

Protocol for the European Works Council within the Air France KLM Group

PREAMBULE

- P-1 As part of the development of a Single European Market that takes social aspirations into account, and given the importance of the business activities of the Air France KLM Group in this part of the world, it has been agreed to continue the European Works Council Air France KLM to represent personnel in Europe and to promote its smooth operation.
- P-2 This body is to be set up to foster social dialogue and cohesion among employees in undertakings controlled by the Air France KLM Group by strengthening a common sense of belonging and contributing to an enhanced climate of trust and mutual respect.
- P-3 The Air France KLM Social and Ethical Charter adopted and signed on 20 February 2008 is a key reference, which applies to all undertakings of the Air France KLM Group.
- P-4 The Air France KLM Group management acknowledges the need for social dialogue and for employees to be informed. It also acknowledges the need for employees' representatives to be informed and consulted in a timely manner at European Works Council level in the framework of its prerogatives and taking into account the geographical and/or strategic level where it stands concerning the transnational decisions affecting the activities of the Group and any changes therein.
- P-5 The present protocol is adopted pursuant to the provisions of the French Transposition Act n°96-985 of 12 November 1996 relative to the European Works Council in order to reflect the European dimension of the business activities of the Air France KLM Group.
- P-6 This agreement is signed in full awareness and knowledge of the new EWC Directives 2009/38/EC and it sets out to define the rights and obligations of parties to the agreement as intended by that Directive.
- P-7 The provisions in the Protocol are compliant with the spirit and the letter of the Law.

ARTICLE 1 : SCOPE

- 1-1 The Air France KLM European Works Council (AFKL EWC) is a body for the information and consultation of employees' representatives on issues concerning the whole Group, its subsidiaries and sub-subsidiaries, as set out in annex 1.
- 1-2 It shall also be consulted with respect to transnational issues within the areas of competence set out below.
- 1-3 A transnational decision is one taken at Air France KLM Group level concerning two Air France KLM Group undertakings or companies operating in two different countries or restructurings concerning one or more subsidiaries located outside France and the Netherlands, or a decision involving one country only, but whose scale is such that it will by its very nature impact the Air France KLM Group as a whole.
- 1-4 The objective of the AFKL EWC is to improve the flow of information to employees of all undertakings within the corporate structure of the Air France KLM Group.
- 1-5 The AFKL EWC shall not replace the employees' representative bodies specific to each undertaking and country, which shall retain the totality of their missions.
- 1-6 This provision shall not hinder the AFKL EWC from taking into account the situation of a country concerned on the grounds that such a country does not have an employees' representative body.
- 1-7 The aim of the present protocol is to define the scope, information, consultation composition, operation and resources of the AFKL EWC.

ARTICLE 2 : EXTENT OF THE AIR FRANCE KLM GROUP

- 2-1. The present protocol concerns the Air France KLM Group, its subsidiaries and sub-subsidiaries in European countries (i.e. the European Union including Switzerland and countries in the European Economic Area).
- 2-2. The list of these countries and companies on 1st of April 2010 are reflected in annex 2. It will be modified in accordance with developments in the Group.
- 2-3. Within this geographical area, and pursuant to the provisions of article L. 2331-1 of the French code du travail (Labour Law) and European Directive n°2009/38/EC, the present protocol shall concern all undertakings over which the Air France KLM Group exercises a dominant influence.
- 2-4. The structure thus defined shall be reviewed annually in order to take account of changes to the extent of the Air France KLM Group and make any necessary adjustments.

