



**Summarized minutes of the Combined Ordinary and Extraordinary
Shareholders' Meeting of May 15, 2018**

The Combined Ordinary and Extraordinary Shareholders' Meeting of May 15, 2018, chaired by Jean-Marc Janailac, Chairman and Chief Executive Officer until May 15, 2018, brought together more than 400 shareholders at the Espace Grande Arche in La Défense, in the presence of the members of the Board of Directors. The quorum for the meeting reached 59.555%, representing 254,593,932 shares of a total of 427,487,656 shares with voting rights, each share conferring the right, depending on the specific case, to one or two votes. The 10,318 shareholders present or represented adopted the 14 resolutions submitted to the vote.

The scrutineer functions were fulfilled by Cédric Garcin (representing the French State, shareholder) and Jean-Charles Mériaux (representing DNCA Finance, shareholder), the two shareholders attending the Meeting with the most votes and having accepted to fulfil these functions.

Ms. Anne-Sophie Le Lay, Corporate Secretary of Air France-KLM, fulfilled the functions of secretary of the Meeting.

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 2017 statutory financial statements	98.73%	0.54%	0.73%
2	Approval of the 2017 consolidated financial statements	99.41%	0.55%	0.04%
3	Allocation of the 2017 income (or loss)	99.55%	0.44%	0.02%
4	Ratification of the co-opting of Ms. Anne-Marie Idrac as a Board director	99.02%	0.87%	0.11%
5	Re-appointment of Ms. Isabelle Parize as a Board director for a four-year term of office	98.66%	1.31%	0.03%
6	Appointment of Mr. François Robardet as a Board director representing the employee shareholders (ground staff and cabin crew shareholder category) for a four-year term of office	97.69%	2.28%	0.03%
7	Appointment of Mr. Paul Farges as a Board director representing the employee shareholders (flight deck crew employee shareholder category) for a four-year term of office	98.70%	1.27%	0.04%
8	Vote on the elements of compensation paid or granted to Mr. Jean-Marc Janailac in respect of the 2017 financial year, in his capacity as Chairman and Chief Executive Officer	96.33%	3.58%	0.09%
9	Approval of the elements of the compensation policy for the Chairman and Chief Executive Officer	96.50%	1.65%	1.85%
10	Setting of the amount of directors' fees	98.77%	1.19%	0.04%
11	Authorization to be granted to the Board of Directors to carry out transactions involving the Company's shares	99.57%	0.38%	0.05%

<i>Extraordinary business</i>				
12	Increase in the total nominal cap amount foreseen in the 12 th resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 16, 2017, granting a delegation of authority to the Board of Directors for the purpose of issuing ordinary Company shares/and securities granting access to other Company capital securities to be issued in the future or granting the right to the allocation of debt securities, while maintaining preferential subscription rights for shareholders, valid until July 15, 2019 (usable outside the context of a public tender offer), to set this cap amount at €214 million (i.e. given the amount already used, an available cap of around €139 million)	89.28%	10.67%	0.05%
13	Delegation of authority to be granted to the Board of Directors to carry out capital increases reserved to members of a company or Group savings scheme without shareholders' preferential subscription rights, within a limit of 2% of the share capital, valid for a 14-month period	99.35%	0.60%	0.05%
14	Powers to accomplish formalities	99.64%	0.32%	0.04%

2017 financial results

(See also the 2017 Registration Document, containing the 2017 Management Report and the 2017 Annual Financial Report, available on the www.airfranceklm.com website or on request by mail).

In his capacity as Chief Financial Officer of Air France-KLM, Mr. Frédéric Gagey gave a presentation on the activity and financial results for the 2017 financial year.

Key figures

- Revenues: €25.78 billion
- EBITDA : €3.2 billion
- Operating result: €1.488 billion
- Net result: €(274) million
- Net debt: €1.66 billion

Financial results

Mr. Gagey gave a presentation on the financial results for the 2017 financial year. These results were satisfactory and there had been an improvement in the Group's financial performance, continuing the trend seen in 2016. During the 2017 financial year, Delta Air Lines, Inc. and China Eastern Airlines had become shareholders in Air France-KLM and the Group had redeemed its convertible bonds in shares. These two transactions, together with robust free cash flow generation, contributed to reinforcing the Group's financial structure during 2017.

On the back of volume effects in both the cargo and passenger businesses but also price effects in that unit revenues had increased in 2017, the Group's revenues were up by nearly 4% relative to the previous year. This improvement could be seen in the two financial criteria of EBITDA and operating result which stood, respectively, at €3,264 billion versus €2.714 billion in 2016, i.e. up by €550 million, and at €1.488 billion versus €1.049 billion in 2016, i.e. up by €439 million. He noted a Group net result of €(274) million against income of €792 million in 2016. This at first glance contradictory result was due to the de-risking of the KLM pension funds for flight deck crews and cabin crews. This situation is positive for the Group since it reduces the volatility of the Group's future results. It did however have an accounting impact linked to the de-recognition of the pension asset on the balance sheet.

Financial debt moved from €3.66 billion to €1.66 billion, i.e. a reduction of €2 billion over the period, the Group thus disposing, at the end of December 2017, of nearly €5 billion in cash. The Group thus has sufficient resources to fund its future obligations.

The 2017 financial year continued the improvement in the Group's key financial indicators of the preceding six-year period. This could be seen at the level of both (i) the operating result which had been negative in 2011 before steadily improving to €1.9 billion in 2017 and (ii) operating cash flow which had increased from €900 million to €2.9 billion over the period.

This was also true for the debt ratio which had stood at 5.7 in 2011 – reflecting a difficult situation for the Group – to the current 2.1x.

The commercial performance explained much of the accounting improvement between 2016 and 2017. Elements linked to the external environment had ultimately made only a small contribution to the results in that the positive effect of a reduced fuel bill, linked to the fall in the oil price, had been virtually totally offset by exchange rate effects.

Unit cost reduction had been the other priority on which the Group had focused its efforts. By working on transforming its processes, improving its procurement performance and generating productivity gains driven by the ability of the Group's staff to adapt, structural unit costs had been reduced by 1% over the financial year. 2017 thus proved the sixth consecutive year to have seen a steady decline in the Group's structural unit costs. It was necessary to note however that a major part of these savings had been absorbed by the increase in profit-sharing given the better results for the 2017 financial year. Nevertheless, costs excluding profit-sharing had again fallen in 2017 and the Group's productivity had improved.

Activity

The passenger business carried 84 million passengers across all the Group's airline companies, generating total revenues of some €20 billion. Traffic as measured in passenger revenue-kilometers increased by 4.3% for capacity up by 2.6%, the difference between the two being reflected in an improved load factor. The latter moved from 85.4% to 86.8%, a very high level. Tariffs were also positively oriented thanks to a more favorable capacity/demand balance than in 2016, and to the quality of the Group's offer. These different factors had enabled a €379 million improvement in the operating result for the network business.

For the first time in a long time, the cargo business had seen a rebound in activity. Freight measured in ton-kilometers thus increased by 1.8%, i.e. more than the capacity made available to the Group's customers. Furthermore, thanks to the global economic recovery synonymous with trade growth, freight tariffs had started to rise after several years of significant declines. All the above constituted positive news for the 4,300 employees in the cargo business who had demonstrated their ability to remain resolute during this long and difficult period. Thus, in 2017, there had been an increased cargo contribution to the Group's economics.

The low-cost activity, operated by the Transavia Netherlands and Transavia France subsidiaries under the Transavia brand, had experienced exceptional growth in 2017, capacity increasing by more than 10% and traffic by over 12%. Since 2011, the number of passengers carried by Transavia had increased by 135%. All these elements reflected the substantial demand from travelers for low-cost flights and the tremendous growth for the Transavia brand. Notwithstanding this strong traffic growth, the unit revenue had not fallen but increased by nearly 7%. Lastly, the operating result of the Transavia Netherlands/Transavia France entity stood at more than €81 million, a significant improvement on the previous year.

The maintenance business generated total revenues of €4.2 billion in 2017, stable on the 2016 level due notably to exchange rate effects. In parallel, the order book had continued to grow, in line with the target set by the teams, to stand at more than €10 billion, i.e. some 17% higher.

Outlook

Mr. Gagey reviewed the first quarter results which had reflected continued growth in activity with a 5% increase in the number of passengers carried. The Group's operating result had been impacted by the

first effects of the Air France strike, down by €85 million relative to its 2016 level. The impact of the strike had led to performance differentials between Air France and KLM. Air France had seen its operating result decline by €120 million during the quarter while KLM had been able to reap the benefit of a buoyant commercial environment and had seen its operating result increase by €32 million.

For 2018, in view of the strike but also increased oil prices, the financial market had been informed that the operating result would be considerably lower than in 2017. This period currently being traversed by Air France is regrettable and has significant financial and managerial consequences.

Share price and relations with individual shareholders

Mr. Gagey reviewed the performance of Air France-KLM shares in the stock market. Marked by stock market volatility, the increase in the oil price and the industrial dispute at Air France, the Air France-KLM share price was seeing a difficult period. He noted, however, that between January 1, 2017 and May 15, 2018, the Group's shares had out-performed the CAC40.

Mr. Gagey paid tribute to the work of the Shareholders' Club and of the Individual Shareholders' Committee, and congratulated the Shareholder Relations team which, in 2017, had won the Best Digital Communication Trophy and the SBF80 Trophy for its Shareholders' Meeting within the framework of the *Grand Prix de L'Assemblée Générale 2017*.

Trust Together achievements and challenges facing Air France-KLM

Mr. Jean-Marc Janaillac, Chairman and Chief Executive Officer of Air France-KLM, outlined his vision of Air France-KLM's situation and the challenges to which the Group would need to rise to maintain its growth dynamic.

Growth and changes within the industry

Air France-KLM operates within a growth environment which is also undergoing a transformation. Air France-KLM needs to capture its share of the industry vitality to consolidate its position as a major global player. The air transport industry is seeing robust growth of some 5% to 6% annually, driven by the economic dynamism in many world regions. This constitutes a real opportunity for the Group but also for its competitors.

To respond to this ongoing increase in demand, the industry is seeing a considerable increase in capacity:

- Increase in the number of medium and long-term orders with OEMs,
- Confirmation in medium haul of the success of the low-cost model with more than half of intra-European capacity (52% to be precise) operated in this segment, and
- Development of the low-cost model in long-haul with players like Norwegian, Level, Eurowings and Frenchbee.

Within a context of very fierce competition and a still-relatively-fragmented industry, consolidation is accelerating: 2017 saw the collapse of Monarch; the acquisition of the Air Berlin assets by Lufthansa and easyJet; Alitalia is seeking a buyer; and, in 2018, Norwegian looks to be a possible target for the IAG Group.

In reality, it is the Group's whole ecosystem which is undergoing a transformation. We are seeing the

- Emergence of new distribution models with the NDC standard (New Distribution Channel).
- Growing role played by the leading web-based players in the Group's customer relations.
- New passenger connection models with self-connect, the growth in connection offers between low-cost companies which had hitherto only operated in point-to-point, but also between medium-haul low-cost airlines and traditional long-haul carriers.

Trust Together and the growth strategy

The Chairman reminded the Meeting that, to capture the growth opportunities arising from changes within the industry, the Trust Together plan had been launched in November 2016 to define and implement an ambitious and realistic growth strategy for Air France-KLM and the companies within the Group.

As of 2017, Air France-KLM had thus been able to return to growth, with Air France capacity up by 1,4% and KLM capacity 4.5% higher, the capacity growth for both being greater than that of British Airways (0.7%) and comparable to Lufthansa (1.8%). However, in 2017, the Group's growth had remained well below that of Lufthansa: – 3.3% for Air France-KLM and more than 12% for Lufthansa, the Lufthansa Group being driven by the growth in its low-cost operations.

Realization of Trust Together

Each of the Group's activities is contributing to its growth strategy. In the networks business, which represents 87% of revenues, Air France-KLM benefits from a leadership position in Europe thanks to its dual Paris and Amsterdam hubs. The implementation of Trust Together had enabled progress on improving revenues and optimizing the Group's costs.

During the 2017 financial year, the Group had continued to reinforce its alliances and partnerships. The partnership with Delta Air Lines, Inc. on the trans-Atlantic axis (sealed by Delta acquiring a 10% stake in Air France-KLM and a process whereby Air France-KLM is purchasing a 31% stake in Virgin Atlantic) had thus achieved an unrivaled level of integration within the airline industry, representing more than US\$12 billion of revenues. China Eastern had also acquired a 10% stake in Air France-KLM. Furthermore, in November 2017, Air France-KLM and Jet Airways had signed an enhanced cooperation agreement, the first of its kind in the Indian-European market.

