



**Summarized minutes of the Combined Ordinary and Extraordinary
Shareholders' Meeting on May 16, 2017**

The Combined Ordinary and Extraordinary Shareholders' Meeting of May 16, 2017, chaired by Jean-Marc Janaillac, Chairman and Chief Executive Officer, brought together more than 400 attendees at the Espace Grande Arche, in the presence of the members of the Board of Directors. The quorum for the meeting stood at 48.797%, representing 145,939,620 shares held by shareholders present or represented of a total of 299,070,075 shares with voting rights, each share conferring the right, depending on the specific case, to one or two votes. Since April 3, 2016, in view of no provision to the contrary in the Air France-KLM Articles of Incorporation, all fully paid-up shares held in registered form in the name of the same shareholder for at least two years have benefited from a double voting right. In total, the 11,768 shareholders present or represented adopted the 28 resolutions submitted to the vote.

The scrutineer functions were fulfilled by Bruno Vincent (representing the French State shareholder) and by the French Government Shareholding Agency (APE), represented by Jean-Dominique Comolli, and Jean-Charles Mériaux (representing DNCA Finance, shareholders), the two shareholders attending the Meeting with the most votes and having accepted to fulfil these functions.

The Meeting was broadcast live on the company's website: <http://www.airfranceklm.com/fr/finance/actionnaires/webcast-ag>.

Results of the voting on the resolutions

#	Resolutions	For	Against	Abstention
<i>Ordinary business</i>				
1	Approval of the statutory financial statements for the 2016 financial year	98.93%	0.55%	0.52%
2	Approval of the consolidated financial statements for the 2016 financial year	99.37%	0.54%	0.09%
3	Allocation of the income (or loss) for the 2016 financial year	99.54%	0.42%	0.04%
4	Ratification of the co-opting of Mr. Jean-Marc Janaillac as a Board director	92.05%	7.82%	0.13%
5	Re-appointment of Ms. Maryse Aulagnon as a Board director for a four-year term of office	91.23%	8.68%	0.09%
6	Re-appointment of Ms. Isabelle Bouillot as a Board director for a four-year term of office	97.20%	2.76%	0.04%
7	Appointment of Ms. Leni M.T. Boeren as a Board director for a four-year term of office	97.70%	0.61%	1.69%
8	Advisory vote on the elements of compensation due or granted to Mr. Alexandre de Juniac for the 2016 financial year, in his capacity as Chairman and Chief Executive Officer until July 4, 2016.	91.58%	7.93%	0.49%
9	Advisory vote on the elements of compensation due or granted to Mr. Jean-Marc Janaillac for the 2016 financial year, in his capacity as Chairman and Chief Executive Officer as from July 4, 2016.	93.30%	4.89%	1.81%
10	Approval of the principles and criteria for determining the elements of compensation and the benefits of any kind granted to Mr. Jean-Marc Janaillac, Chairman and Chief Executive Officer	84.50%	13.85%	1.65%

11	Authorization to be granted to the Board of Directors to carry out transactions involving the Company's shares	99.36%	0.55%	0.09%
<i>Extraordinary business</i>				
12	Capital increase (<u>outside the context of a public tender offer</u>) maintaining preferential subscription rights for shareholders	94.15%	5.32%	0.53%
13	Capital increase (<u>outside the context of a public tender offer</u>) without preferential subscription rights for shareholders but with a mandatory priority subscription period	92.03%	7.86%	0.11%
14	Capital increase (<u>outside the context of a public tender offer</u>) 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)	91.86%	7.65%	0.49%
15	Capital increase (<u>outside the context of a public tender offer</u>) through private placement with qualified investors / restricted group of investors	92.06%	7.82%	0.12%
16	Increase in the number of securities to be issued in the event of a capital increase (<u>outside the context of a public tender offer</u>) with or without preferential subscription rights ("greenshoe")	92.15%	7.75%	0.10%
17	Capital increase (<u>outside the context of a public tender offer</u>) to compensate contributions in kind granted to the Company	93.87%	5.17%	0.96%
18	Capital increase (<u>outside the context of a public tender offer</u>) by capitalization of reserves, profits, issuance premiums, or other amounts eligible for capitalization	95.02%	4.89%	0.09%
19	Capital increase (<u>within the context of a public tender offer</u>) maintaining preferential subscription rights for shareholders	74.16%	24.14%	1.70%
20	Capital increase (<u>within the context of a public tender offer</u>) without preferential subscription rights for shareholders but with a mandatory priority subscription period	73.18%	26.78%	0.04%
21	Capital increase (<u>within the context of a public tender offer</u>) 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)	73.15%	26.80%	0.05%
22	Capital increase (<u>within the context of a public tender offer</u>) through private placement with qualified investors / restricted group of investors	73.13%	26.83%	0.04%
23	Increase in the number of securities to be issued in the event of a capital increase (<u>within the context of a public tender offer</u>) with or without preferential subscription rights ("greenshoe")	73.54%	26.38%	0.08%
24	Capital increase (<u>within the context of a public tender offer</u>) to compensate contributions in kind granted to the Company	73.64%	24.25%	2.11%
25	Capital increase (<u>within the context of a public tender offer</u>) by capitalization of reserves, profits,	80.12%	18.09%	1.79%

