

Disclosure of related party-agreements**(Information pursuant to article L. 225-40-2 of the French Commercial Code)****Conclusion of a Framework Agreement between Air France-KLM, KLM and the Dutch State****(Board meeting authorization dated 25 June 2020)**

On August 7, 2020, Air France-KLM (the “**Company**”) entered into a framework agreement with Koninklijke Luchtvaart Maatschappij NV (“**KLM**”), a subsidiary of the Company, and the Dutch State, a shareholder of the Company holding 14 % of the its share capital, as part of the financial support package granted by the Dutch State to KLM (the “**Framework Agreement**”).

1. Main Terms of the Framework Agreement

On June 25, 2020, the Board of Directors of the Company has approved a financial support package for KLM of a total amount of €3.4 billion backed by the Dutch State, including two loans for KLM and its subsidiaries:

- A revolving credit facility of €2.4 billion, granted by 11 banks to KLM with a 90% guarantee supported by the Dutch State; and
- A direct loan of €1 billion, granted by the Dutch State to KLM, subordinated to the revolving credit facility.

This financing aims to enable KLM to weather the current COVID-19 crisis and prepare for the future. The loan granted by the Dutch State is subject to certain conditions. These conditions resulted in the conclusion of the Framework Agreement between the Company, KLM and the Dutch State, which includes, in particular, commitments by KLM on sustainable development and restoring its performance and competitiveness, including a comprehensive restructuring plan and the contribution of its employees. KLM has undertaken to suspend the dividend payments to its shareholders until these two loans have been repaid in full.

2. Interested parties

As (i) the Dutch State holds 14% of the share capital of the Company, (ii) the Company holds the majority of the share capital of KLM and (iii) Mr. Benjamin Smith has general management functions in the Company, Mr. Dirk van den Berg, board director appointed by the Shareholders’ Meeting upon proposal of the Dutch State, Mr. Cees ‘t Hart and Mr. Benjamin Smith, joint board members of the Company and KLM, could be deemed to be indirectly interested in the Framework Agreement.

3. Board approval

The Board has authorized the execution of the Framework Agreement at its meeting of June 25, 2020 in accordance with article L.225-38 of the French Commercial Code. Mr. Dirk van den Berg, Mr. Cees ‘t Hart and Mr. Benjamin Smith did not take part in the deliberations and the votes with respect to the Framework Agreement.

4. Interests of the Loan Agreements for the Company

The Framework Agreement was entered into as part of the financial support package granted by the Dutch State to KLM, which aims to help KLM, a subsidiary of the Company, meet its urgent need for liquidity in the wake of the crisis linked to the spread of Covid-19. This financing should allow KLM to weather the current COVID-19 crisis and prepare for the future.

As the crisis has had a considerable impact on KLM's business, its financial situation cannot, in the current state of affairs, allow for a sustainable recovery. Therefore, the conclusion of the financing and the Framework Agreement appeared necessary for the sustainability of KLM. In particular, by covering KLM's general financial needs and providing for various economic, social and environmental measures, it will enable KLM to resume operations effectively.

5. Materiality of the Loan Agreements' cost

The Framework Agreement is an inseparable part of the financial support package of a total amount of €3.4 billion granted by the Dutch State to KLM.

It is reminded that the Group profit for the year ended 31 December 2019 amounted to €290 million.