ARTICLE 3 : PROVISION OF INFORMATION TO THE AFKL EWC

- 3-1. Members, deputies and observers of the AFKL EWC shall regularly receive information concerning the life of the Air France KLM Group and the economic, financial and social strategies of the Air France KLM Group at European level.
- 3-2. To achieve this, Management shall provide employees' representatives in a timely manner with information enabling them to understand the objectives pursued and to ensure relevant dialogue.
- 3-3. The local representative bodies concerned will be informed concurrently.
- 3-4. The content of such information notably (but not exclusively) concerns:
 - The Air France KLM Group's structure and any changes to it,
 - The economic and financial situation of the Air France KLM Group (including the presentation of consolidated financial statements, investments and budgets),
 - Transfers of production,
 - Substantial changes concerning the organization of working practices and the introduction of new technologies,
 - Mergers, acquisitions or closures of establishments or undertakings,
 - Changes to any and all activities and their impact on employment levels within the Air France KLM Group,
 - The available social characteristics relative to the Air France KLM Group as a whole,
 - EC regulations and directives with an impact on the Air France KLM Group as a whole.
- 3-5. The Chairman of the Air France KLM Group may also notify to the AFKL EWC any information concerning the Air France KLM Group's global strategy. This information and its social consequences may give rise to discussion.
- 3-6. All this information shall be gathered in an internal computer library accessible only to the AFKL EWC members, deputies and observers. If documents presented as confidential by the Management appear in this library, this mention will appear clearly on each page. The members accessing this information should respect the 22-1 conditions.

ARTICLE 4 : CONSULTATION OF AFKL EWC

- 4-1. The consultation of the AFKL EWC consists in an exchange of views and the establishment of a dialogue between employees' representatives and the Air France KLM Group Management on subjects falling within the competence of the AFKL EWC as set out in article 1 of the present protocol.
- 4-2. When it concerns a project corresponding to a strategic issue, such consultation shall take place in a timely manner with appropriate means and content so that the comments, observations and recommendations of the employees' representatives may be taken into consideration by the Management of the Air France KLM Group.
- 4-3. This consultation may give rise to a recommendation.
- 4-4. The local representative bodies concerned will be consulted concurrently, the AFKL EWC Select Committee may ask for the advice of the local representative bodies.
- 4-5. The recommendation of the AFKL EWC may be formulated during the plenary meeting or in a mutually agreed time frame needed to formulate a pertinent advice.
- 4-6. The Air France KLM Group Management shall deliver a reasoned response in a mutually agreed time frame after receiving the recommendation.

ARTICLE 5 : EXCEPTIONAL CIRCUMSTANCES

- 5-1. When there are projects and/or exceptional and transnational circumstances which, pursuant to article 1, touch on interests of Air France KLM Group employees, in particular on the employment sphere, the Chairman of the AFKL EWC and the Select Committee of the AFKL EWC shall meet for consultation at the initiative of the Chairman of the AFKL EWC or of a majority of the members of the Select Committee. This consultation may give rise to a recommendation.
- 5-2. The Select Committee and the Chairman of the AFKL EWC may decide by mutual agreement whether or not to convene an extraordinary plenary meeting of the AFKL EWC, or a meeting of the Select Committee plus the AFKL EWC members, deputies and/or observer(s) from the countries affected by the said projects.
- 5-3. The local representative bodies informed will be consulted concurrently.
- 5-4. Failing agreement with the Chairman of AFKL EWC as to the necessity of convening the AFKL EWC, the Select Committee may request the opinion of members of the AFKL EWC by e-mail within a maximum period of five (5) working days. In parallel, the AFKL EWC Chairman shall also inform members of the AFKL EWC of his position.

- 5-5. If a two-thirds (2/3) majority of members is in favour of a plenary meeting – with each e-mailed reply being copied to the Air France KLM Group Management – the said meeting shall be convened no later than seven (7) calendar days thereafter.
- 5-6. To ensure that such consultation has a useful effect, the procedure to implement it shall take place:
- After the information and consultation procedure with the competent national representative bodies concerned (where they exist) has been initiated.
 - Before the plan is implemented, in order to allow the Air France KLM Group Management to include the elements of discussion or the recommendations of the AFKL EWC in the decision-making process and to take any opinions expressed into consideration.
- 5-7. If it is decided not to have a plenary meeting, in exceptional circumstances only, the advice of the AFKL EWC may be collected by the Select Committee through a dedicated forum on line.
- 5-8. The AFKL EWC Select Committee will ask for the advice of the local representative bodies.
- 5-9. Whenever the process of information /consultation was conducted solely with the Select Committee of the AFKL EWC, the Management will present a synthesis of the subject at the following plenary meeting.
- 5-10. The Air France KLM Group Management shall deliver a reasoned response in a mutually agreed time frame after receiving the recommendation.