	issuance premiums, or other amounts eligible for capitalization			
26	Allocation of free existing shares, subject to performance conditions, to employees and corporate officers of the Group companies (excluding the corporate officers of the Company)	98.61%	1.35%	0.04%
27	Capital increases reserved for members of a company or group savings scheme	98.81%	1.01%	0.18%
28	Powers to accomplish formalities	99.07%	0.74%	0.19%

Results of the survey of individual shareholders

At the beginning of the meeting, the Chairman and Chief Executive Officer, Jean-Marc Janailac gave a presentation on the results of a survey of individual shareholders to identify the main themes the latter wanted to see addressed as a priority during this meeting. By order of importance, the main themes were: the market outlook for the Group and the growth relays, then the results targets followed by the dividend distribution policy, the new Trust Together strategic project, the financial strategy, changes in the shareholder structure and the shareholder loyalty policy and, lastly, the human resources policy and relations with the unions. The Chairman said that these subjects would be addressed in the various presentations and thanks to the questions from shareholders.

Composition of the Board of Directors

Firstly, the Chairman reviewed the changes in the composition of the Board of Directors during the 2016 financial year and its current composition. He thanked the Board members whose terms of office expired during the 2016 financial year (Mr. Christian Magne, director representing the employee shareholders) and expiring at the end of this meeting (Mr. Pieter Hartman, Vice-Chairman of the Board of Directors and Mr. Santero, director representing the employees).

Ms. Couderc, Chair of the Appointments and Governance Committee then gave a presentation on the Board directors whose ratification, re-appointment and appointment were submitted to the Shareholders' Meeting. The co-opting of Mr. Jean-Marc Janailac as a Board director was ratified for the remaining duration of his predecessor Mr. Alexander de Juniac'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.

The mandates of Ms. Maryse Aulagnon and Ms. Isabelle Bouillot, independent Board directors, were renewed for a four-year 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, 2020.

Lastly, Ms. Leni M.T. Boeren was appointed as an independent Board director for a four-year 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, 2020, replacing Mr. Peter Hartman whose term of office would expire at the end of this meeting.

Following these appointments, the Board of Directors numbers 15 members of whom (i) six women (i.e. 42.9% of the Board members, the Board director representing the employees not being taken into account for the calculation of this percentage targeted in Article L. 225-18-1 of the Code of Commerce pursuant to Article L. 225-27-1 of the Code of Commerce) and (ii) seven independent directors within the meaning of the AFEP-MEDEF Corporate Governance Code (i.e. 58.3% of the Board members in application of the AFEP-MEDEF Corporate Governance Code according to which directors representing the employee shareholders and directors representing the employees are not taken into account to establish the percentage of independent directors).

Stakeholders

A video presentation was screened on the Air France-KLM stakeholders' perspective on the Group's medium-term priorities. This video presented the results of the consultation process conducted with Air France-KLM's main stakeholders, continuing the dialogue that had been established the previous year.

Presentation of the 2016 financial year

(See also the 2016 Registration Document, containing the 2016 Management Report and the 2016 Annual Financial Report, available on the www.airfranceklm.com website or on request by mail).

Mr. Gagey, Chief Financial Officer, Air France-KLM, then gave a presentation on the activity and financial results for the 2016 financial year.

Key figures

- Revenues: €24.84 billion
- EBITDA : €2.714 billion
- Operating result: €1.049 billion
- Net result: €792 million
- Net debt: €3.66 billion

Financial results

Mr. Gagey commented on the main financial results. He said that the 2016 results were in line with the Group's objectives with a marked improvement in the key indicators. He explained that, while revenues may have fallen by 3% relative to the previous year, this did not mean that the Group's activity was down. He explained that this variation by the impact of a fall in tariffs in the passenger and cargo transportation businesses, was due to a very fierce level of competition, to the impact of the Paris and Nice terrorist attacks and to the ongoing overcapacity in the air freight industry. This did not, however, prevent an improvement in two major financial indicators, namely earnings before interest, taxation and depreciation and amortization (EBITDA) and the operating result which stood at a respective €2.714 billion (up by €327 million), and €1.049 billion (up by €269 million). He noted a net result, Group share of €792 million, also up by €674 million relative to the 2015 financial year.

The Group continued to deleverage in 2016 thanks to free cash flow of €693 million which was reflected in a €652 million reduction in financial debt, the latter moving from €4.31 billion to €3.66 billion between January 1 and December 31, 2016. At end 2016, the Group had cash of €4.2 billion and €1.76 billion of credit facilities. The Group thus has sufficient resources to fund its future obligations.

The 2016 financial year continued the quasi-continuous improvement in the Group's key financial indicators of the preceding five-year period. This could be seen at the level of both (i) the operating result adjusted for the portion of interest in the operating leases, which was slightly negative in 2011 before steadily improving to €1.4 billion in 2016 and (ii) operating cash flow which increased from €900 million to €2.2 billion over the period.

This is also true in terms of the debt ratio used by financial analysts; net debt adjusted for operating leases to earnings before interest, depreciation, amortization and leases had moved from 5.7x in 2011 – reflecting a difficult situation for the Group – to the current 2.9x. Today's significantly lower level is a real reason for satisfaction. For all that, the improvement in this area must continue. This is why Air France-KLM had set itself a target of reducing this indicator to below 2.5x in the coming years.

Unit cost reduction is the other priority on which the Group has focused its efforts. By working on transforming its processes, improving its procurement performance and generating productivity gains driven by the permanent efforts of the Group's staff, structural unit costs were reduced by 1.7% over the financial year. 2016 is thus the fifth consecutive year to have seen a steady decline in the Group's unit costs.

Activity

The **passenger** business was positively oriented with total revenues of €19.7 billion. Traffic as measured by the company in passenger kilometers conveyed increased by 1% for capacity up by 0.7%, the difference between the two being reflected in an improved load factor. The latter moved from 85.1% to 85.4%, a very high level for the industry. On the other hand, unit revenues were under pressure (-4.5%) but, thanks to tight control over costs – down by 7% - the operating result improved, rising from €840 million in 2015 to €1,057 million.

As in the previous years, the **cargo** business had a very difficult year. Air freight has effectively long been experiencing a situation of structural industry overcapacity at global level which has prompted a vertiginous fall in rates. This was again the case in 2016, with rates having fallen by nearly 12%. Here too the work of the cargo teams on containing costs limited the impact of an unfavorable environment, such that the operating loss remained stable on its 2015 level at €(244) million. However, the cargo business pays the passenger business substantial sums corresponding to the additional fuel cost owing to cargo transportation and the rental of bellies, in the form of a flat-rate amount. In other words, the cargo contribution to the Group's economics is not reflected in its operating result but in its contribution, which is positive.

The **maintenance** business is both profitable with a 5.7% margin and high growth since its activity for third-party customers grew by 16% last year. Backed by its commercial success, the business currently has a good level of visibility on its activity in that its order book is approaching €9.5 billion and should reach €10 billion by the end of the year.

The low-cost activity, operated by the dual Transavia Netherlands and Transavia France subsidiaries under the **Transavia** brand, carried more than 13 million passengers last year to more than 100 destinations and generated revenues of €1.2 billion. This business broke even at the operating level in 2016, its activity having grown by 14% measured in passenger kilometers.

Outlook

Mr. Gagey reviewed the first quarter results which reflected passenger activity growth of 5.2% and traffic up by 4.2%. He confirmed an improvement in the unit revenue trend excluding currency since the end of the year. Whereas the latter had fallen by 4.5% in the previous year, they were down by 0.5% in the first quarter, a trend which reflects a marked improvement in the Group's commercial environment. Lastly, as in 2016, costs were down by 1.7% in the first quarter and debt continued to fall thanks to operating free cash flow of €329 million.

The beginning of the 2017 financial year thus continued the trends of the previous year with ongoing deleveraging and a further reduction in unit costs. The environment is, however, different in terms of the commercial outlook in that it is much less negative than last year.

Share price and relations with individual shareholders

Mr. Gagey then talked about the performance of Air France-KLM shares in the stock market. Marked by the very negative price moves seen in the industry in 2016, and the rise in the oil price during the 2016 second half, the Air France-KLM share price performance was disappointing in 2016. The improved outlook for the commercial environment and the increase in the fuel price which remains moderate have since enabled a significant recovery in the share price which is regaining levels more in keeping with the company's potential.

Mr. Gagey paid tribute to the work of the Shareholders' Club and of the Individual Shareholders' Committee, an important discussion forum, with a reminder of the many initiatives put in place by Air France-KLM for individual shareholders, in particular the Shareholders' Newsletter.

Strategy

An introductory film was screened on the different facets of the Group's activity then, prior to a presentation on the Group's strategic orientations, the Chairman gave a presentation on flight safety and Air France-KLM's operations, supported by a film.

- **Growth markets, fierce competition**

Air France-KLM operates within an industry which remains fast-growing – around 6% per year over the next five years – and all the research shows that this trend is expected to continue. This market is also extremely competitive, across all segments and regions.

