

2.5 COMPENSATION OF THE COMPANY OFFICERS

2.5.1 General principles

Pursuant to the provisions of Article L. 22-10-8 of the *Code de Commerce* (French Code of Commerce), the compensation of Air France-KLM's company officers is set by the Board of Directors, as recommended by the Remuneration Committee, pursuant to the provisions of the AFEP-MEDEF Code. The Company's Board of Directors thus establishes a compensation policy which complies with the Company's corporate interest (*intérêt social*), is aligned with its commercial strategy, and which contributes to its long-term sustainability. It outlines all the components of the fixed and variable compensation for the Company officers, and explains the decision-making process followed for its establishment, revision and implementation. This compensation policy is the subject of a draft resolution submitted for approval by the Shareholders' Meeting, under the conditions provided for in Article L. 22-10-32 of the *Code de Commerce*, on an annual basis and on any significant amendment to the compensation policy.

Pursuant to the provisions of Articles L. 22-10-9 and L. 22-10-34 of the *Code de Commerce*, the Shareholders' Meeting must also approve on an annual basis, firstly, the information referred to in Article L. 22-10-9, including notably the total compensation and benefits of any kind paid to all the Company officers in respect of their mandates during the previous financial year or granted in respect of their mandates for the same financial year and, secondly, the total compensation and benefits of any kind paid during the previous financial year or granted for the same financial year to each executive officer.

The Shareholders' Meeting of May 24, 2022 is thus convened to approve:

- the information relating to the compensation for each of the Company officers, pursuant to Articles L. 22-10-9 and L. 22-10-34 of the *Code de Commerce*. This information is presented hereinafter in section 2.5.2 ("Compensation of the Company officers in 2021"); and
- the fixed and variable elements composing the total compensation and benefits of any kind paid during the 2021 financial year or granted in respect of this financial year to Ms. Anne-Marie Couderc, Chair of the Board of Directors and to Mr. Benjamin Smith, Chief Executive Officer, pursuant to Article L. 22-10-34 of the *Code de Commerce*. This information is presented hereinafter in section 2.5.2.2 ("Elements of compensation paid or granted during the 2021 financial year to the executive officers and submitted for approval by the Shareholders' Meeting of May 24, 2022"); and
- the compensation policy for the Company officers in respect of 2022, i.e. the members of the Board of Directors, the Chair

of the Board of Directors and the Chief Executive Officer of the Company, as established by the Board of Directors, pursuant to Article L. 22-10-8 of the *Code de Commerce*. This policy is set forth hereinafter in section 2.5.3 ("Compensation policy for the Company officers in respect of 2022").

It is specified that, pursuant to the provisions of Article L. 22-10-8 of the *Code de Commerce*, to avoid becoming null and void, no element of compensation, of any kind whatsoever, may be established, granted or paid by the Company, nor any commitment made corresponding to elements of compensation, indemnities or benefits due or potentially due on taking up, stepping down or by reason of a change in their duties or following their exercise, unless it complies with the approved compensation policy or, in its absence, with past compensation or practices.

Furthermore, if the Shareholders' Meeting of May 24, 2022 does not approve the draft resolution referred to in Article L. 22-10-34, I of the *Code de Commerce*, the Board of Directors must submit a revised compensation policy, taking into account the shareholders' vote, for approval by the next Shareholders' Meeting. In such a situation, the payment of the sum allocated to the Board directors for the 2022 financial year shall be suspended until approval of the revised compensation policy. Once reinstated, it shall include the arrears incurred since the Shareholders' Meeting of May 24, 2022.

In addition, the elements of variable or extraordinary compensation granted to the Chief Executive Officer in respect of the 2021 financial year may only be paid after approval, by the Shareholders' Meeting of May 24, 2022, of these elements of compensation under the conditions provided for in the first paragraph of Article L. 22-10-34, II of the *Code de Commerce*.

Lastly, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, until such time as at least 75% of the recapitalization measures has been repaid, the compensation of the Chair of the Board of Directors, the Chief Executive Officer and the members of the Air France-KLM Board of Directors may not exceed the fixed portion of their respective compensation at December 31, 2019 (it being stipulated that, if an individual has become or becomes Chair of the Board of Directors, Chief Executive Officer or a member of the Air France-KLM Board of Directors after the recapitalization, the applicable compensation is capped at the level of the fixed compensation received by the individual fulfilling the same level of responsibility at December 31, 2019) and no bonuses or other elements of variable or comparable compensation may be paid.

2.5.2 Compensation of the Company officers in 2021

The information referred to in Article L. 22-10-9 of the *Code de Commerce* and the elements of compensation and benefits of any kind paid during the 2021 financial year or granted in respect of this financial year to the different company officers of Air France-KLM, to be submitted for approval by shareholders during the Shareholders' Meeting of May 24, 2022, pursuant

to Article L. 22-10-34 of the *Code de Commerce*, is detailed hereinafter and concerns:

- the Company's Board directors (section 2.5.2.1);
- the Chair of the Company's Board of Directors (section 2.5.2.2 a.); and
- the Company's Chief Executive Officer (section 2.5.2.2 b.).

2.5.2.1 Elements of compensation paid or granted to the Board directors during the 2021 financial year and submitted for approval by the Shareholders' Meeting of May 24, 2022

The elements of compensation paid during the 2021 financial year or granted in respect of this financial year to the Board directors of Air France-KLM are in accordance with the compensation policy set by the Board of Directors following consultation with the Remuneration Committee, and approved by the Shareholders' Meeting of May 26, 2021. These elements of compensation, which will be submitted for approval by shareholders at the Shareholders' Meeting of May 24, 2022 pursuant to Article L. 22-10-34 of the *Code de Commerce*, are detailed hereinafter.

It is stipulated that, in view of the context of crisis linked to the Covid-19 pandemic, on February 17, 2021 the members of the Air France-KLM Board of Directors decided to reduce by 25% their compensation paid during 2021 until such time as the Group's current operating income (COI) has returned to a positive level.

	Attendance record at Board and Committee meetings and at the Shareholders' Meeting (2021 financial year) ⁽¹⁾	Amounts granted in respect of the 2021 financial year and paid during this financial year or accounting value (in €)	Amounts granted in respect of the 2020 financial year and paid during this financial year or accounting value (in €)
Members of the Board of Directors in function as of the date of this Universal Registration Document			
Anne-Marie Couderc	100%	N/A	N/A
Benjamin Smith ⁽²⁾	100%	N/A	N/A
Gwenaëlle Avice-Huet	100%	19,154	N/A
Karim Belabbas ⁽³⁾	100%	33,750	36,103
Leni M.T. Boeren	100%	45,000	46,317
Isabelle Bouillot	96%	41,335	43,966
Jean-Dominique Comolli	100%	37,708	40,665
Delta Air Lines, Inc. (permanent representative Mr. Alain Bellemare) ⁽⁵⁾	89%	35,704	46,624
Paul Farges ⁽³⁾	96%	35,531	38,121
Anne-Marie Idrac	100%	35,625	37,978
Astrid Panosyan	84%	29,423	36,103
Isabelle Parize	96%	43,766	45,516
François Robardet ⁽³⁾	96%	38,516	42,889
Cees't Hart	84%	32,365	38,015
Terence Tilgenkamp ^{(4) (6)}	100%	9,865	N/A
Dirk Jan van den Berg	100%	36,500	16,917
Martin Vial	100%	36,000	37,990
Jian Wang	78%	35,365	40,743
Alexander R. Wynaendts	100%	41,188	42,077

	Attendance record at Board and Committee meetings and at the Shareholders' Meeting (2021 financial year) ⁽¹⁾	Amounts granted in respect of the 2021 financial year and paid during this financial year or accounting value (in €)	Amounts granted in respect of the 2020 financial year and paid during this financial year or accounting value (in €)
Former members of the Board of Directors during the 2020 and 2021 financial years no longer acting in the capacity of Board director as of the date of this Universal Registration Document			
Maryse Aulagnon ⁽⁷⁾	100%	17,221	43,943
Mathi Bouts ⁽⁴⁾	100%	34,385	41,765
Jaap de Hoop Scheffer	N/A	N/A	30,401
Total	97%	637,772	706,133

- (1) On February 17, 2021, in view of the context of crisis linked to the Covid-19 pandemic, the members of the Air France-KLM Board of Directors decided to reduce by 25% their compensation paid in respect of the 2021 financial year, until such time as the Group's current operating income has returned to a positive figure.
- (2) Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM, was appointed as a Board director on December 5, 2018. He does not receive any compensation in respect of his Board director duties.
- (3) The Board directors representing the employee shareholders and the Board director representing the French employees appointed by the *Comité de Groupe Français* receive compensation in respect of their employment contracts with Air France, unrelated to their corporate mandates within Air France-KLM. Furthermore, their compensation relating to their Board director mandates is paid to their unions.
- (4) Mr. Mathi Bouts and Mr. Terence Tilgenkamp receive compensation in respect of their employment contracts with KLM, unrelated to their corporate mandates within Air France-KLM.
- (5) Mr. Alain Bellemare has been the permanent representative of Delta Air Lines, Inc. since February 16, 2021.
- (6) Board director appointed by the European Works Council on October 5, 2021.
- (7) Board director until May 26, 2021.

In respect of the 2021 financial year, the Board directors were granted and paid during this financial year, total compensation of €637,772 (within the framework of the €950,000 annual budget voted by the Shareholders' Meeting of May 15, 2018), including the 25% reduction in their compensation, the Group's current operating income not having returned to a positive level during the 2021 financial year.

Pursuant to the Board of Directors decision of December 11, 2019, the compensation for Board directors is composed of a flat-rate amount with an additional amount of compensation based on their individual attendance records. The allocation and granting modalities for this additional compensation are set by the Board of Directors, as proposed by the Remuneration Committee. An additional amount of compensation is also granted to non-resident Board directors. The information on the number of meetings of the Board of Directors and its advisory Committees held during the 2021 financial year and the attendance record for each Board director at the aforementioned meetings is set forth in section 2.3.

The allocation rules are outlined in section 2.5.3.1.

Audit Committee:

- the Chair receives a flat-rate amount of compensation of €4,500, with additional compensation amounting to a maximum of €7,500 based on attendance at Committee meetings; and
- the members each receive a flat-rate amount of compensation of €3,000, with additional compensation for the individual Committee members amounting to a maximum of €5,000 based on their attendance records at Committee meetings.

Other Committees:

- the Chair receives a flat-rate amount of compensation of €3,000, with additional compensation amounting to a

maximum of €4,500 based on their attendance at Committee meetings; and

- the members each receive a flat-rate amount of compensation of €2,000, with additional compensation for the individual Committee members amounting to a maximum of €3,000 based on their attendance records at Committee meetings.

2.5.2.2 Elements of compensation paid or granted during the 2021 financial year to the executive officers and submitted for approval by the Shareholders' Meeting of May 24, 2022

a) Compensation of the Chair of the Board of Directors, for the period from January 1 to December 31, 2021

Presentation of the 2021 compensation structure for the Chair of the Board of Directors

Pursuant to the Board of Directors' resolutions of February 17, 2021, the compensation of the Chair of the Board of Directors comprised a fixed portion of €200,000. This annual fixed compensation was unchanged on its level in 2019 and 2020. However, note that, on March 19, 2020, the Chair had informed the Board of Directors that she intended to waive the application, during the 2020 financial year, of her new annual fixed compensation of €220,000 set by the Board of Directors during its meeting of February 19, 2020. The Chair reiterated her commitment for the 2021 financial year during the Board of Directors meeting of February 17, 2021. Her annual fixed compensation was thus €200,000 for the 2021 financial year.

There are no Board directors' fees nor variable compensation in addition to this compensation.

The 2021 compensation policy for the Chair of the Board of Directors was approved by the Shareholders' Meeting of May 26, 2021.

For more details on the compensation policy for the Chair in respect of the 2021 financial year, see section 2.5.2.2 of the 2020 Universal Registration Document.

Elements of compensation paid during or granted in respect of the 2021 financial year

The elements of compensation paid during the 2021 financial year or granted in respect of this financial year to the Chair

of the Board of Directors, for the period from January 1 to December 31, 2021, comply with the compensation policy set by the Board of Directors following consultation with the Remuneration Committee, and approved by the Shareholders' Meeting of May 26, 2021. These elements of compensation are detailed as follows:

Elements of compensation submitted to the vote	Amounts paid during the 2021 financial year	Amounts granted in respect of the 2021 financial year	Presentation
Fixed compensation	€200,000	€200,000	The annual gross fixed compensation of the Chair of the Board of Directors in respect of the 2021 financial year was set at €200,000 by the Board of Directors during its meeting of February 17, 2021, after reiteration of the Chair's commitment to waiving the application, during the 2021 financial year, of the increase in her fixed compensation to €220,000 approved by the Board of Directors on February 19, 2020. As a result, the fixed compensation granted in respect of the 2021 financial year and paid to the Chair during this financial year was €200,000.
Annual variable compensation	N/A	N/A	The Chair does not benefit from annual variable compensation.
Multi-year variable compensation	N/A	N/A	The Chair does not benefit from multi-year variable compensation.
Extraordinary compensation	N/A	N/A	The Chair does not benefit from extraordinary compensation.
Stock options, performance shares or other long-term benefit (equity warrants, etc.)	N/A	N/A	No awards of this type were made during the 2021 financial year. The Chair does not benefit from any elements of long-term compensation.
Compensation in respect of a Board director mandate	N/A	N/A	The Chair does not receive compensation in respect of her Board director mandate.
Benefits of any kind	€15,984	€15,984	The Chair benefits from a chauffeur-driven company car.
Severance payment	N/A	N/A	The Chair does not benefit from a severance payment.
Non-compete indemnity	N/A	N/A	The Chair does not benefit from a non-compete indemnity.
Supplementary pension scheme	N/A	N/A	The Chair does not benefit from a supplementary pension scheme.

b) Compensation of the Chief Executive Officer for the period from January 1 to December 31, 2021

Presentation of the 2021 compensation structure for Mr. Benjamin Smith, Chief Executive Officer

As proposed by the Remuneration Committee, the framework of the compensation policy for the Chief Executive Officer was set by the Board of Directors during its meeting of August 16, 2018. In this context, the 2021 compensation policy for the Chief Executive Officer, set pursuant to the resolution of the Board of Directors at its meeting of February 17, 2021, is composed of the following three elements:

- 1) a fixed amount of compensation;
- 2) an annual variable amount of compensation related to the performance during the previous financial year potentially reaching 122% of the fixed compensation at targets achieved and up to 150% in the event that the targets are exceeded; and
- 3) a variable amount of long-term compensation.

The 2021 compensation policy for the Chief Executive Officer was approved by the Shareholders' Meeting of May 26, 2021.

For more details on the compensation policy for the Chief Executive Officer in respect of the 2021 financial year, taking into account the exceptional context of crisis linked to the Covid-19 pandemic, see section 2.5.2.2 of the 2020 Universal Registration Document.

Elements of compensation paid during or granted in respect of the 2021 financial year

The elements of compensation paid during the 2021 financial year or granted in respect of this financial year to the Chief Executive Officer were set by the Board of Directors at its meeting on February 16, 2022 as recommended by the Remuneration

Committee. These elements of compensation, for the period from January 1 to December 31, 2021, comply with the compensation policy set by the Board of Directors following consultation with the Remuneration Committee, and approved by the Shareholders' Meeting of May 26, 2021. These elements of compensation are detailed as follows:

Elements of compensation submitted to the vote	Amounts paid during the 2021 financial year	Amounts granted in respect of the 2021 financial year	Presentation
Fixed compensation	€900,000	€900,000	<p>The annual gross fixed compensation for the Chief Executive Officer was set at €900,000 by the Board of Directors during its meeting of February 17, 2021.</p> <p>This compensation has been unchanged since 2019.</p> <p>As a result, the fixed compensation granted to the Chief Executive Officer in respect of the 2021 financial year and paid during the 2021 financial year was €900,000.</p> <p>The ratio between the fixed and variable compensation granted to Mr. Benjamin Smith in respect of the 2021 financial year, as required pursuant to the provisions of Article L. 22-10-9, I, paragraph 2 of the <i>Code de Commerce</i> is 343.33%.</p>
Annual variable compensation ⁽¹⁾	€0	€1,089,984	<p>In respect of the 2021 financial year</p> <p>Note that the annual variable compensation can vary from 0% to 122% of the annual fixed compensation at targets partially achieved, and from 122% to 150% of the annual fixed compensation in the event that the targets are exceeded (calculated on a linear basis).</p> <p>Notwithstanding the information below, note that, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid.</p> <p>As proposed by the Remuneration Committee, the amount of the Chief Executive Officer's annual variable compensation was set at 121.11% of the annual fixed compensation, i.e. €1,089,984 by the Board of Directors during its meeting of February 16, 2022. This amount is composed of:</p> <ul style="list-style-type: none"> — quantitative criteria linked to the Group's financial targets: 90.56% (i.e. 66.11% of his annual gross fixed compensation): <ul style="list-style-type: none"> — 22.5% (on a target at 18% and a maximum at 22.5%) of the fixed compensation in respect of the current operating income (COI) of Air France-KLM, i.e. an achievement rate of around 125%. This percentage takes into account the level of COI reached by the Group and the performance relative to the competitors IAG and Lufthansa Group;

(1) On February 23, 2022, in the framework of the discussions with the European Commission concerning Decision SA.59913 of April 5, 2021 relating to the recapitalization of Air France and Air France-KLM, it was confirmed that an annual variable remuneration could be allocated to the Chief Executive Officer for the 2021 financial year.

Elements of compensation submitted to the vote	Amounts paid during the 2021 financial year	Amounts granted in respect of the 2021 financial year	Presentation
			<ul style="list-style-type: none"> <li data-bbox="938 321 1504 431">— 43.61% (on a target at 37% and a maximum at 45%) of the fixed compensation in respect of the result of the transformation plan and cash management, i.e. an achievement rate of 117.86%; <li data-bbox="938 442 1504 608">— 0% (on a target at 18% and a maximum at 22.5%) of the fixed compensation in respect of the capital market equity strengthening (excluding the transformation of the direct loan from the French State into undated deeply subordinated notes), i.e. an achievement rate of 0%; <li data-bbox="898 629 1504 710">— qualitative criteria linked to the Group's non-financial targets: 114.58% (i.e. 55% of his annual gross fixed compensation) <ul style="list-style-type: none"> <li data-bbox="938 732 1504 932">— 12% (on a target at 12% and a maximum at 15%) of the fixed compensation in respect of the actions realized and the results obtained on Societal and Environmental Responsibility, and Human Capital, i.e. an achievement rate of 100%. This percentage takes into account the main priorities defined in section 2.5.3.2 b) of the 2020 Universal Registration Document; <p data-bbox="973 953 1504 1183">In its evaluation, the Board of Directors took into account the introduction of sustainable alternative fuels on the flights on departure from France and the Netherlands from January 2022, the new aircraft orders and their impact on CO₂ reduction, (ii) the maintained social cohesion and stability and (iii) the acceleration of an action plan on diversity, engagement and inclusion;</p> <li data-bbox="938 1204 1504 1404">— 15% (on a target at 12% and a maximum at 15%) of the fixed compensation in respect of the actions realized and the results obtained in terms of customer relations management, i.e. an achievement rate of 125%. This percentage takes into account the main priorities defined in section 2.5.3.2 b) of the 2020 Universal Registration Document; <p data-bbox="973 1425 1504 1715">In its evaluation, the Board of Directors took into account the improvement in the Net Promoter Score relative to 2019, the exceeding of the targets on reliability and punctuality for Air France and KLM flights, the successful implementation within the Group and the aircraft of the appropriate health measures during the Covid-19 pandemic, which were very favorably received by customers and the commercial initiatives adapted to the public health crisis like the flexible cancellation conditions and ticket reimbursement;</p> <li data-bbox="938 1736 1504 1904">— 28% (on a target at around 24% and a maximum of 30%) of the fixed compensation in respect of the individual and leadership performance, i.e. an achievement rate of 117%. This percentage takes into account the main priorities defined in section 2.5.3.2 b) of the 2020 Universal Registration Document.

Compensation of the Company officers

Elements of compensation submitted to the vote	Amounts paid during the 2021 financial year	Amounts granted in respect of the 2021 financial year	Presentation
Long-term variable compensation ⁽¹⁾	€0	195,313 performance units payable in cash, valued at €1,000,000 and calculated with reference to the Air France-KLM opening share price on April 1, 2021.	<p>In its evaluation, the Board of Directors took into account the implementation of the transformation plan and the development of synergies within the Group, while maintaining the trust and commitment of all the internal and external stakeholders. The Board also evaluated the measures taken to define and implement the post-crisis orientations.</p> <p>In application of Article L. 22-10-34 of the <i>Code de Commerce</i>, the payment of the amount of €1,089,984 is subject to prior approval by the Shareholders' Meeting of May 24, 2022.</p> <p>In the event of a positive vote by shareholders during the Shareholders' Meeting of May 24, 2022, authorizing the payment of the variable compensation to Mr. Benjamin Smith, the Company will not be able to request its return.</p> <p>Note however that, as indicated above, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid.</p> <p>In respect of the 2020 financial year</p> <p>Note that, on April 23, 2020, within the context of the crisis linked to the Covid-19 pandemic being traversed by the Air France-KLM Group, Mr. Benjamin Smith announced that he was waiving his annual variable compensation in respect of the 2020 financial year (for more detail, see section 2.5.2.2 of the 2020 Universal Registration Document).</p> <p>In respect of the 2021 financial year</p> <p>The compensation of the Chief Executive Officer includes a variable long-term portion composed of performance units payable in cash and Air France-KLM shares.</p> <p>Notwithstanding the information below, note that, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid.</p>

(1) On February 23, 2022, in the framework of the discussions with the European Commission concerning Decision SA.59913 of April 5, 2021 relating to the recapitalization of Air France and Air France-KLM, it was confirmed that a long-term variable remuneration could be allocated to the Chief Executive Officer for the 2021 financial year.

Elements of compensation submitted to the vote	Amounts paid during the 2021 financial year	Amounts granted in respect of the 2021 financial year	Presentation
		195,313	<p>As proposed by the Remuneration Committee, during its meeting of March 17, 2021, the Board of Directors granted the Chief Executive Officer, performance units within the framework of two long-term plans:</p> <ul style="list-style-type: none"> — Long-term Incentive Plan (“Phantom shares”): grant of 195,313 performance units, payable in cash in 2024 subject to a three-year presence condition and to the attainment of financial and extra-financial performance conditions. The amount to be paid in 2024 will be calculated with reference to the share price after the results announcement for the 2023 financial year (excepting exercise by the beneficiary of his right to defer the payment by a maximum of three years, in which case the amount will be calculated with reference to the share price after the announcement of the results for the financial year preceding the year during which the payment will take place); — Specific Long-term Incentive Plan: grant of 195,313 performance units, payable in Air France-KLM shares (one performance unit conferring the right to one share) in 2024 subject to the attainment of performance conditions and a three-year presence condition. <p>It is specified that the Chief Executive Officer has given a formal undertaking that he has not used and will not use risk hedging transactions in connection with this plan until the payment of the performance units.</p> <p>The main terms and conditions of these two long-term compensation plans are detailed in section 2.5.3.2 b) of the 2020 Universal Registration Document.</p>
Multi-year variable compensation	N/A	N/A	The Chief Executive Officer does not benefit from multi-year variable compensation.
Extraordinary variable compensation	N/A	N/A	The Chief Executive Officer does not benefit from extraordinary compensation.
Stock options, performance shares or other long-term benefit (equity warrants, etc.)	N/A	N/A	No awards of this type were made during the 2020 financial year.
Compensation in respect of a Board director mandate	N/A	N/A	The Chief Executive Officer does not receive compensation in respect of his Board director’s mandate.
Benefits of any kind	€287,113	€287,113	The Chief Executive Officer benefits from a chauffeur-driven company car and a supplementary health and disability scheme benefiting all the Group’s personnel. Given his relocation to France, he also benefits from an accommodation allowance, free airline tickets, school fees and advisory fees.

Compensation of the Company officers

Elements of compensation submitted to the vote	Amounts paid during the 2021 financial year	Amounts granted in respect of the 2021 financial year	Presentation
Severance payment	N/A	N/A	<p>Pursuant to the 2021 compensation policy approved by the Shareholders' Meeting of May 26, 2021 (nineteenth resolution), the Chief Executive Officer continues to benefit from a severance payment granted to him by the Board of Directors in its meeting of August 16, 2018 in the event of forced termination, including dismissal, non-renewal of his mandate as Chief Executive Officer or resignation following a change of control (excluding any situation of gross misconduct on the part of the Chief Executive Officer).</p> <p>Pursuant to the recommendations of the AFEP-MEDEF Code, the basis of this severance payment is equivalent to two years of his annual fixed and variable compensation (based on the specific calculation modalities referring, as necessary, to the target variable in the event of termination in the first 24 months).</p> <p>A coefficient (between 0% and 100%) will be applied to this amount on the basis of the performance of the interested party, measured with reference to the attainment of the performance criteria for the annual variable component of his compensation over the preceding two financial years of his mandate (or since his appointment, in the event of termination during the first 24 months). The Air France - KLM Board of Directors is responsible for evaluating the achievement of these performance criteria.</p>
Non-compete indemnity	N/A	N/A	The Chief Executive Officer does not benefit from a non-compete indemnity.
Supplementary pension scheme	N/A	N/A	The Chief Executive Officer does not benefit from a collective supplementary pension scheme.

Elements of long-term variable compensation granted in respect of preceding financial years

Note that, in respect of the 2018, 2019 and 2020 financial years, as recommended by the Remuneration Committee, the Board of Directors granted the Chief Executive Officer performance units within the framework of long-term incentive plans:

— **Long-term Incentive Plan** (“phantom shares”);

- in respect of the 2018 financial year: 36,714 performance units valued at €333,000, payable in cash in 2021 subject to the attainment of a three-year presence condition. It is specified that, in 2021, the Chief Executive Officer exercised his right to defer payment of these performance units for a maximum of three years. The amount to be paid in respect of these performance units will be calculated with reference to the share price after the announcement of the results for the financial year preceding the one in which the payment must in principle take place pursuant to the applicable plan,
- in respect of the 2019 financial year: 110,253 performance units valued at €1,000,000, payable in cash in 2022 subject to the attainment of performance conditions and a three-year presence condition, excepting exercise by

the Chief Executive Officer of his right to defer payment for a maximum of three years.

As proposed by the Remuneration Committee, during its meeting of February 16, 2022 the Board of Directors noted the level of achievement of the performance conditions of the plan which stood at an overall 77.3%, this overall figure including the achievement at:

- 89.87% of the condition linked to the Net debt/ EBITDA ratio,
- 70.93% of the condition linked to the EBITDA relative to the sector, and
- 73.33% of the condition linked to the Dow Jones Sustainability Index for airline companies.

As a result, as proposed by the Remuneration Committee, the Board of Directors set the number of performance units acquired by the Chief Executive Officer in respect of this plan at 85,226. In application of Article L. 22-10-34 of the *Code of Commerce*, the payment of these 85,226 performance units is subject to prior approval by the Shareholders' Meeting;

Furthermore, note that, pursuant to the European Commission's decision of April 5, 2021 on case No.SA.59913 relating to the recapitalization of Air France

and Air France – KLM, Mr. Benjamin Smith’s variable compensation may not be paid until such time as 75% of the recapitalization measures has been repaid.

It is stipulated that, in 2022, the Chief Executive Officer exercised his right to defer payment of these performance units for a maximum of three years. The amount to be paid in respect of these performance units will be calculated with reference to the share price following the announcement of the results for the financial year preceding the year in which the payment must in principle take place in application of the applicable plan,

- in respect of the 2020 financial year: 200,400 performance units valued at €1,000,000, payable in cash in 2023 subject to the attainment of performance conditions and a three-year presence condition, excepting exercise by the Chief Executive Officer of his right to defer payment for a maximum of three years;

– **Specific Long-Term Incentive Plan:**

- in respect of the 2019 financial year: 110,253 performance units valued at €1,000,000, payable in shares in 2022 subject to the attainment of performance conditions and a three-year presence condition.

As proposed by the Remuneration Committee, during its meeting of February 16, 2022 the Board of Directors noted the level of achievement of the performance conditions of the plan which stood at an overall 70%, this overall figure including the achievement at:

- 83.33% of the condition linked to the Air France – KLM relative COI, and
- 16.7% of the condition linked to the CSR performance targets.

As a result, as proposed by the Remuneration Committee, the Board of Directors set the number of performance units payable in shares acquired by the Chief Executive Officer at 77,177. In application of Article L. 22-10-34 of the *Code de Commerce*, the payment of these 77,177 performance units is subject to the prior approval of the Shareholders’ Meeting;

It is stipulated that, pursuant to the modification of the 2019 Specific Long-Term Incentive Plan detailed in section 2.5.3.2 b) hereinafter, the Chief Executive Officer exercised his right to defer payment of these performance units for a maximum of three years. The number of shares delivered in respect of these performance units will be calculated relative to the share price following the announcement of the results for the financial year prior to the one in which the payment must in principle take place in application of the applicable plan;

- in respect of the 2020 financial year: 200,400 performance units valued at €1,000,000, payable in shares in 2023 subject to the attainment of performance conditions and a three-year presence condition. It is stipulated that, pursuant to the modification of the Specific Long-Term Incentive Plan detailed in section 2.5.3.2 b) hereinafter, the Chief Executive Officer will be able to exercise his right to defer payment of these performance units for a maximum of three years.

These grants of performance units within the framework of these two long-term incentive plans were submitted for approval by the Shareholders’ Meetings of May 28, 2019 concerning the grants in respect of the 2018 financial year (fifteenth resolution), May 26, 2020 concerning the grants in respect of the 2019 financial year (thirteenth resolution) and May 26, 2021 concerning the grants in respect of the 2020 financial year (sixteenth resolution) in application of the former Article L. 225-100 of the *Code de Commerce*.

It is specified that, pursuant to the European Commission’s decision of April 5, 2021 on case No. SA. 59913 relating to the recapitalization of Air France and Air France – KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid. Any payment in respect of the Long-Term Incentive Plan (“phantom shares”) and the Specific Long-Term Incentive Plan will thus be deferred until after the repayment of 75% of the recapitalization measures.

2.5.2.3 Ratios on the multiples of compensation paid to the executive officers in 2021

This section has been established pursuant to the provisions of Article L. 22-10-9, I, paragraph 6 of the *Code de Commerce* and to the AFEP guidelines updated in February 2021. It sets forth, for the Company’s last five financial years, the ratios between the level of compensation for the executive officers and, firstly, the average compensation on a full-time equivalent base for employees of the Company other than the Company officers and, secondly, the median compensation on a full-time equivalent base for employees of the Company other than the Company officers.

The following ratios have been calculated based on the annualized fixed and variable compensation paid during the relevant financial years.

Since the Company Air France – KLM does not include a representative number of employees during the relevant period (fewer than 20% of the staff in France), a broader scope has been used (“relevant scope”) consisting of Air France employees on permanent contracts (except expatriate and seconded staff) in France, present and paid throughout the year on a full-time basis, representing more than 80% of the headcount in France.

Compensation of the Company officers

	2017 Financial Year	2018 Financial Year
Chair and CEO		
Ratio with average employee compensation in the relevant scope	13.99	16.97
Ratio with median employee compensation in the relevant scope	18.00	22.00

Detail on the elements used to calculate the ratios presented above:

- 2018 Financial Year:
 - the compensation of the Chair and Chief Executive Officer has been annualized based on Mr. Jean-Marc Janaillac's compensation in his capacity as Chair and Chief Executive Officer for the period from January 1 to May 15, 2018.

	2018 Financial Year	2019 Financial Year ⁽¹⁾	2020 Financial Year	2021 Financial Year
Chair of the Board of Directors				
Ratio with average employee compensation in the relevant scope	3.09	3.39	3.22	3.68
Ratio with median employee compensation in the relevant scope	4.00	4.42	4.18	4.72
Chief Executive Officer				
Ratio with average employee compensation in the relevant scope	13.89	38.78	30.61	20.24
Ratio with median employee compensation in the relevant scope	18.00	50.57	39.63	25.96

(1) As the average and median compensation of employees in the relevant scope taken into account for the 2019 financial year corresponds to a budgeted amount in the 2019 Universal Registration Document, the amounts for the 2019 financial year presented here have been corrected.

Detail on the elements used to calculate the ratios presented above:

- 2018 Financial Year:
 - the compensation of the Chair of the Board of Directors has been annualized based on Ms. Anne-Marie Couderc's compensation in her capacity as Chair for the period from May 15 to December 31, 2018;
 - the compensation of the Chief Executive Officer has been annualized based on Mr. Benjamin Smith's compensation in his capacity as Chief Executive Officer from September 17 to December 31, 2018 (the compensation of Mr. Gagey, interim Chief Executive Officer from May 15 to September 17, 2018 has not been included in this calculation since it was established on the basis of his compensation as Chief Financial Officer and not on that of the compensation for the Chief Executive Officer);
- 2019 Financial Year:
 - the annual variable compensation of the Chief Executive Officer paid in 2019 in respect of 2018 has been annualized based on Mr. Benjamin Smith's compensation in his capacity as Chief Executive Officer for the period from September 17 to December 31, 2018;
- 2020 Financial Year:
 - note that, on March 19, 2020, the Chair of the Board of Directors waived the application in the 2020 financial year of her new annual fixed compensation set by the Board of Directors on February 19, 2020. Her annual gross fixed compensation was thus €200,000 in respect of her functions for 2020. Furthermore, the Chair submitted her fixed compensation paid during the 2020 financial year to the same wage modalities as those applied to all the Air France and Air France-KLM SA employees (notably its reduction *pro rata temporis* for the periods of partial activity applied to all the employees);
- 2021 Financial Year:
 - note that, on February 17, 2021, the Chair of the Board of Directors reiterated her commitment to waiving the application of her new annual fixed compensation defined by the Board of Directors on February 19, 2020. Her annual fixed gross compensation, in respect of her functions for 2021, decided by the Board of Directors on February 17, 2021, was thus €200,000;
 - note that, on April 23, 2020, within the context of the crisis linked to the Covid-19 pandemic being traversed by the Air France-KLM Group, the Chief Executive Officer announced that he was waiving his annual variable compensation in respect of the 2020 financial year.

2.5.2.4 Change in the compensation policy

This section has been established pursuant to the provisions of Article L. 22-10-9, I, paragraph 7 of the *Code de Commerce* and to the AFEP guidelines updated in February 2021. It

shows the annual change in compensation, the performances of the Company Air France-KLM, the average remuneration on a full-time equivalent basis for employees of the Company Air France-KLM other than the Directors and the ratios referred to in section 2.5.2.3, for the last five financial years:

	2017 Financial Year	2018 Financial Year	2019 Financial Year ⁽¹⁾	2020 Financial Year	2021 Financial Year
Annual compensations					
Chair and Chief Executive Officer⁽²⁾					
Compensation	€852,167	€1,100,000	N/A	N/A	N/A
Change/N-1	-20%	+29.08%			
Ratio with average compensation	13.99	16.97	N/A	N/A	N/A
Change/N-1	-3.84	+2.98			
Ratio with median compensation	18.00	22.00	N/A	N/A	N/A
Change/N-1	-4.55	+4.00			
Chair of the Board of Directors⁽²⁾					
Compensation	N/A	€200,000	€215,985	€190,835 ⁽³⁾	€215,984
Change/N-1			+7.99%	-11.64%	+13.18%
Ratio with average compensation	N/A	3.09	3.39	3.22	3.68
Change/N-1			+0.30	-0.17	+0.46
Ratio with median compensation	N/A	4.00	4.42	4.18	4.72
Change/N-1			+0.42	-0.24	-0.54
Chief Executive Officer⁽²⁾					
Compensation	N/A	€900,000 ⁽⁴⁾	€2,470,345	€1,808,253 ⁽⁵⁾	€1,187,113 ⁽⁶⁾
Change/N-1			+174.47%	-26.80%	-52.32%
Ratio with average compensation	N/A	13.89	38.78	30.51	20.24
Change/N-1			+24.89	-8.27	-10.27
Ratio with median compensation	N/A	18.00	50.57	39.63	25.96
Change/N-1			+32.57	-10.93	-13.68
Board directors⁽⁷⁾					
Compensation (formerly directors' fees)	€720,695	€907,505 ⁽⁸⁾	€826,417	€706,133 ⁽⁹⁾	€637,772 ⁽¹⁰⁾
Change/N-1	+7.47%	+25.92%	-8.93%	-14.55%	-9.68%
Employees in the relevant Air France-KLM scope⁽¹¹⁾					
Average compensation	€60,914	€64,814	€63,696	€59,261	€58,656
Change/N-1	+1.5%	+6.4%	-1.72%	-6.96%	-1.02%

Compensation of the Company officers

	2017 Financial Year	2018 Financial Year	2019 Financial Year ⁽¹⁾	2020 Financial Year	2021 Financial Year
Performance of the Company based on the reported figures					
Results (in € million)	- 247	419	290	- 7,100 ⁽¹²⁾	- 3,292
Change/N-1 (in € million)	- 1,066	+694	-129	- 7,390	+ 3,808
Current Operating Income (COI) (in € million)	1,488	1,332	1,141	- 4,554 ⁽¹²⁾	- 1,626
Change/N-1 (in € million)	+ 439	-83	-264	- 5,695	+ 2,928
Net debt/EBITDA ratio	2.1x	1.4x	1.5x	- 6.5x	11.0x
Change/N-1	- 0.8	-0.7	+0.1	- 8	+ 17.5

- (1) As the average and median compensation of the employees in the relevant scope taken into account for the 2019 financial year corresponds to a budgeted amount in the 2019 Universal Registration Document, the amounts for the 2019 financial year presented here have been corrected.
- (2) The compensation for the Chair and Chief Executive Officer, the Chair of the Board of Directors and the Chief Executive Officer shown above have been calculated on the basis of the fixed and variable compensation paid during the relevant financial years. These elements have been annualized for the purposes of comparison.
- (3) Note that the Chair of the Board of Directors submitted her fixed compensation of €200,000 paid during the 2020 financial year to the same modalities as those applied to all the Air France and Air France-KLM SA employees (notably its reduction *pro rata temporis* for the period of partial activity applied to all the employees).
- (4) The compensation of the Chief Executive Officer for the 2018 financial year only includes the Chief Executive Officer's annualized fixed compensation. The variable portion of the Chief Executive Officer's compensation granted in respect of the 2018 financial year was paid at the end of the Shareholders' Meeting of May 28, 2019.
- (5) Note that the Chief Executive Officer informed the Board of Directors of his decision to submit his fixed compensation, paid during the 2020 financial year, to the same modalities as those applied to all the Air France and Air France-KLM SA employees (notably its reduction *pro rata temporis* for the periods of partial activity applied to all the employees).
- (6) Note that, on April 23, 2020, in view of the crisis linked to the Covid-19 pandemic being traversed by the Air France-KLM Group, the Chief Executive Officer announced that he was waiving his annual variable compensation in respect of the 2020 financial year.
- (7) Note that, during its meeting of December 11, 2019, the Board of Directors decided to introduce a variable portion of compensation based on attendance, allocated to the Board directors in respect of their functions within the advisory Committees.
- Audit Committee:
- The Chair now receives a fixed portion of €4,500 and a variable portion of €7,500 based on attendance at Committee meetings; and
 - The members now receive a fixed portion of €3,000 and a variable portion of €5,000 based on attendance at Committee meetings.
- Other Committees:
- The Chair now receives a fixed portion of €3,000 and a variable portion of €4,500 based on attendance at Committee meetings; and
 - The members now receive a fixed portion of €2,000 and a variable portion of €3,000 based on attendance at Committee meetings.
- (8) In view of the very high number of extraordinary meetings of the Board of Directors taking place during the 2018 financial year within the framework of the transitional governance period and the investment made by the different Board directors in attending these meetings, during its meeting of October 29, 2018, the Board of Directors granted an exceptional additional element of compensation (within the framework of the budget approved by the Shareholders' Meeting) to each member of the Board of Directors. These elements are set forth in section 2.5.2.1.
- (9) On April 3, 2020, the members of the Air France-KLM Board of Directors decided to reduce by 25% their compensation paid in 2020 *pro rata temporis* for the periods of partial activity applied to all the employees of Air France and Air France-KLM SA, i.e. from April 1 to December 31, 2020.
- (10) On February 17, 2021, in view of the context of crisis linked to the Covid-19 pandemic, the members of the Air France-KLM Board of Directors decided to reduce by 25% their compensation paid in 2021 until such time as the Group's current operating income (COI) has returned to a positive figure.
- (11) Since the Company Air France-KLM SA does not include a representative number of employees during the relevant period (less than 20% of the employees in France), a broader scope has been used ("relevant scope") consisting of Air France employees on permanent contracts (except expatriate and seconded staff) in France, present and paid throughout the year on a full-time basis, representing more than 80% of the headcount in France.
- (12) The restated figures include the change in accounting principles for pensions (interpretation of IAS 19).

2.5.2.5 Additional information concerning the compensation paid or granted to all the Company officers in 2021

In the 2021 financial year, the total amount of compensation paid to the Board directors did not exceed the maximum budget of €950,000 approved by the shareholders during the Shareholders' Meeting of May 15, 2018.

Pursuant to Article L. 22-10-9, I, paragraph 10 of the *Code de Commerce*, it is specified that, during the 2021 financial year, no divergences or exemptions were applied relative to the implementation procedure for the compensation policy.

Elements of compensation for the executive officers pursuant to the AMF Position-Recommendation DOC-2021-02:

Summary table of the compensation of each executive officer

	2021 Financial Year		2020 Financial Year	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Ms. Anne-Marie Couderc, Chair of the Board of Directors				
Fixed compensation	200,000 ⁽¹⁾	200,000 ⁽¹⁾	174,851 ⁽²⁾	174,851 ⁽²⁾
Annual variable compensation	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Extraordinary compensation	N/A	N/A	N/A	N/A
Compensation granted in respect of a Board director's mandate	N/A	N/A	N/A	N/A
Benefits in kind	15,984 ⁽³⁾	15,984 ⁽³⁾	15,984 ⁽³⁾	15,984 ⁽³⁾
Total	215,984	215,984	190,835	190,835

(1) The Chair of the Board of Directors waived the application in respect of the 2021 financial year of her new annual fixed compensation set by the Board of Directors in its meeting of February 19, 2020. Her annual gross fixed compensation was thus €200,000 in respect of her functions for 2021.

(2) The Chair of the Board of Directors waived the application in respect of the 2020 financial year of her new annual fixed compensation set by the Board of Directors in its meeting of February 19, 2020. Her annual gross fixed compensation was thus €200,000 in respect of her functions for 2020. Furthermore, the Chair of the Board of Directors submitted her fixed compensation to the same modalities as those applied to all Air France and Air France-KLM S.A. employees (notably a reduction in payment *pro rata temporis* for the periods of partial activity applied to all the employees).

(3) Ms. Anne-Marie Couderc benefits from a chauffeur-driven company car.

	2021 Financial Year		2020 Financial Year	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Mr. Benjamin Smith, Chief Executive Officer				
Fixed compensation	900,000	900,000	744,511 ⁽¹⁾	744,511 ⁽¹⁾
Annual variable compensation	1,089,984 ⁽²⁾	0 ⁽³⁾	0 ⁽³⁾	768,456 ⁽⁴⁾
Long-term variable compensation	2,000,000 ⁽⁵⁾	N/A	2,000,000 ⁽⁶⁾	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Extraordinary compensation	N/A	N/A	N/A	N/A
Compensation granted in respect of a Board director's mandate	N/A	N/A	N/A	N/A
Benefits in kind	287,113 ⁽⁷⁾	287,113 ⁽⁷⁾	295,287 ⁽⁷⁾	295,287 ⁽⁷⁾
Total	4,277,097⁽⁸⁾	1,187,113	3,039,798	1,808,253

(1) Note that the Chief Executive Officer informed the Board of Directors of his decision to submit his fixed compensation, paid during the 2020 financial year, to the same modalities as those applied to all the Air France and Air France-KLM employees (notably a reduction in payment *pro rata temporis* for the periods of partial activity applied to all the employees).

(2) The criteria in application based on which this amount has been calculated are detailed in section 2.5.2.2 above.

(3) The Chief Executive Officer waived payment of his annual variable compensation in respect of the 2020 financial year.

(4) The details concerning the annual variable compensation of the Chief Executive Officer for 2019, paid in 2020, are outlined in action 2.5.5.2.b of the 2019 Universal Registration Document.

(5) 390,625 performance units valued at €2,000,000 and calculated with reference to the Air France-KLM opening share price on April 1, 2021, payable in 2024 (excepting the exercise by the beneficiary of his right to defer payment for a maximum of three years) subject to performance conditions and a three-year presence condition.

(6) 400,800 performance units valued at €2,000,000 and calculated with reference to the Air France-KLM opening share price on April 1, 2020, payable in 2023 (excepting the exercise by the beneficiary of his right to defer payment for a maximum of three years) subject to performance conditions and a three-year presence condition.

(7) The Chief Executive Officer benefits from a chauffeur-driven company car and a supplementary health and disability scheme benefiting all the Group's personnel. Given his relocation to France, he also benefits from an accommodation allowance, free airline tickets, school fees and advisory fees.

(8) It is stipulated that, pursuant to the European Commission's decision of April 5, 2021 on case No.SA.59913 relating to the recapitalization of Air France and Air France-KLM, no long-term variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid. Discussions are currently under way between Air France-KLM and the European Commission concerning the scope of application of these restrictions.

Summary table of the compensation, options and shares granted to each executive officer

(in euros)	2021 Financial Year	2020 Financial Year
Ms. Anne-Marie Couderc, Chair of the Board of Directors		
Compensation granted in respect of the financial year	215,984 ⁽¹⁾	190,835 ⁽²⁾
Valuation of multi-year variable compensation granted during the financial year	N/A	N/A
Valuation of stock options granted during the financial year	N/A	N/A
Valuation of free shares granted during the financial year	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
Total	215,984	190,835

(1) The Chair of the Board of Directors waived the application in respect of the 2021 financial year of her new annual fixed compensation set by the Board of Directors meeting of February 19, 2020. Her annual gross fixed compensation was thus €200,000 in respect of her functions for 2021.

(2) The Chair of the Board of Directors waived the application in respect of the 2020 financial year of her new annual fixed compensation set by the Board of Directors meeting of February 19, 2020. Her annual gross fixed compensation was thus €200,000 in respect of her functions for 2020. Furthermore, the Chair of the Board of Directors submitted her fixed compensation paid during the 2020 financial year to the same modalities as those applied to all the Air France and Air France-KLM SA employees (notably a reduction in payment *pro rata temporis* for the periods of partial activity applied to all the employees).

(in euros)	2021 Financial Year	2020 Financial Year
Mr. Benjamin Smith, Chief Executive Officer		
Compensation granted in respect of the financial year	4,277,097 ⁽¹⁾	3,039,798
Valuation of multi-year variable compensation granted during the financial year	2,000,000 ⁽²⁾	2,000,000 ⁽³⁾
Valuation of stock options granted during the financial year	N/A	N/A
Valuation of free shares granted during the financial year	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
Total	4,277,094⁽⁴⁾	3,039,798

(1) This amount is detailed in the table above summarizing the compensation of the Chief Executive Officer.

(2) 390,626 performance units valued at €2,000,000 and calculated with reference to the Air France-KLM opening share price on April 1, 2021, payable in 2024 (excepting the exercise by the beneficiary of his right to defer payment for a maximum of three years) subject to performance conditions and a three-year presence condition.

(3) 400,800 performance units valued at €2,000,000 and calculated with reference to the Air France-KLM opening share price on April 1, 2020, payable in 2023 (excepting the exercise by the beneficiary of his right to defer payment for a maximum of three years) subject to performance conditions and a three-year presence condition.

(4) It is stipulated that pursuant to the European Commission's decision of April 5, 2021 on case No. SA59913 relating to the recapitalization of Air France and Air France-KLM, no long-term variable compensation may be paid until such time as at least 75% of the recapitalization measures has been repaid. Discussions are under way between Air France-KLM and the European Commission concerning the scope of application of these restrictions.

Summary table of the situation of the executive officers

	Employment contract		Supplementary pension scheme (see above)		Indemnities or benefits due or potentially due on a cessation or change of function		Indemnity relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive officers								
Ms. Anne-Marie Couderc Chair of the Board of Directors Start date of mandate: May 15, 2018 Expiry date of mandate: 2023 Ordinary Shareholders' Meeting ⁽¹⁾		√		√		√		√
M. Benjamin Smith <i>Chief Executive Officer</i> Start date of mandate: September 17, 2018 Expiry date of mandate: September 17, 2023 ⁽²⁾		√		√	√ ⁽³⁾			√

(1) Ms. Anne-Marie Couderc was appointed Chair of the Board of Directors from May 15, 2018 to May 28, 2021. Her mandate as Chair of the Board of Directors was renewed for two more years by the Board of Directors resolution of December 4, 2020, subject to the amendment of Article 26 of the Company's Articles of Incorporation increasing the age limit for exercising the functions of the Chair of the Board of Directors, submitted to the shareholders' vote during the Shareholders' Meeting of May 26, 2021. This resolution was adopted by the shareholders during the Shareholders' Meeting of May 16, 2021.

(2) The Chief Executive Officer has also been a Board director of Société Air France-KLM since December 5, 2018. His Board director mandate was submitted for ratification by the shareholders during the Shareholders' Meeting of May 28, 2019 then renewed during this same Shareholders' Meeting for a four-year term of office, i.e. until the end of the 2023 Ordinary Shareholders' Meeting.

(3) For more details on the severance payment to the benefit of the Chief Executive Officer, see section 2.5.2.2.

Loans and guarantees granted to the Company officers

None.

Stock options granted to the Company officers of Air France-KLM

Air France-KLM did not put in place any stock option schemes to the benefit of its company officers during the financial year, nor during the preceding financial years.

Stock option schemes granted to the Company officers of Air France-KLM and to the employees of the Air France-KLM Group by the subsidiaries

Air France and KLM have not recently put in place any stock option schemes to the benefit of their employees and no stock option schemes are currently in force.

Information on stock option schemes granted to the employees of the Air France-KLM Group and exercised by them during the financial year

None.

Performance shares granted to the Company officers of Air France-KLM

Air France-KLM and its subsidiaries did not put in place any stock option schemes to the benefit of its company officers during the financial year, nor during the preceding financial years.

2.5.3 Compensation policy for the Company officers in respect of 2022

This section has been established pursuant to Articles L. 22-10-8 and R. 22-10-14 of the *Code de Commerce* and shows the elements composing the compensation policy for the Company officers in respect of 2022.

As recommended by the Remuneration Committee, the Board of Directors has taken into account the vote of the Shareholders' Meeting of May 26, 2021 on the compensation for the executive officers in respect of the 2020 financial year to determine the 2022 compensation policy for the Company officers.

Established by the Board of Directors, as recommended by the Remuneration Committee and consistent with the provisions of the AFEP-MEDEF Code, the compensation policy for the Company officers of Air France-KLM in respect of 2022:

- complies with the Company's corporate interests (*intérêt social*) in that it enables qualified company officers to be attracted and retained while being adapted to the responsibilities of the beneficiary and consistent with the practices in comparable companies;

Compensation of the Company officers

- linked to its commercial strategy in that it is composed, firstly, of a long-term variable portion giving the executive directors an interest in the Company's results and adapted as a function of the strategic priorities; and
- contributes to the Company's long-term sustainability in that it is always aligned with the interests of shareholders.

This policy is subject to an annual review by the Remuneration Committee. The work of the Remuneration Committee takes into account the examination of benchmarking studies carried out with the help of external consultants to compare this policy with the practices in comparable companies. The Committee also ensures that the compensation policy is aligned with the Company's strategy. On the basis of this work, the Committee formulates recommendations for the Board which then sets the compensation policy on an annual basis. The Remuneration Committee also formulates recommendations for the Board regarding its implementation.

As recommended by the Remuneration Committee, during the establishment of the compensation policy for company officers, the Board of Directors takes into account the remuneration and employment conditions of Air France-KLM's employees. As for all the employees of Air France-KLM, the Board of Directors ensures the implementation of a simple, understandable and consistent compensation policy in a fair manner. The Board of Directors takes particular care that, at their individual level, all the employees and company officers have the material resources required for the fulfilment of their respective duties.

The internal regulations of the Board of Directors stipulate that any Board director in a situation of conflict of interests, even potential, must inform the Board of Directors and abstain from participating in the debate or vote for the corresponding deliberation. The executive officers are not present during the discussions of the Board of Directors and the Remuneration Committee regarding their own compensation.

Should a new Chair of the Board of Directors or a new Chief Executive Officer be appointed, the elements of compensation foreseen in the compensation policy for company officers would also apply to them. As recommended by the Remuneration Committee, the Board of Directors will then determine, while adapting them to the situation of the interested parties, the targets, levels of performance, parameters, structure and maximum percentages relative to their annual fixed compensation which may not be higher than those approved by the Shareholders' Meeting.

The 2022 compensation policy for the Company officers outlines all the components of the fixed and, as necessary, variable compensation for Board directors (section 2.5.3.1 hereinafter); the Chair of the Board of Directors (section 2.5.3.2 a. hereinafter); and the Chief Executive Officer (section 2.5.3.2 b. hereinafter), and explains the decision-making process for its establishment, review and implementation.

This 2022 compensation policy for the Company officers will be the subject of a draft resolution submitted for approval by the Shareholders' Meeting of May 24, 2022 under the conditions

provided for in Article L. 22-10-8 of the *Code de Commerce* and on any material amendment to the compensation policy.

2.5.3.1 Compensation for the Board directors in respect of 2022

Subject to approval of the 2022 compensation policy for the Company officers by the Shareholders' Meeting of May 24, 2022, the members of the Air France-KLM Board of Directors will receive, in respect of their Board directors' mandates, compensation (formerly directors' fees) amounting to a maximum which was set at €950,000 for the entire Board of Directors.

The compensation for Board directors shall be composed of a flat-rate amount of compensation, with an additional portion calculated as a function of their respective attendance records, whose modalities for distribution and granting are set by the Board of Directors, as proposed by the Remuneration Committee.

These allocation rules have been unchanged since the Board of Directors' resolution of February 19, 2014, and are as follows:

- €15,000 in flat-rate compensation;
- €25,000 of compensation based on their individual attendance records at meetings of the Board of Directors and at Shareholders' Meetings; and
- a sum of additional compensation is also granted to non-resident Board directors (€7,000).

At its meeting of December 11, 2019, the Board of Directors also resolved that a portion of Board director compensation, in respect of their duties within the Committees, shall be based on their individual attendance records;

- for the Audit Committee:
 - the Chair will receive flat-rate compensation of €4,500 plus a maximum of €7,500 based on their attendance record at Committee meetings, and
 - the members will each receive flat-rate compensation of €3,000 plus a maximum of €5,000 as a variable portion based on their respective attendance records at Committee meetings;
- for the other Committees:
 - the Chair will receive flat-rate compensation of €3,000 plus a maximum of €4,500 based on their individual attendance records at Committee meetings, and
 - the members will receive flat-rate compensation of €2,000 plus a maximum of €3,000 based on their individual attendance records at Committee meetings.

It is specified that, relative to the allocation policy voted in 2014, the introduction of an amount of compensation based on attendance in respect of functions exercised within the Committees (i) does not change the total budget granted for the duties exercised within Committees as either member or Chair, and (ii) has been set based on the same proportions as the attendance-record-based compensation defined for meetings of the Board of Directors.

For Board directors leaving or joining the Board during the financial year, the amount of compensation is calculated *pro rata temporis* based on the number of Board of Directors, Committee and Shareholders' Meetings held during the period the Board director was in function.

In respect of the aforementioned allocation, all the Board directors, with the exception of the Chair of the Board of Directors and the Chief Executive Officer, will receive an amount of compensation in line with the allocation modalities set by the Board of Directors.

It is also specified that, in the event of a high number of extraordinary meetings of the Board of Directors, the Board of Directors may decide on an exceptional and additional allocation, within the limits of the budget allocated by the Shareholders' Meeting. The additional amount will be calculated *pro rata temporis* based on the attendance records of the individual Board directors at these extraordinary meetings.

The Board directors (non-executive company officers) may not benefit from:

- a long-term incentive plan or specific long-term incentive plan;
- benefits in kind which are not linked to their duties;
- an employment contract;
- a non-compete indemnity;
- an award of stock-options or free shares.

Modalities for the granting and payment of the compensation (formerly directors' fees) to representatives of the State and Board directors appointed as proposed by the French State

The allocation rules for compensation paid to the Board directors outlined above are applicable to the State representatives and to the Board directors appointed as proposed by the French State.

Pursuant to Ordinance No. 2014-948 of August 20, 2014 and Article 1 of the ministerial order of December 18, 2014, as amended by the ministerial order of January 5, 2018, the following rules apply:

- for Board directors appointed directly by the French State, 100% of the compensation is paid to the French State (Article 5 of the Ordinance);
- for Board directors appointed by the Shareholders' Meeting as proposed by the French State (Article 6 of the Ordinance), there are two separate cases:
 - for public officials of the French State, 100% of the compensation is paid to the State,
 - for those not acting in the capacity of public officials, the payment of the compensation must be shared as follows:
 - 15% paid to the State, and
 - 85% paid directly to the relevant director (with the application of the social and tax charges).

Commitment of the members of the Air France-KLM Board of Directors

On February 16, 2022, in view of the context of crisis linked to the Covid-19 pandemic, the members of the Air France-KLM Board of Directors resolved to reduce by 25% their compensation paid in respect of the 2022 financial year until such time as the Group's Current Operating Income (COI) returns to a positive figure.

2.5.3.2 Compensation of the executive officers in respect of 2022

Based on the recommendation of the Remuneration Committee, the compensation packages of the Chair of the Board of Directors and of the Chief Executive Officer are set by the Board of Directors, pursuant to the provisions of the AFEP-MEDEF Code.