ARTICLE 6 : COMPOSITION

- 6-1. At the time it is set up, the AFKL EWC shall comprise members (see Annex 2), representing the employees of the Air France KLM Group, broken down by country and with the objective of guaranteeing optimal representation, as follows:

Countries	Number of members
Germany	2
France	10
Italy	2
Spain	2
Portugal	1
Greece	1

Sweden + Finland	1
Denmark + Baltic Countries	1
Austria	1
Hungary	1
Czech Republic	1
GB	3
Ireland	1
Belgium	1
Switzerland	1
Netherlands	6
Poland	1
Norway	1
Romania	1

CALCULATION METHOD

- 6-2. In the event of Group enlargement as defined in article 9.2, it will be possible to appoint one or several observers.
- 6-3. Personnel employed by the Air France KLM Group in a country, which becomes a European Union Member State, shall be able to have themselves represented, by an observer who will join, as a member, the delegation of employees' representatives serving on the AFKL EWC at the time of its renewal, under the conditions of the applicable transposition law.
- 6-4. At the request of the Select Committee a representative of the European Transport Federation – ETF – affiliated to the European Trade Union Confederation – ETUC – in the European Union may attend plenary meetings, preparatory meetings and debriefings of the AFKL EWC as an expert in an advisory capacity and have the same facilities as those accorded to employees' representatives.
- 6-5. In agreement with the Chairman of the AFKL EWC and the Select Committee, employees' representatives may be assisted during preparatory meetings and the debriefings by one or more competent persons belonging to the Air France KLM Group who shall be accorded the same facilities as the members.

ARTICLE 7 : APPOINTMENT

- 7-1. The members of the AFKL EWC (permanent members, deputies and observers) shall be appointed or elected according to the rules of the transposition law in each country.
- 7-2. The appointment of AFKL EWC permanent members and deputies is valid for the full term of office from June 2010 to June 2014.
- 7-3. For each permanent member, a deputy shall be appointed (or elected) who will stand in for him/her during plenary meetings, preparatory meetings and debriefings should the permanent member be unable to attend.
- 7-4. The mandate of AFKL EWC permanent member, deputy or observer shall terminate automatically if he/she leaves the company or if he/she loses his/her national electoral or trade union mandate which allowed the appointment. In this case, the deputy will become the permanent member and the new deputy shall be appointed or elected.
- 7-5. The deputies will not be invited to a meeting except when the permanent members are unable to attend. However, they will receive the same documents, agendas and information as the AFKL EWC permanent members and observers. They will also have access to the library dedicated to the AFKL EWC.

ARTICLE 8 : TERM OF OFFICE

- 8-1. The term of office of the AFKL EWC is set from June 2010 to June 2014 in order to guarantee the continuity of the body and promote its operation.

ARTICLE 9 : MODIFICATION TO REPRESENTATION

- 9-1. Any and all modifications to employee representation as a result of Group developments shall take place in accordance with the provisions in article 2 above.
- 9-2. Each year, the make-up of employee representation on the AFKL EWC, as defined in article 6 above, shall be adjusted to take account of any changes in Group structure as defined in article 2 above provided this concerns a variation of at least 250 employees.
- 9-3. The mandate of a member of the AFKL EWC shall terminate automatically when the undertaking the employees' representative belongs to exits the Air France KLM Group structure.
- 9-4. The same shall apply when the member, deputy or observer loses his or her electoral or trade union mandate. In the latter case, the departing member shall be replaced according to the rules of appointment set out in article 7.

ARTICLE 10 : MEETINGS

- 10-1. The AFKL EWC shall meet twice (2 times) a year either in Paris or in Amsterdam.
- 10-2. By agreement between the Select Committee and the Air France KLM Group Management, an extra plenary session may be convened outside of any exceptional circumstances.
- 10-3. Each plenary meeting shall take place over one day and shall be preceded by a half-day of preparation followed by a half-day of debriefing.
- 10-4. On exceptional occasions the delegation of employees' representatives of the AFKL EWC may meet outside the presence of the Management of the Air France KLM Group at the request of the Select Committee of the AFKL EWC once a year after agreement with the Management of the Air France KLM Group. The General Secretary of the AFKL EWC shall be responsible for organizing this meeting. This meeting shall take place in the same conditions and with the same resources as plenary meetings with the Management of the Air France KLM Group.