This strong capacity growth, which will prevail in the years to come, has a direct consequence: the pressure on unit revenues seen in recent years, which is set to continue.

- ***The Air France-KLM Group's vision***

Within this context, the Air France-KLM Group's mission is based on three major activities: Long and Medium-haul, networks which articulate around the dual Roissy and Schiphol hubs, point-to-point and maintenance.

For these three activities, the Group has set itself the following goals:

- Improved efficiency for the hubs at which Air France and KLM operate, within an extensive network of alliances. The cargo business is also participating in this improvement in competitiveness.
- For point-to-point, a consolidated presence in the French and Dutch home markets thanks to the Hop! Air France, KLM and Transavia brands.
- The ongoing development of the maintenance business, which is a key factor in the Air France-KLM Group's efficiency and growth.

To achieve this goal, the Chairman believes that Air France-KLM needs to behave like a challenger. This means regaining a spirit of conquest, returning to the offensive and seeking growth wherever it can be found.

This growth obviously implies investment, to finance new aircraft, open new routes and offer new products and services. Air France-KLM must thus generate the resources to invest and finance this growth by improving unit revenues and reducing costs. There is no alternative.

- ***Trust Together***

Trust Together had been launched some six months previously and is structured around 26 projects, all aimed at increasing revenues and improving competitiveness. These actions are ambitious but realistic, and many are already bearing fruit.

Air France-KLM's growth objectives are clear: by 2020, the Group is targeting sales of €28 billion, 100 million passengers and a fleet of 435 aircraft – without counting the regional fleet. This represents annual growth of more than 2% through to 2020.

With Trust Together also comes a major challenge of re-establishing confidence within the Group. No success will be possible without mutual trust and unity. The goal of Trust Together is to rebuild this confidence by giving the company the resources to finance its growth.

Giving the Group the means to finance this growth means improving revenues (revenue management, reinforcement of the alliances, operational efficiency, network agility, move up-market and personalization of the service) and reducing costs (targeting annual fixed cost reduction of more than 1.5%).

- ***Gaining competitiveness***

This concerns multiple areas. Some initiatives are being rolled out while others will be implemented very shortly. The Chairman mentioned two levers of competitiveness:

- Fleet modernization and, notably, the deliveries of the first B787 Dreamliners – in late 2015 at KLM and at the end of 2016 at Air France.
- Optimized fleet utilization. The target of optimized aircraft utilization enables the generation of the production resources to support our growth ambitions, while limiting our investment requirements.

- ***The simplification and digitalization of our processes***

The Group must also focus everyone's energies on improving working methods and optimizing its organization. To be more efficient and reduce costs, but also to give staff more autonomy.

In this respect, digital offers new possibilities, prompting the Group to revisit all its functioning modes. All the professions are concerned. Maintenance with predictive maintenance tools; flight crews – pilots and cabin crews – with their tablets which assist with flight operations – and the call centers which now

have at their disposal a 360 vision tool, which synthesizes all the information needed to satisfy customers more effectively.

- ***Boost Project; a tool to win back customers***

Despite these efforts directed at reducing the cost structure, too many of Air France's long-haul routes remain loss-making. This is also true on the medium-haul network feeding the CDG hub, with the majority of routes having been loss-making for several years.

The Group has chosen to equip itself with a competitive, innovative and agile tool that will enable it to withstand the competition on these routes in difficulty, while capitalizing on the commercial excellence and know-how of Air France. This is the aim of the Boost project. This new company, whose launch is being planned, is in response to two objectives:

- The first is a competitive cost structure – 15% to 18% below that of Air France. This must enable the return to profitability of the most difficult routes and the opening or re-opening of new long-haul markets.
- Second objective: to be a laboratory for new processes and the digitalization of the Group with, for example, the systematic roll-out of WiFi, a new meal service proposition, new inflight entertainment systems, etc....in short, offers tailored in particular to the expectations of the Millennials, i.e. the generation aged 18 to 35 years.

By 2020, Boost will have a long-haul fleet of 10 A350s and a medium-haul fleet of 18 A320s and A321s to feed the Roissy hub. The first medium-haul operations should be launched this autumn and the long-haul operations are planned for Summer 2018, in a little under a year, with a progressive ramp-up and a transition phase during which the Group will operate A340s prior to delivery of the first A350s in 2019.

Given the existence of scope clauses in the earlier agreements, the creation of the NewCo within the framework of Boost requires the prior agreement of the pilots unions and notably the SNPL. Negotiations were opened in December and a draft agreement has been submitted for signature by the unions. In any case, Boost will happen, one way or another.

