefits by providing better connecting and non-stop options, allowing parties to commercialize integrated air

services, and developing and improving services provided to travelers on the joint-venture's routes;

- create significant synergies generated by the joint coordination of the parties' business activities in the joint-venture, including reciprocal code sharing, network optimization, freight cooperation and cost control, in order to create an attractive alternative for consumers to services provided by competing air carriers and other global airline alliances;
- Delta holding a 49% share in Virgin Atlantic, the acquisition by AF-KLM of a 31% share in Virgin Atlantic enhances the benefits of the joint-venture by aligning economic incentives between the parties, which will ensure the success of the joint-venture and encourage the provision of more and better quality services (non-stop and connecting) to passengers;
- the parties anticipate that the joint-venture will generate global benefits for consumers worldwide through a combination of lower prices and higher quality of service;
- as of July 27, 2017, Air France-KLM was operating with its partners Delta Air Lines and Alitalia the largest transatlantic joint-venture with 270 daily flights. This represents 176 549 million EASK for the financial year 2018 against 172 666 million EASK for the financial year 2017.

#### **Severance pay granted to Benjamin Smith, Chief Executive Officer**

On August 16, 2018, the Board of Directors of AF-KLM authorized, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code (*Code de Commerce*), the granting of severance pay to Benjamin Smith, Chief Executive Officer of AF-KLM in case of departure (in particular in the event of dismissal, non-renewal of his mandate as Chief Executive Officer or forced resignation).

In accordance with the recommendations of the AFEP-MEDEF Code, the severance pay base is equivalent to two years of fixed and annual variable compensation (according to specific calculation methods referring, as the case may be, to the target

variable compensation in case of departure during the First 24 months).

The compensation base will be impacted by a factor (between 0 and 100%) depending on the performance of the person concerned, measured by reference to the rate of achievement of the performance criteria relating to the annual variable portion of his remuneration during the last two years of his mandate (or since his appointment, assuming a departure during the first two years). It will be for the Board of Directors to Note the achievement of these performance criteria.

Mr. Benjamin Smith also benefits from usual benefits in kind (company car with driver, supplementary pension plan benefiting all group employees, complementary health and disability benefits, provision of airline tickets, management liability insurance) as well as benefits related to the Group's policy on expatriation and mobility of its senior executives (housing allowance, moving expenses, tuition fees and some consulting fees). Unless voluntarily leaving, the benefits in kind of the Chief Executive Officer will continue to apply for a transitional period of 6/12 months.

Justification of the interest of the agreement for the Company:

The Board of Directors considered that the decision to award severance pay to M. Smith was in the Company's interest, consistent with market practice, and necessary to persuade the candidate to leave his position at Air Canada (where he was already benefiting from a severance pay), and join the Group in a difficult context.

#### **Agreements and commitments previously approved by the Shareholders' Meeting**

##### **Agreements and commitments approved in prior years which remained current during the year**

We hereby inform you that we have not been advised of any agreement or commitment previously approved by the Shareholders' Meeting which remained in force during the year.

Paris-La Défense, March 29, 2019  
The Statutory Auditors

#### **KPMG Audit A division of KPMG SA**

Jean-Paul Vellutini  
Partner

Éric Jacquet  
Partner

#### **Deloitte et Associés**

Guillaume Troussicot  
Partner

Pascal Colin  
Partner

*This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

# REQUESTS FOR DOCUMENTATION AND INFORMATION



To be taken into account, this request must be returned to:

Société Générale  
Service Assemblées  
CS 30812  
44308 Nantes Cedex 3

or using the pre-paid envelope enclosed for registered shareholders

I the undersigned,

Surname (or Company name): .....

First name (or type of Company): .....

Address (or registered office): .....

holder<sup>(1)</sup> of ..... shares in Air France-KLM,

hereby request<sup>(2)</sup> the information referred to in Articles R. 225-81 and R. 225-83 of the *Code de Commerce* (notably, the statutory and consolidated financial statements and the management report of the Board of Directors), other than that contained in this report.

Signed in (city): ..... on (date): .....2019

Signature:



(1) Requests for documentation by holders of shares in bearer form must include a registration certificate stating that their shares have been recorded in the register held by the securities account-holding intermediary as proof that they are shareholders on the date the request is made.

(2) Pursuant to Article R. 225-88 of the Code de Commerce, the holders of registered shares may ask the Company to automatically send them the documents and information referred to in Articles R. 225-81 and R. 225-83 of the Code de Commerce on the occasion of future General Shareholders' Meetings.

To take advantage of this, please check the following box:





**AIRFRANCEKLM**  
GROUP

**CONVENING NOTICE  
COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING**