

Air France-KLM
AFKLM Shareholders' Meeting of May 24, 2022
Answers to the questions in writing from shareholders

Preliminary remark

Note that, to be admissible, questions in writing must:

- Relate to the agenda for the Shareholders' Meeting.
- Be sent to the Chair by registered letter with acknowledgement of receipt or by email, at the latest by the fourth business day preceding the date of the Shareholders' Meeting.
- Be accompanied by a securities account registration certificate.

The answers to questions in writing are posted on our www.airfranceklm.com website prior to the Meeting in a special section pursuant to law. Article L.225-108 of the French Commercial Code stipulates that "*the answer to a question in writing is deemed to have been given when it figures on the company's website*". Shareholders may request a copy of the answers posted on our website from the Secretary of the Meeting.

In the same spirit, the text of the questions has been summarized (without altering its meaning) whenever their full wording is not required for the purposes of proper understanding.

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Dutch State Agent (*state agent*)

Question from SPAAK

- 1. Does Air France-KLM agree that the reports of the State Agent, appointed by the Dutch State, should be limited only to the topics included in the terms and conditions of the agreement, and that business-sensitive information should not be made public? What action does the Company plan to take to accomplish this?**

The State Agent was appointed by the Dutch government in accordance with the agreements entered into in 2020 between the Dutch government, Air France-KLM, and KLM, within the framework of the Dutch State support for KLM. The mission of the State Agent is to ensure the compliance of Air France-KLM and KLM with their obligations under these agreements, as well as the implementation/compliance of the KLM restructuring plan. In the course of its mission, the State Agent may have knowledge of confidential or sensitive information. However, the State Agent is required to respect the confidentiality of all confidential or sensitive information concerning Air France-KLM or KLM, and is required to keep any such information strictly confidential. The same obligations apply to the Dutch State. The findings of the State Agent are submitted to the Dutch government in the form of reports which are made available to the Dutch Parliament in accordance with the applicable Dutch laws and regulations, and which take into account the confidentiality of certain matters, as expressly mentioned in the second report dated January 17, 2022.

Air France-KLM ensures that the conclusions are made within the strictly limited framework of the State Agent's mission and do not result in the disclosure of confidential or sensitive information concerning the Group.

Finance

Questions from the A. D. U.T.A. association via its President, Mr. Allaguillemette

2. **The current fuel price volatility makes forecasting very difficult. What is the Group's present policy concerning the supply and what elements might provide short and medium-term visibility to be able to anticipate a deterioration in the environment linked to the geopolitical situation?**

What we are currently seeing is a historically high fuel price and not the fact that the price is unstable. We are permanently confronted with price fluctuations depending on the day and localization of the fuel purchases. We don't purchase fuel futures which could amount to speculation. On the other hand, we have put in place a hedging strategy which is applied consistently over time.

This strategy is outlined in Chapter 3 of the 2021 Universal Registration Document on the risk factors and, more specifically, section 3.1.5.2 addressing exposure to the risk of fuel price volatility.

3. **For the purposes of a forthcoming capital increase, based on the principle that it is not the best stock in which to invest right now, what does the Company plan to do to avoid discouraging loyal shareholders who are going to see a reduction not only in their hypothetical dividend rights but also their voting rights?**

The Group has just launched a capital increase pursuant to the vote by the Shareholders' Meeting of May 2021 with a maintained preferential subscription right for existing shareholders. The preferential subscription right enables shareholders to cancel the effect of shareholding dilution either by continuing to hold the same percentage of the company's share capital (by subscribing for new shares in the amount of their preferential subscription rights) or by receiving financial compensation for the reduction in their percentage of the company's share capital (through the sale of their preferential subscription rights). The preferential subscription right thus protects the patrimonial interests of shareholders in a company which increases its share capital.