- ***Growth***

With regard to the Group's second business, point-to-point, Transavia is naturally a growth tool. Transavia, which has just celebrated ten years of operations in France, is already the number one low-cost operator at Orly and in the Netherlands. This year Transavia plans further growth of between 10% and 15%, with significant development on departure from the French provinces. This means reinforcing the Group's positioning in point-to-point, on departure from its home markets.

The Group's third business, maintenance, is a key sector and a factor in profitable growth. This is a global market whose annual growth is expected to be more than 4% over the next decade. The Group already has a strong position in this segment, with an order book approaching €10 billion. The Group's excellence in this sector naturally benefits from its airline operations, but also from "external" customers, and it has thus become the number two worldwide in this demanding market. The acquisition by the Group of latest-generation aircraft – B787 and A350 – enables it rapidly to develop new know-how and positioning in new maintenance markets. Our Group will thus pursue its growth strategy in this area.

- ***Lobbying to achieve a competitive fiscal environment and a balanced competitive framework***

However, to be truly competitive, the Group must also be able to operate within a regulatory, social and fiscal environment that does not constitute a handicap to its development.

Air France-KLM is facing very fierce and complex global competition but, within this global competition, we must be able to leverage all our strengths, with a competitive framework which is fair and balanced and offers a level playing field.

The public authorities – national and European – thus have a major role to play in this area:

- To help us reduce the structural gap in airline competitiveness, which comes partly from the taxes and charges to which the group is subject, particularly in France, unlike some of its competitors.

- To guarantee a balanced competitive framework. The Chairman and his opposite number in the Lufthansa Group have thus lobbied their respective governments and the European institutions to ensure that measures are taken at national and EU level to re-establish more equitable competitive conditions with the Gulf State carriers; and
 - To ensure that the European low-cost carriers comply with French employment legislation. Any circumvention of the legislation applicable to worker secondment (“fake secondment”) and the employment of pilots in the form of “fake self-employment” must be firmly opposed.
- ***Our sustainable development commitment***

A film showing the Group’s sustainability initiatives was screened.

Within the framework of the dialogue with stakeholders, in early 2017 a survey was launched with all the Group’s stakeholders and its management, showing the importance of taking into account climate change and CO₂ emissions in the Air France-KLM strategy, alongside objectives relating to customers, operational efficiency, safety and the economy.

- ***Climate objectives***

Concerning the climate objectives, the Group has made a commitment to improving its energy efficiency by 20% by 2020, through fleet modernization with, for example, the arrival of the 787s and A350s, but also via new optimized procedures, both on the ground and in the air.

At ICAO level, 2016 was marked by the CORSIA agreement for carbon neutral growth in international aviation as from 2020. The Air France-KLM Group welcomes this in that it constitutes a major agreement.

The Group is also supporting the development of sustainable alternative biofuels, a major lever in reducing its CO₂ emissions at source over the short/medium term. In 2016, AF and KLM operated some 400 flights partly powered by biofuel.

- ***Corporate citizenship***

As an influential economic player – Air France is the leading private-sector employer in the Ile-de-France region and KLM is the number three in the Netherlands - Air France-KLM also engages in citizenship, environmental and societal actions. For example:

- Respect of the principles of the circular economy, by preserving our resources like water for aircraft cleaning, by recycling on board materials and used uniforms, and by donating products to social and solidarity associations;
- The Group’s policy on the vocational integration of workers with disabilities, by working with companies in the protected and adapted sector. Every year Air France-KLM adds to its partnerships in this area;
- Humanitarian actions: the Air France Foundation supports 84 projects focused on children and education and KLM works on long-term projects with a number of NGOs, including its historic partnerships with UNICEF and the WWF-Netherlands.

The Group mobilizes its stakeholders and customers around the promotion of responsible tourism, notably within the framework of the United Nations’ Sustainable Tourism for Development initiative.

- ***Conclusion***

Mr. Janaillac then closed the section on strategy as follows:

“As shareholders, you will have understood that there are multiple and significant challenges facing your Group, Air France KLM, but I am confident that we have the weapons to contend with them. You can count on us, on our mobilization and commitment, to continue the turnaround of the Group, pursue its development and enable it to play a key role in the years to come.”

Focus on the commercial strategy

Pieter Bootsma answered a number of questions from Fabrice Knoll, a member of the Individual Shareholders' Committee on the different ways in which the Group could ensure a return to profitable growth.

Presentation of the resolutions - Remuneration

Mr. Nanty gave a presentation on the 28 resolutions submitted to the vote by shareholders.

Within this framework, Mr. Jaap de Hoop Scheffer, Chairman of the Remuneration Committee, gave a presentation on the elements of compensation for Mr. Alexandre de Juniac, Chairman and Chief Executive Officer for the period from January 1 to July 4, 2016 and for Mr. Janaillac, Chairman and Chief Executive Officer for the period from July 4 to December 31, 2016, together with the remuneration policy applicable to the Chairman and Chief Executive Officer for 2017, submitted to the shareholders' vote.