To increase the Group's revenues, the strategy of upgrading the Group's products and services had been pursued (renovation and move up market for the cabins in the Air France and KLM long-haul fleets; improvement in the customer experience; personalization of services and customer relations). For the Group, the priority is to offer an ever-more-personalized and seamless experience that anticipates the needs of passengers. Within this framework, Air France-KLM had rolled out a global customer data management platform.

These advances make the Group a digital leader with numerous achievements in this area, notably the:

- Significant use of smartphones as the first point of contact with customers, accounting for more than 60% of direct sales.
- Use of artificial intelligence which has been extensively developed to provide rapid responses on the baggage policy and assist customers with flight bookings.
- Connectivity on board aircraft with the progressive roll-out of Wi-Fi.

Concerning costs, projects to improve operational performance at the CDG and Schiphol hubs have been rolled out, aimed at improving flight punctuality by optimizing the companies' activities. This involves targeting both better operational efficiency and improved operational economics.

In 2017, aircraft utilization had increased, particularly at Air France with a six-minute increase in the average use of the medium-haul fleet at CDG. This will be continued since the objective is to gain nine minutes this summer, the equivalent of more than four aircraft.

Lastly, the major highlight of 2017 had probably been the creation of a new airline, developed and launched within the space of a few months: Joon, a 'little sister' for Air France and a tool to win back customers which is integral to the Group's growth strategy. Joon is fully integrated in the Air France network, is connected at the CDG hub and is backed by Air France's production and marketing capability. Through an adapted cost structure, it enables the opening of new routes and/or the re-opening of routes closed in recent years due to the growth in some competitors, in particular the Gulf State carriers.

Within the Group's network business, the cargo activity had undertaken major restructuring projects to ensure its long-term viability which had begun to bear fruit in 2017.

The Group's second activity, point-to-point

The Group's second activity is point-to-point. The fierce competition in short-haul comes not only from the airline industry and in particular low-cost competitors but also, in France, from rail. Since the summer of 2017, the TGV services between Paris and Bordeaux and Paris and Rennes had been having a major impact on the Group's domestic flights in these regions. Hop! Air France had deployed substantial

efforts in 2017 but there remains a lot to do in the coming months to improve the operational and financial results of the domestic network. This is one of the major challenges facing Air France.

The reinforcement of Air France-KLM's presence in its home markets of France and the Netherlands is one of the priorities in the Trust Together strategy and also involves the ongoing development of the low-cost operations.

Transavia, the Group's low-cost brand, has now established a significant presence in the Netherlands and France: no.1 in the Netherlands and no.1 at Orly. Transavia constitutes the Group's response to the success of this model by operating on departure from the Group's 'natural' markets in France and the Netherlands and capturing a share of the low-cost leisure demand in these markets.

The Group's third activity, maintenance

The Group's third activity is maintenance. Air France Industries KLM Engineering & Maintenance is the industry number two globally. The maintenance business naturally serves the Group's own fleet but also realizes approaching 50% of its activity with third-party clients, thereby making a significant contribution to the operating result. The growth outlook for maintenance is buoyant, with global demand growth at around 4% per year; this is reflected in a substantial order book standing at more than US\$10 billion for Air France-KLM.

This business is, however, also facing a number of challenges, of which two in particular: growing competition from the OEMs and aircraft manufacturers which is negatively impacting prices and changes in the maintenance professions driven by the next-generation aircraft technologies.

In the face of these changes, the innovative ability of Air France-KLM's maintenance is key to supporting its world leadership ranking. This is reflected in a whole array of initiatives structured within an innovation program known as the MRO Lab.

A responsible and engaged Group

Air France-KLM is a responsible and engaged Group. In addition to the commitment to sustainable development enshrined within its strategy and day-to-day operations, the group is developing or supporting multiple initiatives across the world, like the first Air France Better Together citizenship days and the fostering of local talents, in Africa notably, through the Innov'Africa program. The Group also contributes to economic and social development via support for the United National Sustainable Development Goals.

A film was then shown on the Group's CSR initiatives.

Flight safety

Following a presentation on the Group's priorities for 2018, the Chairman then gave a presentation on flight safety and Air France-KLM's operations, supported by a film.