Questions from VEB European investors

4. **Pursuant to French law (Article L.225-248 of the French Commercial Code), a company is not authorized to report negative shareholders' equity for longer than two years. In the 2020 first half, the Company's shareholders' equity turned negative for the first time (€(2.6) billion) and AFKLM was still showing negative shareholders' equity in the 2020 first quarter, i.e. €(4.2) billion. Is it realistic to envisage that Air France-KLM might be able to report positive shareholders' equity at the end of 2022?**

Pursuant to Article L.225-248 of the French Commercial Code, if the shareholders' equity of a company is less than half the share capital, the company is required, at the latest by the closure of the second financial year during which the recognition of the losses occurred, reduce its share capital by an amount at least equal to the losses which could not be charged to the reserves if, within this period, the shareholders' equity has not been reconstituted in an amount at least equal to half the share capital.

This is a rule under French law which applies to the statutory financial statements but does not concern the financial statements in IFRS. Air France-KLM has not recorded negative shareholders' equity in the statutory financial statements and only the Air France-KLM Group's consolidated financial statements (IFRS) show negative shareholders' equity. The company Air France-KLM is thus not subject to the time limit foreseen in Article L.225-248 of the French Commercial Code in terms of reconstituting its shareholders' equity. The Group still aims to reconstitute its shareholders' equity as soon as possible.

If Air France remains in a situation of negative shareholders' equity at the end of 2023, the company has already identified a number of technical solutions (i.e. non-dilutive) which would help to remedy the situation.

5. In March 2020, the European Commission adopted the Temporary Framework to support companies facing the consequences of the public health crisis. Within this framework, recapitalization measures by Member States will be authorized until June 30, 2022. Does this mean that a new step in the recapitalization of Air France-KLM is likely to take place before June 30, 2022?

As of the outset of the pandemic, the European Commission adopted a specific framework setting the rules to be followed by Member States so as to help companies weather the economic crisis following the Covid-19 epidemic. This framework notably allowed the French State to recapitalize Air France in April 2021. The European Commission recently announced the phasing out of this framework starting June 30, 2022. After this date, the traditional State aid scheme will apply to any measure qualified as State aid within the meaning of European Union law. Should Air France-KLM decide to launch a rights issue, the latter shall naturally abide by the time limits of this framework, provided this transaction falls under the scope of this framework. Obviously, this time limit would not apply were the Commission's scope not to apply to the transaction.

6. In the Q1 2022 results presentation, the management said that it is confident that Air France-KLM would be able to restore its equity "by ourselves just by the performance of the business". What time frame did the management take into consideration when making this statement?

This statement relates to KLM's performance and, in the results presentation, it was notably mentioned that: "Thanks to KLM's strong performance, KLM's State-backed RCF has been partly repaid on May 3rd for 311 million euros. In addition, KLM expects to strengthen its balance sheet with positive results."

7. Does this imply that Air France-KLM excludes any other measures, i.e. other than operational performance, to strengthen the balance sheet?

No. Other than operational performance, the Group does not exclude measures to reinforce its balance sheet.

The Group has just launched a capital increase with a pre-emptive right for shareholders and is studying other capital strengthening measures such as the issuance of quasi equity instruments (like straight and convertible perpetual bonds) to further restore its equity and accelerate the repayment of State aid.

In total, the capital increase that has just been launched and these additional measures, including the refinancing of Air France's assets announced on May 20, 2022, could represent up to €4 billion. The timing and sizing of each transaction will depend on market conditions and remain subject to the approval of the European Commission, as well as to legal and regulatory approval.

8. Why would the company's performance alone suffice to restore equity, considering the fact that the company posted losses in Q1 2022 of €(0.5) bn. and pre-Covid 19 net income was on average (financial years 2017-2019) less than €400 million?

As stated above, the Group has just launched a capital increase with a pre-emptive right for shareholders and is studying other capital strengthening measures such as the issuance of quasi equity instruments (straight and convertible perpetual bonds) to further restore equity.

This transaction, and all the planned balance sheet strengthening measures, coupled with the expected recovery in EBITDA, will position the Company on a solid financial trajectory.

9. Could the management clarify why it is confident that "the solutions in place", as stated during the Q1 2022 results presentation, will enable a positive equity position, and within what time frame?