In his capacity as Chairman and Chief Executive Officer of Air France-KLM until July 4, 2016, Mr. de Juniac received total compensation (fixed and variable) in respect of the 2016 financial year, calculated *pro rata temporis* for the period from January 1, 2016 until July 4, 2016, amounting to €533,600, composed of a fixed portion of €306,667 and a variable portion of €226,933 euros, as had been decided by the Board of Directors. In his capacity as Chairman and Chief Executive Officer from July 4, 2016, Mr. Jean-Marc Janaillac received total compensation (fixed and variable) in respect of the 2016 financial year, calculated *pro rata temporis* for the period from July 4, 2016 to December 31, 2016, amounting to €548,834 composed of a fixed portion of €296,667 and a variable portion of €252,167, as had been decided by the Board of Directors.

These amounts were submitted to the advisory vote by shareholders, pursuant to the AFEP-MEDEF Corporate Governance Code.

Mr. Jaap de Hoop Scheffer then gave a presentation on the principles and criteria for determining the elements of compensation for Mr. Jean-Marc Janaillac, Chairman and Chief Executive Officer for the 2017 financial year. He said that the Board of Directors had decided to maintain the annual fixed compensation and the portion of variable compensation for Mr. Janaillac at the same level and to change the performance criteria determining his variable compensation. He stipulated that 60% of the maximum amount of variable compensation is determined on the basis of financial criteria, and 40% on the basis of qualitative criteria. These criteria reflect the targets in the Trust Together strategic project. He added that the Jean-Marc Janaillac's compensation had no other elements for the 2017 financial year. These principles were submitted to the vote by shareholders, pursuant to the provisions of Article L. 225-37-2 of the Code of Commerce.

Report of the Statutory Auditors

Mr. Eric Jacquet (KPMG) presented the reports of the college of Statutory Auditors.

Dialogue with shareholders

After the presentation of their reports by the Statutory Auditors, the Chairman, accompanied by Mr. Gagey, Mr. Elbers, Mr. Ternier and Mr. Nanty, opened the Q&A session with shareholders present at the meeting, the answers to questions in writing having been posted online at the www.airfranceklm.com website as of the opening of the Meeting, as allowed by law.

The questions asked during the Q&A session lasting one hour mainly covered the Group's strategy, results, governance and outlook. A selection of questions and answers reflecting this dialogue is set out below, the Q&A session being available in its entirety on the company's website at the link <http://www.airfranceklm.com/fr/finance/actionnaires/webcast-ag>.

Question relating to the Group's organization (consolidation, integration)

The Chairman explained that the principle is to have a Group composed of two airline companies, mainly Air France and KLM, but also Transavia and missions common to the Group. The Group is organized with joint teams like those in revenue management and the commercial teams which are fully integrated. This is one of the Group's strengths. Close cooperation also exists in areas like IT, information systems,

cargo, maintenance, etc. The Chairman believes that the Air France-KLM Group is more integrated than other groups, and notably the Piaget and Lufthansa Groups. In his view, the two airlines need to remain separate and do whatever makes sense at Group level, either because it is better for the customer – e.g. digital and sales, where there is a real benefit in having common functions – or because it enables cost savings.

Air France-KLM has procurement teams in both airlines but they are coordinated and work together to be able to benefit from synergies. Similarly, Air France-KLM has fleet teams in both airlines but Frédéric Gagey works with his teams on the long-term fleet strategy and, when purchasing aircraft of the same type, procurement from Boeing, Airbus or Embraer, for example, is coordinated.

Question relating to parity within the Air France-KLM Group's Executive Committees

The Chairman said that parity within the Group's Executive Committee had effectively not been reached (only two women within these Committees) but nonetheless noted that the number of women within the Group's management bodies is tending to increase (their number had doubled since his arrival). He stressed that the percentage of women within the Air France Executive Committee is 26% (a percentage which is increasing) and 18% within the KLM Executive Committee. He said that the Group was moving towards parity, although this may take time. He gave the example of Anne Brachet who is Executive Vice-President of Air France-KLM Engineering & Maintenance, and is now the second woman member of the Group Executive Committee.

Question relating to headcount reduction within the Air France Group and its impact on results

Mr. Gagey reminded the meeting that the headcount reduction within the Air France Group had mostly taken place via voluntary departure plans, after discussion with the unions. Within this framework, every employee had a choice between leaving or remaining, as a function of the offer made to them. The management identifies the entities that are eligible for the voluntary departure plan. The employees in entities whose areas of activity were seeing fast growth were thus not offered these plans, the latter being reserved for Air France Group areas of activity which, following technological changes and declining revenue trends, required headcount reduction.