Conclusion: the main challenges facing Air France-KLM in 2018

The Chairman gave a presentation on the main challenges to which Air France-KLM will need to respond around three themes.

First challenge: the competitiveness battle

The Chairman reminded the Meeting that the Group's profitability had markedly improved in 2017 but remains well below that of the main 'comparable' competitors within the industry, particularly the European companies.

To improve the Group's competitiveness, work is needed:

- At internal level:
 - By reducing overall costs:
 - Improving operational efficiency,
 - Increasing fleet utilization,
 - Simplifying processes,
 - Stepping up procurement synergies.
 - By developing the low-cost subsidiaries,
- At external level:
 - By lobbying the French authorities on the need for an economic environment that is more favorable to air transport, particularly within the framework of the National Transport Conference (*assises du transport aérien*),
 - By ensuring that competition with the Gulf State carriers takes place on equitable terms, particularly within the European Union.

Second challenge: critical mass

It is vital to defend the Group's positions in Europe and particularly in its natural markets. The very fierce competition in these markets, notably given the existence of the low-cost players, has already fragilized or resulted in the disappearance of national carriers like Alitalia, Sabena and SwissAir.

The Group which, due to the 2004 merger between two major European companies has the resources to be powerful, operate on a large scale and dispose of a network extensive enough to be a global player, must now give itself the means to raise its sights and aim for robust growth for each of the Group's components. This growth can only be achieved at the price of an ambitious investment strategy. Hence the investment trajectory set at €2.2 billion for 2017, €2.5 billion for 2018 and €2.9 billion for 2019. This needs to be maintained over the long term.

Third challenge: cohesion

To build a sustainable future for the Group, it is vital to establish and maintain trust between the Group's companies, employees and customers. Given the successive crises, quarrels and uncertainties, the Group is currently divided.

It is now imperative to rebuild cohesion within the Group and notably Air France. The result of the consultation, launched on April 20, 2018, is irrevocable. It is the reflection of an unease and the expression of the concerns and frustrations existing within the company.

To exit this situation, everyone needs to assume their responsibilities and work on a turnaround and on rebuilding cohesion within Air France.

Report of the Statutory Auditors

Mr. Pascal Pincemin (Deloitte et associés) presented the reports of the college of Statutory Auditors.

Governance and compensation

Report by the Chair of the Appointments and Governance Committee

Ms. Anne-Marie Couderc gave a presentation on the composition of the Board of Directors, the changes in this composition and the activity of the Board during the 2017 financial year.

She said that, as of the day of the Shareholders' Meeting on May 15, 2018, the Board was composed of nineteen members following (i) the entry to the Board of Directors of Delta Air Lines, Inc. represented by Mr. George Mattson and (ii) of China Eastern Airlines represented by Mr. Bing Tang, (iii) the appointment of a second Board director representing the employees in the person of Mr. Mathi Bouts and, lastly, (iv) the appointment of a new independent Board director, Ms. Anne-Marie Idrac.

Four nationalities are represented within the Board (French, Dutch, US, Chinese): the proportion of women stood at 41.2% and that of independent Board directors at 53%. Through the competencies of the different Board directors, the Board has an in-depth knowledge of the air transport industry.

Ms. Couderc said that the term of office of Mr. Louis Jobard as the Board director representing the flight deck crew shareholders was to expire at the end of this Shareholders' Meeting and thanked him for his work on behalf of the Board of Directors. Mr. Mathi Bouts, a new Board director representing employees appointed by Air France-KLM's European Works Council in October 2017, was introduced to the Shareholders' Meeting.

Ms. Couderc then introduced the Board directors whose appointment, co-opting or ratification were being submitted to the vote by the Shareholders' Meeting:

- Ms. Anne-Marie Idrac, independent Board director (ratification of the co-opting),
- Ms. Isabelle Parize, independent Board director (re-appointment),
- Mr. François Robardet, Board director representing the ground staff and cabin crew shareholders (appointment), and
- Mr. Paul Farges, Board director representing the flight deck crew shareholders (appointment).

Report by the Chairman of the Remuneration Committee

Mr. Jaap de Hoop Scheffer, Chairman of the Remuneration Committee, gave a presentation on the elements of compensation for Mr. Jean-Marc Janaillac, Chairman and Chief Executive Officer, in respect of 2017, together with the compensation policy applicable to the Chairman and Chief Executive Officer for 2018, submitted to the shareholders' vote.