The management has already completed capital-strengthening measures (partial redemption of the KLM RCF, strategic partnership with CMA-CGM, contemplated refinancing of engines), has just launched a capital increase with a pre-emptive right for shareholders and continues to study other capital strengthening measures such as the issuance of quasi equity instruments (like straight and convertible perpetual bonds) to further restore equity. The choice and sizing of these instruments will depend on market conditions.

10. In view of no new recapitalization plan to date, how were the Statutory Auditors able to confirm the going concern principle for Air France-KLM?

The going concern principle was examined and confirmed by the management and the Board of Directors on approval of Air France-KLM's 2021 statutory and consolidated financial statements, i.e. on February 16, 2022, without the existence of a Material Uncertainty related to Going Concern.

This assumption was analysed and outlined in note 4.1 in the notes to the consolidated financial statements and note 1 in the notes to the statutory financial statements.

This note refers in particular to:

- The recent trend in air traffic and the pandemic context,
- The measures to adapt capacity and reduce costs,
- The Group's liquidity position, i.e. €10.16 billion in total as of December 31, 2021 and the financial operations already realized,
- The conclusions on the cash flow forecasts over more than 12 months based on several different scenarios and on the respect of the Covenants for KLM,
- The additional recapitalization and/or financing projects,
- The factors of uncertainty on the financial trajectory and the additional available mitigation measures,
- The overall conclusion on the appropriate nature of the going concern principle without retaining the assessment of a Material Uncertainty related to Going Concern.

As Statutory Auditors, in the context of the public health crisis, we considered the liquidity risk and the assessment of the going concern principle as a key audit matter.

We thus outlined the audit procedures that we performed on this matter in our reports on the statutory and consolidated financial statements presented to this Meeting and dated February 18, 2022. We have no observation on the assumption retained by the Company in respect of the going concern principle for the closure of the 2021 accounts and the information provided in the notes in this regard.

Governance

Questions from SPAAK

Within the Air France-KLM Board of Directors, one Board director representing the employees is appointed by the European Works Council. In view of the number of Board seats occupied by Air France employees, an informal agreement provides that the European Works Council must appoint a candidate proposed by the KLM Works Council. However, last December, Mr. Terence Tilgenkamp was appointed by the European Works Council whereas he had not been the candidate proposed by the KLM Works Council. Furthermore, the KLM Works Council expressly opposed his appointment.

11. How does Air France-KLM view the fact that the appointment of one of its Board members is contested by the KLM employees who do not feel represented within the Air France-KLM Board of Directors?

There are two Board directors representing the employees within the Board of Directors once the Board has more than eight members.

Pursuant to the provisions of Article L.225-27-1 of the French Commercial Code and Article 17-3 of the Air France-KLM Articles of Incorporation, the first Board director representing the employees is appointed by the *Comité de Groupe Français* referred to in Article L. 2331-1 of the French Labor Code and the second is appointed by the Air France-KLM European Works Council. Every Board director representing the employees is appointed for a two-year term of office expiring at the end of the Annual Shareholders' Meeting held during the year in which their mandates expire.

The European Works Council is responsible for the process to appoint the second Board director representing the employees and the appointment takes place pursuant to the procedural rules within this body. The members of the European Works Council represent the Group's European employees, including the French and Dutch employees.

Mr. Terence Tilgenkamp, a KLM Flight Purser, was appointed on October 5, 2021 by the Air France-KLM European Works Council as a second Board director representing the employees and took up his Board director mandate on December 3, 2021, replacing Mr. Mathi Bouts who retired. Mr. Terence Tilgenkamp was appointed for the remainder of his predecessor's term of office, i.e. until the end of the Shareholders' Meeting convened in 2023 to approve the financial statements for the financial year ending December 31, 2022.

The KLM Works Council informed the Company of the questioning of the appointment process conducted by the European Works Council. Air France-KLM requested a detailed audit of the European Works Council process which concluded that the appointment process had been in compliance with the European Works Council rules and that Mr. Terence Tilgenkamp was the duly elected candidate. Air France-KLM noted this appointment and reiterated that it takes care to ensure that the interests of all the Group's employees are respected.

