

Framework agreement regarding the Outstations in Europe

Area Europe & North Africa Management, part of the division International & the Netherlands Air France / KLM (herein after called Area Management) and the European Works Council Air France / KLM (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 world wide 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 Outstations and will -differing per country in speed and penetration level- gradually modify or reduce the activity at the Outstations,
- 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 Outstations 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 Outstations 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' Outstations facilities in Europe.
- 1.2 Both parties understand that the adjustments at the European Outstations activities and their staff situation have to be executed with full orientation on all options available, leading to the most -by customers preferred-, 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

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Outstations 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 Outstations 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 (airport) 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 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 Outstations 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-
 - 2.6.4 Training and support in new jobs
 - 2.6.5 Voluntary leave packages
 - 2.6.6 Transfer of undertaking to a new provider
- 2.7 Area Management is committed to monitor and share with the EWC the solutions envisaged in case of further developments affecting staff.

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2.8 In the eventuality that no solutions are found within the possibilities mentioned in 2.6, the EWC will be informed 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 April 2013**. 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 may be considered as a reference document for all involved with European Outstations activities and their staff.

4 Evaluation

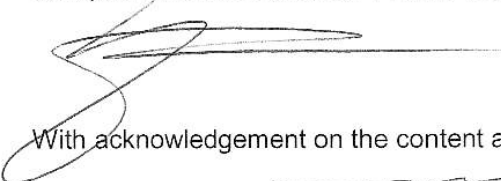
The effectiveness of the framework and the aligned use in local studies will be evaluated and the European Outstation evaluation will be part of the agenda of a select committee or plenary meeting of the EWC. Attention will be given to


- 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 Roissy on November 29th 2011

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With acknowledgement on the content and its effect,


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