In his capacity as Chairman and Chief Executive Officer of Air France-KLM, in respect of the 2017 financial year, Mr. Jean-Marc Janaillac benefits from total compensation (fixed and variable) of €1.11 million, composed of a fixed portion of €600,000 and a variable portion of €510,00 euros. Taking into account the level of achievement of the various performance criteria, the amount of variable compensation set by the Board of Directors had been €522,000, i.e. 87% of his fixed compensation. However, Mr. Jean-Marc Janaillac had decided to waive a portion of his variable compensation, leaving it unchanged on the level granted to him in respect of 2016. Thus, in view of his decision, the variable portion amounted to €510,000, representing 85% of his fixed compensation.

These amounts were submitted to the vote by shareholders, pursuant to the provisions of Article L.225-37-2 of the *Code de Commerce*.

Mr. Jaap de Hoop Scheffer then gave a presentation on the compensation policy for the Chairman and Chief Executive Officer in respect of the 2018 financial year. He said that the Board of Directors had decided to maintain the annual fixed compensation at the same level for the eighth consecutive year (i.e. €600,000) and to set the portion of variable compensation at 70% (target) of the fixed compensation (with a maximum of 100%) 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 quantitative financial criteria, and 40% on the basis of qualitative criteria. He then gave a presentation on the new element of variable long-term compensation, phantom shares, introduced by the Board of Directors and equal to 10% of the fixed compensation (€60,000). This long-term incentive aims to align the compensation of the Chairman and Chief Executive Officer more closely with the interests of shareholders. It takes the form of phantom shares accompanied by presence and

performance conditions evaluated over a three-year period. 6,030 phantom shares were thus granted to the Chairman and Chief Executive Officer.

Mr. Jaap de Hoop Scheffer stipulated that a maximum compensation ceiling encompassing the fixed compensation for 2018, the variable compensation paid in respect of 2018 and the amount to be paid in 2021 in respect of the phantom share plan attributed in 2018 had been set at €1.2 million, i.e. the same total maximum amount as that defined for the 2017 financial year.

He explained that, given the announcement of Mr. Jean-Marc Janaillac's resignation, this policy will be applied *prorata temporis* for the duration of his functions as Chairman and Chief Executive Officer in 2018. He will thus benefit from his 2018 fixed compensation on a *prorata temporis* basis and from his 2018 variable compensation over the same period subject to approval by the Annual General Shareholders' Meeting in 2019. The phantom shares granted to Mr. Janaillac will become null and void following his resignation in that the presence condition is no longer respected. Note that, pursuant to the proposed compensation policy, no severance payment will be made to Mr. Janaillac.

These principles had been submitted to the vote by shareholders, pursuant to the provisions of Article L.225-37-2 of the *Code de Commerce*.

Announcement of the transitional governance

The Chairman confirmed his decision to resign following the negative result of the staff consultation launched on April 26, 2018. He gave a presentation on the transitional governance modalities decided by the Board of Directors on May 15, 2018 following the recommendation from the Appointments and Governance Committee. This transitional governance had been established for the shortest-possible period required to finalize the succession process. He stipulated that this organization did not presuppose the long-term governance to be decided by the Board.

More specifically, the transitional governance is organized around a separation of functions with:

- A non-executive Chairman of the Board of Directors;
- A general management exercised within the framework of a Management Committee (*Comité de direction collégiale*).

The decision had been taken by the Board of Directors to appoint the Chair of the Appointments and Governance Committee, Ms. Anne-Marie Couderc, as Chairman of the Air France-KLM Board of Directors and Chairman of the Air France Board of Directors.

The Management Committee is composed of Air France-KLM's Chief Financial Officer, Mr. Frédéric Gagey, who serves as Chief Executive Officer, Mr. Franck Ternier, Chief Executive Officer of Air France and Mr. Pieter Elbers, Chief Executive Officer of KLM, who both serve as Deputy Group CEOs.

All of its members will continue to perform their current duties.

He added that the role of this Management Committee will be to oversee and monitor the Group functions and coordinate strategic matters between the Group and its airlines. The decisions of the Management Committee will be taken collectively by its three members.