12. How does Air France-KLM plan to reconnect with the employees concerned?

Employees who may consider that they are not represented within the Board of Directors have the opportunity to express their point of view within the framework of the Works Councils and European Works Council, and thus continue the social dialogue directly with the CEO and the management. In

addition to via the official platforms, any employees who so wish can share their concerns with the management in a confidential manner or get in touch directly. Similarly, the management will ensure that the dialogue is continued and that all points of view can be expressed.

Question from the A. D. U.T.A association. via its President Mr. Allaguillemette:

13. At the beginning of the year, the press evoked another “major blow” for Air France-KLM with the departure of Angus Clark, only shortly after the announcement of the departure of Pieter Elbers, Chief Executive Officer of KLM. Following the announcement of the appointment of Marjan Rintel as the successor to Pieter Elbers, the Group welcomed the establishment of a solid management team for the coming years.

Should we deduce from this that Mr. Elbers, the term of whose mandate ran until May 2023, undermined the Group’s solidity in a context in which KLM has often obtained better results than Air France, the departure of Mr. Elbers having in this respect prompted a strong reaction from KLM employees?

On January 12, 2022, the Air France-KLM Board of Directors approved the decision of the KLM Supervisory Board taken in close consultation with Mr. Peter Elbers, President and Chief Executive Officer of KLM, establishing that Pieter Elbers would not enter into a third term. This process was conducted in a constructive spirit. The Air France-KLM Group and its Board of Directors expressed their gratitude towards Pieter Elbers for his 30-plus years of service to KLM and for the transformation he initiated and will continue to lead as CEO until the end of his mandate. We know we can count on him and the entire KLM team to ensure a smooth leadership transition with his successor. This decision enabled the Supervisory Board of KLM to start the process to identify a successor to Pieter Elbers in a timely manner.

On March 30, 2022, the Air France-KLM Board of Directors approved the proposal of the KLM Supervisory Board to appoint Ms. Marjan Rintel as Chief Executive Officer of KLM replacing Mr. Elbers. The opinion of the KLM Works Council was sought on this proposal. Ms. Marjan Rintel will assume her duties as of July 1, 2022.

Marjan Rintel is currently Chief Executive Officer of NS, the leading passenger railway operator in the Netherlands. She has held various operational and commercial positions within KLM and Air France-KLM, such as Hub Operations at KLM and Senior Vice President Strategic Marketing at Air France-KLM. Her extensive experience in the airline industry, her intimate knowledge of the Group, and her leadership qualities convinced the Board that she is the right person to continue the work to make KLM a leading European airline and a powerhouse for the Air France-KLM Group as a whole.

On March 30, 2022, the Group’s Board of Directors also decided on the early renewal of Benjamin Smith’s mandate as the Group’s Chief Executive Officer for a further five-year term of office, i.e. until the end of the Shareholders’ Meeting convened to approve the financial statements for the 2026 financial year, foreseen for May 2027.

In an extremely complex environment and in view of the future challenges, these two decisions effectively ensure a solid management team for the coming years. The Air France-KLM Board of Directors considers that it is vital to stabilize the Group’s governance so that the management teams in the airlines can focus all their collective efforts on making Air France-KLM an undisputed leader in the European airline industry.

Questions from SPAAK and VEB European Investors

14. Mr. Ben Smith’s variable compensation has been the subject of media debates for the third year running in the Netherlands. Has Air-France-KLM envisaged another compensation method for Mr. Benjamin Smith? What are the alternatives envisaged by Air France-KLM to avoid a public debate on the bonus of the Chief Executive Officer?

The compensation structure for the Chief Executive Officer is in line with the market practices of all French and European listed companies, and compliant with the AFEP-MEDEF Governance Code for listed companies. It was established by the Air France-KLM Board of Directors, based on the work and recommendations of the Remuneration Committee, within the framework of the Group’s new governance structure decided in 2018. This compensation structure took into account the international profile and experience of Mr. Benjamin Smith, and was determined on the basis of the compensation practices for similar functions in comparable international groups (including international airline competitors).