Question relating to the scheduling of flights to Athens for Summer 2018

The Chairman reminded the meeting that a large number of flights are planned bound for Greece on Transavia and that Athens is not the only destination for French tourists in Greece. He added that Transavia had significantly increased its number of flights for Summer 2018.

Question relating to debt optimization in this period of low interest rates

Frédéric Gagey said that Air France-KLM had been benefiting from low interest rates for several years by reimbursing and renewing some portions of its debt, and by contracting new bank loans. It is however not appropriate to increase the level of net debt and to borrow even more since the debt ratios are not extremely low. This ratio had moved from 5.4x to 2.9x. It is difficult for Air France-KLM to envisage an end to paying down debt and the Group's deleveraging since Air France-KLM remains slightly more indebted than its competitors. Despite the low level of interest rates, it would not be appropriate at this stage to allow a deterioration in the Group's balance sheet structure.

Question on the aim of the A4E association to which Air France-KLM belongs, alongside its competitors Ryanair and Easyjet, within the framework of combatting the Gulf State airlines.

The Chairman said that the Airlines for Europe (A4E) association is composed of Lufthansa, British Airways, Air France-KLM, Ryanair and Easyjet, as well as other carriers. This association, established eighteen months previously, enabled its members to speak with one voice in Brussels. Its aim is not to combat the Gulf State carriers but to communicate a single message to the European Union on matters like air traffic, airport charges and a number of European regulations.

Air France-KLM also belongs to an association, regrouping a number of European airlines including Lufthansa and union bodies, which is lobbying the European Union against State aid for the Gulf State airlines.

Question on the association between Air France and Safran

Mr. Ternier explained that the association between Air France and Safran is within the area of engineering & maintenance and, more specifically, the maintenance of aircraft engines. 80% of the costs of the engine overhaul activity come from the procurement of new components. To reduce these costs, one of the strategic avenues pursued in recent years is to improve the level of repair of components originating from the disassembly of engines in the workshops.

Safran is the parent company of Snecma and Safran Engines, and also partners General Electric for the engines on the medium-haul fleet (CFM). The cooperation with Safran is aimed at creating a joint-venture for the repair of CFM engine components via the creation of a factory in the Hauts-de-France region (in the Valenciennois). The foundation stone will be laid in the next few weeks.

Question relating to the substantial delays due to congestion at Schiphol airport and the measures to resolve this issue

Pieter Elbers said that there had indeed been delays at Schiphol airport due to planning errors. He stipulated, however, that serious discussions had taken place with Schiphol airport and the Dutch government after which the airport had committed to implementing measures to avoid any repeat of this inconvenience during what promises to be a very busy Summer season.

Question relating to the internal mobility of hub staff

Having noted the difficulties encountered by all the employees working at the hub, Franck Ternier explained that, given these difficulties, he had decided to preserve activity within the hub and, at the same time, protect the day-to-day lives of hub agents by not adding to their existing problems. Mobility projects had thus been slowed but will take place in due course. Moreover, some hub staff had been able to transfer to other branches like the cabin crew profession.

Question relating to the impact and consequences of Brexit for Air France-KLM

The Chairman said that there had been some minor impacts from Brexit, particularly at KLM whose UK-based operations are larger than those of Air France, given Sterling weakness and, as a consequence, the drop in revenues.

Concerning the consequences of Brexit, everything depends on the agreement to be reached between the UK government and the representatives of the European Union, and the resulting measures. At this stage it is not possible to know whether Brexit will have a positive or negative effect on Air France-KLM. However, the Air France-KLM Group is not opposed to UK carriers having access to the European market, provided that they respect the same obligations as the other European airlines (compliance with European regulations and, in particular, the application of consumer legislation). The European Court of Justice must also remain the sole arbiter regarding respect of the European regulations. Mr. Janailac had communicated this position to Michel Barnier.

Question concerning the Air France-KLM share price

Frédéric Gagey said that, through restructuring, the efforts of Air France staff and developing know-how, everything is being done to change the direction in the share price. In recent months, the company's growth prospects had been improving and the share price had been on a rising trend. The efforts initiated hitherto thus need to be pursued.

Proposed introduction of films showcasing France's wealth of cultural and tourist destinations on flights bound for the country.

The Chairman acknowledged the salience of this proposal and said that Air France had partnerships with the Ministry of Tourism. It is also working with *Atout France* to raise France's profile internationally and encourage tourists to visit the country. Furthermore, through partnerships with, for example, the Ministry of Culture and the French regions, films are available on board Air France flights showing France's diverse cultural wealth and tourist destinations.

Question relating to the agreements signed between Air France and Singapore Airlines and membership of Sky Team

The agreement signed between Air France and Singapore Airlines enables Air France passengers to travel to Australia, a destination not served by Air France. Customers thus fly from France to Singapore with Air France, then from Singapore to Australia with Singapore Airlines.

