

Unofficial translation

Framework agreement on sales agencies in airports (ATOs) in Europe between, on the one hand, the management of CDL Europe/North Africa and, on the other, the European Group Council

The management of CDL Europe/North Africa, integral part of the International & Netherlands division of Air France/KLM (hereunder “CDL management”) and the European Group Council of Air France/KLM (hereunder CGE), considering that

- a. the governance and corporate structure of Air France/KLM allow for the achievement of synergies tending to the improvement of its position vis-à-vis its rivals,
- b. Air France/KLM, going through a difficult economic situation, needs to monitor costs strictly and thus preserve its financial situation in order to remain economically viable,
- c. the global development of new technologies deeply influences the behavior of customers in the airline industry,
- d. these technological developments are gradually implemented within Air France/KLM structures, with consequences on the type of services and products, increasingly based on electronic tools and systems,
- e. these technological developments, as well as Air France/KLM’s internal adjustments, can be considered as continuous evolution during which the traditional role of ATOs will change, though at a different pace from one country to the other. This change will lead to a gradual decline in ATOs’ operations,
- f. the European Group Council, as a structure created to facilitate social dialogue and cohesion for employees within the European Union and the European Economic Area, shall be informed and consulted about matters related to the group, including, notably, the development of employment,
- g. CDL management, acknowledging the role of the European Group Council as employee representative in Europe,
- h. CDL management and the European Group Council jointly acknowledging the need to clarify the framework of discussions about the role of ATOs and procedures concerned,

declare that, given the previous considerations, the following framework agreement shall be applicable.

1 BASIC HYPOTHESIS

Taking the above considerations into account,

1.1. The CGE recognizes the need for CDL management to:

- a. Anticipate technological developments and monitor their impact via active and structural surveying and surveillance of the operations of ATOs in Europe,
- b. Implement the concept of “One customer, one voice,” with a common approach within Air France/KLM and partner ATOs in Europe,

- 1.2 Both parties (CDL management and the CGE) agree that surveys on ATOs' operations and the situation of the employees concerned should be carried out while being open to all possible options, leading to the solution best fitted to the expectations of our customers and economically, socially and operationally viable.
- 1.3 CDL management (re)assesses that it will inform the CGE, in a manner that is transparent and simultaneously with Works Councils, trade unions and other employee representatives, of any future decision having a (direct) impact and/or substantial consequences on ATOs of call in the social, economic and/or financial fields. Nevertheless, the agreement shall not conflict with the rights of the local works councils or of other social partners.
- 1.4 Both parties (CDL management and the CGE) consider that this framework agreement complies with the CGE agreement. Nevertheless, the CGE agreement shall take precedence in case of litigation. In the event of a general decision made by the Central Management of Air France/KLM Group having an impact on the substance of this framework agreement, the latter shall be terminated and the consultation procedure shall begin.
- 1.5 Both parties (CDL management and the CGE) agree that the consequences of internal evolutions (e.g. changing the time of flights) or external evolutions (e.g. moving airport terminals or local government regulations) should not be included within the framework of this agreement, and that, in that case, the special place of the CGE shall be determined in accordance with the CGE agreement.

2. PROCEDURE AGREEMENTS

2.1. CDL management leads the organization of stops, with the intention of anticipating the future and the need to understand and comply with the local environment in each country. This approach is part of daily business operations; thus, the CGE shall only be informed in the event of substantial structural changes.

2.2. Both parties (CDL management and the CGE) agree that local surveys on the operations of ATOs and the situation of the employees concerned should be carried out under the authority of the local management, applying the following criteria, where they apply, in a non-restrictive manner:

2.2.1. The nature of ATOs' operations.

- a. Trade notes produced.
- b. Non-trade notes produced for employees.
- c. Reissuing the notes.
- d. Excess luggage documents.
- e. Refunding
- f. Compensation for involuntary landing.

2.2.2. Sales evolution (notes and excess luggage).

2.2.3. Quality and volume of services offered to customers (reissuing and managing voluntary or involuntary operating irregularities).

2.2.4. Development of new paying services (e.g. Economy Comfort, 2nd luggage...).

2.2.5. Evolution of e-services (use of CUSS).

2.2.6. Centralization of some current ATO operations.

2.2.7. Number of employees involved / ability to find replacement solutions for employees.

2.2.8. Quality, reliability and availability of other service providers, including partners.

2.2.9. Impact on operational efficiency.

2.2.10. Customer satisfaction.

2.3. Consultation on the parameters, procedures and decisions is still the competence of the local social partners. Local management will work in close cooperation with CDL management on the outcome and impact of these surveys.

2.4. CDL management shall then inform the CGE as soon as possible and in a completely transparent manner of the outcome of opportunity surveys, as well as of the desired decision and of its consequences.

2.5. CDL management shall give the CGE the opportunity to look into the implementation of the changes early and, where appropriate, forward information to the delegations.

2.6. The solutions that may be offered to employees affected by changes to ATOs shall comply with local statutory obligations. They will be as follows, in order of preference:

2.6.1. Natural attrition of employment,

2.6.2. Part-time job offer, unpaid leave, etc,

2.6.3. Professional and geographical mobility within the Group (priority will be given to the employees concerned) – taking account of international mobility in Europe,

2.6.4. Training and assistance for employees appointed to new positions,

2.6.5. Voluntary leaves,

2.6.6. Transfer toward a new provider.

2.7. CDL management commits itself to monitoring and sharing with the CGE possible solutions in case of evolutions affecting the employees.

2.8. When no solution is reached after appealing to the possibilities mentioned in article 2.6., the CGE shall be informed as quickly as possible and is invited to give an opinion on the planned decision.

2.9. In the event that, within 6 months following the signature of this framework agreement, more than 7 current ATOs are closed or contracted out to a third company, the CGE shall have the right to consider this matter a strategic issue and therefore subject to consultation.

2.10. CDL management commits itself to protecting the permanent employment of the workforce, but is also in need of flexible employment in order to implement and optimize internal redeployment solutions.

3 DURATION AND USE OF THE FRAMEWORK AGREEMENT

This framework agreement is valid until April 1, 2012. Amending this agreement will only be possible if both parties agree, and will only apply after the written amendment of the document, duly signed.

This agreement may be considered as a reference document for ATOs whose operations and employees are concerned.

4 EVALUATION

The effectiveness and use of this agreement in local surveys will be monitored; the evaluation of ATOs will be on the order of the day of a CGE's Bureau or Plenary meeting. Emphasis will be put on:

- Rapid and transparent communication on both sides between CDL management and the CGE.
- The effective use of the aforementioned non-restrictive applicable parameters.
- The situation of the employees concerned and possible necessary solutions in the event of changes.
- Schedules and action plans for local decisions.
- Communication flow between the social partners.
- Any other substantial elements pointed out by either party.

In the presence of both parties, both copies signed in Roissy on March 31, 2010

Mr. Pierre Descazeaux
Director CDL Europe and North Africa
Air France/KLM

Mr. François Cabrera
CGE General Secretary
Air France/KLM

Acknowledging the content and effect of the agreement,

Mr. Wim Kooijman
President of the European Group Council