These elements of compensation are approved by the Shareholders’ Meeting on an annual basis (i) with respect to the elements of compensation paid or granted during the last financial year (*ex-post* vote) and (ii) with respect to the compensation policy for the current financial year (*ex-ante* vote). These *ex-ante* and *ex-post* votes, which are required each year and are binding, are a specificity of the French “Say on Pay” regime compared to other European jurisdictions (e.g., Germany or the Netherlands).

Pursuant to the provisions of the French Commercial Code and the recommendations of the AFEP-MEDEF Code, the 2021 compensation for the Chief Executive Officer and his 2022 compensation policy are detailed in the 2021 Universal Registration Document, and are submitted to the binding *ex-post* and *ex-ante* votes by shareholders during the Shareholders Meeting of May 24, 2022. The performance of the Chief Executive Officer in respect of his annual and long-term variable compensation is measured based on quantitative criteria linked to the Group’s financial targets and qualitative criteria linked to the Group’s non-financial targets. The Group plans to implement this compensation policy in compliance with the commitments arising from the recapitalization decision of April 5, 2021.

15. The 2021 Universal Registration Document mentions that the remuneration policy for the Chief Executive Officer, as regards his variable remuneration, could change based on the outcome of the discussions with the European Commission. What is meant by concerning the scope of application of these restrictions and what is the current status of these discussions? What would Air France-KLM consider a satisfactory outcome? Lastly, where do things stand on the variable compensation in respect of the 2020 and 2021 financial years?

In respect of the 2020 and 2021 financial years, the European Commission has indicated to Air France-KLM that, since these remuneration elements can be considered as having been granted before the European Commission’s decision of April 5, 2021, it would not oppose such a grant in 2021 provided that payment is deferred until such time as at least 75% of the recapitalization measures has been repaid, pursuant to the provisions of the Temporary Framework for State aid aimed at supporting the economy within the context of the Covid-19 outbreak. As a result, during its meeting of March 16, 2022, the Board of Directors confirmed this grant to the Chief Executive Officer for 2021 and decided to defer payment of these variable elements of compensation until such time as at least 75% of the recapitalization measures has been repaid.

Discussions remain ongoing between Air France-KLM and the European Commission regarding the possibility, for 2022, to grant elements of variable compensation to the Chief Executive Officer, subject to deferred payment.

As a result, the Board of Directors “will be able to determine the terms of the variable compensation for the Chief Executive Officer (...) in compliance with the restrictions on corporate officers’ remuneration as set forth in the European Commission's decision SA.59913 of April 5, 2021 relating to the recapitalization of Air France and Air France-KLM under the Temporary Framework” and that “the remuneration policy of the Chief Executive Officer, regarding his variable remuneration, could evolve based on the outcome of [the] discussions” with the European Commission (as indicated in the 2022 compensation policy – chapter 2.5.3 of Air France-KLM’s 2021 Universal Registration Document which must be published on March 30, 2022).

The final decision of the Board of Directors will be submitted to the shareholder’s vote during the Shareholders’ Meeting to take place in 2023 (*ex-post* vote).

In any event, pursuant to the European Commission’s decision SA.59913 of April 5, 2021, no annual or long-term variable remuneration for the 2022 financial year may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid.

Social, societal and environmental responsibility (RSE)

Questions from Mr. Langrenay, President of the Ateliers du Futur association

16. What is the Group's decarbonization trajectory and what levers will enable its achievement?

The Air France-KLM Group's ambition is to rise to the challenge of the ecological transition with all the players in the airline industry. We have defined a decarbonization trajectory with ambitious targets: reach net zero carbon emissions by 2050 with an intermediary target of emissions -30% in 2030 relative to the 2019 baseline. The Air France-KLM Group is one of the first European airline groups to choose to have this decarbonization trajectory validated by the independent reference organization, SBTi. With this commitment the Group gains total transparency thanks to a scientific evaluation of our ambition. To achieve its decarbonization ambitions, the Group is counting on three levers:

1. Reducing our direct CO₂ emissions (by the renewal of our fleet, the use of sustainable aviation fuel and eco-piloting);
2. Reducing our indirect CO₂ emissions (by mobilizing all our value chain);
3. Absorbing CO₂ in the atmosphere.