Pursuant to the internal regulations of the Board of Directors, as recommended by the Remuneration Committee, the Board of Directors also approves the compensation of the Chief Executive Officers of the principal subsidiaries (Air France and KLM). Furthermore, the Remuneration Committee makes recommendations to the Chief Executive Officer regarding the compensation of the Group's Chief Financial Officer and reviews the compensation of the members of the KLM Managing Board.

These compensation policies establish the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of any kind awarded, firstly, to the Chair of the Board of Directors and, secondly, to the Chief Executive Officer, as well as their relative significance. All of these elements are detailed in this section in point a. relating to the mandate of the Chair of the Board of Directors and b. relating to the mandate of the Chief Executive Officer, pursuant to the provisions of Articles L. 22-10-8 and R. 22-10-14 of the *Code de Commerce*.

a) 2022 compensation policy for the Chair of the Board of Directors

Ms. Anne-Marie Couderc has been a member of the Air France-KLM Board of Directors since May 19, 2016. Her Board director mandate was renewed during the Shareholders' Meeting of May 26, 2020 for a term of four years, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2023. Ms. Anne-Marie Couderc was appointed Chair of the Board of Directors from May 15, 2018 until May 28, 2021. Her mandate as Chair of the Board of Directors was renewed for two additional years as resolved by the Board of Directors during its meeting of December 4, 2020, subject to the amendment of Article 26 of the Company's Articles of Incorporation increasing the age limit for the exercise of the duties of Chair of the Board of Directors, submitted to the vote by shareholders during the Shareholders' Meeting of May 26, 2021. This amendment having been approved at 99.87%, the mandate of Ms. Anne-Marie Couderc, Chair of the Board of Directors, will expire at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2023. The Chair of the Board of Directors may be dismissed at any time by the Board of Directors. Ms. Anne-Marie Couderc has no employment contract binding her to the Company or another company within the Group.

During its meeting of February 16, 2022, as proposed by the Remuneration Committee, the Board of Directors set the structure of the compensation attributable to the Chair of the Air France-KLM Board of Directors in respect of the 2022 financial year.

— Annual compensation (fixed and variable)

Description of the annual fixed and variable elements

During its meeting of February 16, 2022, as recommended by the Remuneration Committee and in view of the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air-France-KLM which provides that the compensation of the Chair of the Board of Directors may not exceed the fixed portion of her compensation as of December 31, 2019, the Board of Directors decided to set the annual gross fixed compensation for the Chair at €200,000 in respect of her duties. The Chair of the Board of Directors will not benefit from variable or multi-year compensation.

— Annual extraordinary compensation

The Chair of the Board of Directors will not benefit from annual extraordinary compensation.

— Long-term incentive plan or specific long-term incentive plan

The Chair of the Board of Directors will not benefit from a long-term incentive plan or a specific long-term incentive plan.

— Compensation in the capacity of Board director

The Chair of the Board of Directors will not receive compensation in respect of her Board director duties.

— Severance payment

The Chair of the Board of Directors will not benefit from a severance payment.

— Benefits in kind

The Chair of the Board of Directors will dispose of material resources (chauffeur-driven company car) that cannot, in practice, be separated from the performance of her duties.

— Other

The Chair of the Board of Directors will not benefit from an employment contract, nor from a top-up pension plan, non-compete indemnity, stock options or free shares.

b) 2022 compensation policy for the Chief Executive Officer

Mr. Benjamin Smith was appointed Chief Executive Officer as of September 17, 2018 and a Board director as of December 5, 2018. His Board director mandate was submitted for ratification by the shareholders during the Shareholders' Meeting of May 28, 2019 then renewed during this same Shareholders' Meeting 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, 2022. The term of his mandate as Chief Executive Officer is five years. The Chief Executive Officer may, however, be dismissed at any time by the Board of Directors. Mr. Benjamin Smith has no employment contract with the Company or any other company within the Group.

Note that, given the adoption of the new Group governance during 2018, and in view of the profile and international experience of Mr. Benjamin Smith, Chief Executive Officer of Air France-KLM as of September 17, 2018, the Air France-KLM Board of Directors considered it necessary to modify the framework for the compensation of the Group's Chief Executive Officer which had been approved by the Shareholders' Meeting of May 15, 2018 and which had de facto become inapplicable.

Within this context, the Board of Directors had reviewed the compensation practices for similar functions at competitor airline companies internationally and taken into account the compensation paid to Mr. Benjamin Smith in respect of his duties at Air Canada, as well as his residency of Canada which required him to relocate to France.

It is specified that, to determine the elements of compensation for the Chief Executive Officer, the Air France-KLM Board of Directors referred to a sample of compensation in place in comparable international groups.

The structure of the compensation set by the Board of Directors in August 2018 remained unchanged for the 2019 to 2021 financial years. It is also within this framework that the compensation policy has been set for 2022.

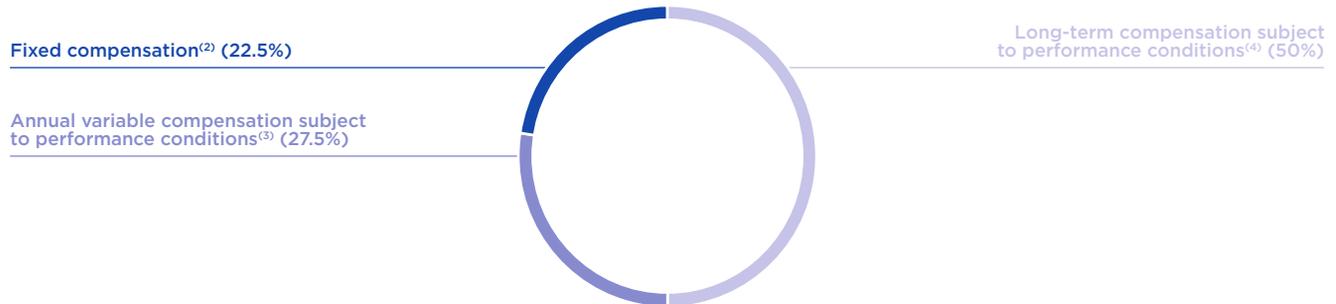
During its meeting of February 16, 2022, as proposed by the Remuneration Committee, the Board of Directors defined the compensation structure for the Chief Executive Officer of Air France-KLM in respect of the 2022 financial year.

The performance criteria linked to the variable compensation within the framework of the 2022 compensation were set pursuant to the Board resolutions of February 16, 2022.

It is specified that, as recommended by the Remuneration Committee, the Board of Directors will be able to use its judgement in determining any variable compensation for the Chief Executive Officer. As a result, the Board of Directors will be able to determine the terms of the variable compensation for the Chief Executive Officer (i) consistent with (a) the performance achieved by the Group and the Group's financial situation at the end of the financial year, (b) the compensation policy applied to the Group's employees, and (c) the protection of the Group's interests and those of its shareholders, and (ii) in compliance with the restrictions on corporate officers' remuneration as set forth in the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM under the Temporary Framework for State Aid measures to support the economy in the current Covid-19 outbreak. Discussions are currently ongoing between Air France-KLM and the European Commission regarding the restrictions on corporate officers' remuneration, and the remuneration policy of the Chief Executive Officer, as regards his variable remuneration, could change based on the outcome of these discussions.

Note however that, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid.

Structure of the compensation for the Chief Executive Officer of Air France-KLM in respect of the 2022 financial year⁽¹⁾



(1) Note however that, pursuant to the European Commission's decision on case No. SA.59913 of April 5, 2021 relating to the recapitalization of Air France and Air France-KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures have been repaid. Discussions are currently under way between Air France-KLM and the European Commission concerning the scope of application of these restrictions.

(2) Amount of €900,000.

(3) 122% of the fixed compensation on achievement of the targets potentially rising to 150% should the targets be exceeded.

(4) A long-term incentive plan conferring the right to the granting of performance shares corresponding to an amount of €2 million.

— **Annual compensation (fixed and variable)**

Description of the annual fixed and variable elements

The Chief Executive Officer will benefit from annual gross fixed compensation of €900,000 and annual gross variable compensation potentially varying between 0% and 122% of the annual gross fixed compensation at targets partially achieved (calculated on a linear basis), and potentially reaching a maximum of 150% in the event the targets are exceeded (calculated on a linear basis). Note that the structure of the annual compensation has been unchanged since 2019.

Note however that, pursuant the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid. Discussions are currently ongoing between Air France-KLM and the European Commission concerning the scope of application of these restrictions.

The performance criteria which were set by the Board of Directors during its meeting of February 16, 2022, are 60% quantitative criteria linked to the Group's financial performance and targets, and 40% qualitative criteria linked to the non-financial targets.