ARTICLE 11 : CHAIRMAN

- 11-1. Plenary meetings of AFKL EWC shall be chaired by the Chairman of the Air France KLM Group or his/her designated empowered representative, with a permanent or exceptional mandate, in the event of an exceptional incapacity.
- 11-2. He may be assisted by members of staff.

ARTICLE 12 : DATES AND AGENDA

- 12-1. Plenary meetings dates and agendas are set by the Chairman and General Secretary of the AFKL EWC and notified by the General Secretary to members, deputies and observers of the AFKL EWC. The agenda for meetings will be notified fifteen (15) calendar days before the date of each session.
- 12-2. Failing agreement between the Chairman and the General Secretary of the AFKL EWC on the content of the agenda, said agenda shall be set by the Chairman of the AFKL EWC.
- 12-3. However, any request for a point to be included on the agenda formulated by a two-thirds (2/3) majority of the members of AFKL EWC must be included.
- 12-4. All documents and other written information provided by the Management of the Air France KLM Group, to AFKL EWC members, deputies and observers shall be provided in French and English.

ARTICLE 13 : MINUTES

- 13-1. A summary of discussions of the AFKL EWC shall be drawn up in French and English under the responsibility of the General Secretary and distributed by the Management of the Air France KLM Group to members of the AFKL EWC following the joint agreement of the Chairman and Select Committee of the AFKL EWC as soon as reasonably possible.
- 13-2. All discussions during plenary meetings shall be recorded in order to facilitate the drafting of the minutes.
- 13-3. Furthermore, a certified steno typist will take the minutes verbatim of the plenary meetings in French at the specific request of the Select Committee of the AFKL EWC after agreement with the Management. A copy will be available in the EWC office.

ARTICLE 14 : WORKING LANGUAGES

- 14-1. The official working languages, written as well as spoken, are French, English and Dutch.
- 14-2. Simultaneous translation of these three languages shall be provided for participants during the preparatory meetings, plenary meetings and debriefings.
- 14-3. The Select Committee, after agreement of the Chairman of the AFKL EWC, may agree to expand the scope of these facilities to include other meetings.

ARTICLE 15 : WORKING GROUPS

- 15-1. In order to deal with certain specific subjects falling within its scope, the AFKL EWC may where necessary decide to set up an internal working group chaired by an employee representative.
- 15-2. The principle of the composition of such groups, the themes of their deliberations, their make-up, their assignments and their life-span shall be determined by the AFKL EWC in agreement with the Chairman of the AFKL EWC.

ARTICLE 16 : OPERATION AND RESOURCES

- 16-1. The time spent in preparatory and plenary meetings or debriefings for employees' representatives, in all meetings convened with the agreement of the Management of the Air France KLM Group, together with the time spent travelling to all such meetings shall be deemed to be working time and normally remunerated.
- 16-2. If meetings fall on or during public holidays, vacations or rest days, those members affected shall be able to take time off in lieu, in consultation with the local management of those affected.

- 16-3. The Management of the Air France KLM Group, in conjunction with the Select Committee, shall provide all necessary resources required for the satisfactory operation of the AFKL EWC and the Select Committee (time credit for the permanent members, deputies and Select Committee members, office spaces, secretarial services, technical and communication resources, documentation, arrangements to meet the cost of travel expenses and a budget). These arrangements shall be set down in an operational protocol negotiated after the signature of the new AFKL EWC protocol.

ARTICLE 17 : INFORMING PERSONNEL

- 17-1. Once the new AFKL EWC protocol has been signed, all personnel of the Air France KLM Group shall be informed, in French, in English and in Dutch, of the renewal of this body, its role and its internet address.
- 17-2. The Group Management will provide the necessary means to start and maintain an internet site dedicated to the AFKL EWC (information, forum, etc). In all undertakings and/or establishments of Air France KLM Group where the employees' representatives are authorized to use an intranet portal, the AFKL EWC will be also.
- 17-3. The use of these computing tools will have to respect the applicable legal rules in each country, relative to the obligation of discretion on the information (cf. Article 22) which the permanent members, deputies or observers should acknowledge in the framework of their mandate and in accordance with the different IT charters of the Air France KLM Group within the scope of AFKL EWC.