17. What governance has been put in place to secure the Group's decarbonization trajectory?

The Sustainable Development governance is guaranteed by the Group's highest management bodies. The Board of Directors and the Group Executive Committee ensure that sustainability issues are given priority. The teams responsible for sustainable development submit frequent reports in this regard to the most senior management levels.

The Board of Directors determines the strategic orientations for company's activity and monitors their implementation, in line with its social interest, by notably taking into consideration, within its decision-making process, the social and environmental issues surrounding its activity (for example, for the renewal of the Group's fleet). The Board draws on the recommendations of the advisory Committees. Within this framework, since December 2018, the Board has been supported by the Sustainable Development and Compliance Committee, composed of 6 members and chaired by an independent director, Ms. Anne-Marie Idrac. This Committee assists the Board of Directors in reviewing the Group's sustainable development and compliance policies. It ensures the promotion of long-term value-creation by the Group and thus the taking into account of the social and environmental issues involved in the business activities in the definition of the Group's strategy by making recommendations to the Board of Directors. During the 2021 financial year, this Committee notably reviewed the Group's Extra-Financial Performance Statement, the Group's Sustainable Development strategy, the Group's compliance program, the extra-financial risks and the Group's social, societal and environmental goals. It also monitored the Group's environmental commitments made within the framework of the financial support measures from the French and Dutch States and participated in a working Group on the Group's corporate purpose.

The Group Executive Committee determines the sustainable development policy and factors it into the Group's strategic planning. It reviews the sustainable development strategy and performance on an annual basis. A cross-cutting Decarbonization Committee covering all the company functions has also been established reporting to the Group's Corporate Secretary, to monitor the execution of the decarbonization road map. Every year, the Board approves the Extra-Financial Performance Statement, validated by an independent third-party organization, which includes the Group's

environmental performance and its updated decarbonization program. It is then published in the Universal Registration Document.

18. How does the Air France-KLM report to customers on the carbon footprint of its air transportation activity?

We practice transparency by disclosing and communicating on the subject of our impact on the environment to raise our customers' awareness of environmental issues and encourage responsible practices. Air France and KLM notably make CO₂ calculators available to their customers when they book tickets on the airlines' websites. These calculators are linked to an emission evaluation system which also enables passengers who so wish to offset the emissions from their travel. Having access to this information helps our customers to take more informed decisions concerning their purchases.

Social

Questions from SPAAK

The labor conditions imposed by the Dutch State within the framework of the loans and guarantees granted to KLM by the State in 2020 have caused a huge public and political debate in the Netherlands, damaging the position and reputation of KLM, the Air France-KLM Group and their employees. These dynamics have potentially led to a lower value for shareholders.

19. Last year, Air France-KLM did not want to anticipate the conclusions of the Committee on Freedom of Association of the International Labour Organization (CFA). How does Air France-KLM intend to take into consideration the conclusions of this Committee formulated in its 397th report, finding that the Dutch State did not act in an appropriate manner within the framework of the conditions imposed on KLM for the granting of the loans and guarantees by the Dutch State? In this context, what is the impact on the role of KLM's management given the non-respect of the existing legislation and regulations?

The Committee on Freedom of Association's recommendations are directed at the Dutch government and the role of the KLM management in this matter is not under discussion.

The Committee's recommendations reiterate notably the need for the Dutch government to engage in dialogue with the organizations representing the employers and workers concerned, notably to find solutions that are fair and tenable during periods of crisis.

In this context, given its desire to maintain a high-quality employee dialogue, KLM is pursuing discussions with its employees and the unions in an open and transparent manner.