Breakdown of the variable portion

Target: 122% of the fixed compensation **Maximum: 150% of the fixed compensation**

Quantitative financial performance

Air France–KLM comparative Current Operating Income

Reduction in the gap between Air France–KLM's performance and those of IAG and Luftansa Group in 2022, compared with the COI margin in the 2019 financial year

	18%	22.5%
--	-----	-------

Transformation plan impact on cost saving

Comparison between the results of the structural benefits coming from the cost-saving plan, the realization of the reduction in FTEs and the targets already communicated

	36%	45%
--	-----	-----

Capital market equity strengthening

Realization and amount of the equity-strengthening by capital market transactions (excluding transformation of the Shareholder Loan into hybrid convertibles)

	18%	22.5%
--	-----	-------

Qualitative non-financial performance

Societal & Environmental Responsibility (CSR)	12.5%	15%
Human capital	12.5%	15%
Customers	12.5%	15%
Individual & Leadership	12.5%	15%

— Evaluation of the 2022 performance criteria

Quantitative financial performance:

The quantitative performance relative to the financial criteria (comparative Current Operating Income, impact of the

transformation plan on cost savings and cash management, capital market equity strengthening) will be evaluated on the basis of the following rules:

Air France–KLM comparative COI	Performance	% attainment of the criterion
Reduction in the gap between Air France–KLM's performance and those of IAG and Lufthansa Group in 2022	Performance of Air France–KLM > than those of Lufthansa and IAG	Maximum
	Reduction in the performance gap relative to Lufthansa and IAG	Maximum at 50% Proportionate
	Reduction in the performance gap relative to Lufthansa or IAG	50% to 0% Proportionate
	Increase in the performance gap relative to Lufthansa and IAG	0%

Transformation plan impact on cost savings and cash management

% realization of the structural savings relative to the budget	% attainment of the criterion
Level 1. <90% relative to the budget	0%
Level 2. 90% to 100%	0% to 100% Proportionate
Level 3. 100%	100%
Level 4. 100% to 120%	100% to maximum Proportionate
Level 5. >120% of the amount set in the budget	Maximum

Capital market equity strengthening

Realization and % of the amount of contributions in equity and quasi-equity (excluding transformation of the Shareholder Loan into a hybrid convertible) relative to the target value	Targets in % of the target value
Level 1. No capital increase	0%
Level 2. Below the target value	0 to 100% Proportionate
Level 3. Target	100%
Level 4. Above target and less than 140% of the amount set in the budget	100% to maximum Proportionate
Level 5. >140% of the amount set in the budget	Maximum

Qualitative non-financial performance:

The qualitative performance relative to the non-financial criteria (*CSR & People, Customers, Individual & Leadership*) will be evaluated on the basis of the following rules:

Societal & Environmental Responsibility (CSR)	The evaluation will cover the actions and results of the Societal & Environmental Responsibility commitment, notably in the light of the following priority: <ul style="list-style-type: none"> – Engage in the initiatives appropriate to remaining on the trajectory of the 2030 environmental road map
Human Capital	The evaluation will cover the actions and results on Human Capital, notably in the light of the following priorities: <ul style="list-style-type: none"> – Improvement in the staff engagement score and the Group’s attractiveness: position of the airlines in the rankings of the best places to work; – Diversity on the 10% of managers at the highest level of responsibility
Customers	The evaluation will review the actions and results on customer engagement, notably in the light of the following fundamental priorities: <ul style="list-style-type: none"> – Improvement in the NPS vs 2021; – Realization of the flight schedule + reliability and punctuality.
Individual & Leadership	The evaluation will review the actions and results, notably in the light of the following fundamental priorities: <ol style="list-style-type: none"> 1) Crisis management leadership: execution of the transformation plan while maintaining the trust and commitment of all the stakeholders (employees, customers, Works Council, shareholders, government); 2) Post-crisis management leadership: anticipation of the key business initiatives to remodel the offer and plan the post-crisis orientations.

Societal & Environmental Responsibility

Performance	Percentage granted
Significantly below target	0%
Target attained	100%
Significantly above target	Maximum

Human capital

Performance	Percentage granted
Significantly below target	0%
Target attained	100%
Significantly above target	Maximum

Customers

Performance	Percentage granted
Significantly below target	0%
Target attained	100%
Significantly above target	Maximum

Individual & Leadership

Performance	Percentage granted
Subject to the evaluation of the Board of Directors	0% to Maximum

As necessary and in any case, any extraordinary compensation would be subject to approval by the Shareholders' Meeting in the year during which the Board of Directors may decide to grant any such compensation, in application of Article L. 22-10-8 of the *Code de Commerce* (ex ante vote), and the year of its payment, in application of Article L. 22-10.34 of the *Code de Commerce* (ex post vote).

— **Long-term compensation**

The compensation policy for the Chief Executive Officer is predominantly composed of long-term variable elements to align the compensation with the Group's performance on a long-term perspective, thereby contributing to the Company's strategy and long-term sustainability.

These elements of compensation correspond to a long-term plan subject to the achievement of demanding performance conditions evaluated over a three-year period and covering the interests of the Group, its employees and shareholders. Note that the vesting and payment of these elements of compensation will only take place at the end of this three-year period.

Note however that, pursuant to the European Commission's decision of April 5, 2021 on case No. SA.59913 relating to the recapitalization of Air France and Air France-KLM, no variable compensation may be paid to the Chief Executive Officer until such time as at least 75% of the recapitalization measures has been repaid. Discussions are currently ongoing between Air France-KLM and the European Commission concerning the scope of application of these restrictions.

Long-term compensation scheme for Air France-KLM



c) Long-term incentive plan

The Group plans to launch targeted strategic actions aimed at improving the medium and long-term operational performance, into line with the best international airline standards, while taking into account the environmental and societal issues linked to its growth. Accordingly, a new long-term incentive plan applicable to the Chief Executive Officer and to a number of the Group's other managers and employees has been established pursuant to the resolutions of the Board of Directors of February 16, 2022.

In respect of this plan, the Chief Executive Officer is thus granted performance units on an annual basis corresponding to an amount of €2 million, payable in shares at the end of a three-year vesting period following the grant, subject to the attainment of

specific performance conditions, evaluated over the whole of this period, and with a maximum of 100% over three years. The payment of the performance units is also subject to a three-year presence condition, except in the event of death or disability (without performance conditions), or retirement departure or in some cases of forced termination (the performance conditions remaining applicable). It is specified that one performance unit will confer the right to one Air France-KLM share.

The number of performance units granted each year is calculated with reference to the Air France-KLM opening share price on April 1 of the grant year. The payment of these performance units (subject to performance and presence conditions) is made in Air France-KLM shares (one performance unit conferring the right to one share). The Board of Directors reserves the

option, instead of the granting of units, to grant an equivalent number of performance shares with the same performance and presence conditions.

At its meeting of February 16, 2022, the Board of Directors thus set demanding performance conditions for the evaluation, as necessary, of the Chief Executive Officer's long-term performance for the eventual grant of any such extraordinary compensation.

	Performance	Definitive vesting of a % of the grant with a maximum of 100% over 3 years
1. Net debt/EBITDA (25%)	Level 3. 130%	130%
	Level 2. 70% to 130%	0 to 130%
	Proportionate	Proportionate
	Level 1. < 70%	0%
2. AF-KLM relative COI (25%) Reduction in the gap in Air France - KLM's performance relative to those of IAG and Lufthansa Group over 3 years (2022, 2023, 2024)	Air France - KLM performance > that of Lufthansa and IAG	100%
	Reduction in the gap relative to Lufthansa and IAG	Maximum
	Reduction in the gap relative to Lufthansa or IAG	100% to 50%
	Increase in the gap relative to Lufthansa and IAG	Proportionate
3. Relative share performance (TSR) TSR relative to IAG and Lufthansa (2022, 2023, 2024)	Position 1	50% to 0%
	Position 2	Proportionate
	Position 3	0%
4. CSR performance targets (30%)		See the evaluation rules below

The CSR performance criteria within the framework of the long-term incentive plan are as follows:

	Indicators	Targets
Environment	1. Reduce CO ₂ emissions (gCO ₂ /passenger/km, including the market measures)	Long-term target of a 50% reduction over the 2005-2030 period: to be evaluated annually and reported in the sustainable development report/verified annually whether on track to achieve the target
Employees	2. Reinforce diversity	Improve the 2024 EPS score relative to 2021 and achievement of a target of 28% women in the Group Executive Committee.
Customers	3. Reinforce customer satisfaction	Improve the 2024 NPS score relative to 2021.

These criteria are evaluated in the following manner:

Criteria	Performance	Percentage grant
Evaluation of each individual criterion	Significantly above target	Max (100%)
	Target achieved	50%
	Significantly below target	0%

The number of performance units granted in 2022 will be calculated with reference to the Air France-KLM opening share price on April 1, 2022. Payment of these performance units (subject to performance and presence conditions) will be made in Air France-KLM shares (one performance unit conferring the right to one share).

It is stipulated that the Chief Executive Officer has not used and has given a formal undertaking not to use risk hedging transactions within the framework of this plan until payment of the performance units.

d) 2018, 2019, 2020 and 2021 long-term incentive plans

In 2022, the Chief Executive Officer will continue to benefit from the specific long-term incentive plans granted in 2018, 2019, 2020 and 2021, with an option to defer payment of these performance units for a maximum of three years (already exercised for the 2018 and 2019 plans).

e) Severance payment and benefits in kind

The Chief Executive Officer will continue to benefit from the severance payment granted by the Board of Directors in its meeting of August 16, 2018, as approved by the Shareholders' Meeting of May 28, 2019.

During its meeting of August 16, 2018, the Board of Directors authorized the granting to the Chief Executive Officer of a severance payment in some instances of forced termination, including dismissal, non-renewal of his mandate as Chief Executive Officer or resignation following a change of control (other than in relation to a gross misconduct). It is specified that the

instance of forced termination enabling the implementation of this severance pay excludes any situation of serious misconduct on the part of the Chief Executive Officer.

In accordance with the recommendations of the AFEP-MEDEF Code, the basis of the severance payment is equivalent to two years of his annual fixed and variable compensation (based on specific calculation methods referring, as applicable, to the target variable in the event of a termination during the first 24 months).

A coefficient (between 0 and 100% inclusive) will be applied to the basis of the severance payment based on the performance of the interested party with reference to the level of the achievement of the performance criteria relating to the annual variable component of his compensation over the two last financial years of his mandate (or since his appointment, in the event of termination during the first 24 months). The Board of Air France-KLM will be responsible for evaluating the achievement of these performance criteria.

The Chief Executive Officer will also benefit from the usual benefits in kind (chauffeur-driven company car, supplementary pension scheme benefiting all Group employees, supplementary health insurance and disability coverage, provision of free airline tickets, Group CEO civil liability insurance - D&O) and benefits consistent with policies applied within the Group for senior manager expatriation and mobility.

f) Other

The Chief Executive Officer will not benefit from an employment contract, nor from a top-up pension scheme, non-compete indemnity, stock options or free shares.