All of the members of the Board of Directors also warmly thanked Jean-Marc Janaillac for his commitment to the Group's service, and for the results achieved since he assumed his function in 2016, enabling Air France-KLM to return to a successful growth path. The Board paid tribute to the Jean-Marc Janaillac's courageous decision and expressed its sincere hope that it would create the conditions for a transformation at Air France and a new dynamic for Air France-KLM.

Dialogue with shareholders

Accompanied by Ms. Le Lay, Mr. Gagey, Mr. Elbers and Mr. Ternier, the Chairman opened the dialogue with shareholders attending the Meeting, the answers to the questions in writing having been posted online at the www.airfranceklm.com website as of the start of the Meeting, as permitted by law.

The questions asked during the Q&A session lasting one hour mainly covered the Group's strategy, governance, outlook and labor dispute. 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 interest of holding Air France-KLM shares and the future of the Group

The Chairman explained that the Group had numerous strengths like its network, the solidity of its dual hubs, its partners, reputation, the quality of its service and the professionalism of the staff in the two companies which will enable it to pursue its growth if it surmounts the current crises. He added that the arrival of major US and Chinese investors in the Company's share capital reflected confidence in the Group over the long-term.

Question relating to the equipping of the aircraft with Wi-Fi

Concerning KLM, Mr. Elbers stipulated that the Boeing 787s were arriving from the factory ready-equipped with Wi-Fi. He said that the installation of Wi-Fi in the other aircraft is under way and will take time.

Concerning Air France, Mr. Franck Terner said that the 787s were also arriving ready-equipped with Wi-Fi. Furthermore, the first A330s equipped with Wi-Fi had been delivered. He stipulated that the totality of the fleet, including medium-haul, should be equipped between now and 2020.

Question relating to GP tickets (non-commercial tickets at discounted prices)

The Chairman reminded the Meeting that this practice exists in all the world's airlines. Such tickets are governed by very precise rules and may only be used when permitted by the aircraft's capacity, i.e. in the event of empty seats. The beneficiaries or staff who use GPs pay taxes and the portion of the ticket price representing the meal trays and/or additional fuel. This ensures that there is no cost to the company.

Question relating to the development of long-haul flights for Transavia

The Chairman announced that the Group's executive management and individual airlines were working on an adaptation of the Trust Together plan tailored to the current environment and changes within the industry. One of these changes is the development of low-cost long-haul flights. We are currently examining all the options to respond to the challenge of the low-cost long-haul operators, including the use of the next-generation medium-haul aircraft over an enhanced range.

Question relating to the cost differential between Air France and the Gulf State companies, and between Transavia and Joon

The Chairman replied that taxes and charges are negatively affecting Air France relative to its competitors. He cited the example of salaries and the payroll cost differential. Concerning the cost of aircraft, he noted that this depends on the number of aircraft purchased and the cost is more favorable for Fly Emirates with more aircraft purchased.

He said that there was currently no detailed research on the cost differentials between Joon and Transavia since such research would not take into account the level of service quality. He also noted that the most important factor is the difference between the unit cost and the unit revenue, the aim being, and this had been the recent case for Transavia, to generate a unit revenue covering the unit cost, irrespective of the product and service category offered.

Question relating to the labor dispute, the consultation and pilots

The Chairman reminded the Meeting of the efforts made by all Air France staff in recent years and the improvement in productivity.

Despite this, the lack of competitiveness or lower competitiveness of Air France comes partly from the French environment which generates costs but also benefits for those living there.

He added that the offer that had been proposed by the Air France management in April was, in his view, the most that could be offered in terms of salary increase and was far from negligible. He explained that few companies increase their payroll by such a volume. In his view, going further would comprise the profitable growth strategy for which he had joined Air France-KLM and that, for the sake of consistency, this would make it impossible for him to remain at the helm of the company.

He said that the pilots' salaries were not disproportionate relative to the rest of the market. However, Air France is positioned in the relatively high quartile for pilots' salaries within the major legacy airlines.

Question relating to the limitation on aircraft movements (landings and takeoffs) at Schiphol airport

Mr. Elbers replied that the limit will be reached during 2018 at Schiphol, i.e. 500,000 movements. The Dutch government had agreed to an increase in this maximum volume as of 2020.

Question relating to the growth targets for Joon and the initial customer feedback

The Chairman replied that the aim is to reach ten long-haul aircraft (three currently) and eighteen medium-haul aircraft (eleven currently). The customer feedback had been positive with an 85% load factor. He reminded the Meeting that the teams are still in the running-in phase given the recruitment of 500 cabin crew.