The Group's management is committed to maintaining an open and constructive dialogue with the unions in the Group's entities.

20. What role does Air France-KLM intend to play in this process, in view of SPAAK's earlier warnings (letter of July 23, 2020, questions at the 2021 AGM) in which KLM's management and the Air France-KLM Board of Directors were made aware of the afore-mentioned concerns?

Were such exceptional circumstances to re-occur, the KLM management would do everything in its power to ensure that the recommendations of the ILO's Committee on Freedom of Association are implemented within the framework of its discussions with the Dutch government.

21. In future, what will be done to prevent any further non-compliance with international labor law within KLM and Air France-KLM, and how do you plan to restore the trust of KLM employees in the KLM management?

An overall compliance framework is in place for Air France-KLM and KLM with continuous actions to further mitigate the risk of non-compliance. Training programs, clear policies and verification measures are made available to management and employees at all levels.

Trust is maintained by continuing our social dialogue in a transparent and open way towards solutions.

22. In what way will the members of KLM's management and Board be held responsible for their illegal and damaging actions and policies?

Air France-KLM does not share SPAARK's opinion concerning the responsibility of the KLM management. As previously mentioned, the recommendations of the Committee on Freedom of Association are addressed to the Dutch government and do not invoke the responsibility of the KLM management nor that of the members of the Air France-KLM Board of Directors.

The KLM management negotiated in full transparency and good faith with the Dutch government and did everything within its power to protect the interests of the Group and its employees, in difficult circumstances where the longevity of the company was at stake.

Were such exceptional circumstances to re-occur, the KLM management would do everything in its power to ensure that the recommendations of the ILO's Committee on Freedom of Association are implemented within the framework of its discussions with the Dutch government.

IT**Question from the A. D. U.T.A association. via its President Mr. Allaguillemette**

23. For some time, the situation has been calm in terms of labour relations at Air France, something which is important ahead of an envisaged recapitalization. At a time when we are seeing a stronger-than expected improvement in the airline's results, is it wise to envisage a plan to offshore a portion of IT development to India which could trigger labor unrest at Air France?

Within the framework of its activities and as a complement to its own resources, Air France uses a number of IT services companies.

The latter are notably involved in development activities, an area much in demand for which there is a serious shortage of qualified people in France. Faced with this situation, Air France's service providers are currently diversifying the localizations for the allocation of these tasks which are currently focused on France, to extend them to other countries (in Europe and beyond).

The use of this type of service and staff based internationally is a normal practice within these services providers who also work for other large French and international companies. KLM has used them for more than 20 years.

This change has absolutely no impact on the company's employees, who are responsible for most of its IT activities in-house.

Air France has no plans to offshore jobs and, since the beginning of 2022, has again been hiring IT staff on permanent contracts at its sites based in the Paris region and the French provinces.

In short, this is aimed at expanding our sub-contracting options while prioritizing quality and rapid availability at reasonable prices, as a complement to our internal resources which we prioritize and are developing through recruitment.

Bank custodial services

Questions from Mr. Alain Balesdent

24. What is the annual amount invoiced by Société Générale Securities Services for managing shares held in direct registered form?

Shareholders holding their shares in direct registered form benefit from free annual custodial rights. In the event they place an order, they pay only the dealing commission.

The cost of the service provided by Société Générale Securities Services to manage the register of shares held in direct registered form is borne by the issuer and depends on different parameters like the number of shareholders and the number of operations realized during the year.

25. Has Air France-KLM requested that the e-statements for registered shareholders be activated by default?

Air France-KLM shareholders holding their shares in direct registered form are not automatically signed up to receive e-statements. Shareholders can thus still receive their documents in paper form.

However, owing to the Covid-19 pandemic and the difficulties with the postal service linked to the public health crisis, Société Générale Securities Services wished to secure the availability to shareholders of their portfolio statements and tax forms as of December 31 by, in addition to sending them by post, systematically publishing them on the sharinbox website exclusively for shareholders, even those shareholders who had not subscribed for e-statements.