

**Framework agreement regarding the Outstation and
Commercial organisations in Europe**
April 2016- June 2018

Area Europe & North Africa Management, part of the division International & the Netherlands Air France KLM (herein after called Area Management) and the Air France KLM European Works Council (herein after called EWC),

Considering that,

- a. Air France and KLM's governance and business structures are as such to realize synergies and improve its position against competitors,
- b. Air France and KLM find themselves in a financially challenging time, need to control costs very closely and protect their cash position to stay economically viable,
- c. The worldwide technology developments are heavily influencing customer behaviour in the airline industry,
- d. These technology developments are being adopted in Air France KLM's types of services and products, moving more and more to e-based tools and systems. Air France KLM needs flexibility to match this moving environment,
- e. These technology developments and internal adaptations can be considered as an ongoing development and have caused and will cause changes in the traditional role of the European Outstation and Commercial organisations and will - differing per country in speed and penetration level - gradually impact the activity at the Outstation and Commercial organisations,
- f. The EWC being a body set up to foster social dialogue and cohesion among employees within the European Union and European Economic Area, shall be informed and consulted on issues concerning the group and within its parameters with a particular interest on the development of employment,
- g. Area Management acknowledges the role of the EWC as a representative of the personnel in Europe,
- h. Area Management and the EWC both recognize the need to make a clarifying framework on defining the processes and different roles for the Outstation and Commercial organisations in Europe,
- i. France and The Netherlands are out of scope of this framework,

Declare that, in view of the above mentioned considerations, the following framework agreement is applicable.

1. Basic assumptions

Taking the above considerations into account:

- 1.1 The EWC recognizes the need of Area Management to:
 - a) adapt to the competitive and economic environment, anticipate the technology developments and monitor the impact of this ongoing evolutions by proactively and structurally adjusting the Outstation and Commercial organisations activities within Europe
 - b) Further embed the vision on showing "one face to the customer", by having a common approach, integrated in the Air France KLM and partners' Outstation and Commercial facilities in Europe.
- 1.2 Both parties understand that the adjustments at the European Outstation and Commercial organisations activities and their staff situation have to be executed with full orientation on all options available, leading to the most — by socially, economically and operationally viable solution.
- 1.3 Area Management (re)confirms that they, in case of any future decision taking, which will have (direct) and /or important consequences for the European Outstation and Commercial organisations in the social, economic and/or financial field, will inform the

EWC transparently and concurrently with the local councils, unions and/or other workers representatives. This agreement will not infringe on the rights of local councils or other workers representatives.

- 1.4 Both parties consider this framework in line with the EWC protocol, though the latter will remain the leading document in case of any discrepancies. In case of a more general decision made by the Air France KLM Group's central management touching the subject of this framework, this agreement will be terminated and at the same time the consultation process will start.
- 1.5 Both parties understand that consequences resulting from internal strategic developments (like changes in network schedules) or external forces (like moves of terminals or local authority's regulations) are out of the scope of this agreement and the specific position of the EWC will be determined in line with the EWC protocol.

2. Process agreements

- 2.1 Area Management is steering the Outstation and Commercial organisations by the request of anticipating the future, understanding and respecting each country's specifics and local circumstances. This approach is part of daily business; hence the EWC will be informed only in case of any anticipated or relevant change.
- 2.2 Both parties have agreed that local studies on all functions of the European Outstation and Commercial Organisations activities and their staff situation are executed under local management discretion.
- 2.3 Consultation - if applicable on the parameters, processes and decisions remain with local social partners. Local management will cooperate closely with Area Management on the findings of the studies and their consequences.
- 2.4 Area Management will subsequently inform the EWC in a timely and transparently on the studies of interest, their intended decision and their consequences.
- 2.5 Area Management will offer the EWC the opportunity to address concerns in advance (no less than 5 working days) of the implementation of a change and, if necessary, of forwarding such information to the local establishments.
- 2.6 The scope of finding solutions for staff affected by changes within the European Outstation and Commercial organisations contains in order of preferred application and following legal requirements:
 - 2.6.1 Natural staff evolutions
 - 2.6.2 Offering part-time work, unpaid leave etc
 - 2.6.3 Redeployment (a priority will be given to affected staff) -taking European mobility into consideration- Company continuous services for flight benefits to be kept
 - 2.6.4 Training and professional development support
 - 2.6.5 Voluntary leave packages
 - 2.6.6 Transfer of undertaking to a new provider
- 2.7 In case of further developments affecting staff:
 - Area Management is committed to monitor and share with the Select Committee the solutions envisaged,
 - EWC members are committed to monitor and share with the Select Committee the solutions envisaged.

When applicable, the application of this agreement will be discussed during Select Committee meetings.

2.8 In the eventuality that no solutions are found within the possibilities mentioned in 2.6, Air France KLM will:

- Act in coherence with at least the minimum local legal requirements and applicable local CLA or existing HR rules (In the case there is no CLA applicable and/or there is no legal representative body, the local EWC member will be the interlocutor, without role of negotiation).
- Offer an outplacement solution to the impacted staff
- Inform the EWC in a timely manner and offered the opportunity to express an opinion on the proposed decision.

2.9 Area Management is committed to protect employment of permanent contracted staff, but also needs employee flexibility to maximise internal redeployment options

3. Duration of framework agreement and use

This framework agreement will end on the 1st of June 2018. Changes in this framework can only be made by mutual agreement and will only be effective after a written and signed revised document.

This framework is considered as a reference document for all involved with European Outstation and Commercial organizations activities and their staff.

4. Evaluation

The effectiveness of the framework will be part of the agenda of a select committee or plenary meeting of the EWC. Attention will be given to:

- Timely and transparent information processing from Area Management to EWC and vice versa
- Situation of staff and eventual necessary solutions found in case of change
- Timelines and action plans for local decisions
- Communication flows to and from the social partners
- Any other element of interest suggested by one of the parties

As by both parties, in twofold created and signed in .. *Body* .. on .. *5th december 2016* ..

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With acknowledgement on the content and its effect,



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