



New transitional governance for Air France-KLM

On 15 May 2018

Following the outcome of the Air France staff consultation on the draft pay agreement made public on May 4, 2018, and as previously announced, Jean-Marc Janaillac has today submitted his resignation to the Air France-KLM and Air France Boards of Directors. The Board acknowledges his decision.

The members of the Air France-KLM Board of Directors firstly wish to express their deep regret over the successive strikes affecting Air France customers in recent weeks and disrupting their travel plans. These strikes will also have a negative impact on the Group's financial results.

All the members of the Board of Directors also wished to thank Jean-Marc Janaillac for his commitment to the service of the Group, and for the results achieved since taking office in 2016, which have enabled Air France-KLM's successful turnaround and growth. The Board recognizes Jean-Marc Janaillac's courageous decision and sincerely hopes that it will open the way to the conditions for a transformation at Air France and fresh momentum for Air France-KLM.

At today's meeting, the Board of Directors adopted a transitional governance structure, effective from the end of today's Annual General Shareholders' Meeting.

This transitional governance structure is established for the shortest-possible period required to effectively complete the succession process for the roles vacated by Jean-Marc Janaillac. The Appointments and Governance Committee confirms that it has taken the steps required to submit recommendations to the Board regarding the future governance. The transitional governance structure does not presuppose the future governance to be adopted by the Board, whose implementation will terminate the transition period and the related functions.

During this transition period:

- Anne-Marie Couderc will act as non-executive Chairman of the Air France-KLM Board of Directors;
- a Management Committee consisting of three members (*Comité de Direction Collégiale* - "**CDC**") will be set up.

This will be composed of Frédéric Gagey, Air France-KLM's Chief Financial Officer, who will serve as the Group's Chief Executive Officer, Franck Turner, the Chief Executive Officer of Air France and Pieter Elbers, the CEO of KLM, both serving as Deputy Group CEOs. All of these members will continue to perform their current duties. Frédéric Gagey will act as spokesperson of the CDC.

The decisions of the CDC will be taken collectively by its three members. The role of the CDC will be to oversee and monitor the Group functions and coordinate strategic matters between the Group and its airlines.

"The Board of Directors has complete faith in the ability of the Management Committee and the Group Executive Committee to manage the group's activities during this transition period. The Board also asks them to continue the work already under way on Air France-KLM's medium-term strategic plan, a task which will be handed over to the Group's future governance. For my part, I will pay particular attention to strengthening the group's cohesion throughout this period," stated Anne-Marie Couderc, non-executive Chairman of the Air France-KLM Board of Directors during the transition period.

Regarding Air France,

- Anne-Marie Couderc will also be appointed as non-executive Chairman of the Air France Board of Directors;
- Franck Turner will remain in his position as Chief Executive Officer of Air France.

Regarding the ongoing labor dispute at Air France, the Air France-KLM Board of Directors confirms that the Air France CEO does not have a new mandate to take decisions that would jeopardize the growth strategy approved by the Air France-KLM Board of Directors. The Board is aware of the difficulties currently being traversed by Air France and requested to be kept regularly informed of the company's labor situation.

Thème:

Group