ARTICLE 18 : SELECT COMMITTEE OF THE AFKL EWC

- 18-1. At the time of its first meeting, the AFKL EWC shall elect by a majority of its members, a Select Committee of seven (7) employee members comprising:

Four (4) members from countries other than France and the Netherlands and who shall be from at least three (3) member countries,

- One (1) member for the Netherlands
- Two (2) members for the France.

It is agreed that of the seven members, four (4) shall be from Air France Group and three (3) from KLM Group.

- 18-2. Among the members of the Select Committee, a General Secretary and two (2) Deputy General Secretaries shall be elected by a majority of members on the AFKL EWC.

- 18-3. Following the loss of all qualities of incumbency of an employee representation body pursuant to provisions of transposition laws or the rules or usage of the country concerned; or following the resignation of a member of the Select Committee, an election to replace the former member shall take place no later than the first plenary meeting following.
- 18-4. The Select Committee shall have a permanent responsibility with respect to the operation of the AFKL EWC.
- 18-5. Outside of the meetings devoted to the preparations of the ordinary annual meetings of the AFKL EWC, the Select Committee shall meet three (3) times per year or more if necessary and agreed on together.
- 18-6. The minutes of Select Committee meetings shall be drawn up, in both French and English, by the General Secretary and circulated to the members, deputies and observers of the AFKL EWC after approval by the Chairman of the AFKL EWC.

ARTICLE 19: TRAINING OF THE AFKL EWC MEMBERS

- 19-1. The members of the AFKL EWC, their deputies and observers are entitled to eight (8) days of collective training during their term of office to prepare themselves to exercise this specific mandate and its developments. The cost of such training and that of its inherent expenses shall be borne by the Air France KLM Group following acceptance of the applications
The members' salaries shall be paid in full by the employer.
- 19-2. The training body shall be an approved body within the meaning of existing legislation and/or one recommended by the European Trade Union Confederation.
- 19-3. The content of such training courses shall be defined by the Select Committee. Notably, training may cover economic aspects, knowledge of the Air France KLM Group and of its subsidiaries, European Community social legislation, or cultural aspects.
- 19-4. Independently of this, effective language training leading to rapid progress in French or English will be provided for each member, deputy and observer of the AFKL EWC on the basis of the policy for developing foreign language skills within the Air France KLM Group.

ARTICLE 20 : EXPERTISE

- 20-1. The delegation of employees' representatives at the AFKL EWC may be assisted by the expert of its choice on specific subjects during preparatory meetings, plenary meetings, debriefings, Select Committee meetings as well as all meetings related to article 5 "Exceptional circumstances". The Management will be informed about the hiring of the expert.
- 20-2. On these specific subjects, the expert will receive the documents communicated to members of the AFKL EWC required for the proper execution of the mission entrusted to him/her. The expert shall be under the same obligations as AFKL EWC members, deputies and observers with respect to confidentiality, as described under article 22 of this protocol.
- 20-3. He or she may also request a meeting with the Chairman and/or members of the Air France KLM Management regarding the subject he or she has been consulted on.
- 20-4. The budget assigned by the Management of the Air France KLM Group for outside experts will be restricted to 100 000 euros per four-year mandate; this includes any travelling and accommodation expenses. Any additional costs in connection with exceptional circumstances may be jointly examined by the Chairman and the General Secretary of AFKL EWC.

ARTICLE 21 : MOVEMENT RIGHTS

- 21-1. Members, deputies and observers of the AFKL EWC have access to undertakings belonging to the Group structure in order to meet, on their own premises, elected employees' representatives or trade union representatives. They may visit the sites of these undertakings subject after information to the Chief Executive of the undertaking concerned.
- 21-2. Where a member of the AFKL EWC represents several undertakings or an undertaking comprising several establishments in several countries, the said representative shall be entitled to meet personnel of that or those undertakings in order to report on his/her mandate in conditions that do not disrupt the operation of the undertaking and excluding all contact with customers.
- 21-3. This entitlement will be the subject of an instruction by the Air France KLM Group to ensure that this arrangement is respected by each of the establishment concerned.