All the Sky Team, Star or One World-type associations offer their members the opportunity for this type of agreement although this remains relatively limited. However, the signature of this agreement does not call into question Air France-KLM's very strong commitment to Sky Team.

Question relating to the Group's strategy regarding Alitalia (following the end of the partnership with Alitalia)

The Chairman reminded the meeting that Alitalia was still part of the north-Atlantic joint-venture and, consequently, Air France-KLM continues to work with the Italian carrier within this joint-venture. However, Alitalia had chosen to revoke the partnership with Air France-KLM in Europe, leading KLM and Air France to increase the number of non-stop flights between the Netherlands, France and Italy. Concerning the situation of Alitalia, the designated Board members have six months to declare the company bankrupt or find a buyer. The Group's position with regard to this situation will be adjusted at the end of this period.

The Chairman added that the past experience of both KLM and Air France in their relations with Alitalia did not encourage Air France-KLM to repeat the experience of a direct presence in Italy, particularly since the Alitalia market shares in Italy, whether in Europe or long-haul, have fallen considerably and the fact that Air France-KLM can capture the Italian market via its Roissy and Schiphol hubs.

Question relating to the difference in results between Air France and KLM and the envisaged areas for progress

The Chairman noted the difference in 2016 results between Air France and KLM. In 2016, this difference is explained by external factors like the Paris terrorist attacks in late 2015 and the terrorist attack in Nice in 2016, rather than by social movements. Furthermore, factors linked to the social environment and taxes had a negative impact on Air France's results.

Nonetheless, multiple efforts have been made at the level of Air France, like the elimination of 10,000 positions via voluntary departure plans. Notwithstanding, it is necessary to pursue these efforts, hence the aim of the Trust Together project: give Air France the resources to regain the offensive and return to profitable growth. It is not a question of catching up, comparison, etc., but rather of giving Air France the means to ensure its growth.

Frédéric Gagey then provided some detail on the differential between Air France and KLM. He reminded the meeting that the gap between these two companies had been considerably reduced, and that, while it was necessary to continue down this road, the Group was now standing on two legs with two profitable airlines. In future, the aim will be to eliminate this differential so that the two companies have an equal level of profitability.

Question relating to the impact of Boost on KLM growth

The Chairman thanked the shareholder for this question, giving him the opportunity to totally refute the information published in the Dutch press claiming that Boost's objective would be to penalize KLM's growth. He said that this assertion was completely untrue. The Chairman said that a production balance has been sought by the Dutch authorities during the business combination between Air France and KLM. In recent years, KLM had made considerable progress on productivity, enabling it to finance stronger growth than at Air France. This production balance is currently not respected. It is an agreement between Air France, KLM, the Air France pilots and the KLM pilots, and is not respected. Boost is aimed at giving Air France the resources to grow more rapidly than in recent years to be able to return to a situation within the margins of this production balance. The aim is quite simply to give Air France the means to grow more rapidly and not to obstruct, impair or put a halt to KLM's growth. As Frédéric Gagey has said, Air France-KLM's goal is two airlines which are both growing rapidly and are profitable. The Chairman is convinced that, without Boost, the Group will not manage to respect this production balance. This project is required to respect this production balance but all this will be done without compromising the growth planned and realized by KLM in the next few years.

Question relating to the difference between Boost and Transavia

Franck Turner said that Transavia is a low-cost operator addressing a so-called “ultra-leisure” market segment. The idea of Boost is to produce activity at a lower level of costs than at Air France, to both feed the Charles de Gaulle hub and thus protect Air France’s long-haul operations, and develop a number of long-haul routes solely in the mixed segment between “ultra leisure” and “ultra business” with a product which is differentiated from that of Air France but with no degradation in product quality.

It will involve offering Air France customers a brand addressing the Millennials, who are more connected, more agile and more adept, and that will enable Air France to experiment with new products. There will, however, be Business class and Economy class in the Boost long-haul aircraft.

Question relating to an eventual consolidation in the European airline sector along the lines of the US model and on the role of Air France-KLM

The Chairman said that the European and North-American markets are very different but a possible consolidation in Europe cannot be ruled out in the low-cost segment. The European model is, however, different from a US-style consolidation involving a fully-fledged merger between airlines. What was achieved between Air France and KLM is a model which corresponds to what must be or are the European cultural and historic characteristics.

Question relating to the safety measures put in place following the accident involving the German carrier Germanwings in the Alps.

Franck Turner said that, after this accident, the European authorities had reinforced the medical checks on the entire pilot community and, of course, Air France complies with these provisions.

Question relating to the percentage of women flight captains at Air France

Franck Turner said that Air France numbered around 300 women flight captains of a total of 1,800 pilots, i.e. around 20% of staff.