

## Disclosure of related party-agreements

(Information pursuant to article L. 22-10-13 of the French Commercial Code)

### **Adjustment to the financial conditions of the joint ventures entered into with (i) Delta Air Lines, Inc. and Virgin Atlantic Airways Ltd., and (ii) China Eastern Airlines Co. Ltd in the context of the Covid-19 crisis (Board meeting authorization dated December 4<sup>th</sup>, 2020)**

In the context of the coronavirus epidemic (COVID-19), restrictive border regulations and evolving sanitary measures have led to a drastic reduction in airline capacity, and have created a highly uncertain environment with respect to the management of the networks by the joint ventures' partners. Given the impact on the implementation of existing joint ventures, the partners have agreed in December 2020 to review the financial terms of their agreements and to temporarily adjust the financial settlement mechanisms provided for in the Group's joint ventures with Delta Air Lines, Inc. (Delta) and Virgin Atlantic Airways Ltd. (Virgin) on the one hand, and China Eastern Airlines Co Ltd. (China Eastern) on the other hand (together, the "**Joint-Venture Agreements**").

#### **I. Adjustments to the transatlantic joint venture with Delta Air Lines, Inc. and Virgin Atlantic Airways Ltd.:**

On December 4<sup>th</sup>, 2020, the Air France-KLM Board of Directors authorized, in accordance with Article L. 225-38 of the French commercial code, the execution of a waiver of the financial settlements for the calendar year 2020 (financial mechanism to share revenues and costs generated by the joint venture) as agreed upon in the transatlantic joint venture agreement (entered into between Air France-KLM, Air France, KLM, Delta and Virgin on May 15, 2018 and amended in October 2019 - hereinafter the "**Transatlantic Waiver**"). In this respect, each party waives all rights it may have with respect to the amounts due to it under the joint venture agreement for the calendar year 2020, and agrees to waive them permanently. This waiver will avoid either party an uncertain and potentially material financial exposure in view of the context related to the health crisis.

This waiver may be extended in 2021 by mutual agreement of the parties based on the duration of the impacts on the joint venture operations caused by the coronavirus (COVID-19) outbreak.

The other provisions of the joint venture agreement remain unchanged.

**Interested party:** Delta Air Lines, Inc., board director and shareholder of Air France-KLM.

**Date of authorization by the Air France-KLM Board of Directors:** December 4, 2020. Delta Air Lines, Inc., represented by George Mattson, did not take part in the deliberation and the vote with respect to the Transatlantic Waiver.

**Execution date of the Transatlantic Waiver:** 18 December 2020

## **II. Adjustments to the joint venture with China Eastern Airlines:**

On December 4, 2020, the Air France-KLM Board of Directors also authorized, in accordance with Article L. 225-38 of the French commercial code, the execution of a waiver of the financial settlements (financial mechanism to share revenues generated by the joint venture) as agreed upon in the joint venture agreement entered into by Air France-KLM, Air France and KLM with China Eastern Airlines on November 26, 2018. Henceforth, the parties waive all payments under the joint venture agreement as of February 1, 2020 for a period to be mutually agreed between the parties depending on the duration of the effects of the coronavirus epidemic on the joint venture (hereinafter the "**China Eastern Waiver**"). This waiver will avoid either party an uncertain and potentially material financial exposure in view of the context related to the health crisis.

The other provisions of the joint venture agreement remain unchanged.

**Interested party:** China Eastern, shareholder of Air France-KLM and Mr. James Wang, Board director of Air France-KLM, indirectly interested.

**Date of authorization by the Air France-KLM Board of Directors:** December 4, 2020. Mr. Wang did not take part in the deliberation and the vote with respect to the China Eastern Waiver.

**Execution date of the China Eastern Waiver:** January 15, 2021.

## **III. Interest and materiality of the Transatlantic Waiver and China Eastern Waiver:**

Due to the ever-changing sanitary measures and regulations related to the COVID-19 crisis and a very uncertain environment, the parties wish to avoid uncontrolled financial exposure within the framework of the existing joint ventures and have therefore decided to waive the financial settlements provided for under the two joint venture agreements with Delta/ Virgin Atlantic and China Eastern during the crisis period.

As the agreement of the parties concerned the suspension of the financial provisions relating to the settlement of the Joint-Venture Agreements, it was not necessary to calculate the impact that the application of these provisions would have had.