ARTICLE 22 : CONFIDENTIALITY

- 22-1. Members, deputies and observers of the AFKL EWC shall not disclose to third parties any information presented to them as being of a confidential or secret nature. This requirement shall continue after termination of the mandate of the AFKL EWC member.
- 22-2. If information is confidential or secret, this fact shall be clearly specified beforehand. The reasons for its confidential or secret character shall be set out at the same time, as shall the length of time such information shall be deemed confidential or secret and the persons to whom the confidentiality requirement shall apply.

ARTICLE 23 : PROTECTION OF AFKL EWC MEMBERS, DEPUTIES AND OBSERVERS

- 23-1. AFKL EWC members, deputies and observers enjoy at least the same level of protection and the same guarantees as those provided for employees' representatives under existing legislation in the countries where they are employed.
- 23-2. The fact of being a member, deputy or observer of the AFKL EWC should not be in itself the cause of career hamper, a disciplinary action or a dismissal.
- 23-3. Any notified decision of dismissal of a member, deputy or observer of the AFKL EWC will be the subject of information at the Select Committee of the AFKL EWC under the expressed agreement of the interested party.
- 23-4. The Management of the Air France KLM Group shall facilitate the exercise of the mandate for the members, deputies and observers of the AFKL EWC as described in this protocol. Said mandates shall be communicated to the local managements of all undertakings and/or establishments falling within the scope of this protocol by the Management of the Air France KLM Group.
- 23-5. The Chairman and the Select Committee of the AFKL EWC shall ensure that local undertakings and/or establishments confirm individually and in writing to the said members, deputies and observers that they shall not be hindered in the performance of their duties for the AFKL EWC.

ARTICLE 24 : TERM OF THE PRESENT PROTOCOL

- 24-1. The present Protocol shall be signed for a fixed period of four years and all the more favorable elements of the European directive 2009/38/CE will be transposed into this agreement.
- 24-2. A review of its application shall be carried out at the end of two years with the intention, where necessary, of revising the present protocol to amend it. The final decisions shall be made in agreement with the Chairman and on a majority vote by members of the AFKL EWC.

- 24-3. Negotiations shall be initiated eight (8) months before expiry of the term with a view to drawing up a new protocol between the AFKL EWC and the Management of the Air France KLM Group, the plenary session of the AFKL EWC shall appoint its representative(s) to conduct this negotiation.
- 24-4. On expiry of the present protocol, and if no new protocol has been signed, all effects of the present protocol shall pursue its effects until the signature of a new protocol.

ARTICLE 25 : REGISTRATION

- 25-1. The present protocol shall come into force on the day following the day of its registration.
- 25-2. The present protocol shall be translated into English.
- 25-3. However, only the version drafted in French shall be deemed to be the authentic document by the parties hereto.
- 25-4. The Select committee of the AFKL EWC shall keep an original of the present protocol to be at the disposal of the members, deputies and observers of the AFKL EWC, and shall provide certified copies of it, as and when required.
- 25-5. The present protocol is governed by the laws of the Republic of France.
- 25-6. The Air France KLM European Works Council office is located at the DOME - 5, rue de La Haye - 95747 Roissy CDG Cedex - France.

Roissy, April 28th 2010

Pierre-Henri GOURGEON

CEO Air France KLM

Peter HARTMANN

CEO KLM

Jean-Claude CROS

Executive Vice-President

Human Resources & Social Policy

Air France

Wim KOOIJMANN

Executive Vice-President

Human Resources & Industrial Relations

KLM

François CABRERA

Air France - France

Mathi BOUTS

KLM - Netherlands

Olivier RILHAC

Air France – France

Monique TRUEMPY

KLM – Switzerland

Marta SCHREINER

Air France – Austria

Thomas MORRISSEY

KLM – Netherlands

Lucia ORIGO

Air France – Italy

Camilla LAGESEN

KLM – Norway

Didier FAUVERTE

Air France – France

Duncan COX

Cobalt Ground Solutions – Great Britain