Question relating to the large size of the Board of Directors

The Chairman reminded the Meeting that the legal maximum number of Board directors had not been reached. He said that Air France-KLM is not the only Group whose Board of Directors has a large number of members and listed other major companies in the CAC 40 (Carrefour, Renault, Crédit Agricole and Engie). He added that Board directors of four different nationalities representing different stakeholders including the French and Dutch States made a significant contribution to the Board. He explained that the size of this Board had not seemed to him to be a drawback when managing the Group and that, on the contrary, this Board testified to a wealth of expertise.

Question relating to the profit-sharing for staff based on airline performance

Mr. Terner explained that, for Air France, the employee profit-sharing and bonus scheme provided for changes in the amounts paid as a function of the financial results. The profit-share is paid beyond a certain profitability threshold which is a little under a 3% increase. This profit-share is on a straight-line basis with the results.

Mr. Elbers said that the system at KLM is similar to the one in place within Air France. The profit-share is paid beyond a certain threshold and is calculated as a function of the operating results. He highlighted the advantageous nature of this system for employees. He concluded that, given the fact that there had been no salary rise for some time, it was the opportunity to share with staff the increases in the company's results.

Question relating to the staff consultation and transitional governance as opposed to long-term governance

The Chairman said that he had discussed the planned consultation with all Air France staff with the Appointments and Governance Committee on several occasions.

Furthermore, he noted that, while succession plans were in place, it seemed vital for the Board of Directors to have the option of calling on external talents to fill the functions left vacant.

He confirmed his confidence in the ability of the transitional governance to lead the Group during the expected brief period required to identify a successor.

Question relating to the responsibility of the Air France HR department for the industrial dispute

The Chairman considered that most of those voting no had done so to express their unease, expectations and frustrations and not to demand a salary increase of more than 4%. He also stipulated that some people had voted no because they thought that the yes vote would prevail, leaving everyone free to adopt a more individual position and express their frustrations. These frustrations had been expressed vis-à-vis organizational modes, functioning modes and Group structures for which the processes, organization and management models required change. He refused to single out any one department or individual. He considered that the responsibility is collective and must thus be assumed collectively by all the Air France Group executives.

Question relating to the amount of the so-called 'Chirac' tax and airport charges

The Chairman said that the so-called 'Chirac' solidarity tax amounted to around €71 million for Air France-KLM. For their part, airport fees financing security stand at around €400 million for the Group.

Question relating to negotiations with the pilots concerning Transavia

The Chairman confirmed that there was effectively an agreement signed with the main pilots' union which limits the Transavia fleet to forty aircraft. That said, he reminded the Meeting that this type of agreement exists in many other companies like Delta and is by no means specific to Air France. In his view, what is important is to be able to reach a new agreement enabling the company to go well beyond these forty aircraft to be able to recapture share of the rapidly-growing low-cost market, particularly between the provinces and Europe where the Group has a 5% market share, but also between the provincial cities. He hoped that this would be part of the progress within the framework of the review of the medium-term strategic plan.

Conclusion by Mr. Jean-Marc Janailac and Ms. Anne-Marie Couderc

The Chairman said that he had been happy and proud to be at the helm of Air France-KLM and Chairman of Air France. He explained that, with the teams, his actions had sought to ensure a return to growth, and a renewed momentum and dynamic for the Group. He thanked the Group's employees for their commitment and the members of the Board of Directors for their confidence. Lastly he thanked the shareholders for their loyalty to the Group.

Ms. Anne-Marie Couderc thanked the Chairman on behalf of the Board of Directors and some of the shareholders and teams. She paid tribute to the quality of the Chairman's actions, his strategic vision, his leadership of the decision-making process and his commitment to the service of the Group and its development and cohesion.

In her capacity as Chair of the Appointments and Governance Committee, she added that she had accepted the role of non-executive Chairman of the Group during the aforementioned transition period. She was well aware of the responsibility this entails vis-à-vis not only shareholders and the Board of Directors but also all the Group's staff. She wanted to be a guarantor of the interests and cohesion of the Group and, with the Management Committee, will make every effort to preserve the orientation of the actions initiated by the Chairman in the past two years. She also committed to restoring a climate conducive to the Group's development and ambitions.